



## PRACTICES GUIDE

### STAGE GATE REVIEWS

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## Document Purpose

This Practices Guide is a brief document that provides an overview describing the best practices, activities, attributes, and related templates, tools, information, and key terminology of industry-leading Stage Gate Review practices and their accompanying tools. This document provides guidelines for the execution of stage gate reviews.

## Background

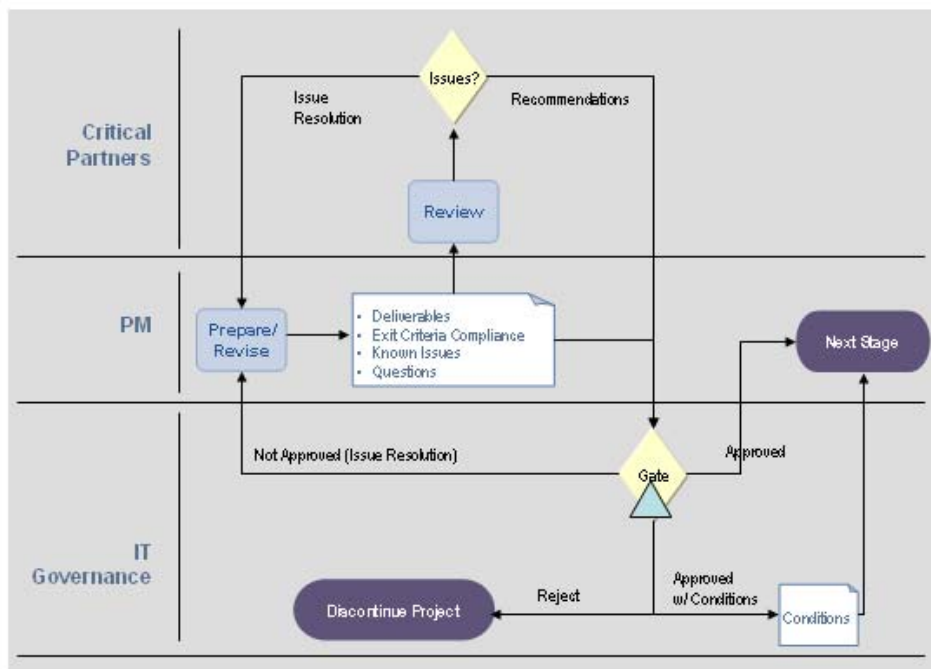
The Department of Health and Human Services (HHS) Enterprise Performance Life Cycle (EPLC) is a framework to enhance Information Technology (IT) governance through rigorous application of sound investment and Project Management principles and industry best practices. The EPLC provides the context for the governance process and describes interdependencies between its project management, investment management, and capital planning components. The EPLC framework establishes an environment in which HHS IT investments and projects may consistently achieve successful outcomes that align with Department and Operating Division goals and objectives.

A Stage Gate Review is a phase-driven go/no-go decision point where EPLC activities are reviewed to assure that appropriate OMB and HHS requirements are observed. A project cannot proceed without a "go" decision by the appropriate senior management for a specific stage gate.

Each Stage Gate Review is an independent confirmation by the Stage Gate Review Team (including relevant critical partners) to the IT Governance organization or delegated authority that all required project reviews have been successfully conducted. It checks that the project manager (PM) has satisfactorily produced all the required deliverables and adequately met all exit criteria for a given EPLC phase to permit advancement to the next phase. The emphasis of the Stage Gate Review is on:

- The successful accomplishment of phase objectives;
- The plans for the next life cycle phase; and
- The risks associated with moving into the next life cycle phase.

The results of the Stage Gate Review Team's assessment are provided with recommended action to the IT Governance organization or delegated authority for decision. Exhibit 1 illustrates the Stage Gate Review process.

**Exhibit 1 – Stage Gate Review Process****Practice Overview**

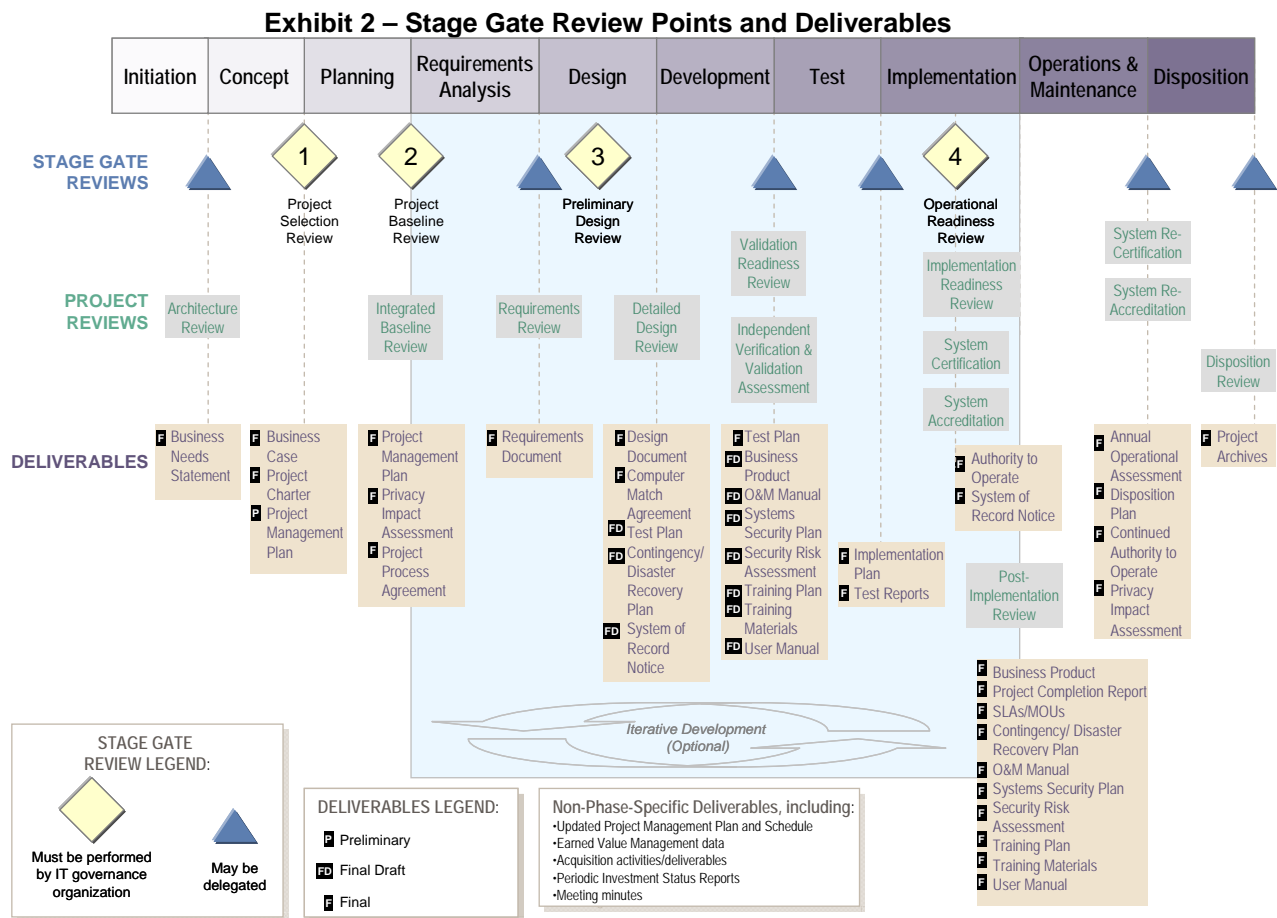
The Stage Gate Review is the evaluation process by which a project is authorized to progress from one life cycle phase to the next. It is a collaborative practice in which all participants play an important role in assessing the project's overall health and quality of execution to empower the IT Governance organization or delegated authority to make an informed decision as to whether the project is ready to enter the next phase of its lifecycle and receive further resource commitments. It provides the PM and the Business Owner the benefit of having an independent body review the project.

This section summarizes a standardized approach to conducting a Stage Gate Review. Given that each project, product, and investment is different, the intent of each Stage Gate Review will slightly vary. Regardless of what form the review takes, it must adhere to the approved level of project tailoring as defined in the Project Process Agreement deliverable.

Stage Gate Reviews have a common set of components which include:

- **Inputs:** These are the deliverables associated with the phase under review; the results/findings of any related programmatic and project reviews (e.g., Architecture Review, Independent Baseline Reviews, Audits, Cost and Schedule Reporting; Re-baseline Request); the results of corrective actions associated with any previous stages; and updates to any previously reviewed deliverables. [Note that prior deliverables (e.g., Project Process Agreement, Project Management Plan, and Business Case) should be available for reference upon request to provide further context to the Stage Gate Review Team.]
- **Exit Criteria:** The HHS EPLC Framework defines exit criteria for each stage gate and provides guidance on the critical factors associated with the subject Stage Gate Review. These criteria are the questions or guidelines against which the project will be evaluated in order to make a recommendation (i.e., Approve, Conditionally Approve, or Not Approved).
- **Review Process:** The Stage Gate Review Team reviews the deliverables and selected documentation based on the criteria above. The review may include a panel discussion between the Stage Gate Review Team and project teams which offer the project team an opportunity for dialogue and to respond to additional questions from the review team.
- **Outputs:** These are the results of the Stage Gate Review. This should include a recommendation to the IT Governance organization or delegated authority with supporting documentation/justification. Other outputs may include requirements for the submission of a corrective plan of action and milestones to address issues in the event of a conditional approval to proceed to the next phase.

With the exception of four Stage Gate Reviews that must be conducted by the IT Governance organization or delegated authority (indicated in yellow diamonds in Exhibit 2) the IT Governance organization may delegate the Stage Gate Reviews to the PM if appropriate due to such factors as size of investment, level of technical risk, complexity, and importance to the HHS/OPDIV mission. Any planned tailoring of the Stage Gate Review guidelines identified in the EPLC Framework and associated policy must be documented in the Project Process Agreement deliverable and approved by the IT Governance organization.

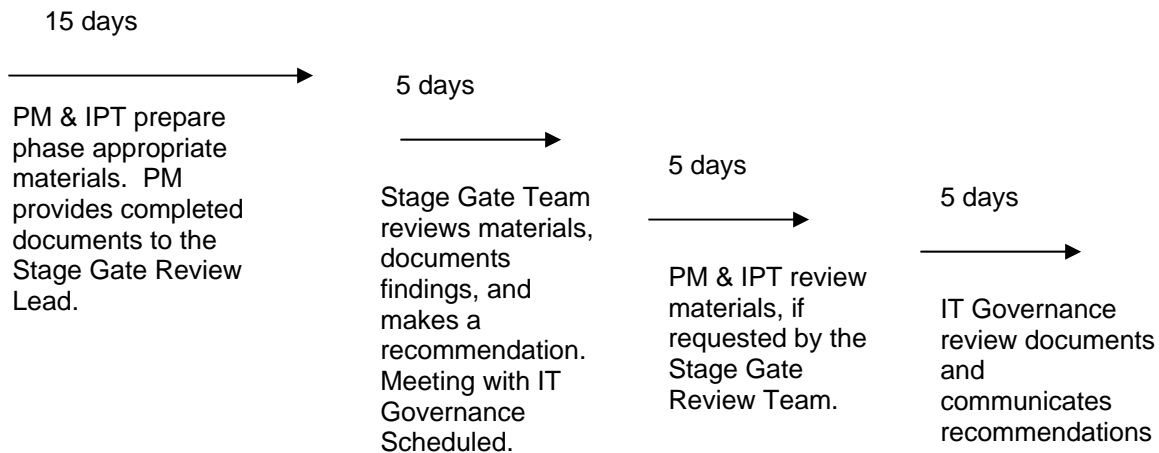


## Best Practices

The Stage Gate Review practice is closely modeled after the original stage gate process proposed by Cooper<sup>1</sup> and proven independent baseline review models. When implemented properly, the stage gate process accelerates the speed to market, increases the likelihood of success, reduces risk, and achieves efficient and effective allocation of resources. Best practices include:

- **Clearly defined roles and responsibilities:** Define roles and responsibilities so that participants are clear about expectations and the overall process.
- **Stage Gate Review preparation:** Prior to attending a Stage Gate Review meeting, all in attendance must have reviewed all pertinent documentation and have a good understanding of the project and its performance; the business context in which it is operating; and the exit criteria for the subject stage gate. Members of the Stage Gate Review team should also be familiar with any evaluation review forms/templates that will be used to document findings and support team decision processes. **Please Note:** The Project Manager should consider the lead time necessary for the team to review all of the deliverables. This will vary depending on the complexity, size and scope of the project. All of the preparation tasks should be included in the Project Schedule and the Phase Gate Review should be included as a milestone. Below is a suggested timeline.

<sup>1</sup> Cooper, R.G., *Winning at New Products: Accelerating the Process from Idea to Launch* 2<sup>nd</sup> Edition. 1993, New York: Addison-Wesley Publishing Co.



- Stage Gate Review coordination and facilitation: A single individual should be responsible for planning, scheduling, organizing, and leading the Stage Gate Review process. By default this would be the CPIC Critical Partner unless otherwise stated. Once the PM has contacted the Stage Gate Review Lead, it is the responsibility of the Stage Gate Review Lead to make arrangements for the meeting and communicate with other participants. Further, before the Stage Gate Review meeting is concluded the lead should ensure that the Stage Gate Review Team has achieved its purpose and agreed upon next steps.
- Document, post, and share preliminary findings with the project team: Upon completion of the Stage Gate Review meeting and prior to final submission of findings to the IT Governance organization or delegated authority, Stage Gate Review findings should be shared with the Business Owner and project team to ensure a mutual understanding of the results of the Stage Gate Review and next steps as it pertains to the governance cycle. It also provides the Business Owner and project team with visibility into what will be presented to the IT Governance organization or delegated authority.

A clear and concise decision comes from the IT Governance organization or delegated authority Stage Gate Review outputs must be clearly documented and communicated. Outputs include a decision (i.e., approved, conditionally approved, or not approved) and a clear path forward. A plan of action and milestones for corrective action if required should be defined along with a clear understanding of the oversight process that will be followed to ensure that the conditions are met.

## Practice Activities

Any given Stage Gate Review cycle should consist of the following activities as depicted in Exhibit 1:

- PM in collaboration with IPT prepare and review the required deliverables. The PM and IPT ensure that all deliverables are complete, accurate, and adequate to pass all mandatory exit criteria for the stage gate.
- For the Stage Gate reviews, the PM contacts the Stage Gate Review Lead (e.g., CPIC Critical Partner) well in advance to request initiation of the stage gate process. The PM provides the Stage Gate Review Lead with all of the stage relevant deliverables.
- Stage Gate Review Lead schedules a Stage Gate Review meeting with the Stage Gate Review Team (Critical Partners), including relevant critical partners, and collects/ distributes the appropriate documentation (e.g., inputs to the process) required for the review. The Stage Gate Review Lead should be clear in identifying the purpose of this particular review and identifying the subject project.
- Stage Gate Review Lead contacts the IT Governance organization or delegated authority to alert them that a Stage Gate Review meeting has been scheduled and provides all relevant documentation prior to the meeting. Lead time for the meeting may vary based on the number of deliverables to be discussed and evaluated.
- The Stage Gate Review Team reviews the materials, completes their individual evaluations using provided templates and submits them to the Stage Gate Review Lead prior to the Stage Gate Review Meeting for compilation of the findings and observations. The Stage Gate Review Team Lead distributes compiled findings back to the team.
- The, Stage Gate Review Lead facilitates the Stage Gate Review meeting. The Stage Gate Review Team (including critical partners) presents their findings and discusses their concerns with the

Business Owner and PM. Based on the discussion, the Team will provide a recommendation to the IT Governance Board which will be documented in meeting minutes.

- The Stage Gate Review Lead or his/her designated representative should formally document the team's findings/recommendation and share a draft with the Business Owner and PM to ensure a common understanding.
- If the Stage Gate review finds too many outstanding issues, the Stage Gate Review Lead, at their discretion, may meet with the PM and request that deliverables be revised and/or resolved Prior to the decision meeting, the outstanding issues. This activity may continue until the Stage Gate Review Team, Business Owner and PM are satisfied that significant issues are resolved.
- The Stage Gate Review Lead should present the Stage Gate Review Team's findings and a recommendation to the IT Governance organization or delegated authority for decision.
- Based on the decision, the PM may be required to submit a plan and take corrective action before proceeding. The entire Stage Gate Review Team or just certain members may be involved with monitoring corrective action and approving completion to allow the project to advance to the next gate. These requirements and associated process must be defined by the governing body (or its designated representative) at the point a Stage Gate Review decision is made.

All of the review materials should be stored in the project library.

Stage Gate activities summarized above may vary depending on the degree of tailoring documented in the project's approved Project Process Agreement. In instances where the IT Governance organization delegates the conduct of Stage Gate Reviews to the PM, he/she is responsible for following the process as outlined in the EPLC Framework, then document and communicates any approved tailored processes to all participants.

## Roles

The matrix below describes the roles in the Stage Gate Review process.

Function	Role
IT Governance Organization or delegated authority	<ul style="list-style-type: none"> <li>• Decision authority to pass the project to the next phase.</li> <li>• Reviews recommendations from the Stage Gate Review Team at designated points of the EPLC.</li> <li>• Defines standard for remediation passage.</li> </ul>
Project Manager	<ul style="list-style-type: none"> <li>• Certifies that the project is prepared for the Stage Gate Review.</li> <li>• Requests scheduling from the appropriate Stage Gate Review Lead.</li> <li>• Provides deliverables to the Stage Gate Review Lead.</li> </ul>
Stage Gate Review Lead (CPIC Critical Partner)	<ul style="list-style-type: none"> <li>• Makes arrangements for the Stage Gate meeting and communicates the schedule with other participants.</li> <li>• Collects/ distributes the appropriate documentation.</li> <li>• Ensures that the Stage Gate Review Team has achieved its purpose and agreed upon next steps.</li> <li>• Facilitates the Stage Gate Review meeting.</li> <li>• Contacts the IT Governance organization or delegated authority regarding scheduled Stage Gate Review meeting.</li> <li>• Presents the Stage Gate Review Team's findings and a recommendation to the IT Governance organization or delegated authority for decision.</li> </ul>
Stage Gate Review Team Member	<ul style="list-style-type: none"> <li>• Stage Gate Review Team consists of the Business Owner and stage appropriate Critical Partners and Stakeholders.</li> <li>• Complete Stage Gate Review evaluations using provided templates and submit them to the Stage Gate Review Lead in advance of the Stage Gate Review Team meeting for compilation and distribution.</li> <li>• Participates in the Stage Gate Review meeting at the end of each project phase.</li> <li>• Monitors corrective action and approving completion to allow the project to advance to the next gate.</li> </ul>