

Buy vs. Build & Project Management Office Implementation - Mission Critical Claims System Solution

Edgewater leads major dental benefits provider in a build vs. buy decision for a mission critical claims system followed by the execution of a Project Management Office (PMO) strategy to lead the implementation of the purchased and enhanced system.

Edgewater Technology:

- Enabled the organization to gain an independent perspective on their pre-existing project efforts;
- Executed a full buy-vs-build analysis focused on claims processing, allowing the client to make a clear decision; and
- Introduced and implemented a PMO to implement the solution chosen.

Buy and enhance decision enabled benefits provider to improve an established system using offshore development, while concentrating on overall project management, data conversion and quality assurance (QA) of the final product. Implementation risk decreased while client satisfaction with the project management process was restored.

Edgewater Technology's role:

- Provided evaluation of pre-existing build development efforts;
- Led the buy evaluation, narrowing the choices to four vendors and providing a framework for comparative evaluations;
- Overall development and management of project plan via an on-site project manager leading a PMO management effort including:
 - Data conversion which was key to a successful implementation;
 - Overall QA activities insuring a quality product was delivered;
 - Coordination of off-site development staff via daily conference calls and weekly management meetings; and
 - Monitored deliverables utilizing an agile approach to control risk and insure overall project success.

Customer Focus:

Headquartered in the Northeast, this not-for-profit dental benefits provider organization covers more than one million members. It was recently ranked as the highest in broker satisfaction among nine regional dental benefits carriers. S&P ranks them an A+ for strong capitalization and growth.

Challenges:

The organization was processing dental insurance claims on a decades old COBOL, CICS VSAM mainframe system. While 'state of the art' when it was originally deployed, the system did not offer many of the features now considered standard in modern systems. Users were forced to remember CICS transaction codes to navigate thru the system while simple concepts like searching, code descriptions and context sensitive help did not exist. Query capabilities were strictly limited and ad-hoc reporting required customized COBOL extract programs. As well, no data warehouse capability was available.

Realizing this system needed replacement, the organization began an internal development effort. After several years of design and development on a Java-based system, the organization terminated the effort when it became evident the management of the project was inefficient, too much time and money were invested and various business user requirements and needs were unmet. At that point, the organization owned a mixture of incomplete development artifacts lacking a cohesive framework. Additionally, the organization suffered high turnover of project management and programming staff, resulting in a lack of central control and continuity. Having invested significant time and money at this point, executive management felt it was time to reevaluate the complete project.

The Business Solution:

Edgewater was engaged to assess the overall health of the project, the quality of design and software and make recommendations for improvements. The objective was to advise the organization on their project team's ability to meet the revised release date and to achieve business goals as defined in the original vision statement. A team of Edgewater personnel, including a Java expert, a system architect, a business analyst, and a project manager, engaged in a three-month review. During this time, Edgewater interviewed all members of the development staff, Information Technology (IT) management and busi-

ness specialists while conducting a technical review of the existing code base. Based upon the data gathered, Edgewater produced a comprehensive assessment of the current project status, eventually presenting these findings to the organization's executive management. The report illustrated project management failures, unnecessarily complex software, lack of product specific skill sets, and poor documentation. From a process standpoint, the implementation of the initial methodology used failed, resulting in a lack of adequate documentation for many key requirements.

Edgewater recommended the project be decelerated to allow for a two-pronged approach:

1. Evaluation of currently available third-party package solutions against the current business requirements.
2. Preparation for a build option by acquiring key resources, redesigning the project management, development, test processes, and completing the technical design.

Edgewater led both the build and buy efforts, eventually preparing a detailed qualitative and financial analysis of the two options. Once the organization selected the buy option, Edgewater instituted a classic PMO strategy to lead the effort to customize the selected product to fully meet the client's business requirements and implement the system.

The Technical Implementation:

The product selected was Microsoft based and developed by an off-shore consulting firm. In the project management role, Edgewater worked with the development firm and the organization's business users to complete gap requirements and review proposed enhancements to meet those requirements. Daily conference calls were conducted to coordinate design and development efforts between the off-shore firm and the organization's business users. The PMO was also responsible for a dynamic update of the project plan, the hybrid Edgewater/organization team management and executive reporting of issues and progress.

Edgewater also provided leadership of two other tasks, data conversion and QA.

Data conversion from existing VSAM data structures to a relational (SQL Server) database began with extensive

analysis and documentation of current legacy system processing. With the assistance of database experts at the off-shore firm, mapping of the legacy data into the relational structure began with all conversion business rules thoroughly documented. The organization's IT staff then wrote the data conversion programs into staged file formats to be loaded into the relational structure by the offshore firm. Progressing using a time boxed, agile methodology, the team incrementally converted the data and verified it for accuracy.

The QA process was crucial to delivery of the product, both from a functional and data perspective. It encompassed testing the new system for base functionality, testing gap enhancements and testing the data conversion. Utilizing a test team and the Mercury Testing Suite, the Edgewater QA leader coordinated efforts to insure the delivery of a quality product by both the off-site development team and the organization's own data conversion team. This process culminated in side-by-side parallel testing, with the QA team working with the data conversion team to resolve all processing differences. Data conversion and new versus legacy processing were validated.