

Project Closeout Report

Presented to the IT Committee August 16, 2011

Project Name: Student Loan Replacement Project

Agency: Bank of North Dakota

Business Unit/Program Area: Student Loans

Project Sponsor: Shirley Glass

Project Manager: Val Brostrom

Objectives		
Project Objectives	Measurements	
	Met/ Not Met	Description
Reduce the amount of manual intervention for transactions that are affiliated with the ACH process.	Met	<ul style="list-style-type: none"> The average of steps is currently 15 steps and will be reduced to 2 upon final conversion.
Improve the process surrounding the Quarterly reporting to the federal government (LaRs report).	Met Expect to be met	<ul style="list-style-type: none"> Decrease the manual effort of the processing staff from 1500 occurrences per quarter to 0 within six months of final conversion. Maintain audits without findings, reducing the potential for fines or being eliminated from the program.
Increase Automation of enrollment reporting.	Met	<ul style="list-style-type: none"> Automate approximately 40% of transactions currently being done manually within 12 months of conversion.
Move from loan level processing to customer level processing.	Not Met	<ul style="list-style-type: none"> Decrease the number of accounts to be updated from multiple updates (up to 23) down to 1 or 2 updates for each customer upon final conversion.
Moving from a mainframe environment to a Windows based environment.	Met Met Met Met	<ul style="list-style-type: none"> Allow for more real-time access to data by BND staff and their customers The system is off of the mainframe environment and in a more stable environment hosted by ITD Have a system that is supported by a vendor Resources are available from the vendor, the agency IT staff, and ITD to support the new system. Reduce the current costs from approximately \$1 million annually. The new system is expected to be \$500,000 for annual maintenance fees plus the additional hosting fees.
Ability to communicate electronically with customers.	Not Met Not Met	<ul style="list-style-type: none"> Reduce the amount of billings that are required to be mailed by 25% within 12 months of final conversion. Currently the monthly billing is about 30,000. Reduce eligible communications that are currently done via mail to electronic communication by 25% within 12 months of final conversion. Currently the monthly amount is 10,000.
Provide uninterrupted service to the customers during and after the conversion process.	Met Met	<ul style="list-style-type: none"> BND will maintain 99% system availability during normal business hour during and after the conversion process. Limit planned down time to nights and weekends.
Maintain or improve upon the existing services offered to BND's customers.	Met Met	<ul style="list-style-type: none"> Borrowers are at a minimum able to access the online application process, make payments, and view and update account information online. Schools are at a minimum able to view account information, certify loans, and process common change transaction send (CCTS) records online.

Schedule Objectives					
Met/ Not Met	Original Baseline Schedule (in Months)	Final Baseline Schedule (in Months)	Actual Schedule (in Months)	Variance to Original Baseline	Variance to Final Baseline
Met	17 months	17 months	18 months	8.3% behind	8.3% behind

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Budget Objectives					
Met/ Not Met	Original Baseline Budget	Final Baseline Budget	Actual Costs	Variance to Original Baseline	Variance to Final Baseline
Met	\$2,302,858	\$2,202,342	\$1,885,112.76	18.14% Under	14.4% Under

Major Scope Changes
<ul style="list-style-type: none"> The removal of disbursing and managing new federal loans. The scanning solution and .net training were removed from the scope of the project. This did not affect the overall schedule and the costs were removed from the budget. Additional gap items that were identified during testing were added to the scope. This did not have an effect on the overall schedule and the costs were added to the budget. The Mariner product was removed from the project and was replaced with a web-based solution.

Lessons Learned
<ul style="list-style-type: none"> Conversion went well. The conversion process including the mock conversions was very beneficial. Data should have been reviewed more by the managers and front line staff. More time for testing. Resources were over allocated and unable to devote enough time to testing The delay in signing the contract affected getting started. Terminology differences between BND and the vendor created confusion The contract should include that vendor resources be onsite during conversion weekend. The vendor stopped developing HelmNet due to the uncertainty of the student loan industry. This resulted in them having less time to develop and test the product before turning it over to BND. It would have been a smoother transition from the old online system to the new if it would have been developed with more BND needs. Felt the vendor wasn't forthcoming about the status of HelmNet. The mail merge for some of the letters is not acceptable. They were an automated process prior to conversion Hiring temps was a good idea, but should have hired more. The vendor didn't have enough resources dedicated to this project Doing the 2 phases helped – they were already creating new loans. It got everyone into the system to become familiar with it. The new system payment history doesn't display what payment the payment is for. Documentation (system manual) is inadequate. They were not updated with the new fields or screens that were added. The control record documents were outdated as there were fields listed that weren't needed. The report and letter file naming convention isn't intuitive. The reporting database delivered by the vendor was not created in a manner that is useable. ITD and BND IT staff needed to get involved to create views that allow the report writers to create reports. Regular banking transactions are more complicated than needed. Can't advance a due date on a principal payment. Tolerances are at loan level and not borrower level. Project management kept the project moving and pushed the vendor when necessary. The vendor and the BND team maintained a professional manner through the project.

Success Stories
<ul style="list-style-type: none"> Only need to document for delinquencies one time and it filters to all loans. Delinquency queues are set up as needed. Able to track the loan throughout the application process The workflow is outstanding. Online automated document entry transfer processing system. Prepopulates some data on forms. Verbal forbearance has seen the biggest impact. Manual 799 adjustments went from 1500 a quarter to 10 this last quarter. ACH is much more efficient Status changes are made at customer level rather than loan level