



# UNITED STATES POSTAL SERVICE

## Opportunities to Strengthen IT Investment Management Capabilities

Highlights of GAO-03-3, a report to the Senate Committee on Governmental Affairs and the Subcommittee on International Security, Proliferation, and Federal Services

### Why GAO Did This Study

The U.S. Postal Service invests hundreds of millions of dollars in information technology (IT) each year to support its mission of providing prompt, reliable, and efficient mail service to all areas of the country. It must support these operations through the revenues it earns for its services. Growing operating expenses and capital needs in the face of reduced revenues highlight the need for the Postal Service to invest its IT dollars wisely. Accordingly, the Senate Committee on Governmental Affairs and its Subcommittee on International Security, Proliferation, and Federal Services asked GAO to evaluate how well the Postal Service manages its IT investments.

### What GAO Found

The Postal Service has in place many of the foundational capabilities required for managing IT investments described in GAO's IT Investment Management framework, illustrated below. Proposed major projects go through established review processes and must be approved at a high level before being implemented. Control processes also are in place.

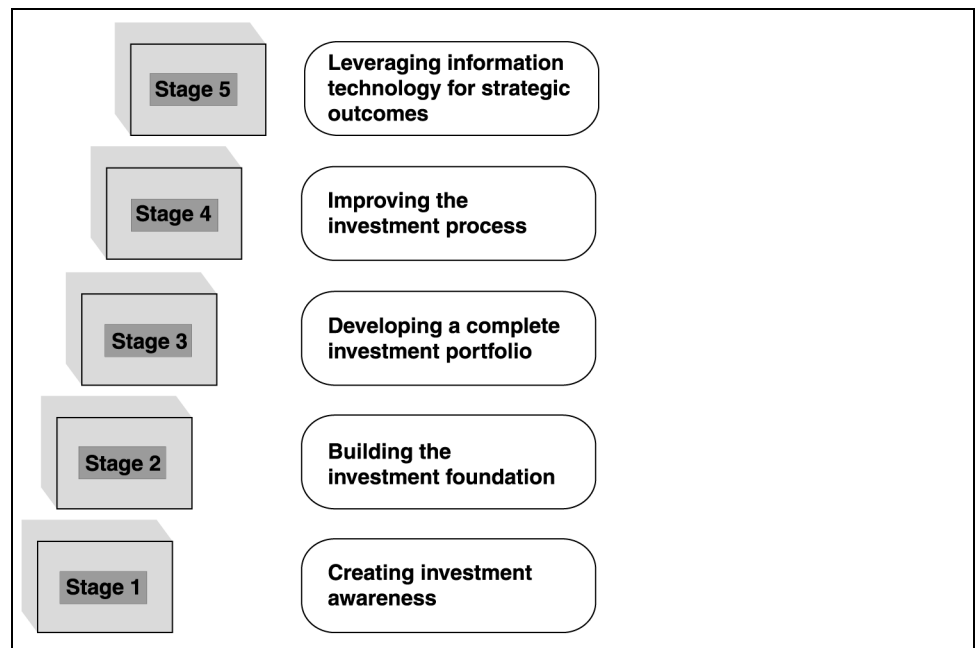
Although the Postal Service evaluates proposed IT projects before investing in them, it does not fully manage these investments from a portfolio perspective by assessing projects on the basis of indicators that clearly link performance to initial selection criteria. Such a portfolio approach would enable the Postal Service to consider proposed projects along with those that have already been funded and to select the mix of investments that best meets its mission needs.

The Postal Service has not yet attained the key attributes associated with the most capable organizations, such as evaluating the performance of investments as a whole, capturing "lessons learned," and institutionalizing these lessons to benefit the organization. Until it addresses areas such as these, the Postal Service will not be in a position to continually improve its investment process and leverage its IT capabilities for strategic outcomes.

The Five Stages of Maturity within GAO's IT Investment Management Framework

### What GAO Recommends

GAO recommends that the Postmaster General take several actions, including the following: (1) using a portfolio approach to IT investment management, including establishing explicit cost, benefit, schedule, and risk criteria; and (2) evaluating the performance of investments as a whole in order to capture and institutionalize "lessons learned" to improve the investment process. In written comments on a draft of the report, the Postal Service expressed differing views on a few key points but stated that the report provides an opportunity to consider changes and improvements to its investment management processes.



Source: GAO.