Purpose of the document

*The **PPG IT Outsourcing (ITO) Escalation Standard Operating Procedure (SOP)** document will assist the PPG Business Owner / Business Partner in the ESCALATION process.*

This document entails different phases in the process that outlines required inputs, implementations, and closure. This document also includes roles and responsibilities, date of implementation and correction action.

It provides the format to outline a potential plan for remediating issues, the business impact of project issue(s), including future cases where the vendor relationship is ongoing and underperformance has created significant project problems, i.e., cost or schedule overruns.

- *When completing an escalation, as a minimum, refer to Section 4. Guideline on how to compete an escalation form for all the areas marked in blue italics font. Replace these references with project-specific text unique to your particular project needs. Do not delete*
- *Some hyperlinks are also depicted in blue italics font with underlining. The hyperlinks generally should remain.*

Questions or concerns regarding the Escalation Standard Operating Procedure (SOP), please contact Debbie Lauth, 412-434-2403.

Document Amendment Record

* A- Added, M- Modified, D-Deleted

Version No.	Date	Section No.	A/M/D *	Description of Change
Baseline	May 08, 2008			Initial Release
1.1	Sept. 3, 2008		A	Added Flow Diagrams

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1. Introduction

1.1 Purpose

This document is the Escalation Standard Operating Procedure (SOP) for IT Outsourcing initiatives.

The purpose of the process is to raise an issue, action, or concern to a higher-level of management for resolution, particularly when resolution cannot be reached at the project level.

The project should always strive to make decisions and address items at the lowest level possible, however when a resolution cannot be reached, the item should be escalated to ensure a decision is made before it causes impacts to the project.

This document will be reviewed at least annually and updated, as needed, because of continuous process improvement efforts by the ITO management team.

Lessons learned will be captured at the end of each phase and used to improve the division-level standards.

1.2 Scope

This Escalation Process identifies the procedures used to coordinate the discussion and resolution of critical items. In addition to documenting the approach to escalation, the process covers who participates in escalation, and how resolutions are documented.

1.3 References

1.3.1 Best Practices site

For guidance on the IT Outsourcing (ITO) escalation methodology, refer to the ITO's Customer Orientation Information, category 'Best Practices' (ITO COI site) at http://sps.web.ppg.com/sites/IT/advancedtech/SVMgmt/ITSvcOut/OutMgmt/Customer%20Orientation/Forms/AllItems.aspx.

The escalation materials are available through the Outsourcing – PPG Management area via the "**Outsourcing - Customer Escalation Requests"** link.

1.3.2 ITO Repository

For all project-specific documentation associated with escalation, refer to the ITO repository located at http://sps.web.ppg.com/sites/IT/advancedtech/SVMgmt/ITSvcOut/OutMgmt/default.aspx.

1.4 Glossary and Acronyms

Issue	A point or matter in question or in dispute, or a point or matter that is not settled and is under discussion or over which there are opposing views or disagreements. A issue is a statement of concern or need: (1) whose resolution is in question or lacking agreement among stakeholders

	(2) that is highly visible or involves external stakeholders such as requests from business units (3) which has critical deadlines or timeframes that cannot be missed (4) that results in an important decision or resolution whose rationale and activities must be captured for historical purposes or (5) with critical deadlines that may impede project progress. An issue is a situation that has occurred or will definitely occur, as opposed to a risk that is a potential event. Items that are "normal" day-to-day tasks related to a person's normal job duties are not considered issues or action items.
IT	Information Technology
ITO	IT Outsourcing
ITO COI Site	Customer Orientation Information, category 'Best Practices' for IT Outsourcing SharePoint site: http://sps.web.ppg.com/sites/IT/advancedtech/SVMgmt/ITSvcOut/OutMgmt/Customer%20Orientation/Forms/AllItems.aspx.
ITO Repository	SharePoint site used for project-specific documentation, http://sps.web.ppg.com/sites/IT/advancedtech/SVMgmt/ITSvcOut/OutMgmt/default.aspx.

2. Participants Roles and Responsibilities

Section 2 should be standard. The focus is on the roles for the process, ***NOT*** overall roles for the project.

Escalation is generally used to resolve items between the project and one of its stakeholders.

In preparation for any project, discussions should have included:

- who has the authority to identify a potential escalation situation,
- who validates that a potential escalation is valid,
- who performs the analysis of the escalation situation,
- who develops the project's position statement,
- in addition, who ultimately has the authority to resolve the item.

2.1 Project Manager

The Project Manager has overall responsibility for driving, participating, and managing the overall issue resolution and escalation process at the project level. The Project Manager will escalate the issue to the Project Director level for resolution when necessary.

2.2 Project Director

The Project Director will participate in issue and action item resolutions. If an issue could not be resolved at the project level, the Project Director will escalate the issue to the Executive Steering Committee for resolution.

2.3 ITO - Issue Manager

The Issue Manager is responsible for overseeing the issue and action item management process and for periodic reporting on issue status and process metrics. The Issue Manager generates reports for weekly project team review meetings. The Issue Manager also monitors due dates and escalates issues and action items to the Project Manager, as appropriate.

2.4 Project Staff Members

Any staff member or stakeholder may generate an issue or action item. Typically, issues and actions are only assigned to project staff to ensure proper visibility and tracking. Other stakeholders may be asked to assist with analysis and review of proposed issue and/or action item resolutions, when appropriate.

2.5 Project Director

The Project Director will participate in issue and action item resolutions. If an issue could not be resolved at the project level, the Project Director will escalate the issue to the Executive Steering Committee for resolution.

2.6 Executive Management Team (Steering Committee)

The Executive Management Team (Steering Committee) is a governing organization that is comprised of members of executive level who will discuss status, issues, and concerns related to the project. The Executive Management Team will resolve escalated issues and provide direction to the Project Director.

Figure 1 is an example of how to identify the participants and the level of the escalation process in which they participate.

Figure 1. Typical Participants for each Escalation Level

1st Level (Project Team)	2nd Level (Executive Mgt Team)
Project Manager	Sponsor Director(s), if appropriate
Vendor Delivery Manager	Vendor Director
ITO Delivery Team	ITO Manager
Sponsor Director (if appropriate)	ITC Director(s), if appropriate
Project Representative, if appropriate	Project Mgr. Representative, if appropriate

For suggestions on entering project-specific information,

< Refer to Section 4. Guideline on how to compete an escalation form >

3. Issue and Escalation Process Approach

The Escalation Process will be used to ensure critical issues are raised soon enough to prevent undesirable impacts to the IT Outsourcing Projects and to ensure the appropriate parties are *informed and involved in critical decision-making. The Project Director, Sponsor and stakeholders shall always strive to make decisions and address issues at the lowest possible level.*

The issue and action item management process consists of the following steps.

3.1 Escalation Process Flow Diagrams

The following flow diagrams illustrate the core elements of the Escalation Process Approach – the point where the need for an escalation is identified.

Figure 2. Issue and Escalation Process Flow Diagram (Overall View)

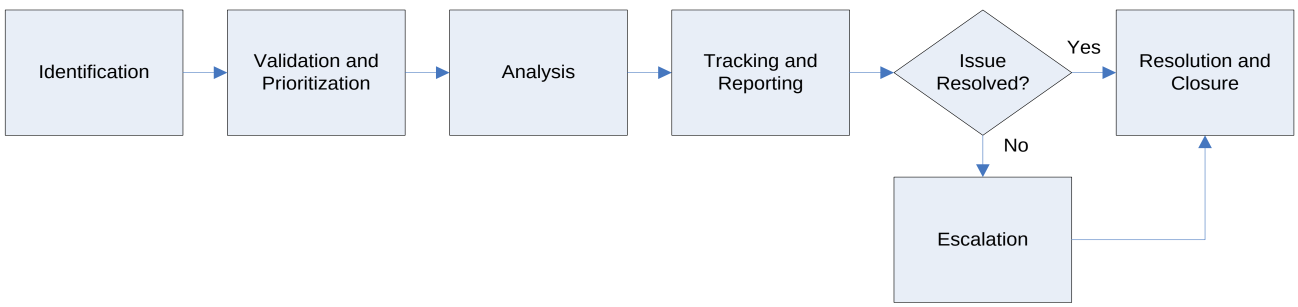


Figure 3. Flow Diagram - Corrective Action Request (CA)

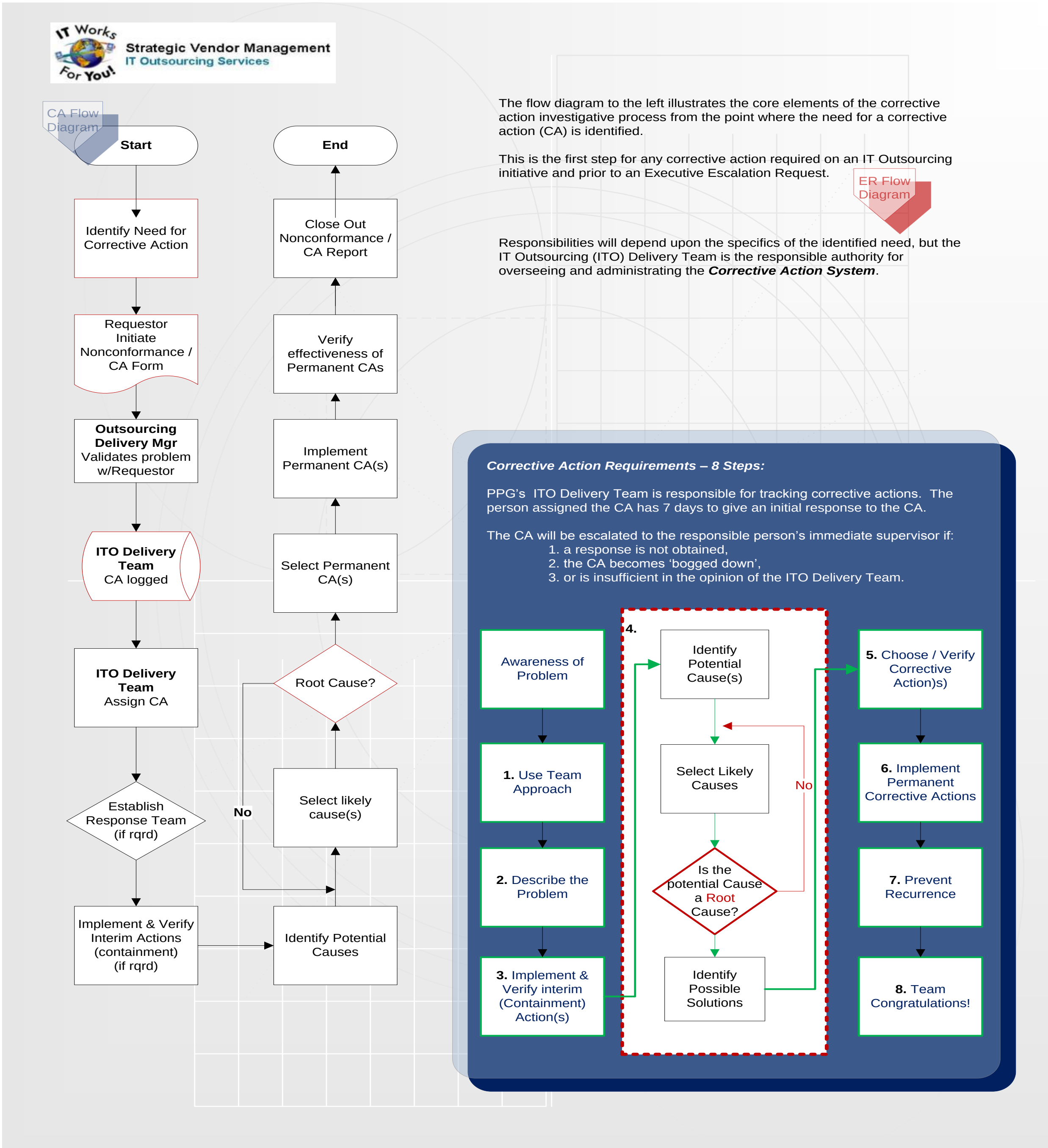
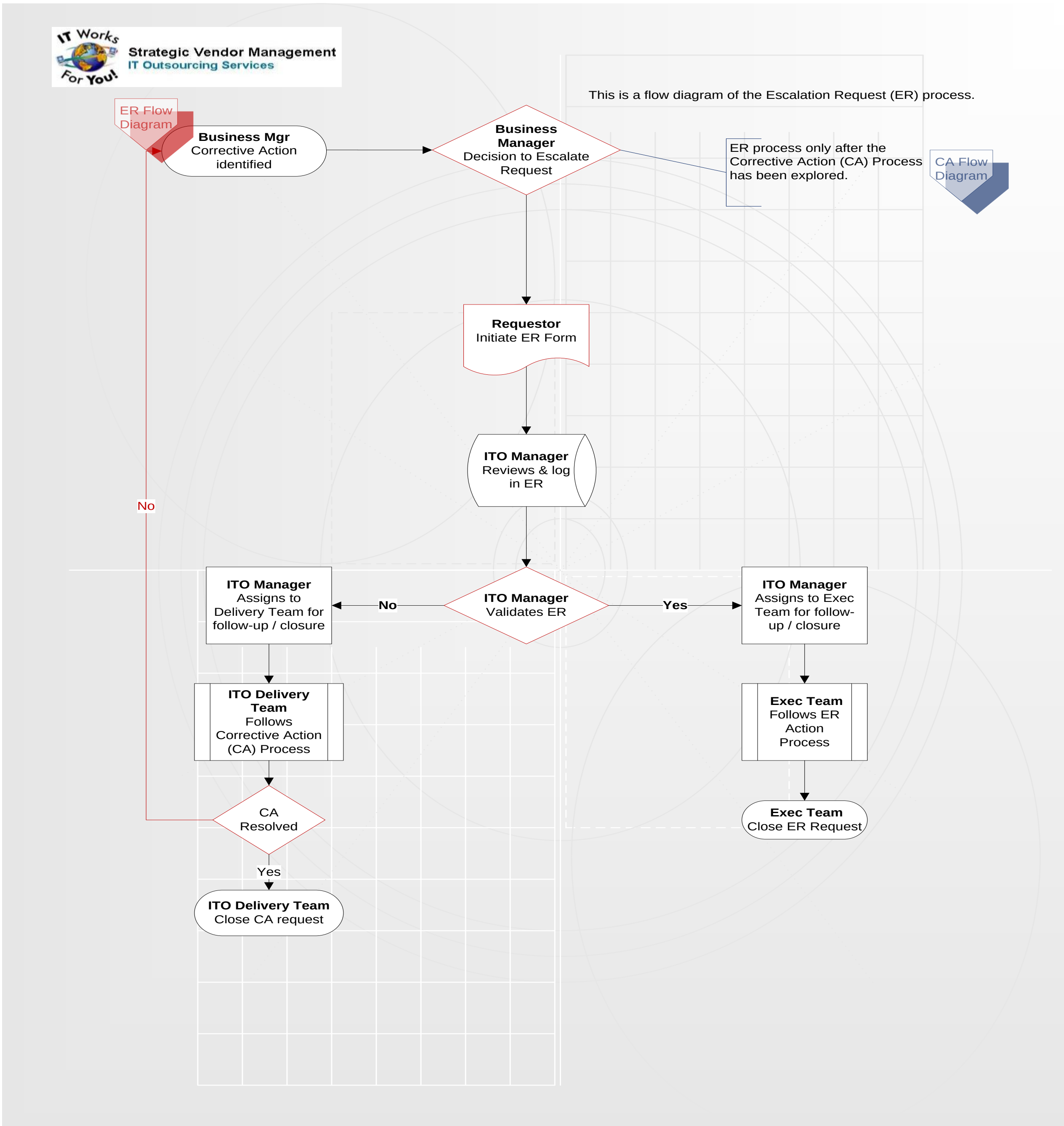


Figure 4. Flow Diagram - Escalation Request (ER)



3.2 Identification and Notification of Escalation

Several processes may trigger the escalation process including issue tracking, contract management, and risk management. This process assumes that prior attempts have been made to resolve the item and the appropriate parties cannot reach a resolution.

When an item is escalated, the appropriate participants are notified by formal communication, which includes the date of the scheduled meeting.

- The meeting must be scheduled within seven days of the notification of escalation.
- Note that the project must move to the next level of management if the time limit expires.

The notice of escalation includes a summary of the concern/issue and the analysis of each party's position.

The participants must review the analysis and concerns prior to the scheduled meeting. If a project action item does not already exist to track the item, the project team should initiate this action to track the progress of the resolution. All escalation correspondence is stored on the ITO SharePoint site and should be cross-referenced to the 'projects' action item.

If the item is resolved at the meeting, discuss how the resolution is documented. Refer to Section 3.5 – Resolution and Closure of the process, as appropriate.

If the item cannot be resolved at the meeting, additional discussions are usually scheduled until the time limit is reached forcing escalation to the next level of management (not more than ten business days). Refer to Section 3.4 – Escalation Request (ER) – Higher Level Discussions (if necessary).

3.3 Corrective Action Request (CA) – Joint Escalation Discussions

The involved parties meet to discuss the item. The participants discuss the item, each other's position (if appropriate), the impacts of not resolving the item, and the key points of the issue or disagreement.

Both parties work together to implement the resolution and the action item is closed.

❖ **Meeting Tips:**
- Discuss who facilitates or leads the escalation meeting.
- Discuss how the meeting is structured (e.g., open discussion, facilitated discussion of key points, or position-rebuttal format).
- Indicate if the meeting must be a face-to-face meeting or if the discussion can be handled via conference call.
- Indicate if all participants are mandatory or if a general majority or quorum is sufficient.
- Discuss who documents the meeting minutes.
- Discuss when the meeting minutes are distributed (at the meeting or two days after the meeting).
- Generally, the Project Managers (or equivalent) from both sides are required to sign the minutes attesting to their position.
- If the item is resolved at the meeting, discuss how the resolution is documented.

- If the item cannot be resolved at the meeting, additional discussions are usually scheduled until the time limit is reached forcing escalation to the next level of management (not more than ten business days).

The CA will be escalated to the responsible person's immediate supervisor if:
1. a response is not obtained,
2. the CA becomes 'bogged down',
3. or is insufficient in the opinion of the ITO Delivery Team.

For suggestions on entering project-specific information,

< Refer to Section 4. Guideline on how to compete an escalation form >

3.4 Escalation Request (ER) – Higher Level Discussions (if necessary)

Generally, the project has a fixed number of days to resolve the escalated item before it is escalated to the next higher level of management. Generally, this level involves SBU and Vendor-level executives. The same type of meeting(s) is held (as described in the previous section) and meeting minutes are taken.

- Ten days after the notice of escalation was received (or sent), the Escalation Process moves to the next level of management.
- Note that the project must move to the next level of management if the time limit expires.

On the tenth day, the ITO Delivery Team sends a Notification of Escalation to the ITO Vendor Manager and a participant in the next level of escalation and schedules the meeting.

The process is the same as described in the previous section. Only the participants are different.

For suggestions on entering project-specific information,

< Refer to Section 4. Guideline on how to compete an escalation form >

3.5 Resolution and Closure

When a resolution is reached between the 'project' team and the other party, a detailed discussion of the resolution and decision is documented, stored on the ITO SharePoint site, and referenced in the action item.

The team is to discuss and agree:
- how the other party and appropriate project participants and stakeholders are notified of the resolution,
- how the resolution is implemented and documented,
- in addition, the required documentation and how the issue/action item is updated and closed.

The appropriate parties (including sponsor, users, and stakeholders) are notified of the resolution and work together to perform the resolution.

Upon completion of the resolution, the action item in is closed.

4. Guideline on how to compete an escalation form

The following describes considerations and guidance for completing each specific section of the Escalation Process. When developing the escalation request, focus on specific actions and responsibilities. For most projects, escalation should be straightforward – in general, only the participants vary.

Best practice suggests that the 'Escalation Process' should be referenced in the 'project' Communication Plan, Governance Plan, and Master Project Plan. It does not need to be referenced in the Contract Management Plan(s), since the Dispute Resolution Process is used instead and is often written directly into the contract.

It is preferable to have this document as a stand-alone process that is referenced by other documents to ensure a consistent approach that is documented in only one place.

4.1 Identification and Notification of Escalation (Initiate Request)

To be completed by PPG Business Owner.

This process assumes that the Project Manager and Outsourcing Delivery Manager have made every effort to resolve the item at the project level but is now at an impasse or impacts to the project are imminent if a resolution is not reached.

The following describes considerations and guidance for completing each specific section of the Escalation Process.

When developing the process, focus on specific actions and responsibilities. For most projects, escalation should be straightforward. In general, only the participants vary.

Business Owner Information
Please complete request information. SBU Manager review and approval is required for escalation request.

1. SBU/Organization:
2. Primary Contact Information:
    a. Name:
    b. Phone:
    c. E-mail:

Business Partner Information
Please complete request information.

1. Organization:
2. Primary Contact Information:
    a. Name:
    b. Phone:
    c. E-mail:

Issue Analysis / Description

Please include as much specific information as possible (date/time, interaction with vendor, etc.) to document the issue.

Issue analysis is important. The assigned staff member performs the required analysis to complete the issue/action item. Items to considerer:

- *Impacts to Project Scope*
- *Impacts to Cost and Schedule*
- *Impacts to Staff and Infrastructure Resources*
- *Impacts to Sponsor, User and Stakeholder Relationships*
- *Risks and Impacts to Existing Risks*
- *Resolution Alternatives (Pros and Cons)*
- *Suggested Resolution*

If the issue is repetitive, please document all historical occurrences in one request.

Examples of types of issues that might be escalated to the Executive Management Team.

- *Policy Issues*
- *Schedule*
- *Adverse Program Impacts*
- *Go/No-Go recommendations*
- *Vendor Disputes*
- *Stakeholder disagreements*
- *Funding*

Business Impact

Please state the impact to business and then quantify the impact (project timeline, resources and associated costs).

Business Owner Suggested Remedy

What do you feel would resolve the issue? You may have already discussed and agreed to the remedy with your Business Partner account manager.

4.2 Acknowledgment of Request

To be completed by ITO Vendor Manager.

Request Tracking Log

To be completed by ITO, maintained / updated by Business Partner.

Once the 'request' has been formally submitted, a tracking log (or register) is updated to record the event.

The ER tracking log and meeting minutes is maintained by the Business Partner and will be posted on the SVM SharePoint site.

Request Kickoff – Team Meeting

To be completed by ITO.

Coordinate meeting (due to logistics, this can be handled through a conference call) with required attendees (ITO, Business Partner) to review & discuss concerns

Agenda/objectives should include Agreement on 'request' (does this require management escalation?), feedback required to Business Owner/Business Partner, etc.

Business Partner Suggested Remedy Required Response Date

To be completed by ITO with Business Owner and Business Partner input.

[Date stamp]

4.3 Business Partner Suggested Remedy

To be completed by Business Partner.

[Must be detailed] Resolution and prevention that not only fixes the problem but also documents how the issue will be prevented or avoided in the future.

The corrective action must be measurable and a time-bound solution.

Remedy proposal presented to Business Owner

To be completed by ITO Vendor Manager.

Coordinate presentation to Business Owner. Business Partner presents remedy to Business Owner.

Does this meet the Business Owners concerns and issues listed in business impact section? Does it have long-term remediation impact?

Business Owner Required Response Date to Remedy Proposal

To be completed by IT Outsourcing Vendor Manager.

[Timeline] The date should consider remedy presentation to Business Owner. ITO to monitor and follow-up to ensure timelines are being met.

Approval of Remedy

To be completed by ITO Vendor Manager.

Business Owner to submit to ITO sign-off and approval to proceed with remedy, who will then update the Business Partner.

4.4 Communication Plan

To be completed by Business Owner and Business Partner.

Details should include milestone checkpoints, communication process (regularly scheduled meetings, emails, etc.), including details on roles and responsibilities.

4.5 Resolution and Closure

To be completed by Business Owner and Business Partner.

Detailed information should include an executive summary of remediation effort, including any business impact (associated costs, impact to project, etc.)

Signatures

Business Owner Primary Contact, as agreed	**Date**
Business Partner Primary Contact, as agreed	**Date**
SVM ITO Vendor Manager, if required	**Date**

Document archived in SVM IT Outsourcing repository
[Date stamp]
September 12, 2008