



Executive Steering Committee



August 17, 2017



Agenda

1. **Update on Procurement Readiness Group**
2. **Update and Direction from Deployment Strategy Workshop**

One Washington Procurement Readiness Workgroup Project Burn-Down Chart (Duration 3/2/17 – 8/16/17, Cadence 2 weeks)



Completed:
March 2
- Charter
- Kickoff
- Competitive Procurement 1st review

Completed:
March 15
- Competitive procurement review #2
- Formed definitions sub-committee
- Next: Sole Source

Completed:
April 19
- Added milestones to the Burn Down chart
- Review: sole source and emergency processes
- determine next process and map process

Completed:
May 4
- Review direct buy
- Chart: Convenience Contracts
- Chart: IAA Process
- Introduce data concepts

The May 17 meeting has been **RESCHEDULED** due to several schedule conflicts. The meeting and agenda have been moved to May 24th

**Today
May 24**
For May 24
Review: Convenience Contracts
Review: IAA Process map
Data Elements: Discussion (Robert)
Check in: Burn Down Chart

For June 8
Continue: Data Element Mapping
Check in: Burn Down Chart

For June 21
Conclude: Data Element Mapping

For July 6
Review: Data Elements
Review: Enterprise Definitions

For July 19
- Review ... TBD by Team
- Develop ... TBD by Team

For August 3
- Final Review of all deliverables:
• Definitions
• Process Maps
• Data Elements



For August 16
- Team Signature and Photo
CELEBRATE!!!

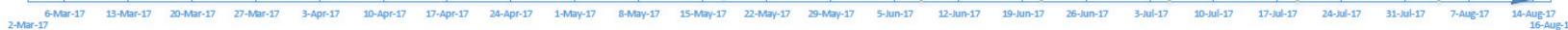
Enterprise Definitions: The team determined that developing the process charts required a set of mutually agreed upon enterprise definitions. To maintain the project schedule, a sub-committee volunteered to develop a set of enterprise definitions. The definitions were distributed to the team at large for review and comment and the updated list is reviewed at the project workshops.

Definitions sub-committee:
Meeting date: March 27
Report back to workgroup

Definitions sub-committee:
Meeting date: April 3
Report back to workgroup

Definitions sub-committee:
Meeting date: April 17
Report back to workgroup

Definitions for:
OMWBE, Veterans, business size (sm, mini, micro) have been requested from the disparity study project manager and DES outreach managers.



NOTE: As of May 4 - The team is ahead of schedule by 1 meeting. The team will determine how to invest future meeting time or complete the project early.

Elements of the One Washington Blueprint v1

July

August

September

October



* Starred items will be discussed at special steering committee workshop (to be scheduled)

Deployment Strategy Workgroup

In the workshop we had two key questions to address:

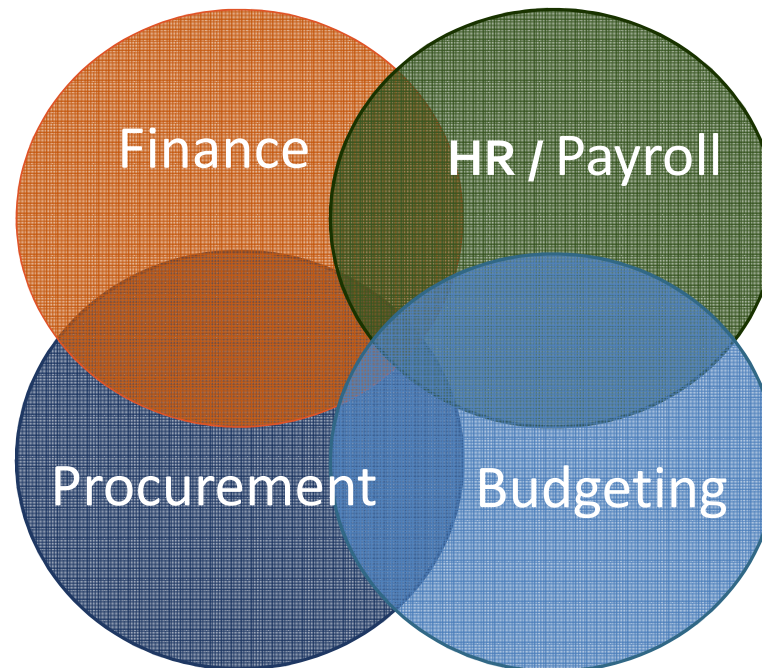
1. **Should One Washington plan for a “unified” or a “best of breed” strategy for ERP application software?**
2. **Should One Washington plan for an “On Premise” or a “Software as a Service/Cloud” deployment model?**

The workshop provided definition of terms, relative advantages and disadvantages of the options, and Accenture’s recommendation.

Deployment Workshop Attendees

- OCIO – Rob St. John, Robert Gaskill-Clemons
- DES – Chris Liu, Cheryl Manke
- OFM – Brian Tinney, Ben Guyer, Stacey Scott
- DSHS – Chris Lamb, Mariann Schols
- ECY – Baird Miller
- DFI – Dave Kirk
- WSP – Tom Wallace
- DRS – Rose Bossio
- DOL – Rajbir Deol
- WSIB – Stephen Backholm
- WSDOT – Grant Rodeheaver

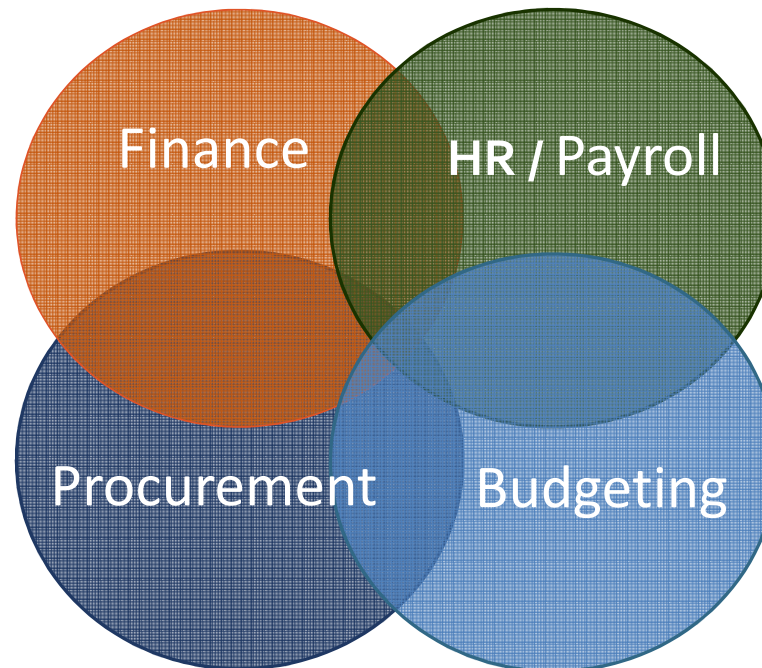
1. Should One Washington plan for a “unified” or a “best of breed” strategy for ERP application software?



1. Should One Washington plan for a “unified” or a “best of breed” strategy for ERP application software for non-core functionality?

- General ledger accounting
- Specialized accounting, e.g. project accounting, cost accounting
- Budgetary control
- Accounts payable
- Accounts receivable
- **Asset management**
- Grant management
- Treasury management
- Travel and expense
- **Master data, e.g. chart of accounts, payees, customers**
- Reporting

- Requisitions and purchase orders
- Contract management
- Receiving
- Sourcing, e.g. RFP, RFQ, RFX
- Supplier Relationship management
- Category management
- Catalog purchasing
- Inventory management
- **Master data, e.g. suppliers, commodities**
- Reporting



- Payroll
- Core HR functions
- **Benefits administration**
- **Position classification**
- Time and attendance
- Compensation planning
- Labor relations
- Recruitment
- Development
- Performance evaluation
- Health and safety
- Master data, e.g. positions, job descriptions
- Reporting

- **Operating and capital budget**
- **Revenues and expenses**
- **Scenario planning and forecasting**
- **Master data, e.g. appropriations, allotments**
- Reporting

• **Bold = Core Functionality**

Unified Solution vs. Best of Breed Considerations

Unified Solution Considerations	Best of Breed Considerations
An organization implements and supports a single instance of a suite of customizable software modules for each functional area from a single vendor	An organization implements and supports a compilation of different vendors and products , each based on specific needs in specific functional areas
Provides functionality for common requirements across the various functional areas , with a common data model, data base, and user interface	Allows for very precise requirements in various functional areas
Integration is relatively less complex (all components in single-vendor environment), with integration provided “out of the box” by the vendor	Integration is relatively more complex (typically multiple vendor environments involved), requiring dedicated efforts on integrations, some of which may be delivered by the vendors
Relatively less change management to train end users on a common application	Relatively more change management to train end users on different applications
Relatively slower to implement because single-vendor integration means more comprehensive design required, but less complexity to future changes and upgrades as part of the same application	Relatively faster to implement because fit-for-purpose modules can be ‘plugged in’ to core system, but adds complexity to future changes and upgrades e.g. testing
Sample vendors include Oracle, Workday, SAP, CGI	Sample vendors include Salesforce, Round Corner (Grants Management), Periscope, Coupa, Amazon (eCatalog and Reverse Auctions), etc.

What are states doing today?

Unified Solution

- Alabama
- Alaska
- Arkansas
- Colorado
- Connecticut
- Delaware
- Georgia
- Indiana
- Kansas
- Kentucky
- Louisiana
- Minnesota
- Mississippi
- Montana
- Nebraska
- New Hampshire
- New Mexico
- New York
- North Dakota
- Ohio
- Oklahoma
- Pennsylvania
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Vermont
- West Virginia
- Wisconsin

Best of Breed

- Arizona
- California
- Florida
- Illinois
- Maine
- Massachusetts
- Michigan
- North Carolina
- Virginia
- Wyoming

TBD

- Hawaii
- Idaho
- Iowa
- Maryland
- Missouri
- Nevada
- New Jersey
- Oregon
- South Dakota
- Utah
- Washington

Accenture recommendation: Unified vs. Best of Breed

1. Plan for a unified application software strategy for core finance and core procurement functionality
2. Potential to test in the marketplace the option of Best of Breed for non-core functionality, i.e. allow both core software vendors and best of breed software vendors to propose solutions.

For finance and procurement, areas to keep the option open for a Best of Breed alternative might include:

- Travel and Expense
- Grants management
- Certain Treasury functions, e.g. cashiering, debt, and investments
- Certain audit functions, e.g. governance/risk/compliance
- eCatalogs
- Certain eRFX functions e.g. reverse auctions
- Inventory Management
- Business Intelligence/reporting/analytics

Results of Deployment Strategy Workshop: Unified vs. Best of Breed

1. Should One Washington plan for a “unified” or a “best of breed” strategy for ERP application software?

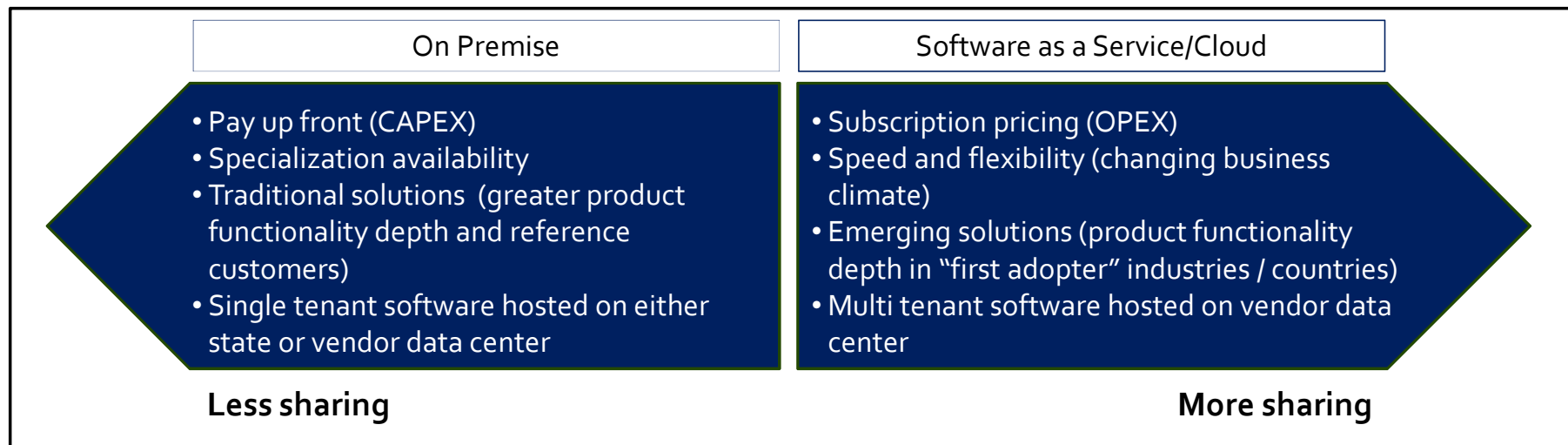
Participants confirmed Accenture’s recommendation to prioritize a **unified** ERP strategy for the purpose of formulating the One Washington Blueprint.

Important considerations and discussion points raised by participants included:

- Recent decisions made by other states in similar circumstances are key to justification
- A unified procure to pay process has strong benefits to offer the state when considering ERP strategy
- Business requirements may ultimately necessitate new assumptions around which approach best meets enterprise needs, so the Blueprint should reflect some flexibility
- More conversations needed about non-critical functionality whether it should be ERP or best of breed modules, e.g. travel and expense, analytics, inventory management
- Good governance and change management are critical to project success, and could be simpler and more standardized with a unified solution

2. Should One Washington plan for an “On Premise” or a “Software as a Service/Cloud” deployment model?

High Level ERP Deployment Models



On Premise vs. SaaS Considerations

On Premise Considerations (Buy)	SaaS Considerations (Lease)
Allows significant organizational freedom to shape the software to business requirements	Software customization is limited to non-existent , but the solutions are generally highly configurable
This model allows for flexibility to perform technical hosting activities either internally or outsourced to a service provider	Software is not locally installed or owned ; it is accessed through the web or mobile applications.
Fixed pricing model - customers pay a license fee and on-going maintenance charges	Variable pricing model - customers pay subscription fee per user and module
Enhancement patches and release upgrades must be done by the customer or a third party with specialized technical skills	The vendor releases patches, functionality enhancements, or full upgrades, so that the customer solution will be automatically updated
Requires dedicated staff with technical and business knowledge of the software	Requires dedicated staff with business knowledge to work with software vendor
Higher implementation cost , longer implementation cycle, longer cycle time between major functionality additions	Lower implementation cost , quicker implementation cycle, more frequent additions of new software functionality
Business requirements not satisfied by the software can be addressed via software customization (though not recommended), or business process redesign	Business requirements not satisfied by the software cannot be met with direct changes to vendors' baseline code , but can be addressed via Platform as a Service, On Premise middleware, or business process redesign

What are states doing today?

On Premise

- California – implementing
- Texas – implementing
- Illinois – implementing
- Virginia – implementing
- Florida – evaluating

SaaS/Cloud

- Alaska – implementing
- Colorado - implementing
- Oregon – implementing
- Maine – implementing
- Wyoming - implementing
- Massachusetts – evaluating
- Idaho – evaluating
- Nevada - evaluating
- Arizona - evaluating

Accenture Recommendation: On Premise vs. SaaS/Cloud

Accenture recommends SaaS/Cloud for ERP application software, for the reasons below.

On Premise ●.....▶ SaaS/Cloud

- Fixed Costs
- Cumbersome
- Capital Intensive
- High Maintenance and Run Costs
- Security Issues
- Business Lagging

- Pay by the Drink'
- Agile
- Capital Light
- 20%+ Lower Maintenance and Run Costs
- Managed Security
- Business Leading

Per Gartner (Magic Quadrant for Enterprise Integration Platform as a Service (IPaaS), 30 March 2017):

“It is expected that the service-based approach for IT will become the preferred option over the software-based approach over time, as end-user organizations look to downsize the operation side of their IT portfolios.”

Results of Deployment Strategy Workshop: On Premise vs. SAAS/Cloud

2. Should One Washington plan for an “On Premise” or a “Software as a Service/Cloud” deployment model?

Participants confirmed Accenture’s recommendation to prioritize a **SAAS/Cloud** deployment model for the purpose of formulating the One Washington Blueprint.

Important considerations and discussion points raised by participants included:

- Cloud avoids up-front capital investments and allows for lower future switching costs
- Recent decisions made by other states in similar circumstances are key to justification
- Even if a cloud model meets more requirements, must consider lower flexibility to alter
- State security experts should weigh in on data privacy considerations for this decision
- If there could be elements that will require a hybrid approach, important to reflect the potential that solution may not be 100% cloud-based in the budget estimate