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One Washington
Business Process Redesign Approach

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1.0 Deliverable Overview

1.1 Purpose

The Business Process Redesign Approach provides One Washington leadership with a recommended approach for redesigning Finance, Procurement and Human Resource business processes in conjunction with an Enterprise Resource Planning (ERP) implementation. This deliverable establishes two "rounds" of process redesign that the State can take, and recommends a path forward that best enables the State to improve process performance in the short-term while keeping in mind a longer-term ERP implementation. This approach is based on insights developed through the Service Delivery Strategy and Business Process Assessment efforts.

1.2 Key Question

The Business Process Redesign Approach will help State leadership make the following decision:

For those Finance, Procurement, and HR business processes that require redesign ahead of an ERP solution, what approach to redesign should the State take?

1.3 Key Considerations

This deliverable takes into consideration the following:

- Business process redesign is not required prior to ERP implementation, but is being considered as an opportunity to improve results, reduce risk, and expedite implementation after ERP software is selected.
- The recommended approach pertains to the same set of business process areas that were included in the business process assessment.
- The role of Accenture is to recommend the business process redesign approach, and it is up to the State to decide whether to execute business process redesign activities in advance of an ERP implementation. Should it choose to move forward, the State will also be responsible for determining the business process redesign methodologies to be used.
- The Business Process Redesign Approach deliverable builds upon the Service Delivery Strategy and Business Process Assessment to examine (i) which candidates for business process redesign present the largest potential for a positive impact on service delivery and (ii) which candidates for business processes redesign are most feasible ahead of an ERP implementation.
- The Business Process Redesign Approach deliverable meets the requirement defined in Contract K2636 in the Compensation Section, as well as in the Statement of Work, Section 5.1, related to Phase 1, Deliverable #4.

2.0 Executive Summary

As the State looks ahead to the potential value of an ERP implementation to replace its financial and procurement systems, business process redesign provides an opportunity for the State to achieve greater efficiency and effectiveness of processes in the near-term. Two approaches for business process redesign have emerged within the ERP industry: one approach is to perform business process redesign (BPR) activities independent of the ERP software, what we refer to as a software-agnostic approach. The second is to select the software and then conduct BPR activities to fill gaps not provided by the software, which we call the software-driven approach.

Recommendation: Based on our analysis, we recommend the State undertake two rounds of business process redesign. The first round is a software-agnostic approach for a subset of business process areas that focuses on innovating, optimizing, and standardizing business processes in the near-term. The second round is a software-driven approach for the business process areas.

In addition, we recommend several key cross-agency activities, including defining "payee" master data, defining "customer" master data, defining a uniform chart of accounts to be activated after ERP software is selected, creating a reporting strategy, and implementing a business process management capability.

We recommend the business processes listed below be considered as candidates for inclusion in the first round of BPR. Once this list of processes is confirmed, we recommend further analysis in Phase 2 to define a path forward for redesign.

Finance	Procurement	Human Resources
▪ Accounts payable ▪ Accounts receivable ▪ Grants management ▪ Finance analytics ▪ Performance planning ▪ Project accounting	▪ Strategic sourcing ▪ Internal customer satisfaction ▪ Internal customer complaint ▪ Procure to pay strategy ▪ Sourcing and category planning ▪ Category management ▪ Vendor relationship management strategy ▪ Improvement and change strategy ▪ Procurement data management ▪ Receipt ▪ PO Processing	▪ *Should be determined following a full assessment of HR business processes*

A critical success factor for this approach is to examine agencies' readiness for redesign activities ahead of an ERP implementation. The subsequent readiness and change management analysis in Phase 2 can inform One Washington leadership's decision on the timing of activities.

3.0 Introduction

In recent years, two approaches for business process redesign have emerged within the ERP industry: one approach is to perform business process redesign (BPR) activities independent of the ERP software, what we refer to as a software-agnostic approach. The second is to select the software and then conduct BPR activities to fill gaps not provided by the software, which we call the software-driven approach.

For the One Washington project, we recommend both approaches. We believe the State can make many advances and improvements by doing certain BPR activities now, in anticipation of an eventual ERP software selection. By starting with process redesign, the State has an opportunity to build recognition of the One Washington project as a business-driven transformation and ownership over the individual processes. We also believe the State should do a second round of BPR, after the software has been selected. This dual approach allows the State to avoid spending effort redesigning processes that are likely to be significantly impacted by the implementation of the ERP. Both approaches need to be grounded in a common and agreed-upon understanding of the business process areas determined to be in-scope, and guided by a set of principles that anchors the activities in the overall vision for One Washington.

Approach	Description	Pros	Cons
Software Agnostic	A business driven approach starts by connecting processes to the organizational strategy. This allows for segmentation based on the potential value of redesign. Processes are then treated differently based on their importance to the organization.	▪ Starts with priorities of business and focuses on business value ▪ Enables near term improvements without waiting for software	▪ Software selected may require re-work
Software Driven	A "fit-gap" approach to redesigning business processes for a software implementation. Align the organization's processes to the selected software to reduce expensive software customizations and maximize the value of ERP software.	▪ Reduces software customizations	▪ BPR constrained to software-modules in scope and by software capabilities ▪ Need to select software before getting started

3.1 Software-Agnostic Approach

The software-agnostic approach starts by identifying the universe of business process areas that should be considered for redesign. For the One Washington project, we have used Accenture's Logical Operating Models (LOMs) for Finance, Human Resources, and Procurement to define and categorize the processes under consideration. These models group like processes into categories and visually depict the overall structure of a given function (e.g., Finance). An example of the Finance LOM is included in Figure 1.

3-1 Finance Logical Operating Model
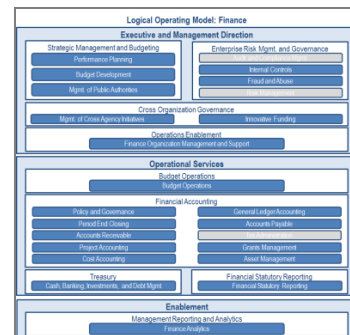
Logical Operating Models provide the starting point for the prioritization of redesign efforts. The processes in the LOM can

be compared against a set of criteria to determine those processes for which the state would see the greatest benefit from redesigning. For Washington, we recommend the state use three distinct criteria to evaluate and prioritize processes as candidates for round 1. Specifically:

- **Current Process Performance:** This is the degree of improvement suggested by the results of the Business Process Assessment. It is intended to capture the size of the "opportunity" that exists to bring the process up to leading practice. Current performance is outlined in the Business Process Assessment deliverable.
- **Strategic Importance:** Intended to capture the impact that the process has on service delivery in Washington. An initial perspective on strategic importance was developed by the participants of the Strategy Labs and updated based on feedback from the One Washington team.
- **Dependency on New Technology:** This is to filter out process areas where significant improvements are not feasible without new technology or require significant redesign as part of a technology implementation. In these cases, the amount of rework required is likely to exceed the short term value gained from BPR. Processes with a heavy connection to technology are outlined in Section 5.1.

For business processes that have been prioritized for redesign, there are a standard set of activities that can be followed. The activities described below are often part of the process. In Section 4.1, we recommend that the state take different approaches to redesign based on the relative priority of each process. However, the set of activities below should remain the same. Given the Cabinet Agencies' commitment to Lean principles and methodologies, this approach should align with the methodologies utilized by agency Lean practitioners and Results Washington.

Key Activity	Objectives
Set the vision and strategy for BPR	- Identify the candidate list of business processes to be redesigned - Establish the governance model - Establish the criteria to be used by the governance model
Map Current State	- Document the current state of the process - Include the cycle time and success rate for each step - Identify technology used and content required for specific steps
Identify Opportunities and Solutions	- Share maps with the other programs and identify any areas/ opportunities for improvement - Improvement opportunities include not only process steps but also forms and content - Identify opportunities to reduce waste and optimize the process - Brainstorm solutions and match them to the identified opportunities
Build High Level Action Plan	- Identify which solutions are either critical to successful One Washington implementation, quick wins to make immediate impact, or both - Prioritize these solutions on a benefit-effort matrix - Build an action plan identifying required team and final deliverable

Key Activity	Objectives
Build Future State	- Build a standard future state for all programs to use moving forward - Articulate how the action plan and specific solutions will enable the future process. - Participants that agree on the future state sign the map to symbolically endorse the new process.

3.2   Software-Driven Approach

The software-driven approach is embedded in the system development lifecycle methodology of most system integrators. After the software is selected, the integrator conducts a series of sessions, often called *Fit/Gap* or *Conference Room Pilots*. In these sessions, the organization's detailed requirements are compared to the selected software. Requirements not satisfied by configuration of the software are flagged for either a software customization (modification) or business process redesign. Most major software packages satisfy 90-95% of the requirements, leaving 5-10% for customization or business process redesign. For the software-driven approach, the starting point or default processes are defined by the selected software modules. This type of BPR is very focused on the capabilities of the software and satisfaction of detailed requirements in a system implementation context.

When taking a software-driven approach to BPR, the following key activities are often part of the process:

Key Activity	Objectives
Set the vision and strategy for BPR	- Identify the business processes to be redesigned - Establish the governance model - Establish the criteria to be used by the governance model for the whole of the ERP implementation.
Conduct Fit/Gap or Conference Room Pilots	- Validate requirements - Produce configuration decisions - Confirm "to-be" business processes - Identify each requirement as either a fit or a gap with a complete and final list of potential customizations.
Facilitate Iteration One Workshops	- Confirm the current state with an emphasis on pain points or State-specific requirements - Understand the current organizational structures that are performing the processes today - Identify key questions - Review leading practices
Conduct analysis and resolve open issues	Perform analysis and develop solutions to the key questions identified in initial workshop sessions
Facilitate Iteration Two Workshops	- Incorporate previously agreed configuration decisions, updated sample data and the resolutions identified in the previous workshops into the analysis - Define the future organizational impacts of business process redesign

Key Activity	Objectives
(As Needed) **Escalation to Governance Board**	- If necessary, any outstanding issues remaining following the workshops will result in an escalation to the governance model with options on how to resolve - Develop a recommended list of customizations with clarity on the path forward
Document BPR Summary and Wrap-Up	Memorialize documentation of business process redesign and decisions made by the organization

3.3 Operating Principles

Developed by key leaders from across State government, the One Washington Operating Principles provide guidance on activities across the project lifecycle that ground the project in the State's vision for service delivery over the next 15-20 years. These principles should guide BPR activities in either approach – software-agnostic or software-driven – to provide alignment with the overall project vision.

Operating Principles For Serving the People of Washington	
Purpose: How does the organization define its purpose?	- Do the right things right: Assume that actions are allowed unless they are explicitly prohibited, and assume that things can be questioned even if they are required. - We deliver outcomes for those we serve, anchored in our mission, vision, strategy, and values.
Accountability: To whom is the organization accountable?	- We are accountable to authorizers for what we do, and to those we serve for how we do it and how well. - Our performance story is told through the use of data and analytics - Quality is defined by those we serve.
Incentives: What matters and how are they made to matter?	- What matters are the outcomes we deliver and their quality (measured by the experience, timeliness, price, ease, etc.), as defined by those we serve. - To make these things matter we: - Recognize and reward delivering quality outcomes and learning from our work based on data and analytics. - Set performance targets and measure progress towards those targets. - Pursue customer feedback that is direct, immediate and personal.
Control: What is controlled and by whom?	- We focus on assuring delivery of quality outcomes with our authorized resources. - Compliance is achieved primarily through motivating people to comply voluntarily. - Decisions are driven by data and analytics. - Control is delegated and supported. - Controls are risk-based.
Culture: What are the unwritten rules?	- We assume people will perform, and empower them to take risks and succeed. - We combine data and analytics with flexibility and innovation to support learning and continuous improvement. - Ours is a service-oriented culture. - We tell our story and the stories of those we serve – they connect people to what we do and why.

3.4   Integrating BPR with Lean

Anchored in a December 2011 Executive Order, the State's commitment to Lean has grown and matured into the Inslee administration. Housed in Results Washington and led by experienced practitioners, the State's Lean transformation program has trained more than 12,000 state employees and 4,000 leaders in Lean tools and methodologies. Cabinet Agencies across the state demonstrate their commitment to Lean through participation in Lean projects, practitioner training and development, collaboration with private sector Expert Partners, and the new Lean Fellows program.

With Washington's Cabinet Agency commitment to Lean in mind, this deliverable seeks to build upon the infrastructure and expertise that exists already rather than introducing an alternate business redesign approach. When considering how to approach the redesign of business processes that are not impacted by software selections, as described in Section 3.1, we recommend utilizing Lean thinking and tools where possible. Section 4.0 provides more detail on when Lean thinking and tools would be most applicable. Furthermore, while Cabinet agencies have a formalized commitment to Lean in place, several non-Cabinet agencies have also adopted Lean thinking to realize opportunities for continuous improvement. These opportunities represent the potential value that the State can realize through business process redesign ahead of an ERP implementation.

A relevant example of where Lean principles and tools are already in use in the State can be found with Consolidated Technology Services' (CTS) business process analysis of its Accounts Receivable (AR), Accounts Payable (AP) and Financial Reporting processes. CTS and Department of Enterprise Services (DES) practitioners developed value stream maps for the agency's AR, AP and Financial Reporting business processes by line of business, resulting in 35 recommendations for process, system, and educational improvements (Kaizen Events) for executive review. Once prioritized, these recommendations will then lead to implementation projects, some that may be Lean events. This example provides some initial analysis that could be built upon should the State choose to conduct enterprise-wide process redesign activities for AR, AP, or Financial Reporting.

4.0 Approach to Business Process Redesign Segmentation

Not all processes are equal, and therefore, how the State should approach them should vary. We recommend segmenting processes into three categories and treating each category differently. Our approach to segmentation takes into consideration the following:

- The goal is to focus and **innovate** those processes that are critical for service delivery in Washington.

- On the other end of the spectrum, we want to reduce inefficiencies by **standardizing** the processes that have the least strategic influence on service delivery - those that are not customer facing or differentiating.

- In between, the intention is to **optimize** the performance of business processes that drive value for the State, but may simply require improvements to existing processes rather than redesign.
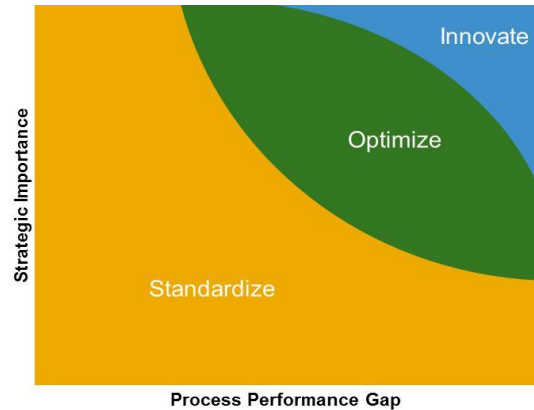
By innovating the critical service delivery processes and standardizing the transactional processes, the State can enhance the use of its limited resources to drive the greatest outcomes for residents of Washington. Each segment is described further, with examples provided for each, in Section 4.1.

4.1 Innovation vs. Optimization vs. Standardization

Segment	Description	Example
Innovation	Dramatically changing the way a current process is executed to meet the strategic priorities of the organization. Identifying new ways of doing business to accomplish objectives in a different way.	▪ Shifting to a new way of doing business (e.g., self-service) ▪ New strategic priority / mission / mandate to be supported
Optimization	Driving incremental improvement in an existing process across the state by focusing on streamlining, reducing inefficiencies, and improving quality.	▪ Failing or inconsistent processes that support higher-level, strategic outcomes ▪ Shifting organizational needs requiring a change in the way work is done
Standardization	Moving towards a standard, statewide chain of activities for a given business process across all agencies, while maintaining distinct workflows or business rules based on agency need.	▪ Multiple agencies with common process needs but executed differently with varying levels of performance ▪ Subset of agencies or locations with poorly defined, ad hoc processes that require disproportionate attention for exceptions and rework

The Lean concepts and tools highlighted in Section 3.4 are most applicable to the Optimization and Standardization categories, where the focus is on getting alignment across agencies regarding a business process or on incremental improvement of the existing process. In contrast, the Innovate category is fundamentally about reengineering a current process from the bottom up. As such, it requires a different mindset that focuses on design rather than improvement. While there are many techniques for achieving this sort of innovation, we would recommend a design methodology that combines Lean principles with the disciplines of design. This combines some of the traditional Lean techniques like Value Stream Mapping and process analytics with Design techniques like divergent thinking and creative problem solving to guide workshop participants as they develop a new process from the ground up.

4.2 Methodology for Prioritization

Three criteria were used to prioritize processes for redesign: Current Process Performance, Strategic Importance, and Impact of Technology. Current Process Performance and Strategic Importance were used to develop an initial list of processes for consideration. This list was then examined through the lens of technology to identify processes that might be so heavily impacted by the ERP that redesigning ahead of a new system would produce limited value. The final list was reviewed and adjusted based on Accenture's judgment and insights gained during agency interviews. The remainder of section 4.2 provides more detail on each of the three criteria.
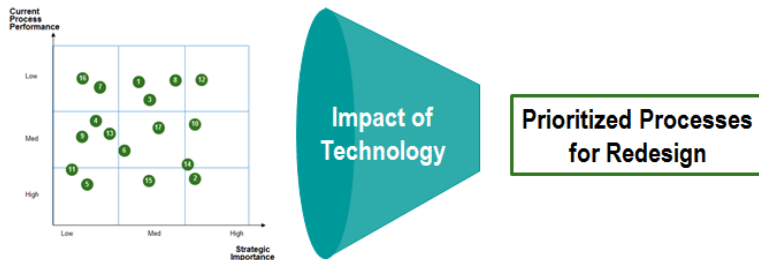
Current Process Performance: Process performance scores were taken from the summary heat maps in the Business Process Assessment deliverable. These scores were informed by the agency business process diagnostics and follow up interviews with agencies. More detail regarding Current Process Performance can be found in the Business Process Assessment Deliverable.

Strategic Importance: Strategic importance is a measure of the impact a process has on service delivery in Washington. While all processes are key aspects of the state's operations, there are some that have a greater impact on services. The processes with greater impact present a larger opportunity for improvement, and thus should be prioritized. An initial analysis of Strategic Importance was performed by the participants of the two Strategy Labs. This analysis was refined and updated based on follow-up conversations and Accenture's experience with State Finance, Procurement and Human Resource business processes. The table on the next page outlines the outcome of the Strategic Importance classifications.

	Finance	Procurement	Payroll & Travel and Expense
High	- General Accounting - Project Accounting - Finance Analytics - Grants Management - Performance Planning - Financial Statutory Reporting - Budget development	- Procurement Data Management - Strategic Sourcing - Sourcing and Category Planning - Procure to Pay Strategy - Internal Customer Satisfaction - Internal Customer Complaint - Procurement Reporting	
Medium	- Accounts Payable - Accounts Receivable - Asset Management - Budget Operations - Cost Accounting - Fraud and Abuse - Policy and Governance	- Purchase Card Management - Procurement Organizational Structure - Monitor Compliance - Category Management - Vendor Relationship Management Strategy - Improvement and Change Strategy - Invoice Processing - User Compliance Management	- Compensation Management - Time Administration - Payroll
Low	- Finance Organization Management and Support - Internal Controls - Period End Closing - Cash, Banking, Investment, and Debt	- PO Processing - Vendor Management and Development - Sourcing - Request to Purchase - Receipt - Contract Management - Inventory Management	Travel and Expense Management

Impact of Technology: Following the initial prioritization, some business process areas that were otherwise strong candidates were filtered out of consideration based on their dependence on technology. Some processes ranked high in terms of their current performance gap due to technology limitations – the majority of the value from redesigning those activities would only be captured with the new technology in place. In addition, this represents our judgment regarding the degree of business value that could be accomplished in the near term compared to the degree of re-work after the ERP software has been developed. Some processes are likely to be heavily influenced by a new ERP system and any redesign done in advance of an ERP would require further rework to fit with the new ERP.

4.3   Results of prioritization

In-scope processes were mapped to a matrix using Strategic Importance and Current Process Performance as the key dimensions. That matrix is depicted on the next page, with the highest priority processes for consideration highlighted in yellow.
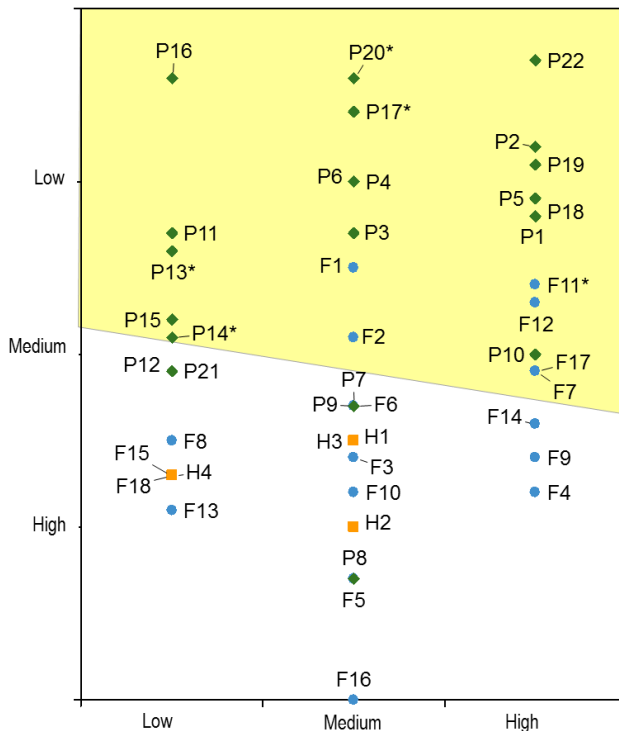
F1	Accounts payable		**P1**	Sourcing and category planning
F2	Accounts receivable		**P2**	Strategic sourcing
F3	Asset mgmt.		**P3**	Category mgmt.
F4	Budget development		**P4**	Vendor relationship mgmt. strat.
F5	Budget operations		**P5**	Procure to pay strategy
F6	Cost accounting		**P6**	Improvement and change strat.
F7	Finance analytics		**P7**	Procurement org. structure
F8	Finance org. mgmt. and support		**P8**	Purchase card mgmt.
F9	Financial stat. reporting		**P9**	Monitor compliance
F10	Fraud and abuse		**P10**	Procurement data mgmt.
F11	General accounting		**P11**	Vendor mgmt. and development
F12	Grants mgmt.		**P12**	Contract mgmt.
F13	Internal controls		**P13**	Sourcing
F14	Performance planning		**P14**	Request to purchase
F15	Period end closing		**P15**	Receipt
F16	Policy and governance		**P16**	PO processing
F17	Project accounting		**P17**	Invoice processing
F18	Cash, banking, investment, and debt		**P18**	Internal customer satisfaction
			P19	Internal customer complaint
H1	Compensation mgmt.		**P20**	User compliance mgmt.
H2	Payroll		**P21**	Inventory mgmt.
H3	Time administration		**P22**	Procurement reporting
H4	Travel and expense mgmt.			

*Processes were removed from consideration for redesign

Note: Innovative funding, Management of cross agency initiatives, and Management of public authorities processes are omitted due to limited information gathered during interviews.

Of the highlighted processes, five were removed from consideration due to their dependence on technology (included in yellow shaded area above with an asterisk). These processes are heavily transactionally-oriented, which means that the greatest gains will come from the automation potential of a 21st century ERP. While there is opportunity to make progress in the short term, the benefits are not likely to outweigh the costs associated with the subsequent redesign that would occur as part of an ERP implementation.

Specifically, this includes:

- General Accounting (F11)
- User Compliance Management (P20)
- Sourcing (P13)
- Request to Purchase (P14)
- Invoice Processing (P17)

5.0 Recommended Path Forward

Recommendation: Based on our analysis, we recommend the State take a segmented business process redesign approach that focuses on standardizing, optimizing and innovating software-agnostic business processes in the near-term and places importance on software-driven BPR for the remaining processes. This approach can only be successful with coordination across the state, and we recommend several key cross-agency activities to help jumpstart this effort.

A critical success factor for this approach is to examine agencies' readiness for redesign activities ahead of an ERP implementation. The subsequent readiness and change management analysis in Phase 2 can inform One Washington leadership's decision on the timing of activities.

5.1 Prioritizing Business Processes for Redesign

We believe Washington can see meaningful improvement by focusing on business process areas that are unlikely to change significantly with the implementation of an ERP, are strategically important to the state, and that present a significant opportunity for improvement on current performance. Our recommendation for processes to be included in this first round of BPR is outlined in the table below. Once this list of processes is confirmed, we recommend further analysis in Phase 2 to define a path forward for redesign. This path forward may or may not include typical BPR activities (e.g., Lean), but could also include specific process changes intended to improve performance. For each process flagged for consideration, we have highlighted some of these specific opportunities in the table below.

Function	Process	Potential Improvement Opportunity
Finance	Accounts Payable	• Balance the Optimization of Prompt Pay Discounts and Reduction in Late Payment Penalties in order to maximize interest on cash flow.
	Accounts Receivable	• Improve collections process, particularly for agencies where collections is not a mission-critical activity (e.g., nursing or foster care overpayments, courts fines).
	Grants Management	State as Grantee • Create an office or organizational capability for Federal Grants Management that provides central monitoring structure for Catalogue of Federal Domestic Assistance (CFDA) grant opportunities and provides guidelines for the full grant management lifecycle • Implement an enterprise-wide policy that provides guidance for the matching of grant match requirements with state funds, in order to make decisions based on long term financial impact • Maximize indirect cost recovery, especially for federal grants pursuant to allowable cost recovery principles (i.e., Circular A-87) State as Grantor • Create a Customer Service Center of Excellence to reduce the level of effort (and costs) required by potential grant applications or grantees
	Finance Analytics	• Incorporate into data/reporting cross-process initiative

Function	Process	Potential Improvement Opportunity
	Project Accounting	- Launch Center of Excellence for Project Accounting - Manage clearance patterns, for example: - Dept. of Transportation – project accounting to facilitate daily billing for Federal Highway Administration - Unemployment Insurance – monthly lag times to get reimbursed for administrative expenses
	Strategic Sourcing	- Leverage the state's buying power to secure better terms and prices from suppliers - Identify a pilot agency or commodity to test various strategic sourcing tactics - Demand rationalization - Vendor aggregation - Specification rationalization - Use of sophisticated sourcing and negotiation techniques (e.g., reverse auction) - Use Total Cost of Ownership approach to vendor/product selection
Procurement	Internal Customer Satisfaction	- Create formal channels of communication as a formal signal to create buy in for broader procurement transformation - Implement tools designed to improve customer satisfaction, such as Service Level Agreements, methods for customer redress (e.g., refunds for customers who do not receive what they order), and formal complaint/monitoring capabilities
	Internal Customer Complaint	Incorporate into broader plan for Internal Customer Satisfaction
	Procure to Pay Strategy	- Map Procure to Pay cycle across all involved agencies - Introduce Procure to Pay concept to all business process owners - Implement service-type concepts into the Procure to Pay cycle (Service Level Agreements, Redress Methods, Formal Complaint and Monitoring Capability, etc.)
	Sourcing and Category Planning	Identify pilot category or commodity and build out category and sourcing plan. The plan would incorporate concepts like demand forecasting and specification rationalization (i.e., simplified number of specifications for a given commodity).
	Category Management	Incorporate into approach for Sourcing and Category planning, starting with pilot category or commodity.

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Function	Process	Potential Improvement Opportunity
	Vendor Relationship Management Strategy	• Explore opportunities to pilot vendor partnership programs as a tool for building engagement in the broader initiative • Develop risk-based vendor management strategy • Launch specialized vendor management programs (e.g., minority-woman owned businesses, green businesses, veterans) including procurement preferences, educational/mentoring programs, and capacity building efforts.
	Improvement and Change Strategy	• Open channel of communication now to build stakeholder engagement. Explore opportunities for Service Level Agreements, Redress Programs, and Formal Complaint and Monitoring Capabilities. • Proactively pitch legislature on potential procurement changes • Streamline and/or eliminate vendor protest process • Explore administrative consolidation of procurement regulations, standard contracts, etc.
	Procurement Data Mgmt.	• Incorporate into data/reporting cross-process initiative
	Receipt	• Implement/allow payment on evaluated receipt (two way match based on risk assessment)
	PO Processing	• Leverage P-Cards to reduce volume of purchase order processing
	Procurement Reporting	• Incorporate into data/reporting cross-process initiative
Human Resources	*Should be determined following a full assessment of HR business processes*	

It should be noted, as mentioned earlier, that we also recommend a second round of software-dependent BPR activities for all business process areas determined to be in scope once the new software has been selected.

5.2 Cross-Process Initiative

In addition to a focus on these business process areas, we recommend the Executive Sponsors explore opportunities to best position One Washington for success through activities that span business processes. For example, planning for master data can lead to immediate improvements while also providing clarity and saving time and money when implementing the One Washington ERP project in the future. We recommend that the State's cross-process initiatives should include the following to augment business process redesign activities:

Activity	Description
Define "payee" master data	This activity would create standard data definitions for all classes of payees (whether in a master database or across multiple databases) such as vendors, employees, recipients, beneficiaries, fiduciaries, bondholders, other governments, and entities receiving revenue refunds. There are three steps in this activity. First, identify the sources and uses of payee data. Second, resolve policy issues such as data privacy, security, and access. Lastly, develop an agreed upon governance and management structure for payee master data.
Define "customer" master data	This activity would create standard data definitions for all classes of customers (whether in a master database or across multiple databases) such as taxpayers, other governments, and entities remitting revenue associated with fees, fines, licenses, sales, rents, and assessments. The steps in this process are the same as the payee data. First, identify the sources and uses of customer data. Second, resolve policy issues such as data privacy, security, and access. Lastly, develop an agreed upon governance and management structure for customer master data.
Define a uniform chart of accounts, to be activated after ERP software is selected	This includes the provision for mandatory coding block elements across the state, including the taxonomy and hierarchy for funds, organizations, expenditure accounts, revenue accounts, commodities, programs, and outcomes. This also includes the provision for optional (but consistent) coding block elements for agencies to include the taxonomy and hierarchy for projects and grants, and agency-based options for lower levels of the mandatory hierarchy (e.g., lower levels of detail that are useful to agencies but not mandated by the State).
Create a reporting strategy for in-scope business processes.	This activity involves three key steps to integrate data and analytics into business processes as discussed with stakeholders during the Strategy Labs. The first step is to identify the most important things to measure. Part of this initial step is to confirm that processes are compliant with relevant statutes and policies. Next, identify the sources of information (digital, manual, non-existent) – based on the source of information, related activities may be to establish a process for collecting relevant data, or to transition manually available data to a digitized format. Finally, confirm the use of data to identify issues related to the consumption and reporting of data that may stem from access, organizational hierarchy and scope of reporting. Once these three steps have been completed, the ongoing process for review and validation of reports needs to be defined and established.

Activity	Description
Implement a business process management capability	The ultimate success of any business process redesign effort lies in the ability to ensure that improvements actually take hold. We recommend that Washington launch a business process management capability with three objectives: 1. Define and implement a governance structure for all process changes 2. Create a system to monitor process changes and track their impact on performance 3. Develop a central repository for the newly defined processes