



ONE WASHINGTON

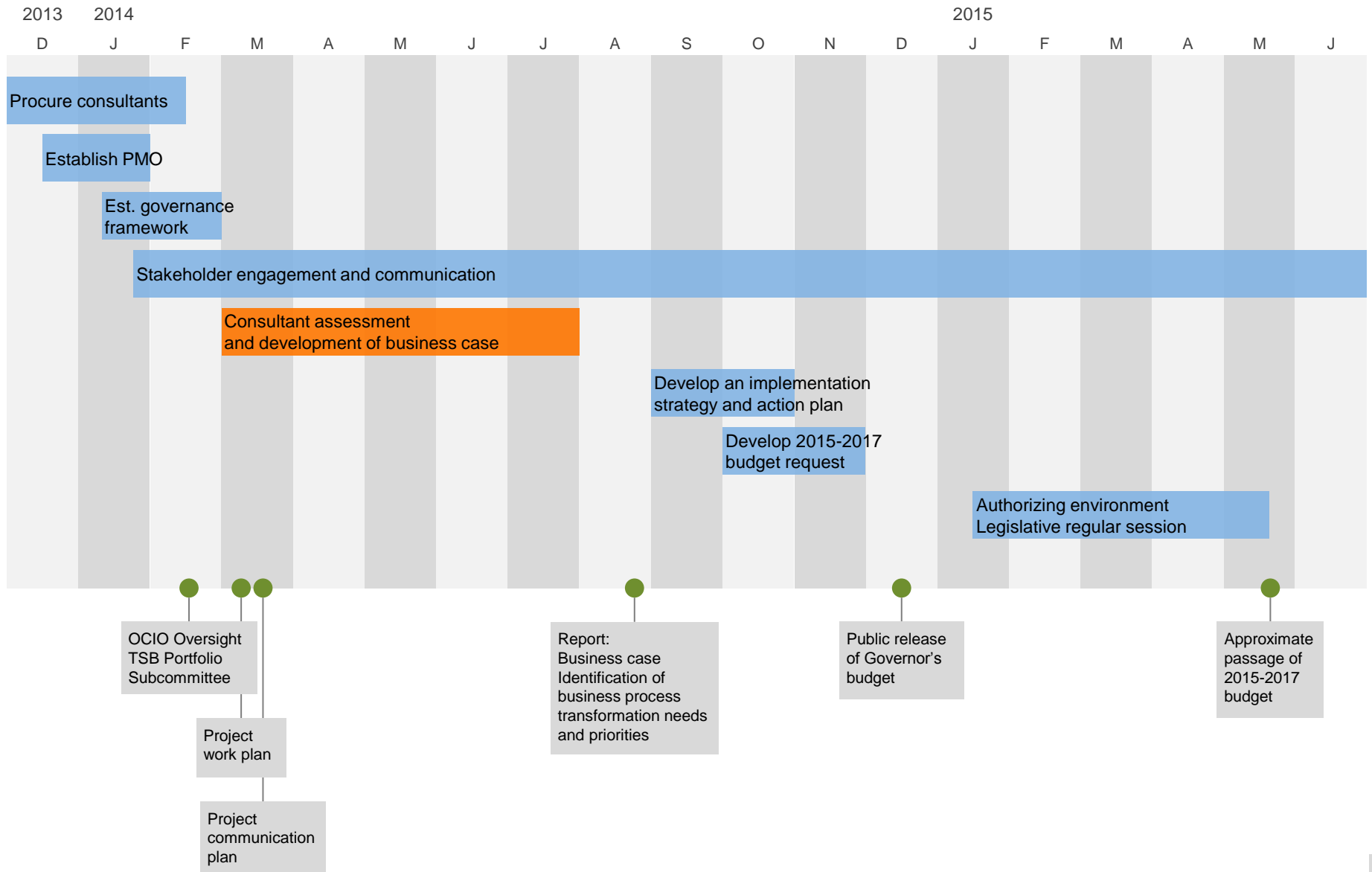
Executive Steering Committee

April 9, 2014

Agenda

- » Welcome
- » Assessment Recommendations and Discussion
- » Enabling Transformation Discussion
- » One Washington Network
- » Schedule Look Ahead

Timeline



Assessment Timeline

We Are Here



Feb

Mar

Apr

May

Jun

Jul

Aug

Phase One

Explore transformation opportunities

Service delivery strategy

Business process assessment

Current financial system assessment

Redesign approach

◆ 4/16: Checkpoint Meeting

Phase Two

Develop the case for change

Readiness assessment

Change management plan

Phasing and timeline

Staffing strategy

Budget and financing

Business case

Finalize results

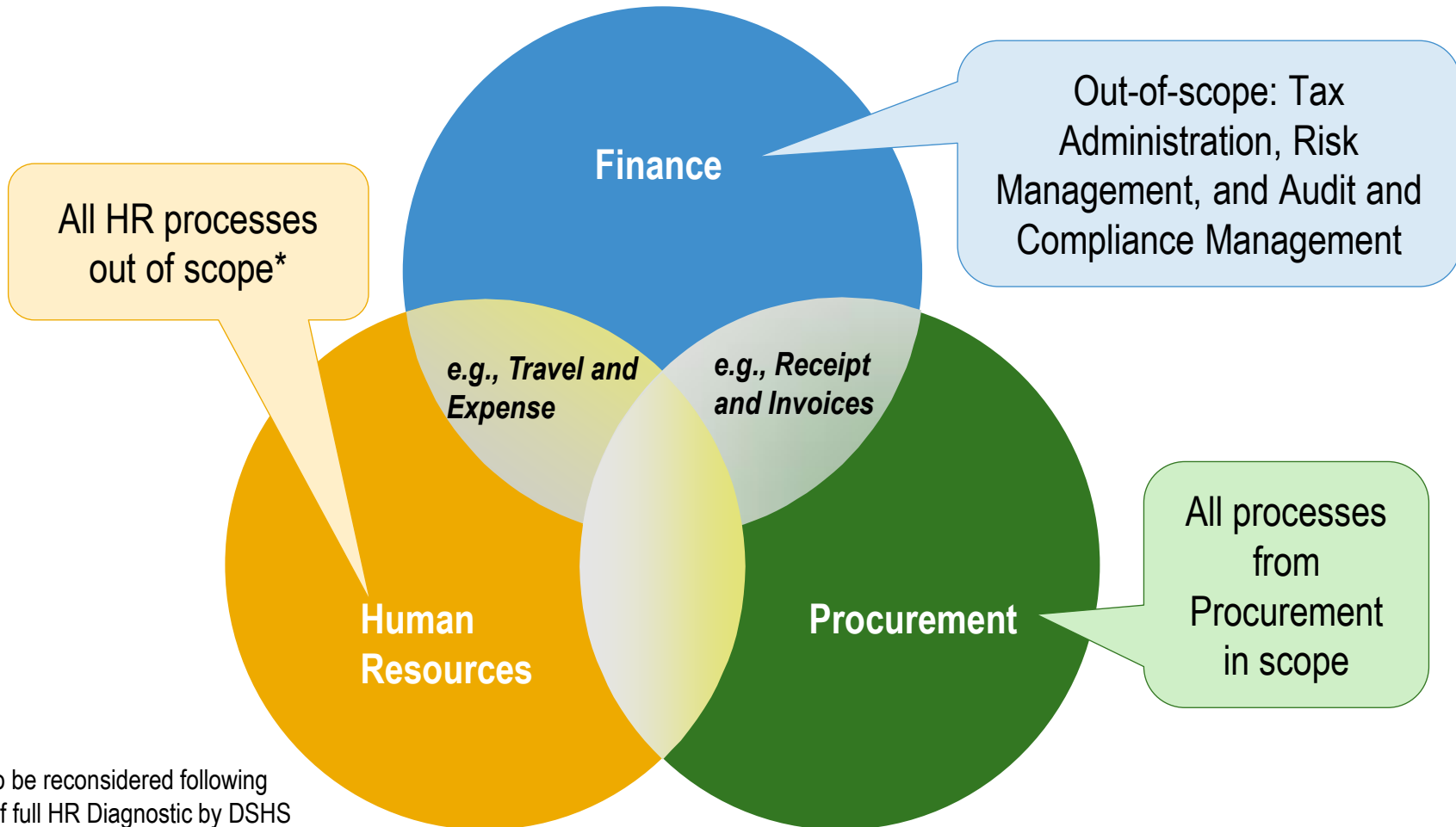
Brief state leaders

Steering Committee Discussion and Recommendations

- » **Agencies:** All State agencies, with the exception of Higher Ed institutions.
- » **Processes:** All Procurement and Finance business processes included in business process assessment.
- » **Systems:** Replace 140 of 168 current financial systems with a new ERP, and build interfaces for 16 of the remaining systems.
- » **Enabling Transformation:** Replacing or standardizing workarounds, barriers to overcome, and unique processes.

Business Process Assessment

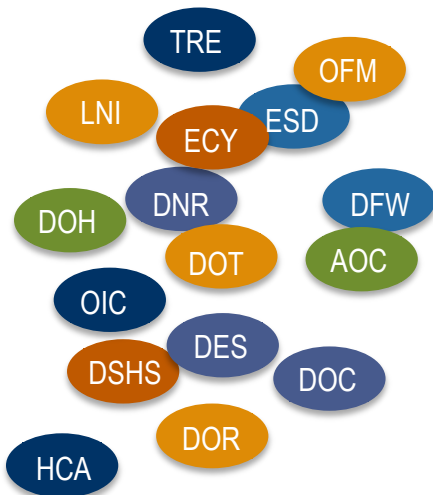
Based on initial analysis, we would recommend the State include the following processes in scope for Phase Two ERP planning.



*HR scope to be reconsidered following completion of full HR Diagnostic by DSHS and State HR (OFM).

Current Financial System Assessment

Individual surveys were completed for 168 current financial systems across 16 agencies.

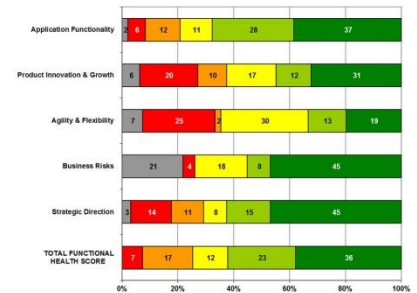


We recommend:

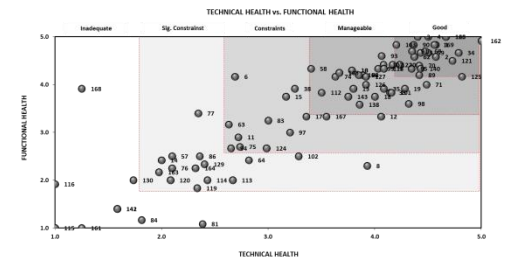
- › Replacing 140 of 168 current financial systems with the ERP
- › Build interfaces for 16 current systems
- › 5 systems were determined to be candidates for decommissioning
- › 7 systems will be replaced by the State's Time, Leave and Attendance project

Survey data will be further analyzed to understand current financial systems' functional and technical health to inform the business case analysis.

Scorecard



Health Assessment



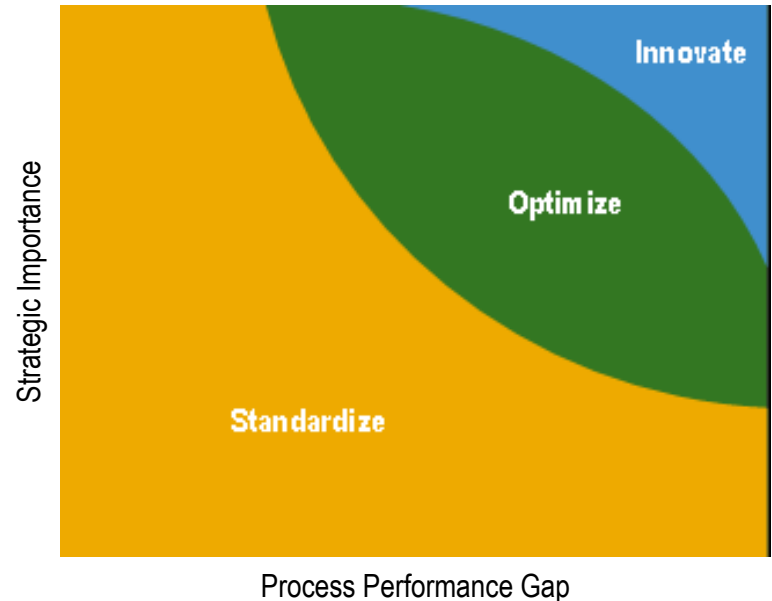
Steering Committee Discussion and Recommendations

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Business Process Transformation

Finance	Procurement
<ul style="list-style-type: none"> ▪ Accounts payable ▪ Accounts receivable ▪ Grants management ▪ Finance analytics ▪ Performance planning ▪ Project accounting 	<ul style="list-style-type: none"> ▪ Strategic sourcing ▪ Request to purchase ▪ 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 ▪ Sourcing ▪ Request to purchase ▪ Receipt ▪ Invoice Processing ▪ PO Processing

Note: HR business processes to be determined following a review of the full HR business process assessment

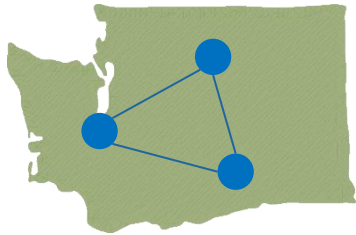


- The goal is to focus and **innovate** those processes that are critical for service delivery in Washington.
- On the other end of the spectrum, we want to reduce inefficiencies by **standardizing** the processes that have the least strategic influence on service delivery - those that are not customer 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.

Recommended Cross-Process Initiatives

- Define Payee master data
- Define Customer master data
- Define a uniform Chart of Accounts
- Develop and execute a reporting strategy for in-scope business processes
- Implement a business process management initiative

One Washington Network



One Washington Network

Contact List

Agency assignments
Points of contact by area
Distribution lists

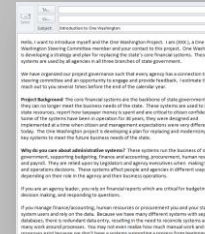
Area	Agency	Point of Contact	Phone	Mobile	Business	Residential
Area	Administrative	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Business	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Construction	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Energy	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Environment	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Health	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Information	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Justice	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Land	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Marine	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Medicaid	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Public Works	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Transportation	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000
Area	Water	John G. Smith	509-477-1000	509-477-1000	509-477-1000	509-477-1000



Approximate touch points this year

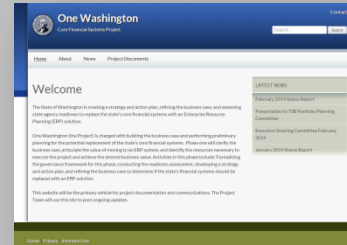
Communication Templates

Emails
Letters



Collateral

One Pagers
Presentation Materials
Website



Look Ahead

- › Periodic review of the schedule to make the best use of your time.
- › Some cases, review over email may be more effective.
- › Agency data request and time:
 - » Time intensive data collection is completed.
 - » In April, we will conduct 30 minute interviews regarding agency readiness.
 - » We may engage on an ad hoc basis to validate and confirm financial and staffing data for the current financial system inventory.

May

- Virtual meeting
- Provide feedback on assessment deep dive

June

- In person
- Discuss results of readiness, change management, timeline and staffing analysis.

July

- TBD
- Review business case and cost model

August

- In person
- Review assessment results and kick off decision package development
- One Washington Network reach out



APPENDIX

Service Delivery Strategy

We recommend the State adopt the Operating Principles developed during Strategy Lab #2.

Washington's Operating Principles Going Forward	
Purpose	<ul style="list-style-type: none"> Do the right things right – assuming actions are allowed unless they are explicitly prohibited, assuming that things can be questioned even if they are required Outcomes for those we serve, anchored in mission, vision, strategy, and values
Accountability	<ul style="list-style-type: none"> Accountable to authorizers for what we do, and to those we serve for how we do it and how well The performance story is told through the use of data and analysis Quality is defined by those we serve
Incentives	<ul style="list-style-type: none"> What matters: Outcomes and quality (experience, ease, timeliness, price, etc.) as defined by those we serve Incentive: Recognize and reward achieving quality and learning from every experience based on data and analysis Adherence: Setting performance targets and measuring progress towards those targets; customer feedback that is direct, immediate and personal; bringing innovation to improve quality; proactively anticipate impact on the Washingtonian
Control	<ul style="list-style-type: none"> Compliance is achieved primarily through motivating people to comply voluntarily Decisions are driven by data and analysis Control is delegated and supported Control for quality of results within authorizations. Controls are risk-based
Culture	<ul style="list-style-type: none"> Assume people will perform; empower them to take risks and succeed. Flexibility and innovation are important. Learning and continuous improvement through data and analysis Service focus. Touch people's hearts. Tell our story – highlight successes

Key Project Decisions – Phase 1

State leadership will need to make several major decisions throughout the course of this effort, and we have defined distinct tasks to inform those decisions.

Task	Decision
Service Delivery Strategy	What is our strategy for delivering services to the people of Washington for the next generation?
Business Process Assessment	What Finance, Procurement, and HR business processes should be included in the scope of Washington's ERP solution?
Current Financial System Assessment	What financial systems will be replaced through Washington's ERP solution, and which will remain but will need to interface with the new ERP?
Business Process Redesign Approach	For those Finance, Procurement, and HR business processes that require redesign ahead of an ERP solution, what approach to redesign should the State take?

Note: A major decision has already been made regarding what State agencies will be considered in-scope for the Phase 2 assessment.

Key Project Decisions – Phase 2

Task	Decision
Readiness Assessment	How ready to implement a new ERP are the Washington people, technology, processes, organizational structure, and policies?
Change Management Approach	What is the strategy for the State to manage organizational change needed to implement and operate the ERP solution?
Phasing and Timeline Analysis	How should functionality and agency implementation be phased and what is the timeline?
Staffing Strategy	What human resources are needed to implement and operate the State's ERP solution?
Budget Estimates and Financing Strategy	What budget is needed to successfully execute the State's ERP strategy, and what financing strategies may be available to the State to meet those budget needs?
Business Case	What is the State's case for change regarding its core financial system? For each of three scenarios - traditional ERP, shared services ERP, and managed service ERP - are the financial and non-financial benefits of transformation enough to justify its financial and non-financial cost?

Final Business Case

Each decision will inform the development and delivery of a clear, concise and compelling business case.

Service Delivery Strategy

Business Process Assessment

Legacy System Assessment

Business Process Redesign
Approach

Readiness Assessment

Change Management Approach

Phasing and Timeline Analysis

Staffing Strategy

Budget Estimates and
Financing Strategy

- Comprehensive and understandable business case that lets State policy makers properly evaluate the options, risks, level of effort, cost, and value expected in replacement of core financial system
- Determination and confirmation of business transformation needs and priorities
- Recommendation of project scope and product strategies



**For more information, please contact
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