



SEPTEMBER 12, 2018

ERP 101 AND BUSINESS CAPABILITIES WORKSHOPS OVERVIEW



One Washington
A Business Transformation Program

Agenda

Topic

One Washington Introduction and Update

What is ERP

Key Benefits of ERP

Hub and Spoke

ERP Integration

Key Concepts

Sample ERP Entry Screen

Process Flow

Questions

Business Capability Workshop Overview

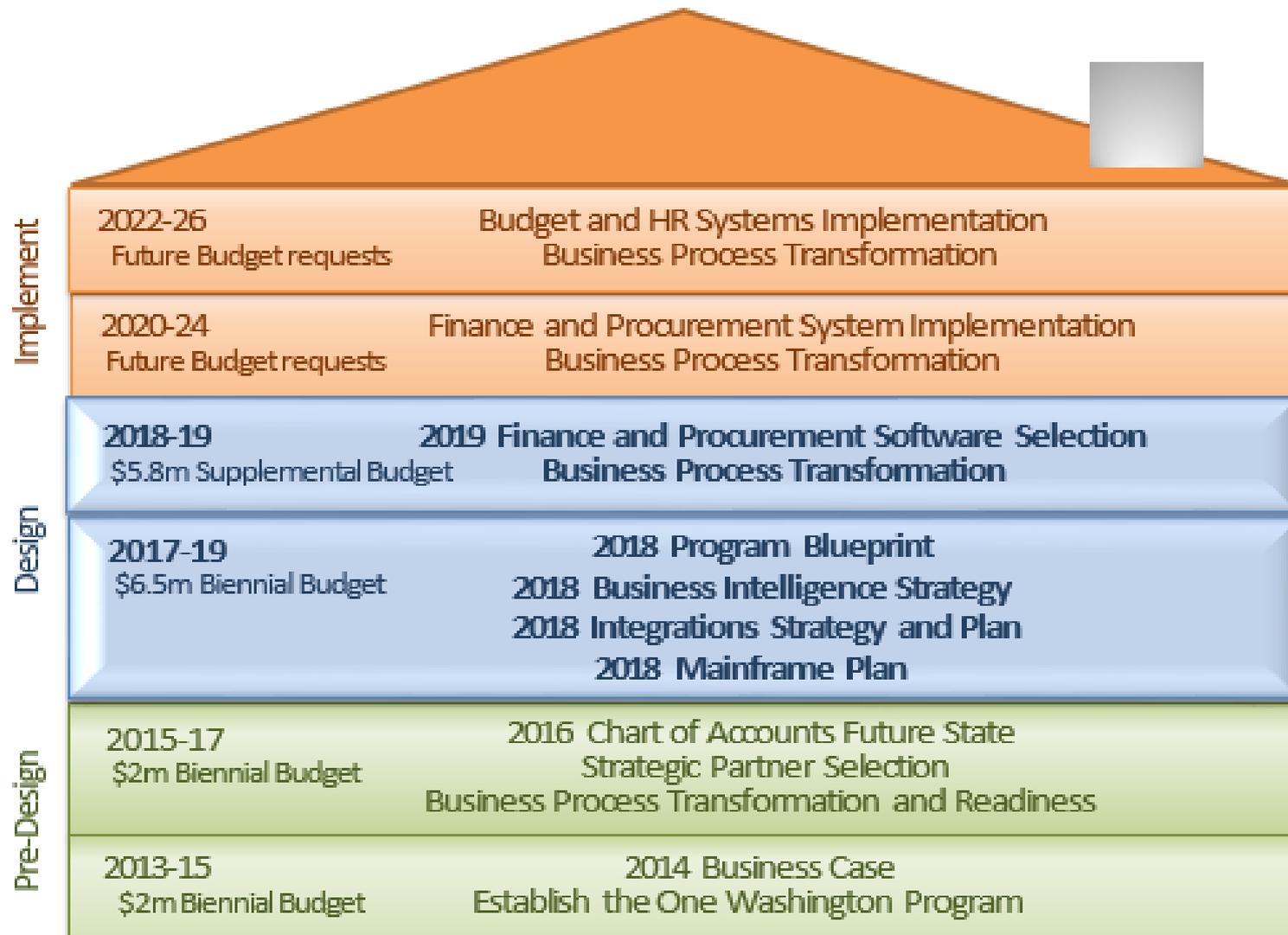
Program Overview

One Washington is a comprehensive, business transformation program to modernize and improve aging administrative systems and related business processes common across state government.

There are four key business areas with change management touching all areas:

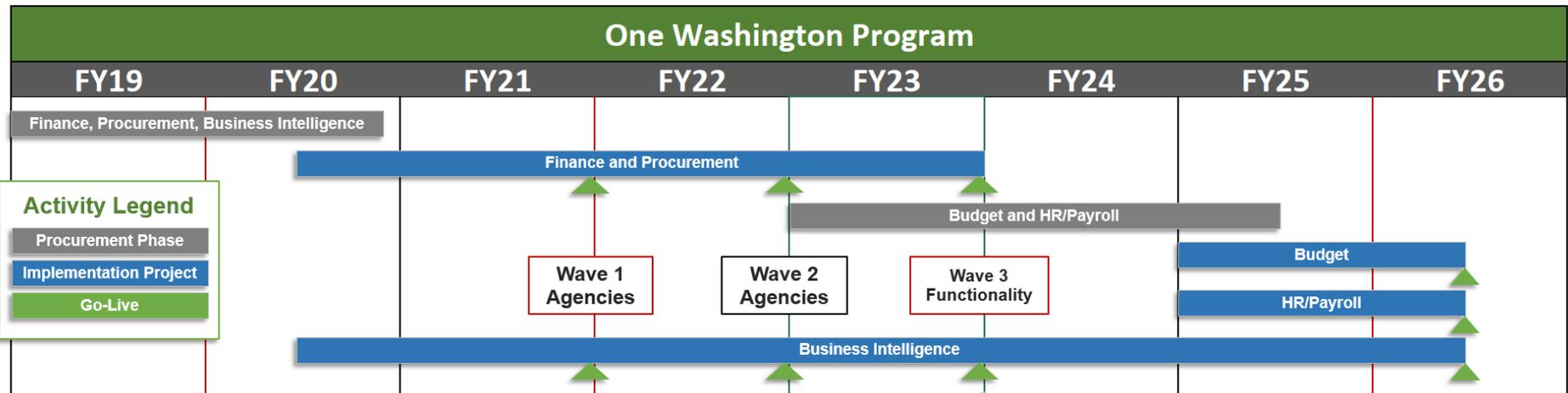


Building the One Washington Program



Implementation/Phasing Approach

- Finance and Procurement will be deployed in three waves:
 - Wave 1: Initial roll-out
 - Wave 2: Remaining agencies
 - Wave 3: Reserved for agencies that require expanded functionality to meet their business needs
- Budget and HR/Payroll will be deployed in one release



Finance and Procurement Deployment Waves

Implementation Wave	Detail
<p>Wave 1 Initial Release July FY22</p>	<ul style="list-style-type: none">• Department of Corrections• Department of Enterprise Services (+ small agencies except for Payroll only)• Department of Health• Department of Services for the Blind• Office of Financial Management• Office of the Governor• Office of the State Treasurer• Utilities and Transportation Commission• University of Washington (Integration only)• Washington Technology Solutions
<p>Wave 2 Initial Release July FY23</p>	<ul style="list-style-type: none">• All other agencies
<p>Wave 3 Expanded Release July FY24</p>	<ul style="list-style-type: none">• Agencies that require expanded functionality

**One
Washington
Work
Streams**

**Fiscal Year
2019**

Organizational change management

Business capabilities and software
procurement

Assess Finance organizational strategy
and readiness

Assess Procurement organizational
strategy and readiness

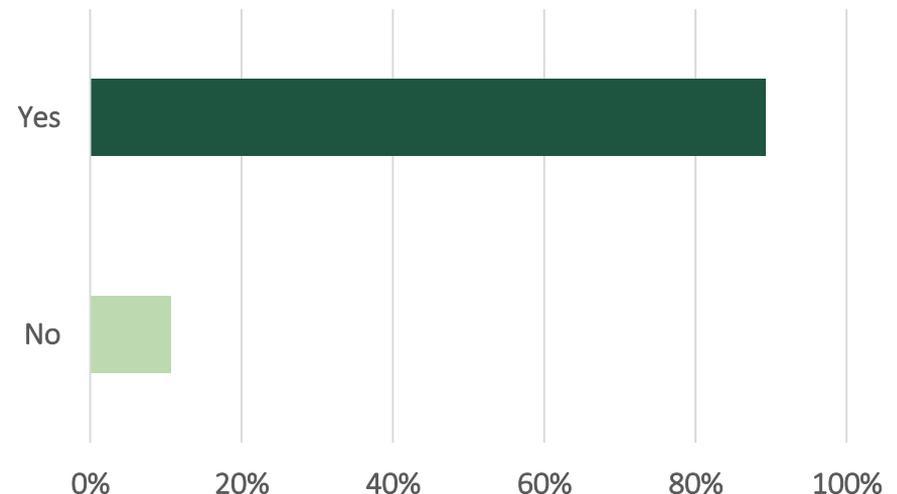
Budget development

Organizational Change Management

- Securing a vendor to lead the development of a comprehensive change management plan – in process
- Launch of Advisory Committees prior to the common business capabilities workshops
- Continuing outreach to agencies
- Statewide update to employees:

“In general, do you feel like One Washington is providing enough information about progress and timelines?”

200+ event participants and a 55% response rate on survey



Business Capabilities and Software Procurement Timeline



Assess Finance Organizational Strategy and Readiness

- Define a centrally governed and consistent statewide chart of accounts structure
- Analyze, identify and consolidate customer and payee files to a single master file
- Standardize agency interfaces
- Document accounting training needs for state staff
- Establish statewide federal grants Community of Practice

Assess Procurement Organizational Strategy and Readiness

- Comprehensive policy, law and rule review and recommendations for eProcurement readiness
- Review pending contract management guide and training, and develop related contract administration guide
- Participate in data team spend data management guidelines creation
- Initial research and recommendations for DES to establish a statewide eMarketplace policy
- Coordination with DES-led enterprise procurement manual

Budget Development

June

Met with DES, DOC and TRE to review budget guidance and make real-time adjustments to message

June

Met with remaining Wave 1 agencies with budget guidance

July and August

Budget guidance workshops with Wave 2 agencies

September

Agencies submit One Washington budget requests

October

One Washington coordinates budget request

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What is ERP?

Enterprise

State of
Washington

Resource

Capital, Assets,
People

Planning

Organizing
Activities

Business Management Software:

- Used to manage and integrate all areas of a business
- Includes a wide variety of functionality
 - Finance & Accounting
 - Contracts & Procurement
 - Budgeting
 - Human Resources
 - Reporting & Analysis

Key Benefits of ERP



Efficiency

Do More With Less

- Reduction of human errors
- Automated workflow



Analytics

Greater Insight

- Access to accurate data
- Access to real time data



Reliability

Improved Accuracy

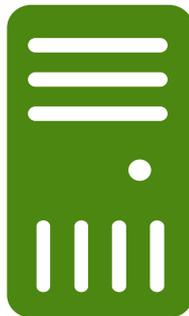
- Eliminate duplicate data entry



Cost

Increased Control

- Improved controls
- One consolidated system of record

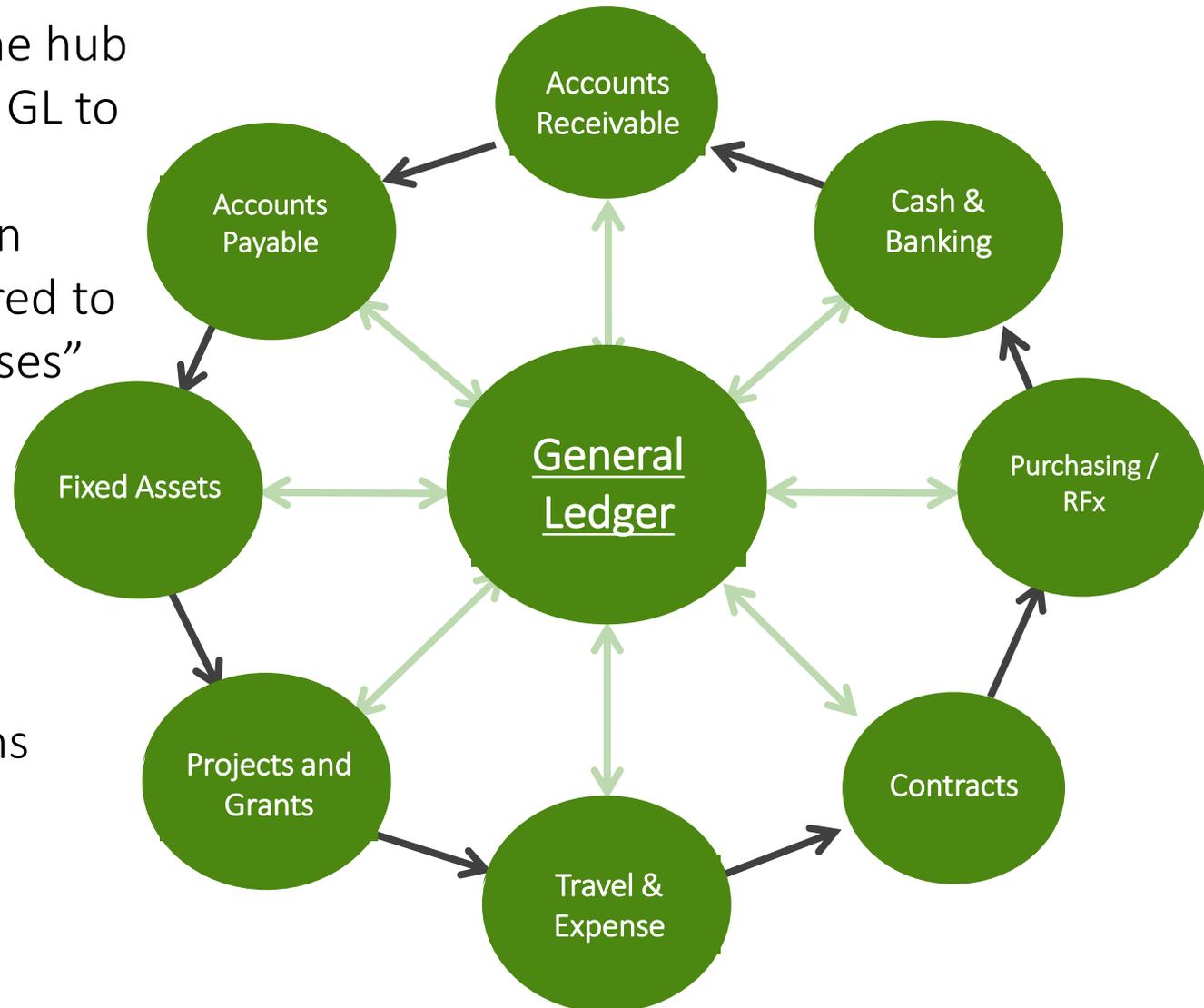


One Washington Transformation

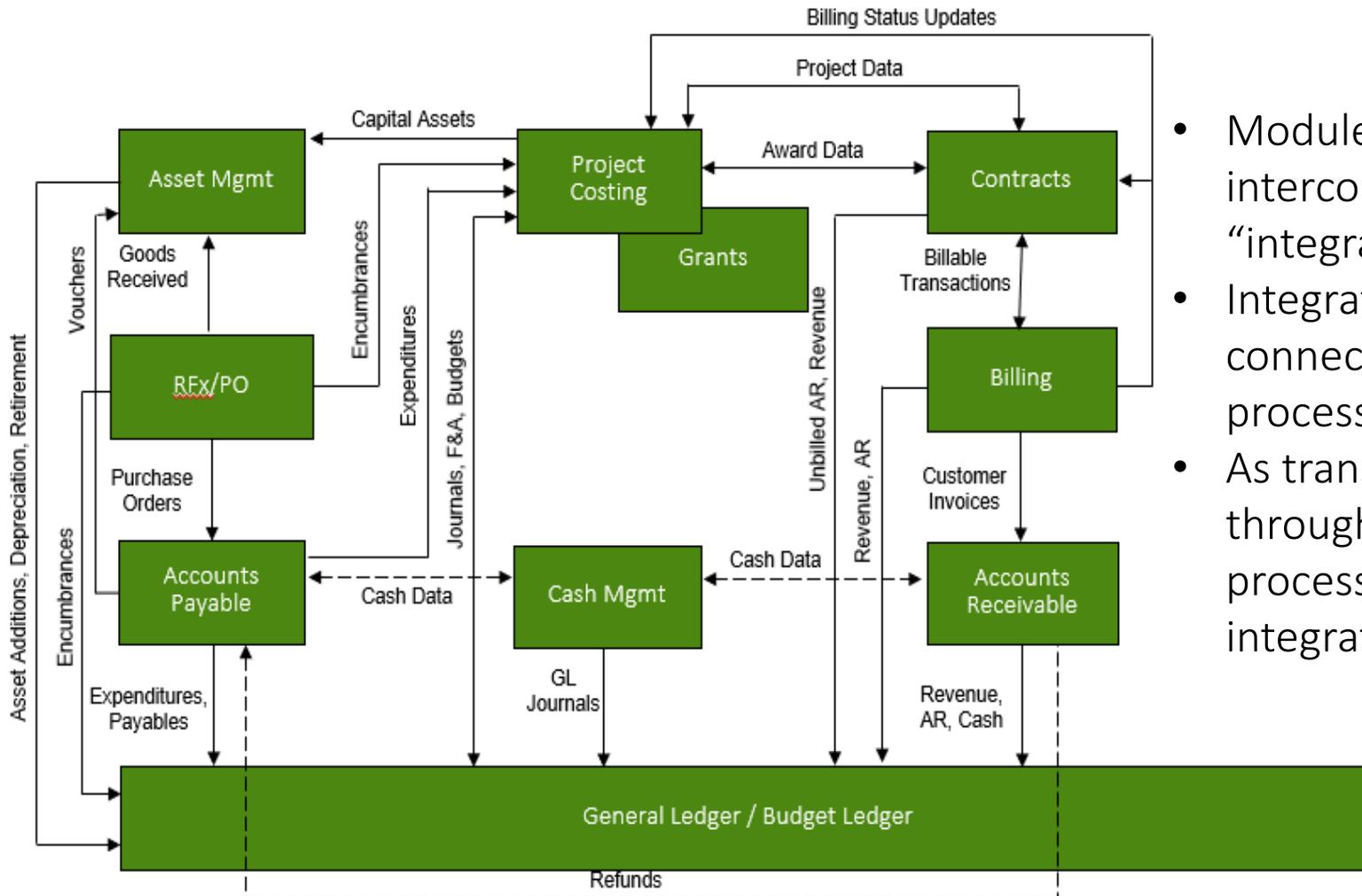


Hub and Spoke Model

- General Ledger is the hub
- Spokes connect the GL to modules
- Modules are built on business logic referred to as “business processes”
- Each business process is comprised of multiple business capabilities
- Detailed transactions are recorded within business processes



Fully Integrated



- Modules are interconnected or “integrated”
- Integration is based on connected business process transactions
- As transactions progress through each business process they create an integrated record

Key Concepts



1. Highly Configurable

- Values are user defined
- Flexible with rules that can be enforced at various levels

2. Workflow

- Streamlines approvals
- Drives efficiency

3. Interfacing with Other Systems

- Standard interfaces allow external systems to post information
- Data interfaced in is summarized; leaving the details in external transaction systems

4. Data Entry and Retrieval

- Codes do not need to be memorized; users can search in a variety of ways
- Data defaults into a transaction based on your organization
- Data is linked between transactions
- Validation of entries

5. Role Based Security

- Users are given specific access to modules they need to transact in
- Within a module, security granted limits what values a user can use in transactions
- Access can be defined to be narrow or broad depending on the users role within the organization

Sample ERP Requisition Entry Screen

Requisition Header

Requestor	John Smith	Requisition Number	119355
Requisition Date	8/28/2018		
Accounting Date	8/28/2018		
Total Amount	\$ 769.50	Vendor	Office Depot
		Contract Number	54656424

Requisition Line Detail

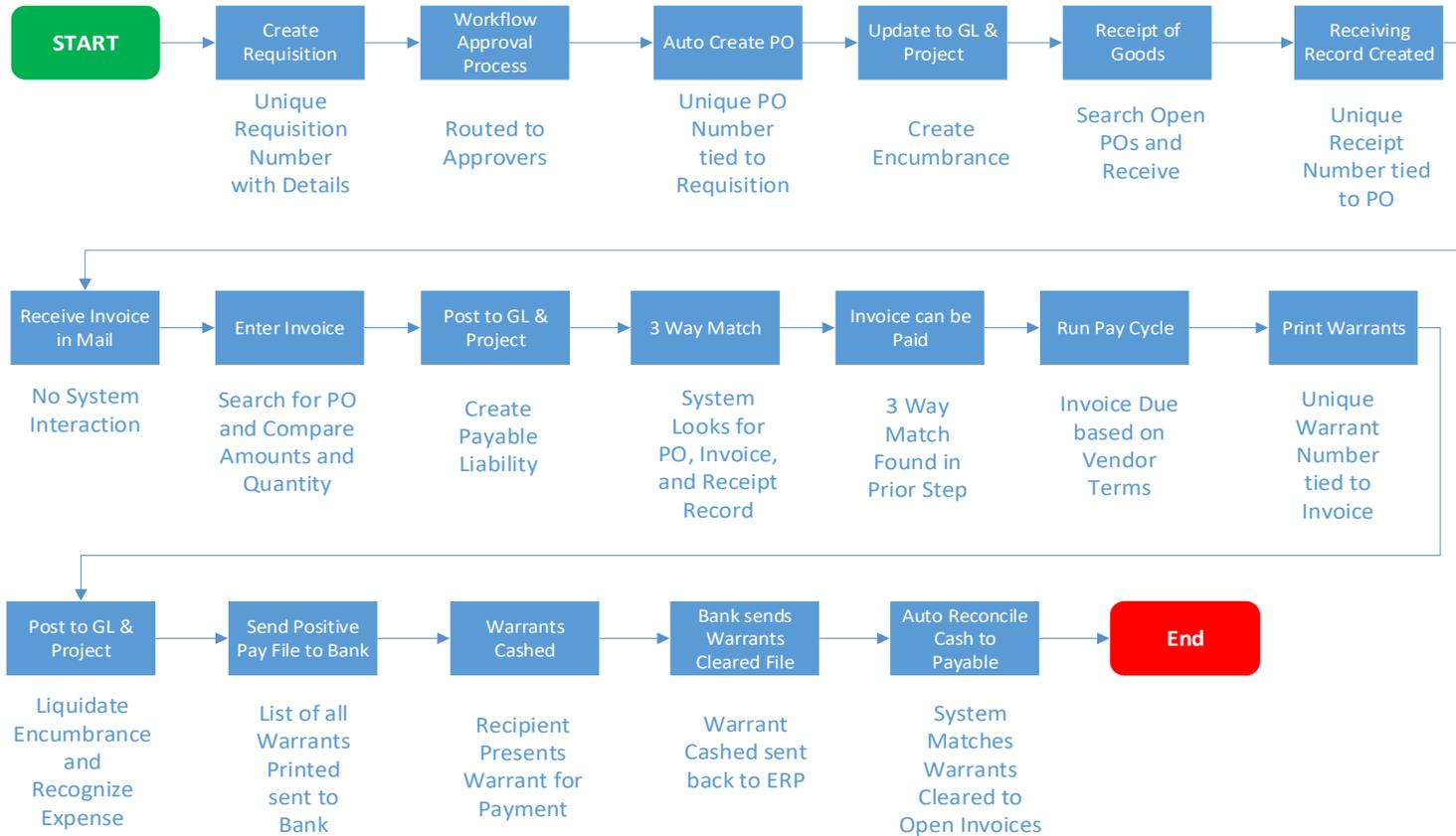
Line	Item	Description	Quantity	UOM	Category	Price	Extended Amt
1	1089	Paper	100	Each	Office Supplies	\$ 5.75	\$ 575.00
2	2100	Ink pens	50	Each	Office Supplies	\$ 0.89	\$ 44.50
3	3460	Stapler	12	Each	Office Supplies	\$ 12.50	\$ 150.00

Accounting Distribution

FY	Period	Fund	Description	Agency	Description	Account	Description	Program	Description
2019	14	001	General Fund	1050	OFM	7801	Paper	3490	One Washington
2019	14	001	General Fund	1050	OFM	7802	Ink pen	3490	One Washington
2019	14	001	General Fund	1050	OFM	7803	Stapler	3490	One Washington

Procure to Pay Overview

Procure to Pay Overview



Break





FOR MORE INFORMATION:

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One Washington

A Business Transformation Program





SEPTEMBER 12, 2018

BUSINESS CAPABILITIES WORKSHOPS OVERVIEW



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Business Capability Workshops Timeline
Business Capability vs. Business Process
Capability Definitions
Sample Capabilities Worksheet
Capabilities Workshop Overview
Capability Feedback Examples
Workshop Preparation Within Agency
Items to Consider
Questions

Business Capability Workshops Timeline

Finance and Procurement Software Selection Business Process Transformation

1. Capability Collaboration

- Review initial list of common capabilities
- Look for and fill gaps in common capabilities
- Prepare the list of common capabilities for pilot workshops

Completed

2. Pilot Workshops

- Small audience to test format, content for workshops
- Collect feedback from workshop participants to integrate in common capability workshop
- Gather feedback for successful workshops

Commences
October 2018

3. Common Capability Workshops

- Large audience to review and look for gaps in common capabilities
- Capture capabilities common among agencies
- Capture unique capabilities for additional workshops

Commences
October 2018

4. Unique Capabilities Workshops

- Meet with identified agencies to review unique capabilities
- Define details of unique capability
- Add new unique capabilities, as needed, to final capabilities list

Commences
December 2018

5. User Stories/ Use Cases

- Use capabilities to develop user stories/user cases for demo by vendors
- State generate stories/cases for most important items to demo

Commences
February 2019

Business Capability vs. Business Process

Software Selection Decisions

Current Phase
(In Scope for Workshops)

Defining Business Capabilities

- What do we want the system to do?
- What kind of functionality do we want the system to have?
- What approvals does the system need to process?
- What to include to help the software vendor understand the capability?

Implementation Decisions

Future Phase
(Out of Scope for Workshops)

Defining Business Processes

- Who is going to specifically perform a transaction?
- Which agency will be the steward over the functionality?
- Who is going to enforce the policy?
- Who is going to be an approver?

Capability Definitions

Term	Definition
Common Capabilities	<p>Capabilities that are consistent across states and are delivered through standard ERP functionality with flexibility via application configuration.</p> <p>Example: Common capability would be the ability of the system to route purchase orders for approval.</p>
Unique Capabilities	<p>Capabilities that are mandated by a state/federal statute, a law, a regulation, governor's directive/executive order or a unique business process that is identified that may not be satisfied by configuration.</p> <p>Example: Unique capability would be the ability of the system to track emissions and fuel economy when purchasing vehicles.</p>

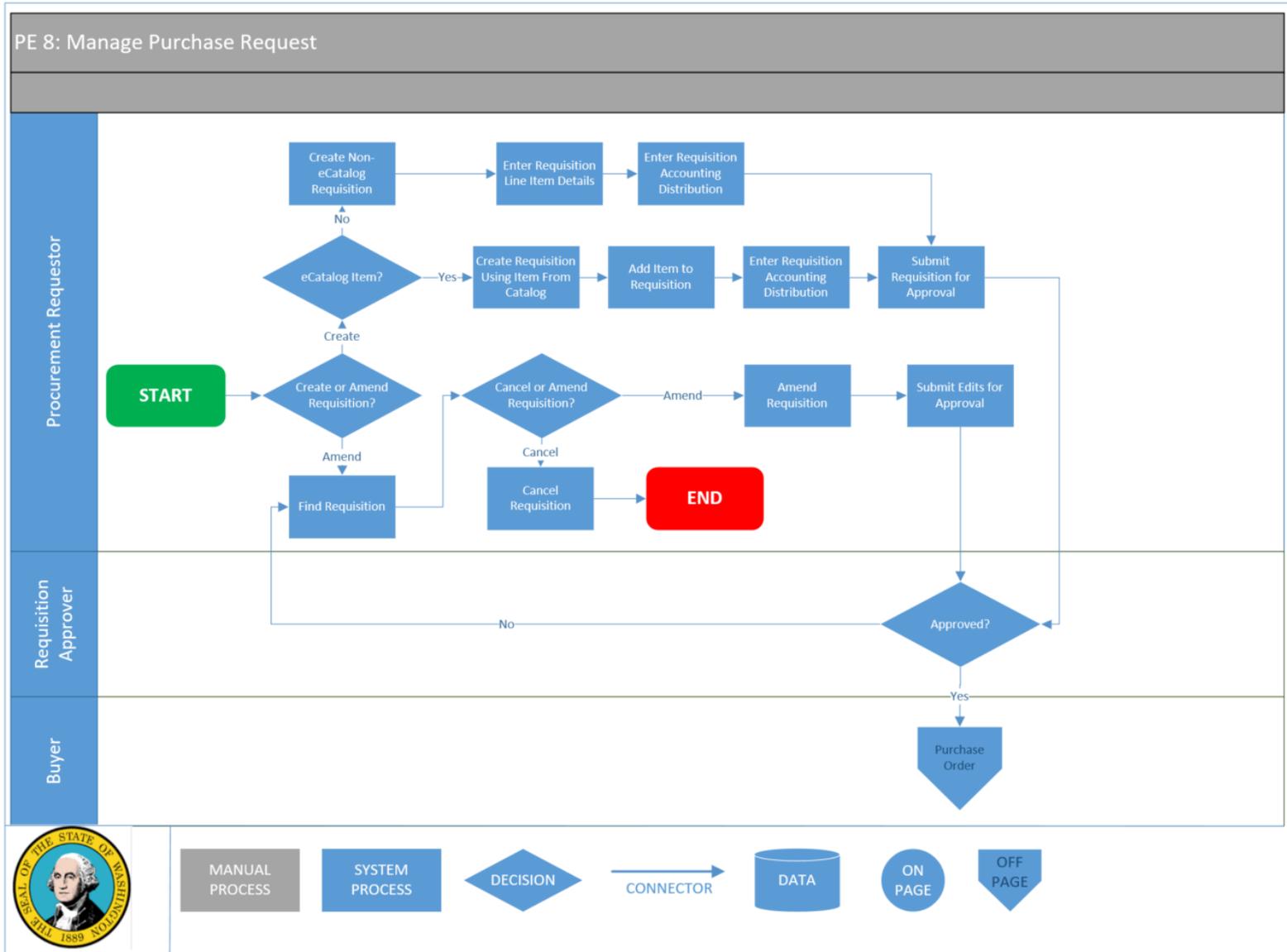
Capability Definitions

Term	Definition	Example
Ability of the system to	The system needs to process something or have the capability to process something.	<i>Ability of the system to send notification for cancellation of requisition.</i>
Ability of the user to	<p>The user needs to perform a transaction in the system. Who or what role performs this transaction is not part of this phase.</p> <p>Note: A user can be just one person or many people. Refer to the context of the capability for which user the capability refers.</p>	<i>Ability of the user to add different billing/delivery information for individual requisition line items.</i>
Ability of the system to report on	The system needs to have a reporting capability. The way that the report looks is not done at this stage.	<i>Ability of the system to report on the number of requisitions submitted for each vendor.</i>

Sample Capabilities Worksheet

Business Function - Level 1	Business Process - Level 2	Sub-Process - Level 3	Capability Description
Purchasing Execution	Request to Purchase	Manage Purchase Request	Ability of the system to generate purchase requisition number automatically and in sequential order.
Purchasing Execution	Request to Purchase	Manage Purchase Request	Ability of the system to automatically assign a unique purchase requisition number.
Purchasing Execution	Request to Purchase	Manage Purchase Request	Ability of the system to restrict user from generating purchase requisition for a specified item category.
Purchasing Execution	Request to Purchase	Manage Purchase Request	Ability of the user to access the master catalog to view item and preferred vendor information.
Purchasing Execution	Request to Purchase	Manage Purchase Request	Ability of the system to automate purchase requisition assignment to purchasers by linking Item category and purchaser.
Purchasing Execution	Request to Purchase	Manage Purchase Request	Ability of the user to link purchase requisition to project code if it is project related.
Purchasing Execution	Request to Purchase	Manage Purchase Request	Ability of the system to record the user of each purchase requisition process and update.

Sample Business Process Flow



Capabilities Workshop Overview



Workshop Details

- Each Agency can send one representative to each workshop
- Workshops will take place two days a week
- Two workshops will take place in the morning and two workshops will take place in the afternoon
- Procurement and Finance workshops will run concurrently
- The workshop facilitator will go through business process flows for reference
- Capabilities will be discussed in groups, not one-by-one
- Workshop is used to collect additional capabilities, not to reword capabilities
- Workshops will be four hours long, issues will be documented in a parking lot as needed and will be discussed as applicable

Capability Feedback Examples

Examples of Appropriate Feedback

Capability on line 58 covers everything except for X for my agency. Can we add a capability for X?

My agency does X that is not done at other agencies. Can we add a capability for X?

A complicated process that we do in our agency is X. Can we add multiple capabilities to cover X?

Examples of Inappropriate Feedback

I do not like the way this capability is written.

The way my agency operates is different from everyone else.

The way my agency operates is too complicated to be done within a single system.

Workshop Preparation Within Agency

One Washington will be sending pre-read materials that need to be reviewed and discussed in the agency before coming to the workshop. Workshop participants are expected to be familiar with and have read through pre-read materials before attending. The workshop is the agency opportunity for input into the capabilities of the ERP software to be selected.



Review Pre-read Materials and Communication

- One Washington will send pre-read materials to workshop participants at least two weeks before a workshop session.



Meet within Agency to Review Capabilities

- Workshop participants will need to meet internally with both finance and procurement practitioners within the agency to ensure capabilities are covered.



Reach Out to One Washington with Questions

- One Washington will provide clarity to questions in regards to capabilities. It is our intent to provide answers to questions within three working days of the question being sent.



Include Input from Agency to Prepare for Workshop

- If a business capability description does not cover agency needs, bring updated capability description to workshop. Additionally, bring any possible unique capabilities the agency has to the workshop.

Items to Consider in Preparation



Old Thinking

Current State

- What do we do today with our current technology?

vs



New Thinking

Future State ERP

- How can we use ERP to work more efficiently in the future?

Customizable System

- How can a system be customized to our specific business process?

vs

Software as a Service ERP (SaaS)

- How can we adapt or change our business processes to leverage ERP functionality?



Business Capabilities Workshop Participant's Role

- Workshop sessions are foundational for business transformation. Please meet your commitments. You play a **key role** in the state's selection of an ERP solution.
- You are representing your agency in this effort.
- Be Prepared. Be professional. You've read the pre-reads, right?
- Use the Agency Readiness Checklist to verify your agency's alignment.
- Approach workshops from an enterprise level; not just from an agency level.
- Help identify the truly unique capabilities for future workshops to address.
- Be concise, be brief and follow the agenda.
- Minimize interruptions . Please silence phones. Delegate responsibilities at your office.
- Remember the process is a consultative decision making vs. consensus process.
- We invite you to join the One Washington team as **change champions!**



FOR MORE INFORMATION:

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