

Technology Services Board Subcommittee – Project Synopsis

November 12, 2020

Office of Financial Management

One Washington

OCIO Assessment QA Assessment



Project overview

Systems modernization of the state's core administrative business functions to include business process transformation and data standardization.

For TSB subcommittee discussion

We want to provide current information on the status of the One Washington project.

Issue statement

Since 2014, the One Washington business transformation program has sought to understand the impact technical limitations have on enterprise administrative business functions and then determine the best solution. The business problems the program addresses include:

- Risks associated with continued reliance on the state's outdated software technologies that cannot meet today's financial and other administrative needs, cannot be modified without risk, and do not have existing or long-term support by software manufacturers.
- Lack of access to real-time financial data needed for critical analysis and decision-making, in part due to disparate and disconnected agency-specific software applications.
- Lack of a common purchasing and procurement platform that inhibits the ability of the state to maximize its purchasing power and bring automation efficiencies to manual processes.
- Lack of capabilities to adapt to the changing needs of today's financial and operating environment.
- Inefficiencies created by financial and administrative business processes that are inconsistent and non-standardized across agencies, and tailored around antiquated and/or manual systems.









Management strategy and readiness plan

One Washington has focused on delivering high value to the state by focusing on the greatest risks to our systems, and positioning both the program and the state to be ready to move into the implementation phase of the project. Implementation for Phase 1A: Core Financials is planned to launch in winter of 2020 with the onboarding of a system integration vendor. This partnership will help the state configure and implement Workday as our chosen ERP. Project activities up to this time have focused on readiness.

On behalf of the state of Washington, the program strives to maximize the dollars received from the Legislature and taxpayers to deliver the project as efficiently and effectively as possible. One Washington has implemented a holistic organizational change management approach, supporting agency readiness in the areas of people, business processes and technology. Consistent and clear project management processes are used to mitigate risks and promptly resolve issues.

Implementation strategy

One Washington developed an implementation strategy that allows the state to balance the need to replace outdated systems as rapidly as possible with the capability of the agencies to absorb the change resulting from consolidating and standardizing the disparate administrative processes onto a single technology platform. There are several reasons why implementing both Phases 1A and 1B is critical to maximize the state's investment including:

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|--|--|--|--|--|--|--|--|
|  Bundled savings |  Getting the most out of Workday |  Paying once for functionality |  Reduce the risk of overspending |  Unification reduces complications |  Delaying 1b will increase cost |  Full transparency |  Business transformation |
|--|--|--|--|--|--|--|--|

These are outlined in detail in the decision package that requests full funding of Phase 1. Workday comes as a Software as a Service (SaaS) bundle which encompasses all of Phase 1 (both Phases 1A and 1B) or the entirety of the Workday Financial Management Solutions. The Workday components that are specifically required to replace AFRS do not come packaged as standalone modules. If we do not fully fund Phase 1, the state will waste significant resources for a number of reasons. For example:

- a. The paid software subscription includes the entirety of the Workday Financial Management Solutions module even only Phase 1A is funded. The software cannot be parsed out.
- b. TRAINS is the financial system that WSDOT uses to conduct agency cost accounting, project management, grants accounting and procurement related activities which are included across Phase 1. TRAINS has reached near end of life and will not have the support of the software manufacturer starting in 2024. Our intent is to move WSDOT into the common system. Without fully funded functionality (Phase 1A and 1B) of Workday Financial Management Solutions by July 2023, WSDOT will be required to seek funding to replace TRAINS. In 2009, WSDOT conducted a feasibility study that indicated that implementation costs of a TRAINS replacement would be approximately \$45.5 million. Staff are working to validate this.
- c. Approximately 72 other agency finance systems and 34 agency procurement systems have been identified as clearly being replaced by the new Phase 1A and B Workday ERP system. We are still conducting analyses to confirm 37 more finance and nine potential procurement systems that could be replaced by Workday Financial Management Solutions. Without full funding, we will have to bridge the legacy applications and systems into the new system and continue maintenance and operations on them.
- d. There are over 1,200 interfaces that would need to be maintained if Phase 1B is delayed because Phase 1B includes the infrastructure for those systems. This will come at a cost.

This information illuminates the challenges the state faces in trying to field Workday Financial Management Solutions during Phase 1.

Project budget and timeline

As of October 28, 2020, the program is waiting for approval of the revised technology budget for Phase 1a from OFM Budget and OCIO. Technology budgets for phases 1b, 2, and 3 have all been submitted to OFM Budget and OCIO for approval. OCIO has requested that the program revisit deliverables for Phase 1b.

| Upcoming Key Project Milestones | Planned Date |
|--|---------------|
| <ul style="list-style-type: none"> - Obtain approval on technology budgets for Phase 1b, 2 and 3 - Complete contract negotiations and execute ordering documents with selected system integrator vendor - Onboard system integrator - Commence implementation for Phase 1a: Core financials - Onboard finance implementation team - Facilitate decision-making process with governance structure related to data conversion and storage - Finalize updates to the technical project schedule and WBS - Distribute Agency Connectivity Requirements survey - Distribute secondary Reporting and Analytics surveys - Conduct legacy system conversion and migration workshop - Complete agency data analysis report addendum - Complete the OCM capability plan - Ongoing implementation of the Agency Support Team plan and establish the AST network (onboarding activities) - Ongoing deep dive agency engagements (in-depth readiness meetings for agencies) | November 2020 |
| <ul style="list-style-type: none"> - Develop and accept Phase 1a implementation project work plan from the system integrator partner - Apply and obtain approval to commence Gate 5 - Workday security architected with state's identity and access management - Workday environment and services established with OFM - OFM cloud highway solution architected for Workday data exchange - Identify agency data conversion requirements - Complete Workday on-demand training - Ongoing implementation of the Agency Support Team plan and establish the AST network (onboarding activities) - Complete the OCM capability report draft - Complete the OCM funding pool plan - Prepare for Readiness Assessment #2 (the follow-up to the Baseline Readiness Assessment) - Ongoing deep dive agency engagements (in-depth readiness meetings for agencies) | December 2020 |

| Key Events to Date* | Date |
|---|---------------------------|
| <p>Budget</p> <ul style="list-style-type: none"> - Received \$20.07M in the compromise budget for FY 2020 - Commenced 2021-23 biennial budget preparations (instructions and template drafted and reviewed) - Established budget advisory committee and conducted kickoff <p>System Acquisition</p> <ul style="list-style-type: none"> - Documentation received from software vendors on January 10, 2020 - Software vendor demonstrations completed - State selected system vendor and entered into contract discussions <p>Program</p> <ul style="list-style-type: none"> - Baselined the program's master schedule activities through June 2020 - Completed suite of program management plans - On-boarded a Special Assistant Attorney General to assist with software and system integrator contract negotiations - Revised initial project scope based on compromise budget <ul style="list-style-type: none"> o Phase 1a: Core financials (AFRS replacement) o Phase 1b: Expanded financials and procurement o Overall project scope and schedule not impacted - Received approval of the program and technical RACI chart - Established a readiness checklist of important documentation to provide to the system integrator <p>Organizational Change Management</p> <ul style="list-style-type: none"> - Deliverables completed: <ul style="list-style-type: none"> o Baseline readiness assessment and individual agency scorecards (January) o Quality metrics provided to the state (February) o Comprehensive OCM program and framework (March and April) o Baseline readiness assessment results (April) o Continuous Improvement Model provided to the state (April) - Completed first round of engagements with agency leadership to discuss individual agency readiness for implementation <p>Technical and Integrations</p> <ul style="list-style-type: none"> - Completed data collection of agency system inventories, interfaces and data elements - Conducted analysis of agency inventories and developed a summary report - Completed first two drafts of the solution architecture and security documentation - Finalized and received approval on: <ul style="list-style-type: none"> o Integration Strategy o Data Conversion Strategy o Data Management Strategy o Business Intelligence Strategy o Data Governance Plan | <p>January - May 2020</p> |

| Key Events to Date* | Date |
|---|----------------------------|
| <p>Budget</p> <ul style="list-style-type: none"> - OFM published the 2021-23 biennial budget instructions and template for agencies - Hosted the 2021-23 biennial budget development kick-off - Conducted “how-to” webinars and workshops for agencies to complete the budget request template - Developed and submitted a comprehensive One Washington decision package to OFM on October 1, 2020 <p>System Acquisition</p> <ul style="list-style-type: none"> - The state of Washington selected Workday as its ERP SaaS system - Executed an MSA with Workday - Released system integrator request for proposals - Conducted system integrator demonstrations - Selected the Apparent Successful Bidder for the system integrator (Deloitte) and commenced contract negotiations <p>Program</p> <ul style="list-style-type: none"> - Baselined the integrated master project schedule through the balance of 2020 - On-boarded new staff in preparation for implementation - Completed the current-to-future state business process gap analysis - Completed the business process map and drafted a Chart of Accounts model for work with the system integrator - Established collaborative working relationships with DES, WSDOT, WaTech and OCIO - Scheduled collective bargaining agreement training for the internal project team to better understand impacts to the state’s resources <p>Organizational Change Management Deliverables</p> <ul style="list-style-type: none"> - Deloitte delivered Statement of Work 1 for stakeholder engagement and comprehensive OCM plans - Executed and commenced Statement of Work 2 for 8 additional deliverables - Conducted round 2 of agency readiness engagements - Conducted agency deep dive meetings - Finalized the OCM funding pool plan - Began implementation of the Agency Support Team plan <p>Technical and Integrations</p> <ul style="list-style-type: none"> - Obtained approval on the integration readiness project plan - Validated 42/44 individual agency reports based on the inventory data analysis - Finalized phase 2 of the solution architecture and security documentation - Hosted the state’s first <i>Tech Talk Live!</i> in October 2020 - Completed the current to future state business process mapping diagrams - Established a reporting and analytics subcommittee - Documented security controls and compliance - Completed the phase 2 OCS security design review - Received approval on the ADA accessibility exception - Received a waiver for IPv6 compliance - Identified agencies for conversion activities based on the system inventories and interfaces data collection period - Commenced activities for active directory and access identity to support the use of Workday | <p>June - October 2020</p> |

*Since January 2020