

Technology Services Board – Project Synopsis

June 9, 2020

Office of Financial Management
One Washington Program

OCIO Assessment QA Assessment



Project description

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

Project orientation

PMO Indicators		Status
Scope 	Modernization of state’s core administrative functions: finance, procurement, budget, and HR/payroll by moving from a legacy mainframe system to a cloud-based ERP SaaS solution.	Program is in Phase 0: ERP Readiness as it gears up for Phase 1a: Core financials implementation.
Schedule 	Baseline through June 2020 on January 30, 2020.	Re-baselining efforts are currently underway for activities through the remainder of the 2020 calendar year. <i>Schedule for Phase 1a will be developed as a deliverable of the System Integrator in early 2021 and baselined.</i>
Budget 	Biennial budget: \$18.4M Supplemental budget: \$20.7M Maintenance cost: N/A Total project cost*: \$38.7M *2019-21 biennium	2021-23 biennial budget instructions and submission template have been developed for agencies for OneWa related requests. The instructions are currently under review. They will be released with OFM budget instructions.
Enterprise Readiness 	One Washington has partnered with Deloitte to support organizational change management and agency/enterprise readiness efforts for the state.	The program will soon finalize a comprehensive OCM plan that lays out the approach to enterprise readiness support through June 30, 2021.

Project Status Indicator Legend	
Status	Definition
Green	Project is on track. The risks are not expected to impact the other project metrics or overall business outcomes.
Yellow	Some course correction may be required. One or more identified risks may impact the program’s other metrics or overall business outcomes. Work stream lead involvement required.
Orange	Mitigation strategies are under development or already invoked to avoid increased risk to impacts on the program’s scope, schedule or budget. Project leadership involvement required.
Red	The program is experiencing or may experience show-stoppers. Mitigation strategies are invoked as the project’s scope, schedule or budget will be impacted. Escalation to executive director and/or project sponsor required.

Timeline	Key Event/Action
Review - 2019	
Jan – June 2019	<p>Received approved biennial budget of \$18.4M (originally requested \$60M).</p> <p>Expanded analysis of software as a service (SaaS) solutions:</p> <ul style="list-style-type: none"> - researched other states' core functional business modernization initiatives - met with industry SaaS experts - engaged enterprise resource planning (ERP) vendors <p>To date, no other state has gone live with cloud SaaS for full core administrative functional business lines. This is due to cost and complexity of implementation across all lines of business. We are finding that states are approaching this challenge by appropriately scoping the modernization effort into affordable and achievable phases.</p> <p>Executive steering committee strategy sessions:</p> <ul style="list-style-type: none"> - Session one (May) – level-set business owners with ESC members and discuss opportunities to adapt scope and schedule to approved budget. - Session two (June) – focused discussion on three strategy options. <ul style="list-style-type: none"> o In collaboration with the functional owners the preferred course of action is to adapt the modernization effort to the approved budget. o Within this budget cycle, the stage will be set to go live with select modernization components. <p>Implementation plans for remaining core functions will be a topic of future planning sessions.</p>
Jul – Sept 2019	<p>Onboard staffing</p> <p>Executive steering committee approves preferred strategy</p> <p>Executed contracts to acquire expertise</p> <ul style="list-style-type: none"> - Organizational change management (Deloitte) - ERP procurement expertise (Plante Moran) - ERP expert (Information Services Group) <p>Conduct business and technical education demonstrations</p> <p>Governance plans revised</p> <p>Onboard contract expertise</p> <ul style="list-style-type: none"> - Organizational change management – Deloitte - ERP procurement expertise – Plante Moran - ERP expert – Information Services Group Public Sector <p>Negotiate contract for benchmarking expertise</p> <p>Finance scope evaluated</p> <p>Complete business and technical education demonstrations</p> <p>Evaluate cost allocation system dependencies</p> <p>Draft supplemental budget</p> <p>Agency readiness criteria developed for people, processes and technology</p> <p>NASPO master contract validation review and participating addendum exercised for the State of Washington</p>
Oct – Dec 2019	<p>Industry expert partners reviewed the ESC preferred scope and provided recommendations for 'dialing in' the scope functionality and timeline (initial go live in FY23)</p> <ul style="list-style-type: none"> - ESC approved the recommendations on October 17, 2019 <p>Plante Moran developed use cases and requirements, and scheduled review sessions for all business functions</p> <p>Contract and onboarded benchmarking expertise</p>

	<ul style="list-style-type: none"> - <i>Benchmarking engagement to provide industry-based comparative analytics, which will provide insights into best business practices</i> <p><i>Submitted decision package for FY20 supplemental budget</i></p> <p><i>Agency requests:</i></p> <ul style="list-style-type: none"> - <i>Initiated collection of agency inventories for systems, interfaces and data flows (concluded 12/9)</i> - <i>Distributed enterprise-wide readiness survey to agencies to evaluate agency people, process and technology readiness (concluded 12/6)</i> - <i>Identified champion agencies to participate in benchmarking survey (concludes 12/12)</i> <p><i>Integration tool confirmed: Informatica</i></p> <p><i>Submit technical budget and revised investment plan</i></p> <p><i>Scheduled vendor demonstrations for January and February with business owners and advisory committees</i></p> <p><i>Finalize software selection criteria for vendor demonstrations</i></p> <p><i>Release due diligence documentation on December 18 (closes 1/10/2020)</i></p>
New since last TSB	
Jan – May 2020	<p>Budget:</p> <ul style="list-style-type: none"> - Received \$20.07M in compromise budget for FY2020 - Commenced 2021-23 biennial budget preparations (instructions and template drafted and are being reviewed) - Established budget advisory committee and conducted kick-off <p>System Acquisition:</p> <ul style="list-style-type: none"> - Documentation received from software vendors 1/10/2020 - 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 - Onboarded a Special Assistant Attorney General to assist system 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 <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 discussing individual agency readiness for implementation <p>Technical/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 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

	<ul style="list-style-type: none"> ○ Data Management Strategy ○ Business Intelligence Strategy ○ Data Governance Plan
Looking Ahead	
June – December 2020	<p>Budget:</p> <ul style="list-style-type: none"> - OFM to publish 2021-23 biennial budget instructions and template to agencies - Host 2021-23 biennial budget development kick-off - Conduct 'how-to' webinars and workshops for agencies to complete budget request template - Develop and submit comprehensive One Washington decision package to OFM <p>Acquisition:</p> <ul style="list-style-type: none"> - Published enterprise-wide announcement of system selection - Enter system contract negotiations and complete ordering document - Release system integrator request for proposals - Conduct system integrator demonstrations - Select and contract with selected system integrator - Onboard system integrator vendor in November 2020 <p>Program</p> <ul style="list-style-type: none"> - Re-baseline integrated master project schedule - Onboard new staff in preparation for implementation - Complete current-to-future state business process gap analysis - Ready business process map and draft Chart of Accounts model for work with system integrator <p>OCM deliverables:</p> <ul style="list-style-type: none"> - Deloitte to deliver the stakeholder engagement and comprehensive OCM plans - Commence statement of work 2 - Conduct round 2 of agency readiness engagements <p>Technical and Integrations</p> <ul style="list-style-type: none"> - Obtain approval on integration readiness project plan - Validate individual agency reports based on inventory data analysis - Finalize solution architecture and security documentation <p>Implementation commences for phase 1a: Core financials in November 2020.</p>

Key Takeaways	
<p>Overall Project Status <i>(As stated in the MAY 2020 OCIO Report)</i></p>	<p>Despite minor delays during software discussions/negotiations, One Washington continues to operate within the overall scope, schedule, and budget.</p>
<p>Key Risks <i>(As stated in the May 2020 QA Report)</i></p>	<p>Budget: There is impact to and coordination needed with other high priority projects within the state, requiring the same staff resources and potentially overlapping funding needs.</p> <p>Scope: There is potential for incomplete or inaccurate inventories of systems, interfaces, and data.</p> <p>Schedule: It may be necessary to make assumptions to establish start and end dates for various tasks, which is not unusual, in order to develop a schedule baseline through the end of the calendar year.</p>

	<p>Procurement/Contract & Deliverables Management:</p> <ol style="list-style-type: none"> 1. The software vendor announcement delay has impacted the security assessments timeline because of the need to communicate such things as the security architecture of the selected ERP product, the internet access protocols, and other related product-specific items in order to complete the assessments. 2. In order to complete the integrated schedule baseline through the end of the calendar year, the PMO may have to make assumptions on some tasks and milestones. 3. The delay and the necessary confidentiality of the software selection process has resulted in some stakeholder concern and confusion. <p>Governance: Without a governance structure capable of effective decision-making from policies to software configurations, the project could suffer implementation delays, rework, and inaccurate reporting.</p> <p>Business Processes: To ensure that the Program's scope can be achieved in the planned timeframe, work must continue to define future business processes and systems functionality and gaps between the current state and the future vision prior to the arrival of the SI.</p> <p>Requirements, Design and Configuration: Achieving the restructured security assessment timeline is dependent on a timely announcement of the selected ERP software vendor.</p>
<p>Lessons Learned</p>	<p>During a recent audit of a University of Washington Process Design Workshop, the program and other key stakeholders had the unique opportunity to observe and gain an understanding of UW's project decision-making process during their design phase.</p> <p>Key takeaways include:</p> <ul style="list-style-type: none"> - A strong systems integrator partner is critical. - Project governance and live tool governance must be set. - A clear vision and shared expectations from all parties must be voiced early and often.