

Roadmap Program Implementation Plan

Version 1.0

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1 DOCUMENT OVERVIEW

The intended audience for this document is the Roadmap Steering Committee, Executive Sponsors, Agency Advisory Group, Program Director, Office of Financial Management Business Owners, Department of Information Services' Information Services Board, and other project stakeholders.

1.1 Summary of Changes

This section records the history of changes to this document. Only the most significant changes are described here.

Version	Date	Author	Description of Change
1.0	11/14/08	Project Team	Preliminary Draft

Where significant changes are made to this document, the version number will be incremented by 1.0. Where changes are made for clarity and reading ease only and no change is made to the meaning or intention of this document, the version number will be increased by 0.1.

1.2 Distribution

This document has been distributed to:

Name	Organization	Date of Issue	Version
Sadie Rodriguez-Hawkins	Accounting	11/14/08	1.0
Lynne McGuire	Information Services	11/14/08	1.0

1.3 Document Control Information

At the end of this document is a box indicating the end of text as shown below.

<p>Roadmap Implementation Plan</p> <p>END OF DOCUMENT</p>
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Any copies found to be incomplete or obsolete should be destroyed under supervision or returned to the owner.

2 EXECUTIVE SUMMARY AND RECOMMENDATIONS

The Roadmap Program began in 2004 to help move Washington towards modernizing its core financial systems. The Roadmap Program looks across state government to help address administrative efficiencies by:

- Identifying and implementing initiatives that streamline business policies and processes;
- Making state government more flexible, transparent and responsive;
- Meeting demands for better information; and
- Better leveraging the state's investment in information systems.

To achieve these objectives, the Roadmap Program weighs the needs of the state **as an enterprise** over the needs of single agencies, or even functionally related agencies.

The Roadmap Program has completed four Milestones, with a fifth underway. Milestone 4 resulted in a 2007 Core Financials Feasibility Study that recommended 12 “positioning activities” to help Washington State prepare for the future.

One of these positioning activities was the Enterprise Data Definitions/Chart of Accounts (EDD/COA) project. On October 6, 2008, the EDD/COA project team released its final report for Phase 1. The Foreword to the report includes a “message from the Roadmap Executive Sponsors.” The message highlights key themes from the report and other completed Roadmap positioning activities. It also summarizes what those themes mean for the next steps state government can take to modernize the core financial systems.

In particular, the Foreword called attention to a need for the following in Washington State:

- Modern financial tools to meet management information needs
- Comprehensive and sustainable data integration strategy
- State level data definition standards, and
- An effective governance structure to accomplish those needs

The Foreword directs the Roadmap Steering Committee to do two things:

1. Adopt an implementation plan for modernizing the core financial systems, and
2. Develop a budget proposal to support the 2009-11 Biennium portion of the plan

The Foreword specifies that the “Multi-year plan should identify the proposed sequence and schedule for modernizing the core financial system components deemed to be in scope. The plan should also identify predecessor and supporting tasks necessary for success, including those identified in the EDD/COA report.”

This report completes the Implementation Plan. It represents a culmination of four plus years of work, participation by almost every state agency and higher education

institution, and provides a framework to achieve the goal of modernizing the core financial systems.

2.1 What problem are we trying to solve?

The current suite of core financial systems is no longer modern or complete.

Washington requires modern tools to meet management information needs

The public expects government to employ management practices and then demonstrate and report on results. Those expectations can only be attained efficiently through the use of modern tools. The state has a duty to acquire the tools necessary to capture the information and data necessary to continue managing Washington State efficiently and effectively.

Even though Washington's core financial system, the Agency Financial Reporting System (AFRS), is still functioning it presents challenges to creating a modern or complete enterprise system. It was built on 1970's technology, which limits flexibility, and changes can be costly and time consuming. For example:

- Data must often be re-keyed between financial and administrative systems because agencies maintain multiple "shadow systems" to accommodate accounts receivable, capital asset management, cost allocation, etc.
- Data is not easily integrated, and financial staff must engage in heroic efforts to provide their agency's enterprise data, which in turn is forwarded to OFM, where the efforts continue.
- Since reports are not automated and agencies use different naming conventions for their data, it is difficult to determine whether reports from one period to the next are comparable.

Needless to say, all of these issues combine to threaten the state's ability to provide transparent data efficiently.

In addition to AFRS, Washington currently owns and uses two instances of an Enterprise Resource Planning (ERP) system – SAP. ERP systems are designed to realize the benefits of data and process integration.

As a result of owning these very different solutions, an "either/or" question emerged from discussions around the 2007 Feasibility Study: "Which approach should we take to modernize the core financial systems – leverage our investment in AFRS or leverage our investment in SAP?" As we moved forward with the positioning activities, it became clear that this was not the question we should be asking at all.

Instead, by August 2008, new information on data integration and service-oriented architecture (SOA) changed our question to, "What is the recommended approach and sequence for completing the modernization of the core financial systems?" Even though months of effort have been dedicated to answering the question, simply answering the question is not enough.

Even if the state decided tomorrow to leverage its investment in SAP, substantial preliminary work remains. Much of this work would focus on addressing the problems that have arisen from our state's decentralized organizational structure. For example, the EDD/COA report clearly highlights that the state lacks consistent enterprise data definitions and does not employ strict standards and guidelines regarding the use of the existing optional agency fields in the chart of accounts. For example, agencies have the option to use some fields in AFRS in a discretionary fashion (for specific program needs). As a result, consolidation of agency discretionary data is difficult. Agencies also have the option to not use some available enterprise business processes.

Because the State operates in such a decentralized fashion, agencies have configured their internal policies and processes to meet their mission-specific interests, rather than basing their decisions on what is best for the enterprise. Rules and laws have been written from an agency perspective as opposed to an enterprise view. Consequently, some statutes may be at odds with one another; they may be duplicative or in conflict.

This is not to say that if only the data and processes were standardized, data integration challenges would cease to exist. Currently, over 500 interfaces exist between AFRS and other financial and administrative systems. Another positioning activity made us aware that changes to OFM statewide systems may inadvertently result in changes to many of the agency-unique interfaces. The resource requirement impacts on agencies to make these changes could be prohibitive.

Suffice to say, an ERP solution will only make sense if the state willingly embraces the standardization required to make policy, processes, systems and data integration approaches practical. Regardless of whether or not an ERP solution is chosen, Washington must determine its "appetite for change," and move to requiring greater standardization. Doing so would maximize the benefits desired through any approach to modernizing the state's core financial systems.

2.2 What are Roadmap Program's most recent activities around core financials?

In August 2008, the Roadmap Program team recommended sequencing options to the Roadmap Steering Committee and Executive Sponsors. The sponsors then asked the Roadmap Agency Advisory Group (AAG) to help define some productive and affordable progress that could be made for the upcoming biennium.

With the advice of the AAG, the Steering Committee determined that 27 of a possible 43 systems or functions would be "in scope" for core financials, and confirmed prioritization of urgent business needs into Tier 1, Tier 2, Tier 3 and Tier 4 priorities. (See Appendices A and B).

The Roadmap Program team provided information regarding the traditional/best practice approach of implementing core financials to the AAG and the Steering Committee. The AAG subsequently reviewed several sequencing options, and agreed that Time, Leave and Labor Distribution (TLLD) should be implemented soon, as well as the requirements developed for the core financials. Two options were selected for Steering Committee consideration.

At the November 20 Steering Committee meeting, Wolfgang Opitz, Deputy Director of the OFM and a Roadmap Executive Sponsor, reviewed the results of the November 19 revenue forecast. He reported that Washington State government is facing a \$5.1 billion deficit currently and through the next biennium. In light of this, the committee members decided to place major Roadmap initiatives on hold until the economic outlook improves, and asked the Roadmap Program team to determine which projects could be accomplished over the next biennium at no or low cost and within existing resources.

The Steering Committee acknowledged the momentum and synergy that had been gained in recent months, and recognized the need to keep moving forward. The members recommended maintaining the value already realized, as well as positioning the state to be “ready to go” once the financial crisis is behind us.

What is in the Implementation Plan?

This Implementation Plan is a high level view of what the Roadmap Program could accomplish once funding becomes available. It addresses challenges Washington State faces in moving towards modernizing its core financial systems.

Several prerequisite and supporting tasks are identified, which should be completed before Washington State can migrate towards a modern and complete core financial system. These tasks could be worked on concurrently during the remainder of the 2007-2009 Biennium:

- Develop requirements for the Time, Leave and Labor Distribution (TLLD) system – TLLD was defined as the top priority by the AAG. Efforts are underway in Fiscal Year 2009 to move this project forward. This is a partnership between the Washington State Departments of Transportation, Natural Resources and Personnel and the Office of Financial Management. Together they will identify the requirements for an enterprise time and leave collection and labor distribution system.
- Continue work on the state procurement reform project. Current efforts are being led by the Department of General Administration in partnership with DIS and OFM.
- Continue efforts to have all Olympia-based agencies operate under the same networking platform.
- Align the Roadmap Program Office to support the new direction – recognizing that as the Roadmap Program moves forward, staffing needs will continue to evolve and change.
- Establish the Data Standards Program as recommended in the EDD/COA report. OFM will propose financial data definitions when OFM is the owner of the system of record and will assist in the development of other initiative deliverables that support the Information Services Board (ISB) Enterprise Architecture Committee (EAC).
- Continue to advocate for the improvement of the state’s capacity for data integration. OFM will provide appropriately skilled representation on the ISB’s

EAC to advocate the Roadmap Program's position on service oriented architecture (SOA).

- Implement those low-cost AFRS changes suggested in the EDD/COA report that meet some enterprise data needs in the short-term.
- If at all possible, complete financial object mapping to determine how SAP can best accommodate state master data, the statewide chart of accounts and agency charts of accounts for existing and future SAP implementations in state government.

Additional components of core financial replacement tasks could be initiated in the 2009-2011 Biennium to help keep the momentum moving, including TLLD and identifying the system and business requirements for core financials. For any phase of this implementation plan that is chosen, all of the following re-grounding tasks must be repeated as each system or function is implemented.

The tasks include:

1. ***Secure decision-making authority for project success*** – Lessons learned in other projects show that early identification and involvement of Executive Sponsors and other decision makers is key.
2. ***Complete a business process analysis and the identification of process improvements*** – At the beginning of each phase, the results of the original financial mapping should be reviewed and reconfirmed.
3. ***Determine which business processes need to be consolidated*** – Decisions will need to be made as to which business processes will rise to an enterprise level.
4. ***Define requirements for the functionality to be delivered in each phase*** – Detailed functional and non-functional requirements will need to be developed for the system or function to be delivered.
5. ***Evaluate the business and technical requirements against potential solutions*** – Appropriate evaluation criteria and principles will need to be developed by the AAG, Steering Committee and Executive Sponsors. Each set of requirements will be evaluated against the SAP solution first, per the Executive Sponsors' direction of "take advantage of the comprehensive integration already built into the SAP system by using SAP for financial systems components that meet the state's business requirements."
6. ***Select the solution*** – After evaluating the requirements against the criteria, the solution will be selected and communicated to all affected parties.
7. ***Select the implementation roll-out strategy*** – The roll-out will be done in phases by agency, or functionality, as a "big bang," or in some combination.
8. ***Implement the solution*** – This will involve all of the design, build and implementation tasks required for a successful solution.

2.3 What is the Implementation Plan's timeline?

The Roadmap Executive Sponsors caution that, given the current economic forecast, timing of the future steps does not necessarily mean they will be implemented next biennium. Global and local financial realities have reined in expectations for what can be achieved in the Roadmap Program over the next biennium.

2.4 Implementation Plan – budget decision package for the 2009-2011 Biennium?

In light of the present financial situation, the Executive Sponsors with concurrence of the Steering Committee agreed that no budget decision package for implementing any components of core financial replacement will go forward for the 2009-2011 Biennium.

3 PROBLEM STATEMENT

Per RCW 43.88.160(1), “The governor, through the director of financial management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources, and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state.”

The Office of Financial Management (OFM), agencies and higher education entities have determined that the current suite of core financial systems used in Washington State is no longer modern or complete. The current status impacts the state in a myriad of ways.

Systems are built on older technology (e.g., 1970’s VSAM etc.)

The current suite of systems is not very flexible or scalable, and changing it to meet new business needs is costly and time consuming. The aging technology contributes to the risk of not finding and keeping adequate resources to support the technology as few agency staff are trained or have experience with it.

Data does not easily integrate to meet today’s demands for management, analysis and transparency

In the current suite of systems, performance/results information cannot be captured in context with financial information. Data must be re-keyed throughout business processes because systems are not adequately integrated. Some management decisions are made on limited information because of the time and labor resources required to gather the information. Another reason for poor integration is a lack of common processes and common data definitions.

Many key subsidiary systems, critical to a complete accounting system, are either missing or inadequate or system use is not required

A complete financial system includes not only the general ledger, but the key subsidiary systems feeding it. Many of the key subsidiary systems in Washington are:

- Not offered as an enterprise solution,
- Written in technology no longer supported by vendors, and/or
- Do not meet the majority of core enterprise needs.

These less than ideal systems include: accounts receivable, capital asset management, time reporting, cost allocation, and performance management.

Though some agency-specific information needs may be met by using enterprise systems, certain business processes are the sole responsibility of a specific agency and are best handled by using agency-unique systems. For example,

Some functionality now considered a standard part of financial systems is not available in our current suite of older products.

enterprise information on driver licenses would be provided by the Department of Licensing, and implementing an enterprise-wide system to capture such data would be redundant and duplicative.

Each agency has its own unique environment and tools, resulting in duplication of effort from agency to agency and increased costs to the state. Training costs increase and productivity decreases when staff move between agencies and must learn new systems and methodologies.

Modern 21st century systems are highly integrated and include activity-based costing or cost accounting, procure-to-pay support, real-time updates, dashboard and management views, and web-enabled data query. The lack of these tools makes it difficult to meet both management's and citizens' needs/expectations for information, decision-making support, transparency, and operating using proven best practices.

Roadmap Program Vision

The Roadmap Program, established in 2004, envisions a government founded on modern financial and administrative policies, processes, systems and data that deliver full value to the real work of government.

It envisions a government that has the right tools and processes in place to best serve and support our citizens in an increasingly competitive economy; one that has the right information at the right time to make the best decisions possible to achieve better results; one that effectively shares knowledge and ideas for making important decisions, despite distance and geography; and one that timely and accurately answers questions from the citizens of our state, our Legislature and our Governor.

It is an approach to find and sustain the balance between cost and quality, current and future needs, fiduciary responsibility and effective operations.

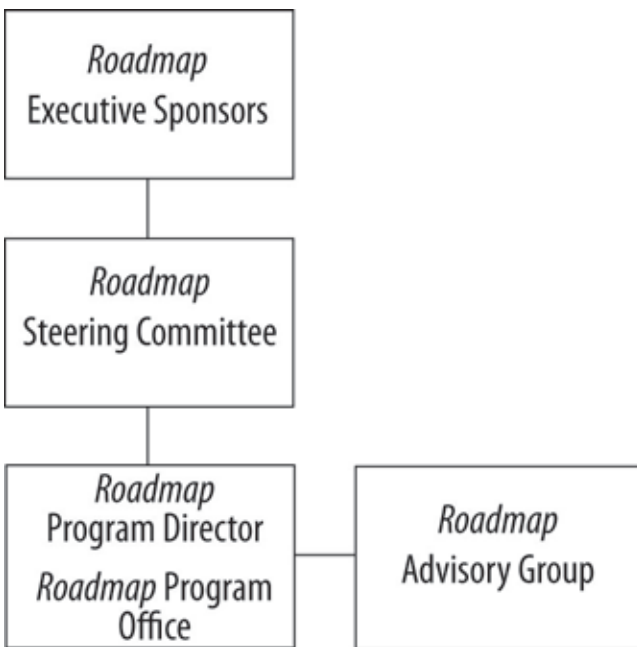
Roadmap Program Roles and Responsibilities

The roles and responsibilities of the Roadmap Program Office are to:

- Develop a comprehensive strategic plan for financial and administrative business systems and activities that supports a “modern and complete accounting system” and present it to the Roadmap Steering Committee for approval.

- Develop a project plan that describes the tasks and activities needed to support the strategic plan, the schedule for completion, the assigned responsibilities, and the dependencies among the different activities and present it to the Roadmap Steering Committee for approval.
- Establish and follow a disciplined approach to presenting issues to and obtaining feedback from the Roadmap Steering Committee and the Agency Advisory Group.

Roadmap Governance Structure



The Roadmap Program Office is housed in the Office of Financial Management. The Program Office solicits input and advice regarding common financial and administrative business systems and activities from the Roadmap Agency Advisory Group (AAG). Individuals from over 30 state organizations impacted by Roadmap decisions compose the AAG. The Roadmap Steering Committee considers advice, expertise and recommendations of the Program Director, the AAG and agency business experts. The

Steering Committee is designed to be small enough to act quickly on time-sensitive issues yet large enough to represent the organizations and lines of business impacted by common financial and administrative business systems and activities.

The Executive Sponsors of the Roadmap Program adopted the following decision-making principles in February 2006.

Projects should be sequenced based on the state’s information needs.

Sequencing projects based upon the state’s information needs reduces the risk of missing key functionality and the possibility of re-work. It also captures the data needed for operations and performance management as part of the original transactions.

Projects should have a measurable value proposition for change.

It is difficult to promote and achieve change without first identifying a clear business return. Policy, process, system or data changes should only be promoted if they deliver a notable value for the enterprise.

Projects should be designed around natural boundaries of responsibility and authority in state government.

Achieving the ability to view state government as a single enterprise requires the ability to effectively integrate systems as needed. To meet this mandate in a timely manner, the state will need to leverage and use all of its available resources including the existing environment.

Roadmap Milestones Timeline



Roadmap Milestones

- Milestone 1**

In Milestone 1, the Agency Advisory Group identified and prioritized common business problems and opportunities. A high-level business case was developed and approved by the Executive Sponsors to move forward with the Roadmap Program.
- Milestone 2**

Milestone 2 created a solutions framework and developed a strategy for agencies whose urgent business needs could not wait for an enterprise solution.
- Milestone 3**

In Milestone 3, agency content experts created “as-is” and “could be” models of back office business cycles to create a vision of the future and a value proposition for change. This business process modeling effort involved 168 business experts from 24 agencies in a series of half-day sessions over a ten-month period
- Milestone 4**

Milestone 4 produced a feasibility study that addressed five core financial business processes. The study evaluated alternatives and recommended the state move forward with leveraging the current investment in SAP, although the option to leverage the investment in AFRS was also rated relatively high. The study also suggested twelve

• **Milestone 5**

“positioning activities” to prepare the state for change, and proposed a high-level project strategy.

Milestone 5 is currently in progress. These are foundational activities that will help position the state for future change regardless of any administrative and financial solutions chosen. The positioning activities are described in detail in Appendix C.

The link between Milestone 4 and Milestone 5

The 2007 Core Financials Feasibility Study recommended that the state leverage its investment in SAP. However, the Executive Sponsors directed the Roadmap Program Office to consider both of the highest rated alternatives. This led to an “either/or” question of which approach we should take to modernize the core financial systems – leverage our investment in AFRS or leverage our investment in SAP.

In August 2008, the Roadmap Steering Committee acknowledged that selecting an “either/or” solution approach before solutions were evaluated against requirements seemed premature.

Information on data integration strategies and service-oriented architecture (SOA) gleaned from positioning activities clearly demonstrated that an “either/or” decision as a first step was no longer necessary or even helpful.

SOA may allow for incremental integration options, and provide more flexibility in the scope and timing of requirements definition and solution selection tasks. For example, the broad scope of the core financial modernization effort could be separated into phases the state could accommodate. The integration options could support data transfers between old and new components for almost any phasing strategy. Through SOA, the state could accommodate the leverage AFRS option, the leverage SAP option, or a hybrid of both. Employing SOA may also reduce the implementation risk of any option.

As a result of this information, the more appropriate question became, “What is the recommended approach and sequence for completing the modernization of the core financial systems?”

4 ROADMAP RECENT ACTIVITY AROUND CORE FINANCIALS

At the August 2008 Steering Committee meeting, nine key questions had to be answered for the Roadmap Program to forward.

1. What is the “scope” of core financials system modernization project?

During September 2008, the Steering Committee decided on 27 of a possible 43 systems or functions to be “in scope” for core financial system modernization effort. (Refer to Appendix A.)

2. What are the most urgent business needs?

As part of the EDD/COA project, agency financial officers identified their most urgent business needs. In September 2008, the Steering Committee confirmed the following business priorities.

The **Tier 1** priorities were identified as payroll enhancements; time, leave and labor distribution; benefits management; and position management.

The **Tier 2** priority was Accounts Receivable.

The **Tier 3** priorities were: other revenue management processes; the procure-to-pay process; and the asset management process.

The **Tier 4** priority was performance management.

The general ledger, while in scope, was not identified as a top tier business priority for modernization. For the full list of items in scope and priorities refer to appendices A and B.

3. What is the typical sequence for modernization of our scope of financial functions? In particular, when is it necessary to make changes to the general ledger (GL)?

During September and October 2008, the Roadmap team provided the Agency Advisory Group (AAG) and Steering Committee with information regarding the “traditional/best practice” approach to sequencing the implementation of core financials.

Research indicates that the wisest approach to any financial solution is to implement the general ledger first because the GL is the hub of all of the other financial activity. Delaying the modernization of the general ledger until later phases of the modernization project greatly increases the risk of rework to functionality implemented before it.

However, the research also showed that some types of functionality can be implemented prior to the general ledger *if* certain tasks are completed and precautions are taken.

For example, human resource functions such as payroll and time, leave and labor distribution can precede the GL implementation if a complete mapping of the

general ledger chart of accounts is completed first to ensure these solutions will use the predefined GL coding structure.

This type of mapping effort was originally planned for Phase 2 of the EDD/COA project but has been postponed due to the current financial downturn.

SAP also provided a recommendation on sequencing of the implementation of their ERP product. They recommended implementing their “base” financial modules first. Those modules include:

- General ledger accounting – including chart of accounts, financial reporting
- Payables accounting, vendor relationship management
- Accounts receivable/collection management, local fund management
- Asset lifecycle management, capital asset accounting
- Cost accounting, project accounting

The reasoning for this approach is:

- All of the modules “hang on” to these financial modules and implementing core financial modules first:
 - Maximizes the ERP integration advantage,
 - Reduces the risks of interface error, complexity, rework or failure,
 - Allows for simplified integration if other instances of the ERP are implemented within the enterprise, and
 - Supports the availability of enterprise data at the outset.

4. What modernization sequence makes the most sense given the urgent business needs and key dependencies?

In addition to the “traditional/best practice” approach, the AAG members were provided options for implementing components in business priority order (by the tiers mentioned above). The AAG asked that the following three sequencing options be evaluated.

	Option 1 – Business Needs Priority Order	Option 2 – Modified Business Needs Priority Order	Option 3 – Fast track-Modified Business Needs Priority Order
Phase I	Time, leave and labor distribution (TLLD), payroll enhancements, benefits management, position management <i>(Tier 1 priority)</i>	Time, leave and labor distribution (TLLD), payroll enhancements, benefits management, position management <i>(Tier 1 priority)</i>	Implement core financial functionality* Time, leave and labor distribution (TLLD), payroll enhancements, benefits management, position management <i>(Tier 1 priority)</i>

Phase II	Accounts Receivable <i>(Tier 2 priority)</i> Other Revenue Management Elements <i>(Tier 3 priority)</i>	Implement core financial functionality*	Other elements of Procure-to-Pay Other elements of Asset Management Performance Management
Phase III	Procure-to-Pay, Asset Management <i>(Tier 3 priority)</i>	Other elements of Procure-to-Pay Other elements of Asset Management Performance Management	The other functions in scope
Phase IV	Performance Management <i>(Tier 4 priority)</i>	The other functions in scope	
Phase V	The other functions in scope including core financial functionality		

*In this case, core financial functionality includes general ledger accounting, chart of accounts, financial reporting, payables accounting, vendor relationship management, accounts receivable/collection management, local fund management, asset lifecycle management, capital asset accounting, cost accounting, project accounting.

At the AAG’s November 12, 2008 meeting, the Roadmap Program team presented an updated description of the three preferred sequencing options, a table of evaluation factors for each option and a list of prerequisite and ancillary tasks that should be completed before any systems or functions are implemented. The AAG was asked to:

- Select a recommended option to be presented to the Steering Committee, and
- To provide feedback regarding which of the prerequisite and/or Phase I tasks in each sequencing option are an absolute “must do” in the 2009-11 Biennium.

At the November 20 Steering Committee meeting, Wolfgang Opitz, Deputy Director of the OFM and a Roadmap Executive Sponsor, reviewed the results of the November 19 revenue forecast. He reported that Washington State government is facing a \$5.1 billion deficit currently and through the next biennium. In light of this, the committee members decided to place major Roadmap initiatives on hold until the economic outlook improves, and asked the Roadmap Program team to determine which projects could be accomplished over the next biennium at no or low cost and within existing resources.

5. What do we propose to do next biennium?

The Steering Committee acknowledged the momentum and synergy gained and recognized the need to keep moving forward. The goal is to maintain the value already realized and position the state to be “ready to go” once economic conditions improve.

6. What will it cost?

No cost information is available at this time.

7. The EDD/COA identified 23 unmet information needs; some can be met now in AFRS – should we move forward with them?

The Roadmap Program team evaluated the level of effort necessary to meet the information needs. The decision when, and if, to implement them will depend on available resources.

8. What policies or authority are needed to ensure standards are created for financial/administrative systems (e.g., data definitions, messages for service-oriented architecture, infrastructure, etc)? Which standards need to be established first?

OFM will support the Information Service Board’s Enterprise Architecture Committee’s data standards initiative. The committee’s work will produce guidance on tools, frameworks and governance structures for data definition initiatives. Based on this work, OFM will propose data definitions for financial systems where OFM is the system owner of record and will assist in the development of other initiative deliverables.

9. As we look at modernizing each component of the core financials, do we commit to looking at SAP first as the possible enterprise solution given our investments thus far?

In their Foreword to the EDD/COA report, the Roadmap Executive Sponsors included a message that addresses this topic. It reads:

Comprehensive and sustainable data integration is necessary to take advantage of the state’s data and information.

To fully realize the value of information and data collected by the state’s systems it must be easily shared throughout the enterprise. The smart and effective integration of data is key to meeting this goal. Our current financial systems largely rely on point-to-point interfaces. Changes in either system require the interface to be modified as well. The Central Accounting System Interface Inventory project identified over 500 direct interfaces to and from the state’s Agency Financial Reporting System (AFRS). In this environment, the level of effort necessary to implement the kinds of enterprise data changes proposed in this report can seem prohibitive.

As Washington moves to modernize the state's core financial systems, two key integration strategies have emerged as possibilities:

- 1) Take advantage of the comprehensive integration already built into the SAP system by using SAP financial system components that meet the state's business requirements. The project team identified challenges the state faces in pursuing this direction and has described critical steps that must be completed before we can be certain that the potential benefits of this approach can be realized. The plan to modernize the state's core financial systems, currently under development by the Roadmap Steering Committee, must address these steps.
- 2) Use service oriented architecture (SOA) principles to achieve a more sustainable integration between the SAP and non-SAP components. No single system is likely to adequately meet the requirements of every financial and management related function in state government. Under any scenario there will always be some best-of-breed or in-house developed systems as part of the suite of core financial systems. Modern SOA messaging techniques reduce the cost and inflexibility associated with Washington's existing point-to-point system interfaces.

This implementation plan proposes that once requirements have been defined for a particular set of business systems or functions, the SAP solution will be evaluated first to determine whether it can satisfactorily meet those requirements. If SAP does not meet the requirements, then other solutions will be evaluated.

5 PROPOSED SOLUTION: IMPLEMENTATION PLAN

The Roadmap Steering Committee members reviewed the draft Implementation Plan and concluded that, given the current revenue forecast, the state should not submit a decision package for the 2009-2011 Biennium. Global and local financial realities have reined in expectations for what can be achieved by the Roadmap Program over the next biennium. Members asked OFM to finish the draft plan and urged that some no- or low-cost activities continue that would maintain the current momentum for modernizing core financials.

Sections 5.1 and 5.2 offer a high level view of what the Roadmap Program could accomplish once funding becomes available. Included in the plan are the proposed sequence for modernizing the core financial system components and the tasks necessary for success.

5.1 Necessary Prerequisite and Supporting Tasks

The following tasks are necessary for the success of the effort to modernize the core financial systems. Some of these tasks are prerequisite and some are companion to the basic tasks of modernizing the core financials.

Develop requirements for Time, Leave and Labor Distribution

The Washington State Departments of Transportation, Natural Resources and Personnel and OFM formed a partnership in FY 09 to identify enterprise time, leave and labor distribution (TLLD) functional requirements.

Complete financial object mapping

Phase II of the EDD/COA project has been put on hold until resources become available.

During this phase, a team from OFM/DIS will determine how SAP can best accommodate state master data, the statewide chart of accounts, and agency charts of accounts for existing and future SAP implementations in state government.

Development of a Washington State standard for SAP master data definitions and usage for our current and future enterprise chart of accounts will ensure consistency in data definition and management, and could reduce SAP implementation and operational costs statewide.

A secondary benefit to the SAP data mapping will be the flexibility for the state to pursue modernizing priority business functions outside the traditional implementation sequence. This mapping will provide certainty regarding the implementation of the chart of accounts in the SAP environment.

Continue State Procurement Reform Project

The Department of General Administration will continue to lead the Procurement Reform Project. They will implement strategies to simplify and streamline state procurement rules, administrative codes and laws. The project team will focus on vendor management, standardized coding and procurement management improvements.

Operate all Olympia-based agencies under the same networking platform

The Department of Information Services worked with several agencies in the 2007-09 Biennium to help them convert to the State Government Network. WSDOT submitted a 2009-11 Biennium decision package, requesting \$1.7 million to continue work on the project.

Align the Roadmap Program Office to support the new direction

As the Roadmap Program moves forward, the Roadmap Program Office (RPO) should continue efforts around building consensus, advocating and acting upon executive level decisions, and providing project management coordination among enterprise-level initiatives.

The following six core positions are required within the Roadmap RPO to support this new direction:

- **Program Director**

The Program Director should be someone from within Washington State government with business expertise in the financial and administrative areas.

The Program Director must build a coalition for change among agency leaders, while representing the interests of state government when implementing changes required in an enterprise solution.

The Program Director must articulate Roadmap policy direction, have the ability to analyze the high-level impacts to agencies, and also be given the authority to enforce the policy direction.

The Program Director will act as the bridge between OFM and the agencies, evaluating how a system request fits in with the Roadmap vision, and will ensure the project follows all Roadmap policies.

- **Organizational Change Management (OCM) Manager**

The OCM Manager should be a highly regarded expert in OCM, with experience in large state projects. Due to the high complexity of this project, the Roadmap Program needs to build a high level of consensus and understanding of the changes needed to implement an enterprise-wide solution among all agencies.

As solutions are decided, the OCM Manager will have an important role in “selling” those decisions to the agencies. The OCM Manager would also build a team of OCM experts in future biennia to assist individual agencies with their OCM efforts.

- **Business Analysts**

The RPO would need up to three Business Analysts. These Analysts should understand how the business and technical sides of a project will interact.

Establish the Data Standards Program

The Business Analysts should have exceptional analytical skills, and be self-directed.

The Business Analysts would eventually serve as liaisons to agency-led enterprise projects, ensuring the Roadmap Program policies are being incorporated into the project.

- **Administrative Support Person**

The Administrative Support Person would assist the RPO in calendaring, meeting management, and document production. This position would support the Roadmap Program’s goals and protect its interests.

- **Technical Architect**

The Technical Architect will be responsible for ensuring that all enterprise projects meet the state’s enterprise technical standards.

The Technical Architect would be a member of Department of Information Services/Information Service Board technical committees.

The Technical Architect would assist in evaluating the “gap” requirements, and determining the best solution.

Other positions would be added to the RPO as individual projects are added. For example, the staffing required for the financial mapping project would reside within the RPO.

The lack of consistent enterprise data definitions was a recurring theme of the EDD/COA Project work groups. Definitions for enterprise and back office data must be reached. Standardization of data elements and their definitions will provide consistency of meaning and the portability of data needed at the management level.

The EDD/COA Phase I Report recommended that the state create a full-time Data Management Office to establish formal data governance policies. The office would publish and maintain a data usage handbook outlining the policies to which all newly developed systems would need to conform.

The Foreword from the EDD/COA Phase I Report also states that:

The Office of Financial Management will support the ISB Enterprise Architecture Committee’s data standards initiative by proposing data definitions for financial systems for which OFM is the

Advocate for the improvement of the state's capacity for data integration

owner of the system of record and by assisting in the development of other initiative deliverables.

OFM should have representation on each of these projects to ensure the outcomes are aligned with the Roadmap Program's goals:

- OFM is implementing service oriented architecture (SOA) as part of the Grants, Contracts and Loans Management system. In the future, SOA will be expanded to all OFM financial systems.
- The Department of Information Services has established an Integration Competency Center to provide efficient, secure, reliable and cost-effective integration of information systems.
- The Information Services Board's Enterprise Architecture Committee has a project to develop statewide SOA standards and re-useable frameworks.

Implement low-cost AFRS changes suggested in the EDD/COA report

The EDD/COA Phase I Report identified changes to AFRS that could improve uniform enterprise information needs in the short term. The Roadmap Program is currently exploring the feasibility of adding tables or additional fields to:

- Align budget to actual expenditure information by budget activity and Priorities of Government Results Area,
- Track capital projects by a common number to capture revenues and expenditures over the biennia of a project,
- Create non-appropriated and non-budgeted expenditure authority types, and
- Track costs by facility

Each of these AFRS changes requires changes to the Statewide Administrative and Accounting Manual (SAAM) to address the policy changes needed to ensure agency use of these new tables or fields.

5.2 Tasks Included in Each Sequencing Phase

The following tasks will be included in each of the sequencing phases. The tasks may change once the project is underway.

Secure decision-making authority for project success

Executive management support tops the list of the Information Services Board's (ISB) "Project Success Factors." A recent study commissioned by the ISB reiterates that early involvement of decision makers is a key project success factor.

A governance structure should be developed, and the Executive Sponsor(s), steering committee and advisory groups should be identified, as well as granted decision-making authority.

Each system or function within the sequencing phase must obtain Executive Sponsor and ISB approval. The funding and resources available for each sequencing phase must be identified. This allows executive management to be aware of deliverables included in the phase and what may be excluded. It also helps identify unfunded gaps of functionality that may impact project success.

Complete a business process analysis and the identification of process improvements

At the beginning of each sequencing phase, the results of the original financial object mapping and subsequent refinements must be reviewed. The business processes may need to be documented in more detail and the business process improvements validated.

Determine which business processes need to be consolidated

Agencies are currently allowed to choose, for the most part, whether or not to use available enterprise business processes. To have a truly enterprise solution, business processes need to be standardized and participation must be required. Some of the process changes may require changes to laws and/or policies.

Decisions will need to be made to determine which processes will become the enterprise standard, in consideration of how much change the enterprise will tolerate.

Define requirements for the functionality to be delivered in that phase

Detailed functional and non-functional requirements¹ will be defined for each system or function to ensure a clear understanding of the state's business and technical needs and further clarify the enterprise business improvements to be

¹ Non-functional requirements include such things as system availability during core working hours, response time, ADA accessibility, back-up capability, and disaster recovery and business continuity plans.

Evaluate the system requirements against potential solutions

achieved.

Per the Roadmap Executive Sponsors, the state will “take advantage of the comprehensive integration already built into the SAP system by using SAP for financial systems components that meet the state’s business requirements.”

The Roadmap Agency Advisory Group, Steering Committee and Executive Sponsors will determine the appropriate criteria and principles to be used for the evaluation of the requirements. The requirements will be evaluated against the SAP solution first, and if SAP does not satisfactorily meet the requirements, then other viable solutions would be evaluated.

Select the solution

Once the solution has been selected, all interested and affected parties, including the Governor, legislative staff and the ISB must be informed of both the solution decision and of the process and rationale for it.

Select the implementation roll-out strategy

Agencies must participate in and understand the implementation roll-out strategy early in the project so they can plan staff resources and work schedules accordingly.

The Roadmap Agency Advisory Group, Steering Committee and Executive Sponsors will determine the appropriate criteria and principles to be used for deciding upon the roll-out strategy.

Implement the solution

Each system or function implemented within each phase requires:

- Project management,
- Organizational change management,
- Communications management,
- Agency involvement in the design, build and knowledge transfer,
- Detailed business requirements mapping and “gapping” with the selected solution, and
- Training development,
- The required technology infrastructure in place, as well as the actual solution design and build.

6. PROPOSED TIMELINE

At this time, we anticipate the following tasks will be undertaken during the stated time periods:

Remaining 2007-2009 Biennium

- Perform enterprise-wide opportunity assessments and evaluate business justification on agency new systems requests
- Provide policy direction on improvements to financial reporting on information technology expenditures and use of capital project number
- Provide assistance to the Statewide Accounting unit in identifying alternate internal controls, and related policy changes, on payroll outputs
- Provide policy direction on enterprise financial reporting of Priorities of Government Result Area and Budget Activity
- Monitor Roadmap positioning activities as well as enterprise activities occurring in other agencies

2009-2011 Biennium

- Provide training to agencies on implementation of enterprise policy changes for information technology expenditures and payroll internal controls.
- Provide training to agencies on streamlining financial processes, including how to best use existing enterprise systems
- Continue low-cost solutions that satisfy unmet enterprise needs identified in the EDD/COA report
- Continue monitoring Roadmap positioning activities and enterprise activities occurring in OFM as well as other agencies

Future Biennia

- Be involved in the development of the data standards program for OFM systems
- Begin financial object mapping for state master data, the statewide chart of accounts and agency charts of accounts
- Continue efforts to modernize core financial systems

7 PROPOSED 2009-2011 FUNDING

No budget decision package for implementing any components of core financial replacement is being proposed for the 2009-2011 Biennium.

Roadmap Implementation Plan

END OF DOCUMENT

Appendix A
System or Function in Scope
Modernization of the Core Financials
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- “In scope” means we should include this component in our plan to modernize the core financials.
- At this point we are not setting priorities among these components, just discussing whether it should be in or out of the plan.

SYSTEM (OR FUNCTION)	IN SCOPE	NOT IN SCOPE
General ledger accounting - the process of collecting, preparing and recording accounting transactions to the appropriate fiscal period and accounts, reconciling subsidiaries with the general ledger and managing the chart of accounts	ü	
Financial reporting - the process of analyzing and presenting formal and informal financial information to support GAAP, managerial, compliance and performance reporting for agency and statewide purposes on a periodic and ad-hoc basis for internal and external use. This includes reporting for entities with enterprise and proprietary fund activities such as the Liquor Control Board and Lottery.	ü	
Cost accounting - the process of recording transactions for activities, products and services (cost objectives) for which costs need to be measured; implementing a formal or informal cost methodology and/or plan; and records, accumulates and distributes direct, indirect, and overhead costs to those cost objectives according to the established methodology.	ü	
Contract Management - the process of planning for, establishing, amending, and monitoring contractual agreements, from managing standard sets of terms and conditions to drafting, approving, executing, and recording agreements, and evaluating the effectiveness of contracts and suppliers in meeting contract performance objectives.	ü (could be GCLM enhancements or ERP)	
Grant Management – the process of acquiring grant funding from federal, state or other sources, expending grant and loan funds in support of program objectives, reporting grant and loan activities to funding authorities, and evaluating the effectiveness of grant and loan programs. The process also includes cost sharing and all steps necessary to make and monitor subgrant awards to recipients, and the management and tracking of loans receivable.	ü (could be GCLM enhancements or ERP)	
Activity-Based Costing. A costing model that identifies activities in an organization and then assigns the cost of each activity resource to products and services according to the actual consumption by each in order to generate the actual cost of products and services. The organization learns about the product and service cost, and also about the costs of the efforts that go into the production or delivery of the product or service. <i>(Activity-Based costing is not the same the “activity-based” budgeting used to support the state’s budgeting process. While, there is an interest in enabling agencies to capture actual costs in the same activity structure that is used for the budget—this would likely be achieved through the chart of accounts structure and more traditional cost accounting methods.)</i>	ü (There is interest in exploring the need for this)	

Appendix A
System or Function in Scope
Modernization of the Core Financials
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SYSTEM (OR FUNCTION)	IN SCOPE	NOT IN SCOPE
Risk Management		Û
Revenue Cycle		
Revenue Management/ Accounts Receivable/ Collection Management/ Revenue Distribution - the process of receiving, classifying, recognizing and recording receipts; distributing receipts to the appropriate jurisdictions, accounts, coding element; and invoicing, monitoring, and collecting receivables from or on behalf of the state's customers, refund/credit management, and evaluating bad debts. Could include point of sale systems and billing support for services.	Û	
Customer Information Management		Û
Customer Outreach Management		Û
Treasury Management - manage treasury funds, investment management, receive deposits and issue and redeem checks and electronic payments; maintain check registers; bond/debt management.		Û
Local Fund Management - manage local funds: receive deposits, issue and redeem checks and electronic payments, maintain check records, investment management, and local fund bond/debt management.	Û	
Tax Revenue Management – includes the tax management processes of tax collection agencies.		Û
Performance Management		
Performance measurement - the process of defining specific measures that relate to organizational goals; collecting and analyzing relevant, timely and consistent data about inputs, outputs, outcomes, and benchmarks. (In this sense we're talking about system capacity to do these things, rather than plans to develop an enterprise-wide set of standard performance measures.)	Û	
Performance Management - Combines financial, budget, activity and performance information from many of these processes to aid managers in assessing the effectiveness and efficiency of organization efforts.	Û	
Statewide Management Reporting - the process of analyzing and presenting formal and informal performance information to facilitate reaching conclusions efficiently with accountability.	Û	
Agency Management Reporting – the process of utilizing available reporting tools and data to provide visibility to agency unique business operations.	Û	

Appendix A
System or Function in Scope
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SYSTEM (OR FUNCTION)	IN SCOPE	NOT IN SCOPE

System (or function)	In scope	Not in scope
Procure to Pay		
Vendor Relationship Management - the process of managing information about vendors who currently do business with the state, or want to in the future. The process includes registration of new vendors and maintenance of registration and banking information, including vendor status and performance history.	ü	
Vendor Solicitation Management -the process of identifying purchase requirements, determining sources, and bid management.	ü (WEBS or GCLM enhancements or ERP)	
Order Management – the process of ordering, receiving, accepting, and distributing goods and services.	ü	
Payables Accounting - the process of paying for goods and services. The process encompasses tracking and managing encumbrances and accruals, approving requests for payment, processing approved payments, canceling and reissuing payments as necessary, and providing timely and accurate payment information to stakeholders.	ü	
Asset Management		
Consumable Inventory Management – the process of receipting, issuing and valuing consumable inventories; managing stock levels to meet agency needs; and facilitating periodic physical inventories.	ü	
Asset Lifecycle Management - the process of planning, acquiring, designing, operating, maintaining, replacing and reporting on state owned and leased capital assets including facilities, infrastructure, land, information technology and fleet. It also involves collecting revenues and calculating return on investment.	ü	
Capital Asset Accounting – the process of recording and tracking the acquisition, ownership, funding source, depreciated value, location and disposition of capital assets; facilitating periodic physical inventories; and reporting.	ü	
Project Management		
Project Accounting - manage and monitor project budgets; account for project revenues and direct and indirect expenditures during the project period; track and account for project-funded assets and contracts.	ü	

Appendix A
System or Function in Scope
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System (or function)	In scope	Not in scope
Capital Project Management - In accordance with state and federal (if applicable) laws and policies, estimate, budget, schedule and forecast authorized transportation and non-transportation capital projects; validate cost estimates and risks; manage and monitor the project budget; perform project oversight, design, procurement, and construction, inspection and acceptance activities; manage escrow accounts; administer project-funded contracts.		Û
Human Resource Management		
Position Management – the process of managing the full-time equivalent positions authorized in the budget, as well as the number of employees processed in the payroll system.	Ü	
Benefits Management – the process of administering employee benefit packages and performing health insurance accounting.	Ü (BAIAS)	
Time and Attendance and Labor Distribution – the process of tracking and entering employee time by time worked as well as distribution of costs in the accounting records according to the agency cost distribution methodology.	Ü	
Payroll – the process of calculating employee pay, processing employee deductions, and creating paychecks to employees and remittances to outside parties for employee deductions and other employer benefits contractors.	Ü (HRMS enhancements)	
Recruitment – the process advertising position vacancies, conducting interviews and hiring employees.		Û
Learning Management - Tracking employee or contractor certification and training requirements.		Û
Employee Performance Management – the process of managing and tracking required employee performance evaluations.		Û
Labor Relations Management - Includes contract administration.		Û
Employee Grievance Management		Û
Budget		
Allotment Development and Management – The process of developing revenue and expenditure plans based on the enacted budget constraints, and comparing actual performance against plan.	Ü (TALS enhancements or ERP)	

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System or Function in Scope
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System (or function)	In scope	Not in scope
Budget Development - Development and submittal of agency budget requests, develop and publish Governor's budget, legislative budget development and enactment, governor signature/veto.	ü	
Financial projection and modeling – the process of developing financial projections and scenarios using trend analysis, cost and other assumptions, and other data.	ü	
Forecasting - Economic and caseload forecast processes.		û
Strategic plan development		û
Fiscal note process		û
Other agency Line of Business Systems		û

**Appendix B
Tier Priorities
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- The worksheet below contains the start of an assessment of systems/functions from above considered “In Scope.”
- At this point we are not discussing the sequence of implementation, just trying to confirm the most pressing business needs for change.
- Key to numbering: Priority scores: Tier 1 = highest priority
 - In the Unmet data need column: the priority of business process cycle as indicated in Enterprise Data Definition/Chart of Accounts Executive & Roadmap Advisory Group survey
 - In the Strategic need column: the ranking of urgent needs—from a 2004 survey of agencies--- of the Roadmap Common Business Problem and Opportunity Statements (refer to <http://www.ofm.wa.gov/roadmap/history/CBPO.pdf>. This document also has links to more detailed information about each problem/opportunity area.)

PRIORITIZATION WORKSHEET					
System (or function)	Highest priority-Advisory Group	Unmet data need? (EDD/COA)	Policy/compliance need?	Strategic need?	Current systems failing?
Benefits Management – the process of administering employee benefit packages and performing health insurance accounting.	1		Ü	Ü	Ü
Time and Attendance and Labor Distribution – the process of tracking and entering employee time by time worked as well as distribution of costs in the accounting records according to the agency cost distribution methodology.	1	#1 -Dynamic and responsive payroll and HR information (time collection and labor distribution)	Ü		
Payroll – the process of calculating employee pay, processing employee deductions, and creating paychecks to employees and remittances to outside parties for employee deductions and other employer benefits contractors.	1	#1 -Payroll information that includes periodic increment date and rates for specialty pay categories from year to year. -Specialty pay information by geographic location for budget purposes			
Revenue Management/ Accounts		#4	Ü	#7 - Streamline invoice-to-cash	Ü

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PRIORITIZATION WORKSHEET					
System (or function)	Highest priority-Advisory Group	Unmet data need? (EDD/COA)	Policy/compliance need?	Strategic need?	Current systems failing?
Receivable/ Collection Management/ Revenue Distribution - the process of receiving, classifying, recognizing and recording receipts; distributing receipts to the appropriate jurisdictions, accounts, coding element; and invoicing, monitoring, and collecting receivables from or on behalf of the state's customers, refund/credit management, and evaluating bad debts.	2- Accounts Receivable	-Integrated revenue information tied to location and/or accounts receivable		#8 - Make it easier for customers to pay the state	
	3- Other Revenue Mgmt	-Associate revenue information with corresponding expenditures		#15 -Increase investment revenues	
Procure to Pay					
Vendor Relationship Management - the process of managing information about vendors who currently do business with the state, or want to in the future. The process includes registration of new vendors and maintenance of registration and banking information, including vendor status and performance history.	3- Procure to Pay Process	#3 -Centralized vendor registration, communication, & reporting information -Use of consistent commodity codes -Vendor performance information		#5 - streamline procure-to-pay process	
Vendor Solicitation Management -the process of identifying purchase requirements, determining sources, and bid management	3- Procure to Pay Process		ü	#10 - Optimize purchasing power through strategic sourcing	
Order Management – the process of ordering, receiving, accepting, and distributing goods and services	3- Procure to Pay Process		ü	#5 - streamline procure-to-pay process #10 - Optimize purchasing power through strategic sourcing	
Payables Accounting - the process of paying for goods and services. The process	3- Procure to	#3 -Enhanced expenditure data and management information	ü	#5 - streamline procure-to-pay	

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Tier Priorities
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PRIORITIZATION WORKSHEET					
System (or function)	Highest priority-Advisory Group	Unmet data need? (EDD/COA)	Policy/compliance need?	Strategic need?	Current systems failing?
encompasses tracking and managing encumbrances and accruals, approving requests for payment, processing approved payments, canceling and reissuing payments as necessary, and providing timely and accurate payment information to stakeholders.	Pay Process			process	
Asset Management					
Consumable Inventory Management – the process of receipting, issuing and valuing consumable inventories; managing stock levels to meet agency needs; and facilitating periodic physical inventories.	3- Asset Management Process	#7 -Consumable inventory management information		#13 - Put cash in bank-not on the shelf	
Asset Lifecycle Management - the process of planning, acquiring, designing, operating, maintaining, replacing and reporting on state owned and leased capital assets including facilities, infrastructure, land, information technology and fleet. It also involves collecting revenues and calculating return on investment.	3- Asset Management Process	#7 -Facility procurement and management information -Facility condition and maintenance information -Tangible and intangible asset management information		#12 - Improve accountability for state assts #14 - maximize return on investments in capital assets	
Capital Asset Accounting – the process of recording and tracking the acquisition, ownership, funding source, depreciated value, location and disposition of capital assets; facilitating periodic physical inventories; and reporting.	3- Asset Management Process				
General ledger accounting - the process of collecting, preparing and recording		#2 - Detail information	ü	#3 - Organize data to support all	

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PRIORITIZATION WORKSHEET					
System (or function)	Highest priority-Advisory Group	Unmet data need? (EDD/COA)	Policy/compliance need?	Strategic need?	Current systems failing?
accounting transactions to the appropriate fiscal period and accounts, reconciling subsidiaries with the general ledger and managing the chart of accounts		technology expenditures (at lower levels) - Information to separate non-appropriated transactions #6 -Actual expenditures by legislative district or county - Budget and Actual information by budget activity		relevant business perspectives	
Financial reporting - the process of analyzing and presenting formal and informal financial information to support GAAP, managerial, compliance and performance reporting for agency and statewide purposes on a periodic and ad-hoc basis for internal and external use.			ü	#1 - Improve access to meaningful information #6 - Empower managers with tools to aid decision making	
Cost accounting - the process of recording transactions for activities, products and services (cost objectives) for which costs need to be measured; implementing a formal or informal cost methodology and/or plan; and records, accumulates and distributes direct, indirect, and overhead costs to those cost objectives according to the established methodology.		#5 -Cost accounting information for federal programs - Cost accounting information for projects and programs		#4 - Enable data driven decisions #11 - Protect federal and local funding	
Contract Management - the process of planning for, establishing, amending, and		#5 -Information to track revenues		# 5 -Need consistent and clear	

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PRIORITIZATION WORKSHEET					
System (or function)	Highest priority-Advisory Group	Unmet data need? (EDD/COA)	Policy/compliance need?	Strategic need?	Current systems failing?
monitoring contractual agreements, from managing standard sets of terms and conditions to drafting, approving, executing, and recording agreements, and evaluating the effectiveness of contracts and suppliers in meeting contract performance objectives.		and expenditures by contract		business practices across agencies - Agencies need better tools to monitor & administer contracts	
Grant Management – the process of acquiring grant funding from federal, state or other sources, expending grant and loan funds in support of program objectives, reporting grant and loan activities to funding authorities, and evaluating the effectiveness of grant and loan programs. The process also includes cost sharing and all steps necessary to make and monitor subgrant awards to recipients, and the management and tracking of loans receivable.		#5 -Centralized grant and loan information		.	
Local Fund Management -manage local funds: receive deposits, issue and redeem checks and electronic payments, maintain check records, investment management, local fund bond/debt management.					
Performance measurement – the process of defining specific measures that relate to organizational goals; collecting and analyzing relevant, timely and consistent data about inputs, outputs, outcomes, and benchmarks.		#6 -Performance information (uniform data elements)		ü	
Statewide Management Reporting - the process of analyzing and presenting formal and informal performance information to facilitate reaching conclusions efficiently with accountability.				#1 - Improve access to meaningful information #6 - Empower managers with tools to aid decision making	

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PRIORITIZATION WORKSHEET					
System (or function)	Highest priority-Advisory Group	Unmet data need? (EDD/COA)	Policy/compliance need?	Strategic need?	Current systems failing?
Agency Management Reporting – the process of utilizing available reporting tools and data to provide visibility to agency unique business operations.				#1 - Improve access to meaningful information #6 - Empower managers with tools to aid decision making	
Project Accounting - manage and monitor project budgets; account for project revenues and direct and indirect expenditures during the project period; track and account for project-funded assets and contracts.		#6 -Information to track by a common capital project number			
Position Management – the process of managing the full-time equivalent positions authorized in the budget, as well as the number of employees processed in the payroll system.					
Allotment Development and Management – The process of developing revenue and expenditure plans based on the enacted budget constraints, and comparing actual performance against plan					
Budget Development - Development and submittal of agency budget requests, develop and publish Governor’s budget, legislative budget development and enactment, governor signature/veto				#2 - Streamline and integrate the budget cycle #9 - Provide flexibility to support innovative budgeting	

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PRIORITIZATION WORKSHEET					
System (or function)	Highest priority-Advisory Group	Unmet data need? (EDD/COA)	Policy/compliance need?	Strategic need?	Current systems failing?
				-Equip managers with tools that help them quickly identify trends, projections and items of interest. -Managers need data to analyze "what if" situations and to identify the cost of service, track performance predictors and measure performance gaps in context of budgets	
Financial projection and modeling – the process of developing financial projections and scenarios using trend analysis, cost and other economic assumptions, and other data.					

**Appendix C
Positioning Activities
Modernization of the Core Financials
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12 Positioning Activities

These activities are intended to benefit the State of Washington whether or not a decision is made to procure a core financial system. The twelve activities are grouped as they relate to Policy, Process, Data and Systems.

	Policy Related
1. Further Refine Enterprise and Strategic Direction	<p>Roadmap strategies focus on policies, processes, systems and data that meet both enterprise and agency financial and administrative needs. It is critical that all agencies understand the meaning of an “enterprise” and how it impacts their organization.</p> <p>The purpose of this effort is to further define the term, “enterprise” and provide agency direction and guidance to support the implementation of the changes needed. By providing direction and guidance, agencies will be in a better position to determine the impact to their organizations.</p> <p>This is an ongoing effort of the Roadmap Program.</p>
2. Procurement Reform	<p>The Department of General Administration is leading the effort to review state procurement rules, policies and procedures and identify areas that could possibly be streamlined.</p> <p>The First Procurement Policy Change went into effect November 1, 2008, and requires all state agencies to use a common approach to register and notify vendors of business opportunities with the State of Washington when rules require advertising of procurements of goods and services.</p> <p>The Roadmap Executive Sponsors also approved the use of the National Institute of Government Commodity Code System as the new</p>

Appendix C
Positioning Activities
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state standard for commodity/service codes. The current plan includes implementing the codes across the state as resources become available.

Process Related

3. Roadmap
Governance

The Roadmap Executive Sponsors updated the program charter in 2008 to reaffirm the program's goals, scope, governance structure, and roles and responsibilities. The charter is acknowledged as a living document, and subject to change as the program evolves.

4. Common
Infrastructure

If agencies had a common technical infrastructure they could leverage enterprise supplied common business functionality and design line-of-business systems that focus on core missions and distinct needs.

To that end, work is underway in FY 2009 to bring the Departments of Transportation, Fish and Wildlife and the Utilities and Transportation Commission into the enterprise active directory, exchange mail service and State Government Network.

In addition, OFM is in the process of implementing service oriented architecture and an enterprise service bus to provide a common and more sustainable and affordable approach to system integration with the core financial systems.

5. Change
Management
Program

While a formal program has not yet been established, several presentations were given in 2008 to introduce agencies to the key success factors of organizational change management. The intent was to help them understand the potential uses of an Enterprise Resource Planning (ERP) approach, and to understand how SAP connects back office functions. These events helped staff understand our current environment as well as envision the state's future direction.

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Positioning Activities
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	<p>Successful implementation of the financial and administrative changes proposed by the Roadmap Program will result in significant organizational challenges. The Roadmap Change Management Program must focus on building support and agreement among agency staff and leadership about the goals of the Roadmap and the strategies to meet those goals.</p>
6. Lessons Learned	<p>The Roadmap Program continues to research and implement lessons learned from our own system implementations, such as HRMS, as well as ERP implementations in other states.</p> <p>Lessons learned are added to the Roadmap website for agencies to review as guidance for their own projects. The Information Services Board also maintains a list of project lessons learned and success factors on their website.</p>
7. Program Office	<p>The Roadmap Program Office (RPO) was created to coordinate and monitor all Roadmap business and technical initiatives. The RPO is currently reviewing its future direction in an effort to determine what additional skill sets, if any, are needed for upcoming Roadmap initiatives.</p>
8. Enterprise Data Definitions/Chart of Accounts (EDD/COA) Project	<p>Data Related</p> <p>The EDD/COA project documented:</p> <ul style="list-style-type: none">• Unmet enterprise information needs, and• How collecting the data to meet those needs will affect statewide systems, agency systems and the state’s chart of accounts. <p>The project’s Phase 1 final report includes six recommendations for</p>

**Appendix C
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9. Detailed Requirements	<p>improving the integrity of the State's enterprise data.</p> <p>Phase 2 of the EDD/COA project was intended to define the enterprise SAP chart of accounts to be used by existing and future SAP implementations in state government. Due to current economic conditions, Phase 2, as planned, is delayed until further notice.</p> <p>Detailed requirements for the core financial systems were originally planned to begin once the other 11 positioning activities are substantially complete. This work is now broken down into phases incorporated into the implementation plan for consideration once resources are available.</p>
Systems Related	
10. Human Resource Management System (HRMS) Upgrade	<p>The upgrade to the HRMS, completed in November 2008, brought the system hardware and software up to industry standards.</p> <p>It also ensured the product warranties would remain intact.</p>
11. Central Accounting System Interface Inventory (CASII)	<p>The CASII Project created a detailed understanding of all the interfaces into, and out of, the central financial and administrative systems.</p> <p>Through interviews with agency technology staff, over 500 interfaces were documented.</p> <p>The CASII project also cataloged the number and status of agency unique accounting systems.</p>
12. Project Oversight	<p>The Department of Information Services provides leadership and the necessary oversight to complete the implementation of major agency line-of-business systems.</p>

Appendix C
Positioning Activities
Modernization of the Core Financials
Implementation Plan

These include Roadmap Sponsored projects such as the EDD/COA and the Grants, Contracts, and Loans Management System.
