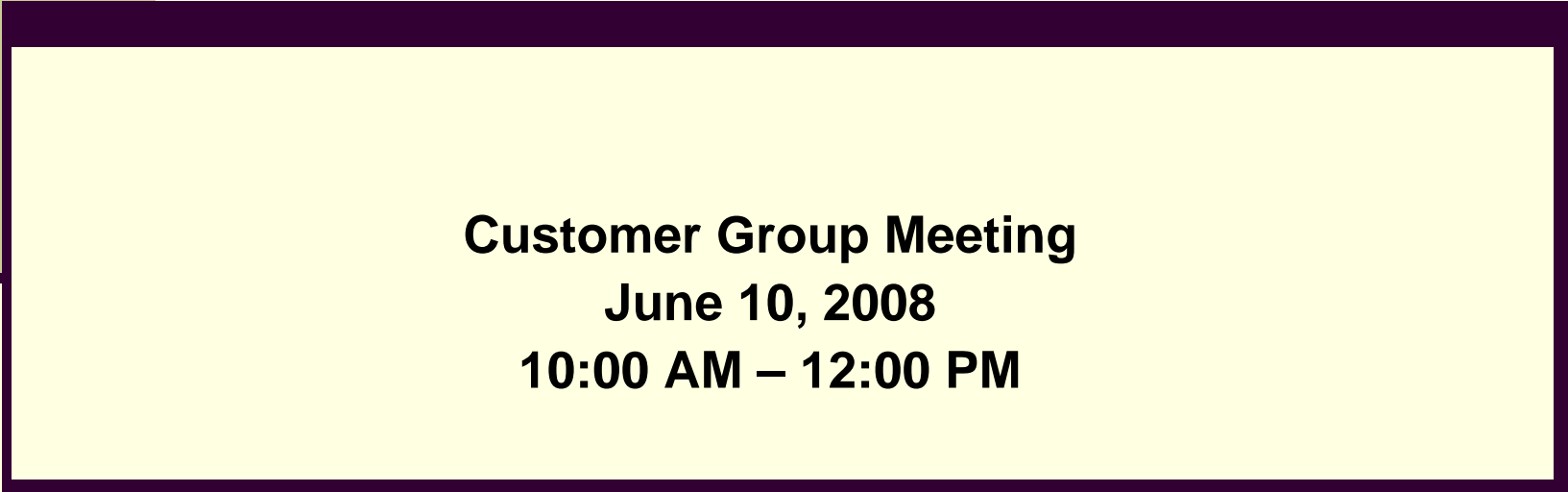




The Future of Statewide Accounts Receivables System Solution



Customer Group Meeting
June 10, 2008
10:00 AM – 12:00 PM

The Future of Statewide Accounts Receivables System Solution Agenda

Agenda (Vicki James)

Purpose (Ann Bruner)

The state of OFM AR Today (Sue Wang)

Sierra Systems Feasibility Study (2004) (Sue Wang)

State agency internal AR system survey results (Vicki James)

Unmet Business Needs Assessment (Vicki James)

Options Explored by OFM (Vicki James)

Statewide AR discussion (Vicki James)

Next steps (Vicki James)

The Future of Statewide Accounts Receivables System Solution Purpose

- **Discuss the state of AR systems today and the future direction of OFM.**

The Future of Statewide Accounts Receivables System Solution The State of OFM AR Today

- **OFM Accounts Receivable System (AR) Solomon was implemented in 1998.**
- **Six of seven technologies used in AR are no longer supported by vendors.**
- **Requires significant staff time for operations with help desk and system troubleshooting (\$128k staffing costs per year for eight agencies).**
- **Requires developer intervention each time a new printer requiring a new print driver is added to AR.**
- **Does not provide OFM the ability to enhance the system to meet customer's evolving needs.**
- **Only one OFM developer has significant experience working with AR and the technologies involved.**

The Future of Statewide Accounts Receivables System Solution Sierra Systems Feasibility Study (2004)

1. Upgrade/modify the existing OFM AR system

Not a viable long-term solution as any modifications would either not address, or have minimal impact on the primary problems

2. Implement AR Collections from Labor and Industries

Cost of customization would not provide benefit over OFM developing a new in house system

3. Implement best of breed Off the Shelf

Requires more uniform processes and data across the state

4. Implement SAP Enterprise AR Solution

Feasible, if state implements core financials in SAP

Requires more uniform processes and data across the state

The Future of Statewide Accounts Receivables System Solution

Statewide AR Systems survey results

Total Responses: 39

Total using OFM AR System: 8

Total with Internal Agency Systems: 22

Total using Excel or Access for AR: 7

Total with identified need to invest in AR: 10

*Identified benefit in an Enterprise AR solution: 24

** The following were counted as having identified benefit:*

- *Those on OFM's AR today*
- *Those using Excel or Access*
- *Those who indicated their system may benefit the state*
- *Those who explicitly stated they would use an OFM system*
- *Those who expect OFM to provide a solution*

The Future of Statewide Accounts Receivables System Solution Unmet Business Needs Assessment

- OFM should be in the business of an Enterprise AR solution
- Enterprise Opportunity
 - Replace OFM AR, internal agency AR systems, and Excel/Access variations with one AR solution.
- Strategy
 - Define a standard business process across agencies.
 - With standardization of processes and the ability to support all agencies with one AR solution the state would realize economy of scale efficiencies.
 - Experience shows us that business processes can be standardized to a level that can be supported by statewide solutions (TEMS, GCLM)

The Future of Statewide Accounts Receivables System Solution Options Explored by OFM

- **Do Nothing**
 - Level of Effort
 - Low level of effort
 - Pros
 - Works with AFRS today
 - Cons
 - Does not support enterprise opportunity
 - Does not provide economy of scale efficiency benefits
 - No improvement potential
 - Potential loss of customers
 - Continued high support costs
 - Risks
 - Unplanned service cancellation

The Future of Statewide Accounts Receivables System Solution Options Explored by OFM

- **Turn off OFM AR**
 - Level of Effort
 - Low level of effort
 - Pros
 - Planned service cancellation vs. surprise
 - Operations and support costs to cover other system needs
 - Cons
 - Does not support enterprise opportunity
 - Does not provide economy of scale efficiency benefits
 - Current AR customers (including OFM) to determine how to meet AR needs
 - Risks
 - Loss of agency goodwill

The Future of Statewide Accounts Receivables System Solution Options Explored by OFM

- **Upgrade Technologies of OFM AR**
 - Level of Effort
 - Medium to high level of effort
 - Pros
 - Reduces risk to AR
 - Little impact to agency users
 - Cons
 - Does not support enterprise need
 - Does not provide economy of scale efficiency benefits
 - May provide a false sense of security
 - Continued dependency on AR development expert
 - Risks
 - May not provide additional benefit or may not work

The Future of Statewide Accounts Receivables System Solution Options Explored by OFM

- **Best of Breed Commercial Off the Shelf (Enterprise Solution)**
 - Level of Effort
 - High
 - Pros
 - Enterprise AR solution
 - Can satisfy AR requirements, provide upgrade path, and additional functionality
 - Cons
 - Requires more uniform processes
 - Risks
 - Requires extensive analysis and understanding of AR processes across the state to meet agencies need

The Future of Statewide Accounts Receivables System Solution Options Explored by OFM

■ SAP Enterprise Solution

- Level of Effort
 - High
- Pros
 - Enterprise AR solution
 - Can satisfy AR requirements, provide upgrade path, and additional functionality
 - State has prior investments in SAP products
- Cons
 - Requires more uniform processes
- Risks
 - Requires extensive analysis and understanding of AR processes across the state to meet agencies needs
 - Past SAP implementation experience shows need for greater business analysis and planning

The Future of Statewide Accounts Receivables System Solution

- Agency Discussion

The Future of Statewide Accounts Receivables System Solution

Next Steps

- Update business case to support recommendation for an enterprise AR solution
- Business case to the OFM Portfolio Committee for consideration
- Decision package to be included in OFM's budget request for consideration throughout the budget process
- If funded
 - Recruit for an AR Focus Group for business process analysis and business requirements analysis
 - Analysis to determine Best of Breed COTS or SAP solution
 - Begin development of solution in Fiscal Year 2009.