

Advisory Group Meeting Notes*November 12, 2008 (1:30 p.m.-3:30 p.m.)**DIS Forum Building Boardroom***Attendees:**

Atkins, Stephanie (HCA), Bruner, Ann (OFM), Bynum, Thomas (DOL), Cassidy, Heide (HCA Contractor), Cavanagh, Cindy (DOL), Contris, Dan (DOR), Covington, Bob (DOT), Danzer, Joy (DOR), Darnell, Lisa (ECY), Derkacht, Pam (PRT), Eby, Jim (DFW), Foster, Beckie (LOT), Gomez, Sara (UW), Hall, Lee (OFM), Heltsley, Susan (Sterling), Hill, Andy (ATG), Huff, Wendy (DNR), Jensen, Tom (LEAP), Kimball, Kevin (CWU), Knight, Angela (OFM), Lawson, John (WWU), Maki, Bob (WSP), McGuire, Lynne (OFM), McIntosh, Gary (SAO), Michener, Connie (DIS), Morgan, Jim (DNR), Orme, Brandt (SAO), Patlan, Servando (GA), Riley, Becci (OFM), Rosmond, Kathy (OFM), Savage, Teri (OFM), Schmidlkofer, Mike (DFI), Schols, Mariann (DSHS), Scroggins, Mike (SBCTC), Tinney, Brian (DOC), Underwood, Michelle (ATG), Warren, Patty (CTED), Weeks, Wendy (OFM), Wilson, Yolanda (OFM), Woodruff, Rick (MIL), Woods, Kimberley (DOH), Young, Steve (DOP)

Lynne McGuire opened the meeting with a recap of the 'building block' approach taken by the Roadmap Program over the past four months. She reminded the group that in July the question changed from "is it AFRS or SAP" to "what is the sequence we should use to replace core financials". Global and local financial realities have reined in our expectations for what we can expect to achieve in the Roadmap over the next biennium. She asked Advisory Group members to look out further in the future and help define some productive and affordable progress that can be made for the upcoming biennium.

Ms. McGuire reminded members that at our last meeting they identified three implementation sequencing options for meeting urgent business needs and replacing core financials systems. The purpose of the current meeting is to hear more information about the three options, and select a recommended option to present to the Roadmap Executive Sponsors on November 20.

OFM is making progress on two initiatives:

- The Time and Leave Collection and Labor Distribution (TLLD) project manager is drafting a charter for participants to review.
- The financial object mapping project for any future SAP Chart of Accounts has been approved by the Roadmap Executive Sponsors.

Sterling Associates, LLP has been retained to assist with the development of the Implementation Plan and provide an assessment on the expertise and skills needed for the Roadmap Program Office in the next biennium.

Advisory Group members reviewed the three sequencing options and the phases within each option. Ms. McGuire reviewed a list of ancillary tasks assumed to be included in every sequencing option as well as a list of tasks for each sequencing phase. The need for change management was called out as a lesson learned from HRMS and not an insignificant task. At this time we do not know the cost consequences of each option.

Members discussed the Roadmap Executive Sponsors direction stating that SAP would be evaluated as an option for each phase. That direction can be found on page 2 of the [Foreword](#) to the *Enterprise Data Definitions/Chart of Accounts, Phase 1 Report*. DOP, DNR and HCA confirmed that all three Washington State instances of SAP are, or will be soon, on the same software version.

The members reviewed the highly conceptual timeline for each sequencing option. The timelines are based on experience with statewide projects within the state, other states' ERP experience and the SAP/HRMS experience. Each phase was estimated at 18 months, with implementation of the core financials occurring at the beginning of a biennium.

Conceptual staffing profiles for each sequencing option and the assumptions related to the profiles were considered. The profiles include both project and agency employees.

Ms. McGuire reminded members that circumstances have changed since the 2007 Core Financials Feasibility Study. For example, Time and Leave Collection and Labor Distribution was not an issue then. It is now. In addition, we now better understand the options that Service Oriented Architecture (SOA) affords for interface integration.

Members asked if there will be a line item for Roadmap in the Governor's budget. Ms. McGuire said that question will be a topic of decision at the November 20th Steering Committee meeting. If the Steering Committee members support a request for funds, the Governor still must approve its inclusion in her budget, and the Legislature must approve it.

Advisory Group members voted on their preference for the three sequencing options prior to an in-depth discussion of each one. The final voting results and the supporting rationale for each choice are as follows:

Option 1 – Business Needs Priority Order	Option 2 – Modified Business Needs Priority Order	Option 3 – Fast track-Modified Business Needs Priority Order
Votes: 2	12	13
<ul style="list-style-type: none"> • Accounts receivable is an early priority critical to certain agencies • Offers more flexibility • Focuses on addressing urgent business needs in order with less risk 	<ul style="list-style-type: none"> • Option 1 pushes out the modernization of core financial functionality to far out into the future • Option 3 is too much to take on in the next phase—unlikely there is state agency capacity to support the magnitude of that effort in the near term • Addresses the most urgent business priorities first that will provide efficiencies and resource relief to agencies at a time it is critically needed • Enough meaningful work planned in phase 1 and 2 to demonstrate a credible, good 	<ul style="list-style-type: none"> • The ideal for a number of agencies, if funding issues set aside. All of this functionality in Phase 1 and 2 is a high priority and would be addressed sooner than any other option • By the time Time, Leave and Labor Distribution work is completed, significant progress toward general ledger configuration needs have likely been made—why not combine both in the same phase • Makes the most significant commitment and progress towards the effort to

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	faith effort toward modernizing the financial systems—makes it worthwhile for agencies to stick with the Roadmap process	modernize the financials
	OPTION 2.5 - Many of those voting for Option 2 or 3 expressed interest in a hybrid-option. In that option, Phase 1 would include the items under Option 2 + the business process analysis and requirements definition tasks related to the core financial functions	

General comments:

We could do planning for core financials next biennium so the ‘ask’ for dollars wouldn’t be as huge, and it sets us up for the following biennium. If we don’t see core financials rolling out, what are DOT and UW to do?

Ms. McGuire reminded members that we will always do requirements first.

Steve Young (DOP) reminded members there is a difference between requirements definition and business process design. We must compromise on what the law says and what we want/or need.

Sara Gomez (UW) – the holy grail of SAP is adopting our business practices to meet the structure of the ERP. She also advocates momentum on the core financials in the next biennium.

To allow members more time to provide the Roadmap Program with feedback; an email will go out soliciting advice on the following questions:

- What should be the preferred sequencing option for modernizing the core financial systems? (See descriptions in the revised November 12 meeting materials for options 1, 2 and 3 on page 4, and description for option 2.5 on page 16).
- Recognizing the severe budget situation the state is facing, it is unlikely that funding will be available to fully address the phase 1 tasks of any option in the next biennium. If only a subset of Phase 1 tasks can be funded in the 2009-11 budget, what does your agency believe to be the "must do" tasks for next biennium? In other words, what tasks, if any, would your agency advocate as a top business priority--more important than other agency budget requests or base activities? (See list of phase 1 tasks on page 17).

Ms. Gomez also stated that in a recent speech, UW President Emmert said that now more than ever we must look to the future strategically. How do we need to operate in the 21st century? How much further can we keep going on heroics?