



One Washington Program Blueprint Version 2 – Executive Summary

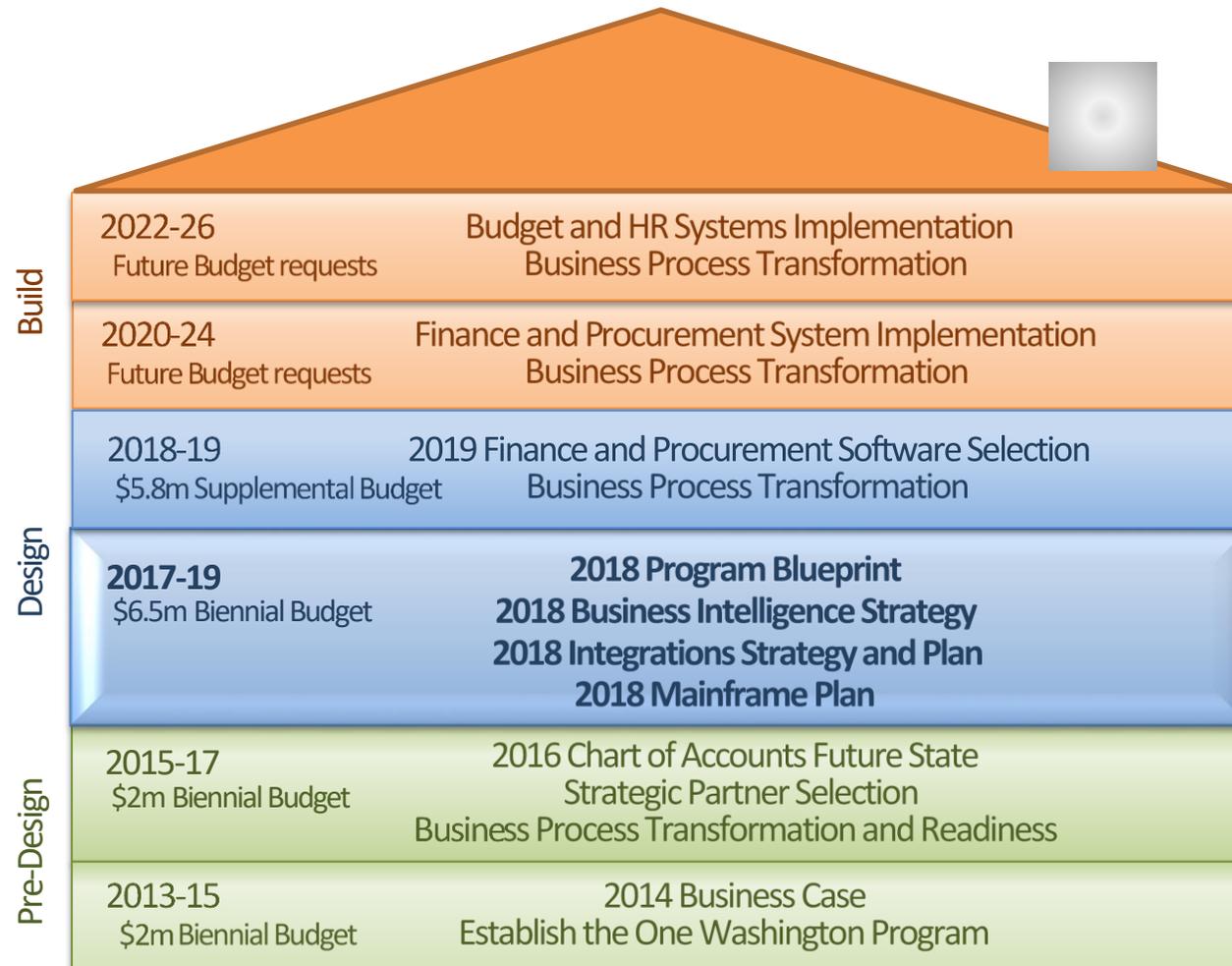


Program Blueprint v2

The One Washington program has completed and published the second version of the Program's Blueprint. The following presentation is a high level summary of the Program and the content of the Program Blueprint Version 2.

- One Washington Program History and Direction
- Blueprint Overview
- Guiding Principles
- Selection and Procurement of Software
- Implementation and Phasing
- Non-technology Initiatives
- Recommended Program Staffing and Budget Estimates
- Appendix: WSDOT Integration with One Washington

One Washington Program History and Direction



Program Blueprint Overview

- Version 1 of the Program Blueprint included foundational assumptions for Washington's enterprise ERP direction for Finance, Procurement, Budget, and HR/Payroll (with focus on Finance and Procurement scope)
- Version 2 adds implementation details for Budget and HR/Payroll and the Change Management Strategy

One Washington Blueprint Timeline



Guiding Principles

Guiding Principles

These principles guide future implementation efforts as well as enable the state to reference back to original goals.

- Unified vs. Best-of-Breed
- Technology Deployment Model
- Scope of Business Functions
- Implementation and Phasing Approach
- Integration Strategy
- Master Data Management
- Data Conversion
- Reporting Capabilities
- Security Approach
- Organizational Change Management Strategy

Unified vs. Best-of-Breed

Guiding Principles

1. One Washington will consider a unified approach (a single software product suite) for selecting and implementing the initial functionality of the Finance and Procurement systems.
2. One Washington will maintain the option of selecting different software (best-of-breed) for expanded Finance and Procurement functionality in the future (designated as 'expanded functionality').
3. One Washington will also consider a unified approach for the functionality of the Budget and HR/Payroll systems.
4. Since software selection for Budget and HR/Payroll functionality is scheduled for FY23, it is in the best interest of the state to consider the unified approach while maintaining options for selecting software from the same or different vendors.

Unified vs. Best-of-Breed

In coming to this conclusion, the state considered the following factors for each deployment model:

Unified Considerations	Best-of-Breed Considerations
An organization implements and supports a single instance of a suite of customizable software modules for each functional area from a single vendor	An organization implements and supports a compilation of different vendors and products, each based on specific needs in specific functional areas
Provides functionality for common requirements across the various functional areas, with a common data model, data base, and user interface	Allows for very precise requirements in various functional areas
Integration is relatively less complex (all components in a single-vendor environment), with integration provided "out of the box" by the vendor	Integration is relatively more complex (typically multiple vendor environments are involved), requiring dedicated efforts on integrations, some of which may be delivered by the vendors
Relatively less change management to train end users on a common application	Relatively more change management to train end users on different applications
Relatively slower to implement because single-vendor integration means more comprehensive design required, but less complexity to future changes and upgrades as part of the same application	Relatively faster to implement because fit-for-purpose modules can be 'plugged in' to core system, but adds complexity to future changes and upgrades (e.g. testing)
Sample vendors include Oracle, Workday, SAP, CGI, Infor, etc.	Sample vendors include Salesforce, Round Corner (Grants Management), Periscope, Coupa, Amazon (eCatalog and Reverse Auctions), etc.

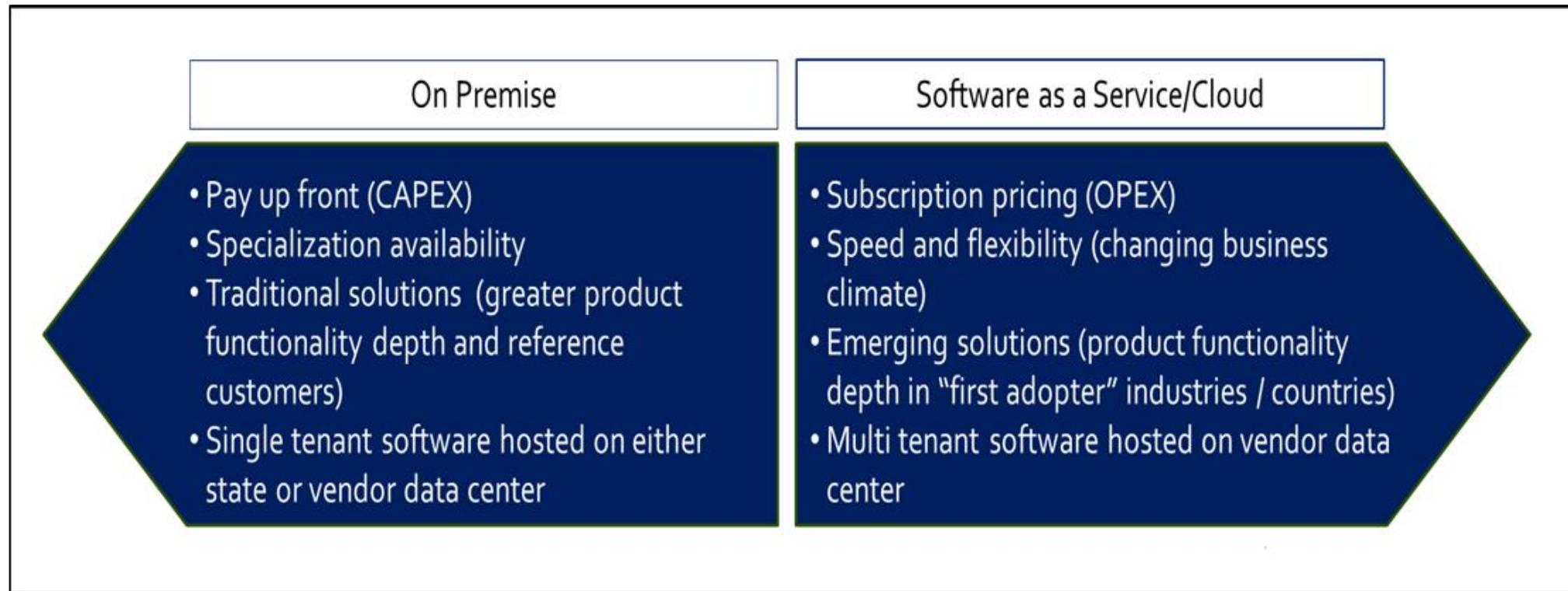
Technology Deployment Model

Guiding Principle

1. SaaS strategy will be used for the One Washington ERP implementation.
2. For planning purposes, SaaS strategy is assumed for Finance, Procurement, Budget and HR/Payroll.

Technology Deployment Model

A SaaS (cloud) approach has been selected for the One Washington program. The graphic below lists the differences between the two deployment models.



Technology Deployment Model

On Premises Considerations (Buy)	SaaS Considerations (Lease)
Allows significant organizational freedom to shape the software to business requirements	Software customization is limited to non-existent , but the solutions are generally highly configurable
This model allows for flexibility to perform technical hosting activities either internally or outsourced to a service provider	Software is not locally installed or owned ; it is accessed through the web or mobile applications.
Fixed pricing model - customers pay a license fee and on-going maintenance charges	Variable pricing model - customers pay subscription fee per user and module
Enhancement patches and release upgrades must be done by the customer or a third party with specialized technical skills	The vendor releases patches, functionality enhancements, or full upgrades, so that the customer solution will be automatically updated
Requires dedicated staff with technical and business knowledge of the software	Requires dedicated staff with business knowledge to work with software vendor
Higher implementation cost , longer implementation cycle, longer cycle time between major functionality additions	Lower implementation cost , quicker implementation cycle, more frequent additions of new software functionality
Business requirements not satisfied by the software can be addressed via software customization (though not recommended), or business process redesign	Business requirements not satisfied by the software cannot be met with direct changes to vendors' baseline code , but can be addressed via Platform as a Service, On Premises middleware, or business process redesign

Scope of Business Functions – Finance and Procurement

The guiding principle of the Scope of Business Functions recommends the following functions for Finance and Procurement:

Finance	Procurement
Initial Release Functionality	Initial Release Functionality
General Ledger Accounting	Requisitions and purchase orders
Specialized accounting, e.g. project accounting, cost accounting, grantee accounting, Federal Highway accounting	Contract management
Budgetary control, e.g. encumbrances, commitment control	Receiving
Asset management and accounting	Sourcing, e.g. RFP, RFQ, RFX
Accounts payable	Supplier Relationship management
Accounts receivable	Category management
Travel and expense	Catalog purchasing
Cash management, e.g. local banking and cash control	Master data, e.g. suppliers, commodities
Master data, e.g. chart of accounts, payees, suppliers	Reporting and Business Intelligence
Reporting and Business Intelligence	
Expanded Release Functionality	Expanded Release Functionality
Grantor management	Inventory management

Scope of Business Functions – Budget and HR/Payroll

The guiding principle of the Scope of Business Functions recommends the following functions for Budget and HR/Payroll:

Budget	HR/Payroll
Initial Release Functionality	Initial Release Functionality
Operating, Transportation, and Capital budget	Payroll
Revenues and expenses	Primary HR functions e.g. hire, exit management, update employment data
Scenario planning and forecasting	Benefits administration (*Integration only)
Publishing the budget book	Position classification
Master data	Time and attendance
Allotments and spending plans	Compensation planning
Budgetary transfers	Recruitment
Linkage to performance measures	Development
Reporting and Business Intelligence	Labor relations
	Performance evaluation
	Health and safety
	Master data, e.g. positions, job descriptions
	Leave & Absence Management
	Employee/Manager Self Service
	Competency Management
	Reporting and Business Intelligence

Selection and Procurement of Software

Procurement Readiness

- A Procurement Readiness workgroup spent seven months to examine, define and agree on common procurement processes, definitions and data elements
- Consultants from North Highland evaluated the outcomes and identified areas of strength as well as gaps
- The report shared six work streams that are recommended for project engagement:
 - eProcure to Pay Automation
 - Catalog Establishment
 - Supplier Enablement
 - Sourcing Management
 - Contract Management
 - Data Management
- Each work stream provides key elements that are necessary for the state's readiness and the selection of an enterprise procurement solution
- The final report will be posted to the One Washington website in the spring of 2018

Selection and Procurement of Finance and Procurement Software

Below is the timeline and activities to procure the Finance and Procurement software

Major Activity	Spring FY18	FY19 July 1, 2018 - June 30, 2019												FY20 July 1, 2019 - June 30, 2020															
Program month		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun				
Implementation month														1	2	3	4	5	6	7	8								
Fin/Proc ERP & BI Capabilities Definition and Procurement Activity																													
Initial ERP Software Acquisition																													
Market research/ERP software demonstrations	█																												
Defining business capabilities/technical specifications		█																											
Drafting the CPP documents		█																											
Expose draft CPP for review and comment												█																	
Finalize the CPP documents												█																	
Publish the CPP documents												█																	
Time for vendors to develop proposals												█																	
Evaluation, demos, orals, and selection														█															
Negotiations and contracting														█	█														
QA Services for entire program		█																											
Network infrastructure for initial functionality														█															
Technical infrastructure for initial functionality														█															
ERP infrastructure for initial functionality														█															
Expanded ERP software acquisition																						█							
Technical infrastructure for expanded functionality																													
Specialized consulting services acquisition		as needed/if needed												as needed/if needed															

Software Selection Process for Budget and HR/Payroll

- In FY23 One Washington conducts an evaluation and makes the decision whether to acquire software from the Finance and Procurement vendor based on:
 - The performance of the vendor
 - The fit to Budget and HR/Payroll business and technical capabilities
 - Cost
 - Experience of other states
- If One Washington determines that it is in the best interest of the state to seek alternative solutions, a competitive procurement process may be conducted

Procurement Approach for Budget and HR/Payroll

- The software selection process for Finance and Procurement will include consideration to acquire Budget and HR/Payroll software from the same vendor at a later time
- One Washington will give preference to an integrated system to minimize complexity and maximize long term business value
- Since software will mature over the next several years, One Washington will conduct market research or an RFI to gather the most current information
- The decision will be made in FY23 during the procurement phase for Budget and HR/Payroll, this decision does not need to be made at this time

Procurement of Budget and HR/Payroll Software

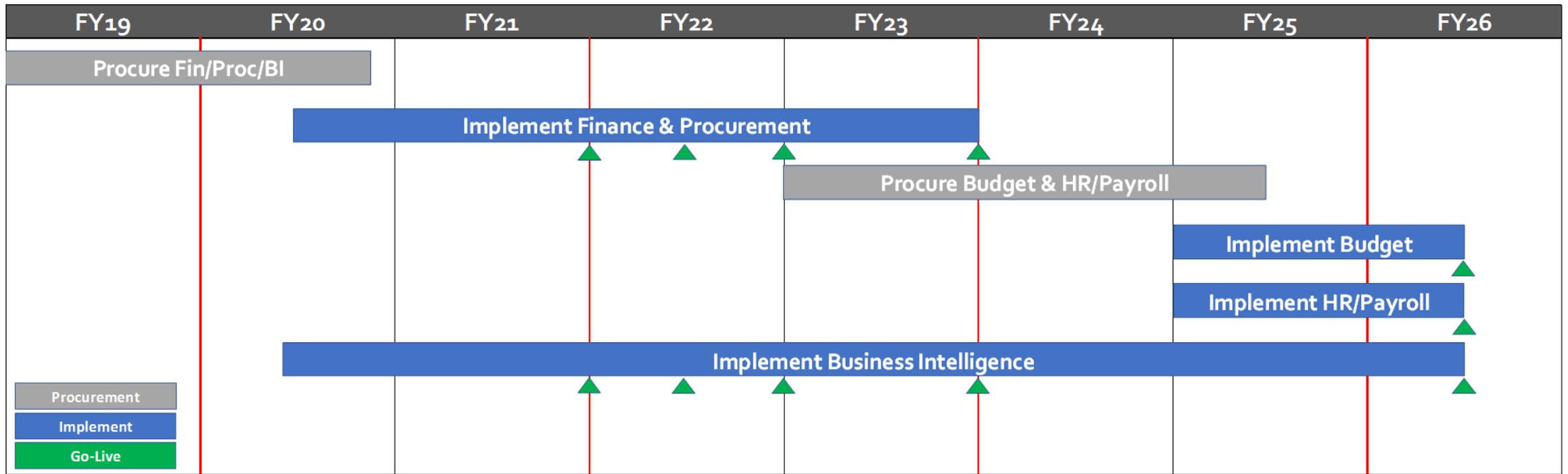
Below is the timeline and activities to procure the HR/Payroll software

Major Activity	FY 23 July 1, 2022 - June 30, 2023												FY 24 July 1, 2023 - June 30, 2024												FY 25			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Program month	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
Budget and HR/Payroll ERP Capabilities Definition and Procurement Activity																												
Software Acquisition																												
Market research/ERP software demonstrations																												
Defining business capabilities/technical specifications																												
Drafting the CPP documents																												
Expose draft CPP for review and comment																												
Finalize the CPP documents																												
Publish the CPP documents																												
Time for vendors to develop proposals																												
Evaluation, demos, orals, and selection																												
Negotiations and contracting																												
Technical Infrastructure (if needed)																												

Implementation and Phasing Approach

Implementation and Phasing Approach

The phasing approach is to incrementally rollout both functionality and agencies (in 3 waves) for initial Finance and Procurement functionality, and a final fourth wave for expanded functionality. For Budget and HR/Payroll functionality, the phasing approach is to rollout full functionality to all agencies.



Implementation and Phasing Approach

The guiding principle of Implementation and Phasing Approach includes the phasing of functionality and agencies. Below describes the four waves of the implementation.

Implementation Wave	Detail
Initial Release Wave 1	<ul style="list-style-type: none">• Agencies engaged by invitation, allowing One Washington to control size and mix for affordability• Engage agencies that account for >50% of the budget to show adoption• Engage a mix of agencies that will use most of the initial functionality to help design the baseline configuration and common business rules• Engage a mix of small, medium, and large agencies to demonstrate that the solution works for agencies of all sizes• Engage a mix of agencies that use general fund, special revenue funds, capital funds, and internal service funds to demonstrate that the solution works for all fund types
Initial Release Wave 2	<ul style="list-style-type: none">• One Washington will work with agencies to schedule them into this wave, allowing One Washington to control size and mix for affordability
Initial Release Wave 3	<ul style="list-style-type: none">• All other agencies
Expanded Release Wave 4	<ul style="list-style-type: none">• During development of Version 2 of the Program Blueprint, we engage in selective interviews and/or meetings to confirm which agencies require expanded functionality to meet their business needs

Implementation Phasing Criteria Matrix

The following criteria will be followed to identify which agencies to the 3 waves of deployment.

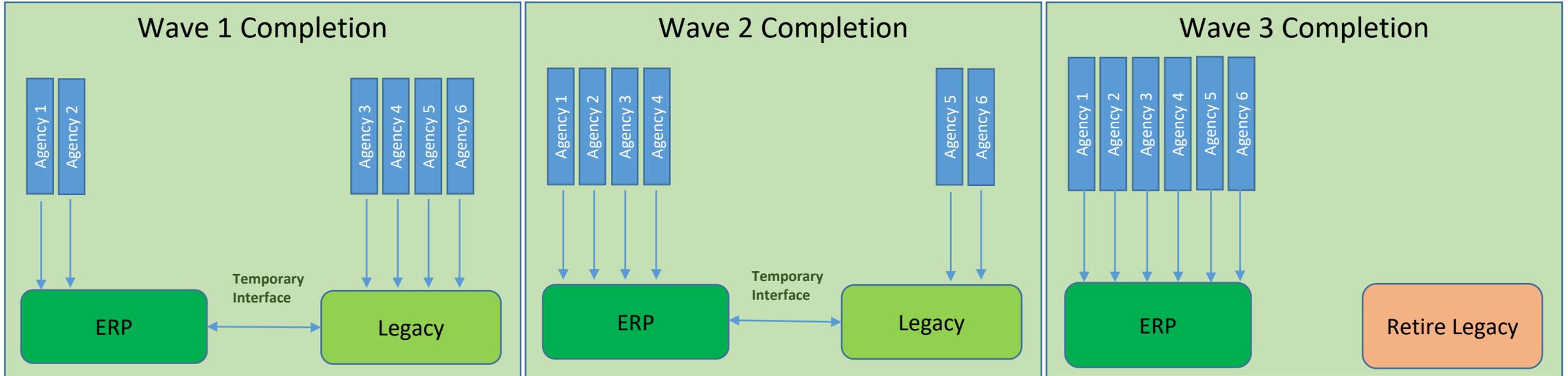
Criteria	Description
Contributes to Baseline Configuration	Accounts for 80% of the common workflows, enterprise wide business rules, and master data
Fund Type	Includes General Funds, Special Revenue Funds, Capital Funds, and Internal Service Funds
Technical Readiness	Considers network infrastructure, cloud connectivity, and end-user devices
Executive Buy-In and Support	Addresses degree of willingness and support for design and adoption of the One Washington solution and resource capacity
Business Buy-In and Support	Addresses degree of willingness and support from finance and procurement business community
Technical Imperatives	Addresses agency needs, for example, broken financial systems, non-existent procurement systems, agency systems at end of life
Business Imperatives and Connectivity to Other Agencies	Addresses agency needs, for example, new business requirements, common business requirements among a group of similar agencies

Implementation for Budget and HR/Payroll

Major Activity	FY 25 July 1, 2024 - June 30, 2025												FY 26 July 1, 2025 - June 30, 2026											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Program month	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80
Budget Implementation																								
Design/Configure/Test/Deploy	[Blue bar]												[Blue bar]											
Full release all agencies: initiate and confirm	[Light blue bar]																							
Full release all agencies: configure, adopt, adapt				[Light blue bar]																				
Full release all agencies: test							[Light blue bar]						[Light blue bar]											
Full release all agencies: deploy and go-live													[Light blue bar]			[Green bar]								
Post implementation operations and maintenance																			[Blue arrow: 6 months support]					
Design/Configure/Test/Deploy BI for Budget	[Blue bar]												[Blue bar]											
HR/Payroll implementation																								
Design/Configure/Test/Deploy	[Blue bar]												[Blue bar]											
Full release all agencies: initiate and confirm	[Light blue bar]																							
Full release all agencies: configure, adopt, adapt				[Light blue bar]																				
Full release all agencies: test							[Light blue bar]						[Light blue bar]											
Full release all agencies: deploy and go-live													[Light blue bar]			[Green bar]								
Post implementation operations and maintenance																			[Blue arrow: 6 months support]					
Design/Configure/Test/Deploy BI for HR/Payroll	[Blue bar]												[Blue bar]											

Integration Strategy

The Integration Strategy supports temporary interfaces during the implementation waves.



Master Data Management

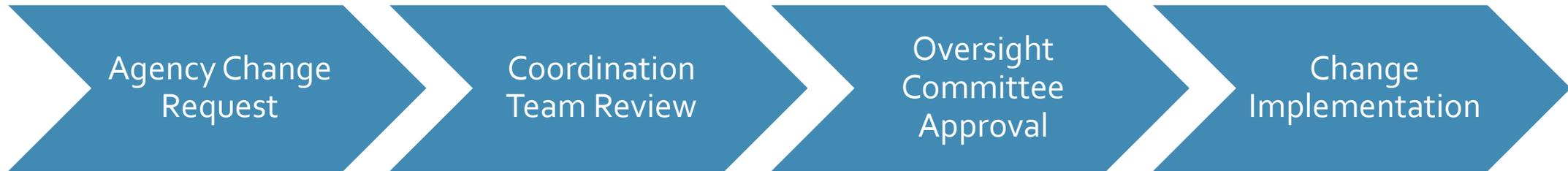
The MDM strategy will identify the nature of the data and defines the governance and decision-making process for master data

- **Global Data** is coordinated across all agencies
 - Create and/or define daily business events
 - Establish the initial data environment
 - Drive enterprise reporting and/or analytics
- **Shared Data** is coordinated/shared across more than one agency
 - Create and/or define daily business events
 - Drive enterprise reporting and/or analytics
- **Local Data** is used by one agency
 - Data is used at the local level, very often for local and unique purposes
 - Data varies by business unit and is relevant to only one agency

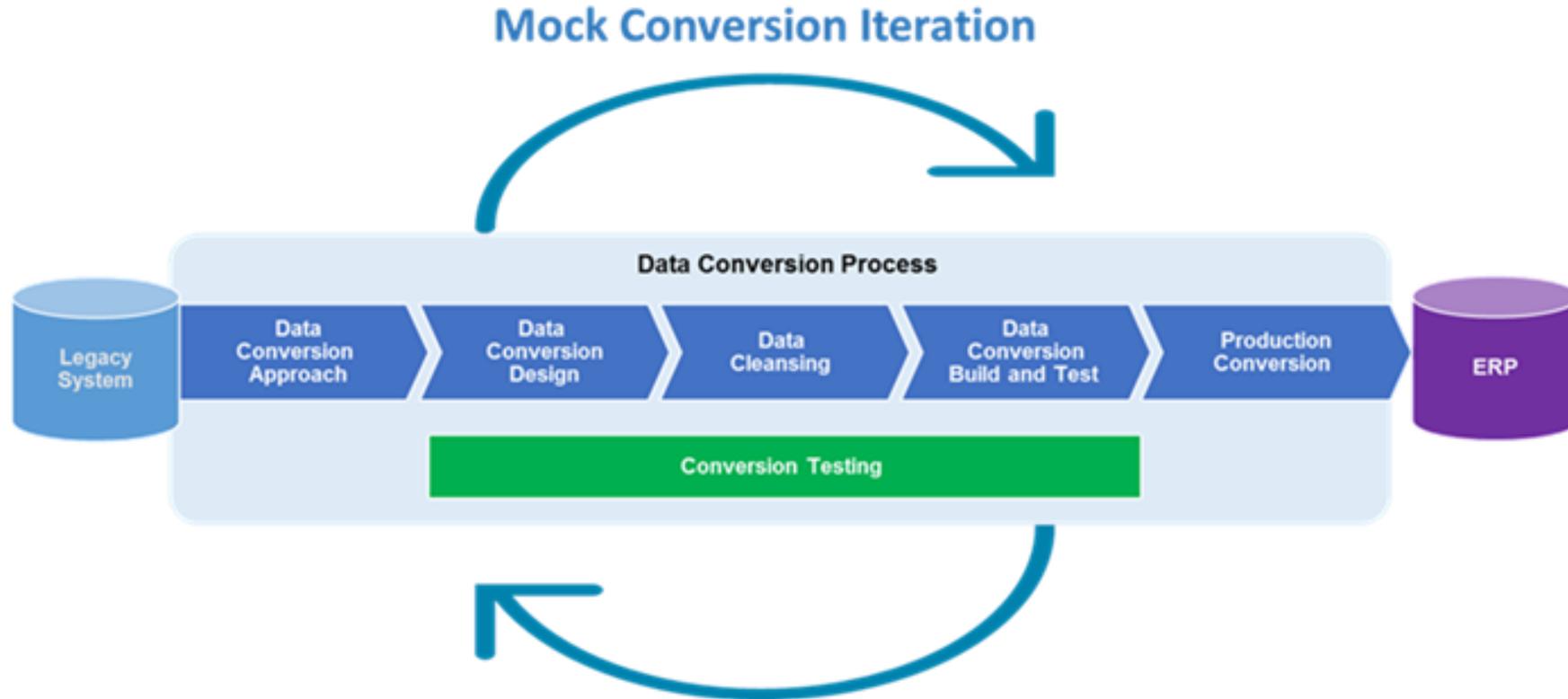


Master Data Management

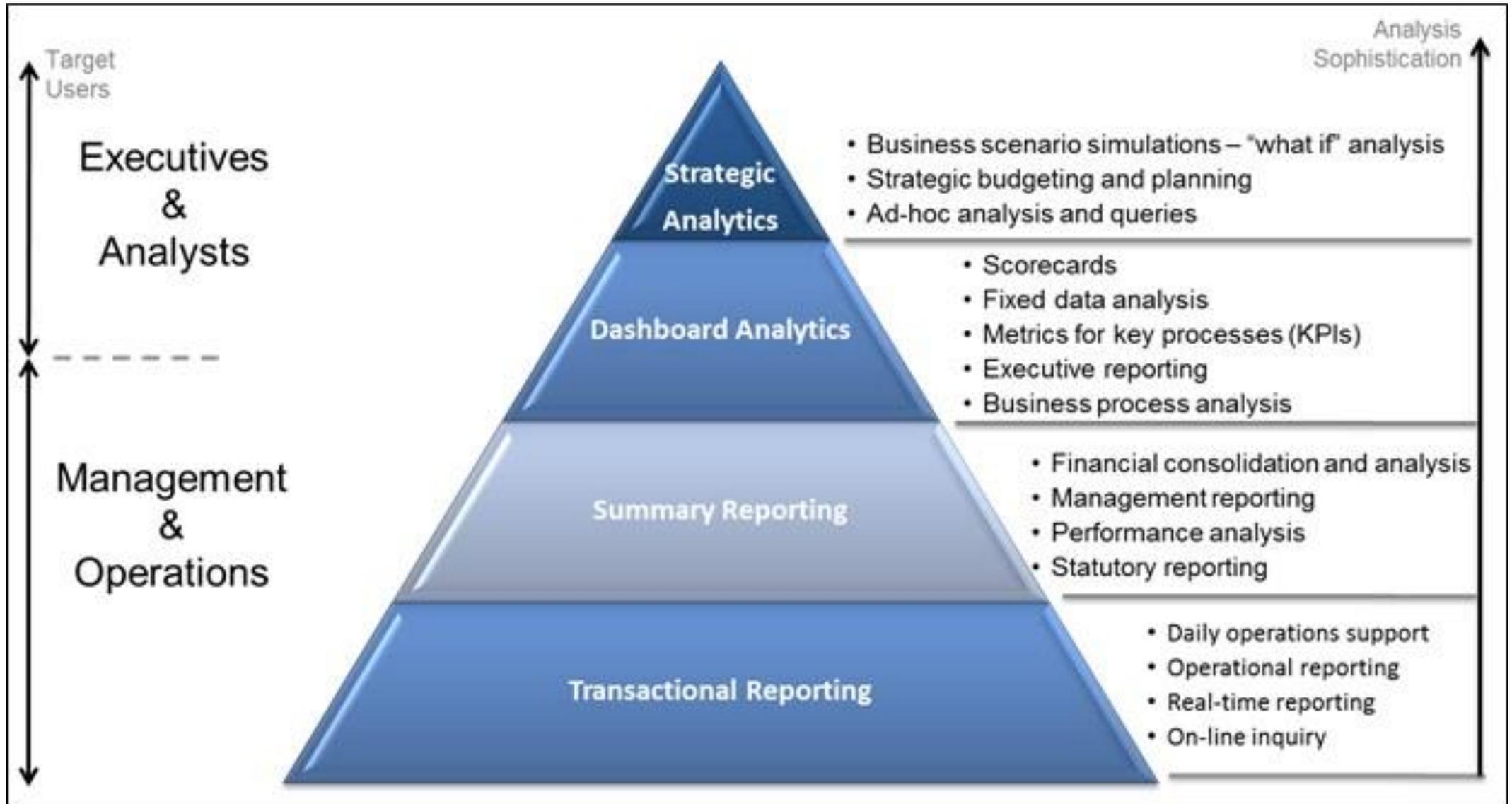
MDM Governance Model



Data Conversion



Reporting Capabilities



Reporting Capabilities

Modern ERP Reporting Benefits

Leveraging delivered functionality	Many report requests can be met using the capabilities delivered within the ERP.
Transparency of complex calculations	ERPs give transparency to complex calculations and make that data available through reporting and dashboards.
Real-time data	ERPs provide reporting capabilities and dashboards that allow data analysis in real time.
Drilldown capabilities	ERP reporting tools allow users to easily move from a higher-level view to a more detailed view of the data being analyzed.
Ad-hoc reporting capabilities	ERPs provide for flexibility and easy access for users to build their own queries.

Security Approach

Embedding security design, configuration, and testing into the project lifecycle greatly reduces risk for the delivery of a secure system. The security configuration for the One Washington ERP implementation will focus on three areas:

- **Infrastructure Security** – Configuring the infrastructure in such a way that users can easily access what they need to, but remain secure throughout the entire communication process.
- **Data Security** – Securing data such that only appropriate users have access to the appropriate data required for their job roles.
- **Application Security** – Configuring the system such that only the appropriate users can gain access through trusted authentication services. This is a critical step towards protecting the perimeter of the applications. Extending that configuration to appropriate authorizations that restrict users to only the data and transactions that they need to do their day-to-day jobs completes the application security model.

Security Approach

The following security considerations need to be further analyzed for adherence to state security policies and standards:

- ERP Authentication
- File Transfer Security
- Logging and Monitoring
- Firewall
- Digital Certificates
- VPN
- Secure Access Washington
- File Data Encryption
- Authorization
- Maintaining Security
- Security Design Review

Change Management Strategy – Stakeholder Interviews: Summary

1. 22 agencies interviewed following approach
2. 5 themes and opportunities that can be actioned upon now
3. 39% of interviewed agencies have change processes in place
4. Propose Transformation Advisory Group members

Change Management Strategy – Stakeholder Interviews: Approach

1. Document all agencies in Stakeholder Analysis Spreadsheet
2. Determine what agencies to interview
3. Propose initial list and e-mail request
4. Confirm outreach approach
5. Schedule and conduct interviews

Change Management Strategy – Stakeholder Interviews: Themes and Opportunities

Themes

-  Cautious support for One Washington
-  Need to understand timeline
-  In person communications are the most effective
-  Change investment by agencies
-  Expand website

Opportunities

-  Seek to build positive momentum and trust by sharing the incremental advances and wins. Consider a statement from the Governor
-  Socialize timeline and expected resourcing requests to allow agencies to budget and prioritize for One Washington
-  Include content and channels in the Comms plan and stress in person communications to the agencies
-  Agencies with a change culture will be well positioned for One Washington. They should share stories and best practices with other agencies
-  Website as a push as well as a pull for information: up to date information on timelines, status of program, scope, program team, etc.

Change Management Strategy – Next steps for OCM

- Continue to analyze which agencies should be interviewed and collect relevant information
- Plan for next 7 months activities:
 - Establish Transformation Advisory Groups
 - Establish Transformation Network
 - Develop key messaging
 - Extend invitations to Change Management Meetings
 - Prepare administrative support resources, tools and templates for One Washington and agencies

Non-technology Initiatives

Initiatives Beginning in Fiscal Year 2019

Initiatives		
Procurement of Finance and Procurement Software	Assess Procurement Organizational Strategy	Assess Finance Organizational Strategy and Readiness
<ul style="list-style-type: none"> • Work with stakeholders to gather business and technical requirements • Work with WaTech to ensure infrastructure readiness • Facilitate software demos • Evaluate and select software • Continue to coordinate change readiness activities 	<ul style="list-style-type: none"> • Assess current business processes with procurement organizational strategy • Conduct review of laws, regulations, and policies in readiness for a new procurement system • Launch strategic sourcing assessment for a select group of categories 	<ul style="list-style-type: none"> • Assess current business processes with finance organizational strategy • Consolidate statewide master payee and customer files • Conduct a review of laws, regulations, and policies in readiness for a new financial system • Review business processes that could be improved with existing technology • Standardize accounting practices and data in preparation for a new system

Initiatives Beginning in Fiscal Year 2020

There are three non-technology related initiatives for Budget and HR/Payroll that have been drafted with ongoing discussions to further refine. These will be next biennium activities (FY20-21):

- Assess Opportunities to Simplify and Improve Budget Processes
- Review HR/Payroll Statute and Business Processes
- Assess the Feasibility for Creating a Center of Excellence for HR/Payroll

Recommended Program Staffing and Budget Estimates

Recommended Program Staffing and Budget Estimates

Estimated costs for the One Washington program. These estimates do not include agency costs.

Model Summary	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Total Annual Costs	\$ 5,256	\$ 26,441	\$ 51,857	\$ 57,870	\$ 33,787	\$ 24,745	\$ 54,028	\$ 49,977
Total Program Costs	\$ 5,256	\$ 31,697	\$ 83,555	\$ 141,424	\$ 175,211	\$ 199,956	\$ 253,984	\$ 303,961

* Numbers presented in thousands

Staffing Levels	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
State FTE	11.7	31.2	52.4	61.2	39.1	23.2	43.0	35.2
Contractor FTE	7.0	22.2	42.5	43.4	24.6	10.5	31.0	26.0
Total FTE	18.7	53.3	94.8	104.6	63.7	33.7	74.1	61.2

* Numbers rounded to 1 decimal

2018 Program Blueprint Annual Summary

	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
2017 - 2018 Program Blueprint	\$5.3m	\$26.4m	\$51.9m	\$57.9m	\$33.8m	\$24.7m	\$54.0m	\$49.9m
	Software Selection / Finance	Implement - Finance				Software Selection / Budget	Implement - Budget	
	Software Selection / Procurement	Implement - Procurement				Software Selection / HR/Payroll	Implement - HR/Payroll	
		Implement Business Intelligence/Analytics						
Total One Washington Program Cost = \$303.9m								

Appendix

WSDOT Integration with One Washington

WSDOT Integration with One Washington

WSDOT needs to upgrade its aging financial system in the next five years, primarily due to technical obsolescence. WSDOT and OFM have concluded that it continues to be in the best interest of the State for WSDOT to remain a part of the One Washington project.

- Based on a high level analysis of WSDOT specific business requirements completed to date, WSDOT and OFM have agreed that the State has a tremendous opportunity to implement one financial system for the entire state. We are moving forward with the assumption that WSDOT will decommission TRAINS and make use of the One Washington statewide ERP. Deep-dive assessments of how WSDOT current business processes interact with TRAINS and other critical financial systems are currently underway. When these assessments are completed and business processes have been identified for transformation, the findings will inform WSDOT's implementation of the One Washington statewide ERP, the governance model required to address and maintain WSDOT's specific needs, as well as integration to WSDOT unique business systems.

Next Steps

Program Blueprint version 3

Topic	Detail
Program Blueprint	<ul style="list-style-type: none">• Align agencies to deployment waves• Identify performance measurements• Align relevant sections to Business Intelligence Strategy• Define System Of Record(s) (SOR)• Conduct workshops with participants from the Office of Cyber Security to align the One Washington Program Blueprint with the state security guidelines
Integration Implementation Plan	<ul style="list-style-type: none">• Identify (external) systems that will integrate with the One Washington ERP• Identify systems that will be sources for data conversion into the One Washington ERP• Identify systems (external) that will be retired (replaced by One Washington ERP)• Define integration layer
Change Management	<ul style="list-style-type: none">• Update the communications strategy and plan as needed based on continued agency interviews



<http://one.wa.gov>

For Questions, Comments, or Concerns:

OneWA@ofm.wa.gov