IRIS

Integrated Resource Information System

House Finance Budget Subcommittee
September 4, 2014

Presented by:

Commissioner Becky Hultberg

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Providing Insight for Alaskans.

WHAT WE'LL COVER IN THIS PRESENTATION

1. Overview of the new ERP (designated IRIS)
   - Designated "IRIS", **I**ntegrated **R**esource **I**nformation **S**ystem
2. Guiding Vision
3. Purpose
4. Schedule
5. Components
   a. LearnAlaska – Learning Management System
   b. Sympro Bond Debt Management
   c. Vendor Self-Serve
   d. Procurement
   e. Financial
   f. Change Management
   g. Communication Methods
   h. Key Performance Indicators (KPI)
6. Q&A
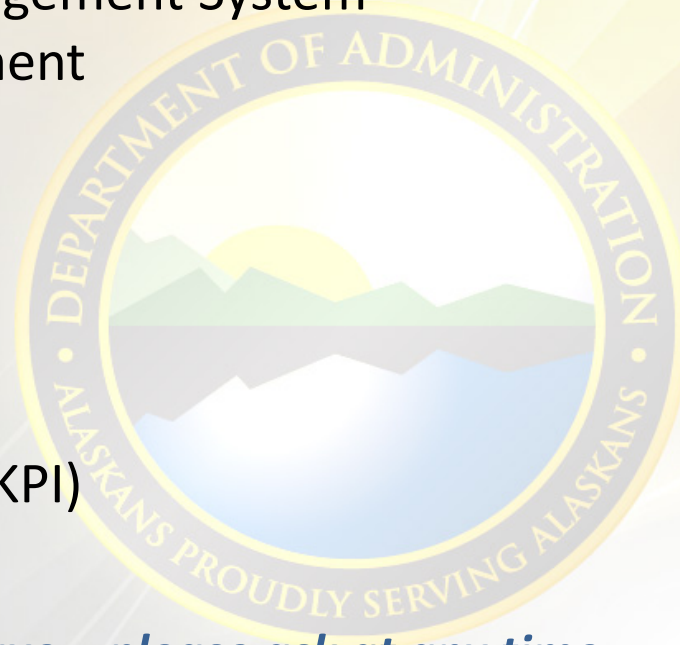
Any questions you may have – please ask at any time

ENTERPRISE RESOURCE PLANNING (ERP)

A cross-functional enterprise system with an integrated suite of software modules to support the internal business processes of an organization by establishing a defined set of business processes across the enterprise using a single database structure to allow consistent and timely information.

The effort to implement an ERP is not without challenges:

- Identify and understand the real reason a business process or step exists
- End user acceptance of new or revised business processes
- Acquiring and retaining project staff with the necessary advanced skills and knowledge
- Substantial effort to convert the existing chart of account to a structure supported by the baseline ERP product

GUIDING VISION

The vision of the State of Alaska's IRIS Project, supported by business process owners, provides Alaska with a structure for managing the administrative processes of the State through modern systems that can be continually updated to meet business and technology improvements.

Smart Work

- Standardized business processes
- Process automation
- Information sharing (IT system integration)
- Transferable workforce

Comprehensive Decisions

- Greater government transparency
- Real-time data and reporting

Refined Customer Service

- Improved customer service
- Simplified vendor engagement
- Employee self-service

Long Term Viability

- Sustainable technology platform
- Operational continuity

PURPOSE

Strengthen business operations within state agencies and improve the timeliness and accuracy of decision support information by adopting best practices and implementing a modern, integrated system which affects all employees in every agency statewide.
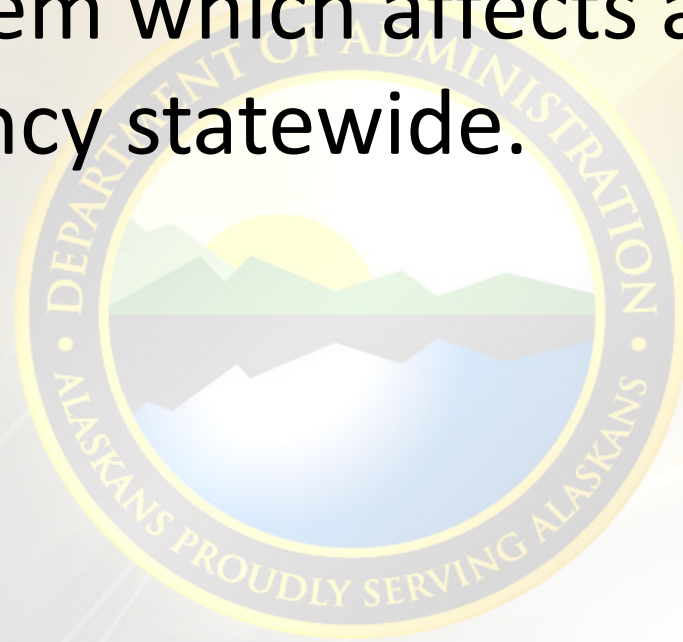
PURPOSE

Scope of Effort

- Replace end-of-life financial management and payroll processing systems (AKSAS, AKPAY)
- Reengineer business processes for efficiency and to align with best practices
- Add new operational capabilities and functions
  - Integrated procurement
  - Vendor self-service
  - Employee self-service
  - Learning management system
  - Bond debt management system
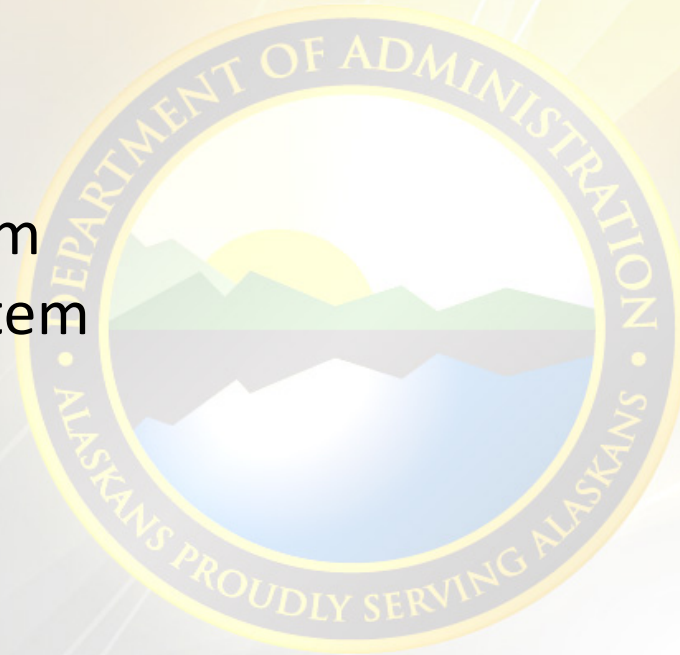
SOLUTION

IRIS
Integrated Resource Information System

◉ Integrated Resource Information System (IRIS) - AMS Advantage for financial and human resource management, procurement, and payroll processing

LearnAlaska

◉ LearnAlaska - Meridian Global for learning management

◉ Sympro – Bond debt management system
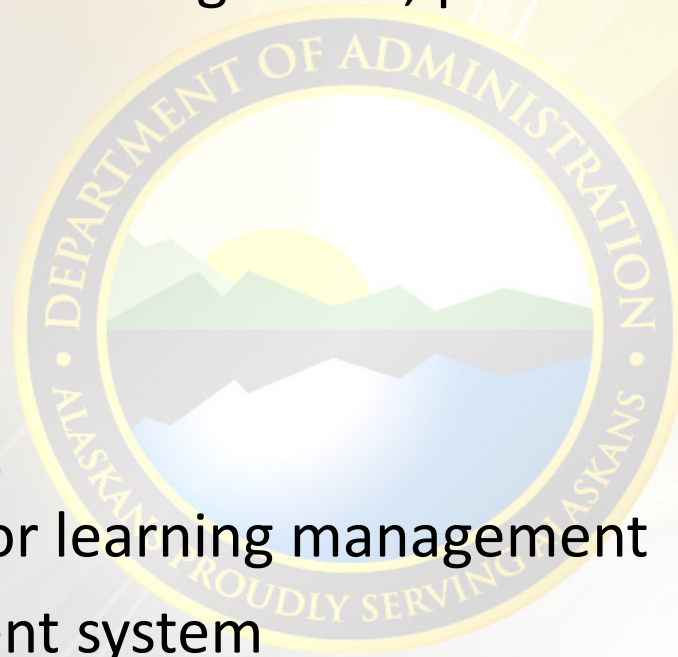
SCHEDULE
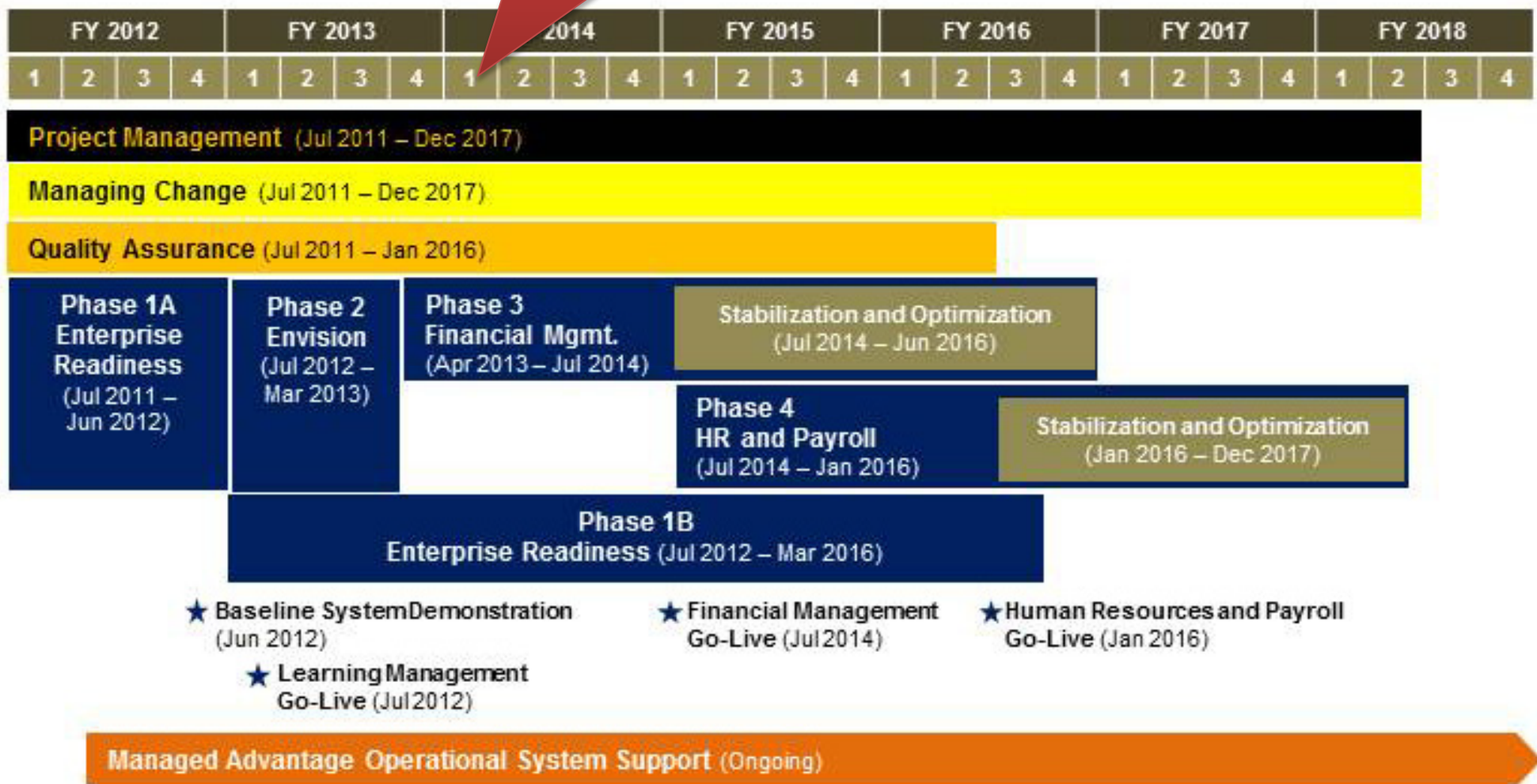
PHASE 1A - ENTERPRISE READINESS

## Prepare the state for significant business process change and system implementation

- Establish project governance and management structures
- Initiate a statewide change management program
- Facilitate joint evaluation and agreement regarding agency systems that can be decommissioned
- Document "as is" business processes
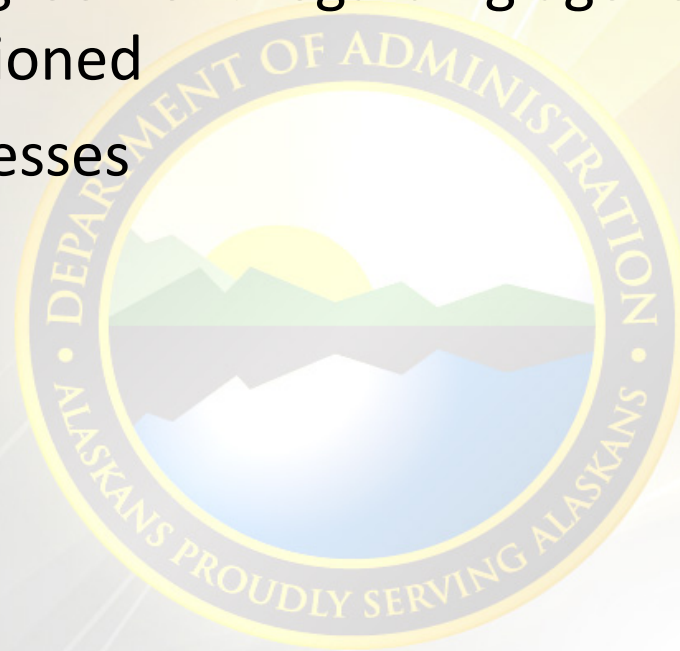
PHASE 1B - ENTERPRISE READINESS

Maintain ongoing engagement with stakeholders and agencies

- Monitor readiness for change
- Adjust training to accommodate shortcomings
- Regularly communicate information
- Provide a feedback loop to the project team to address concerns and manage expectations
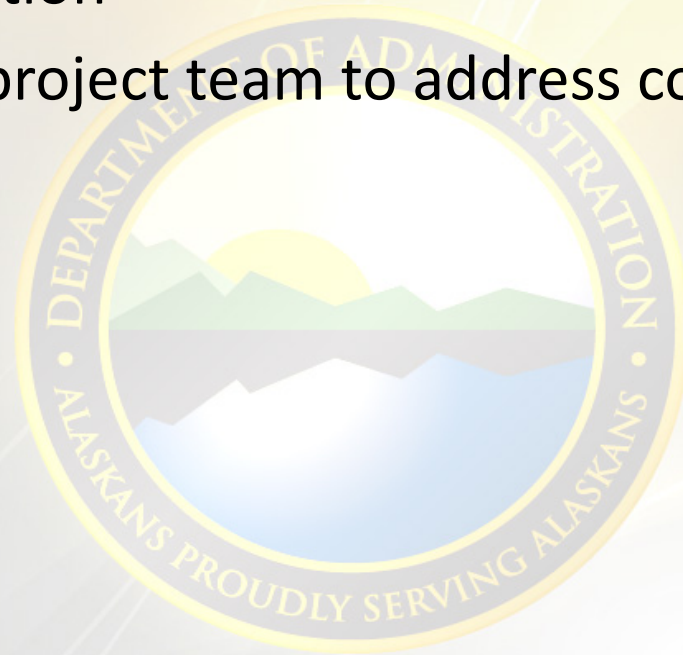
PHASE 2 – ENVISION

Prepare a blueprint for *configuring* the software

- Prototype using baseline functionality
- Comprehensive business process designs
- Identify and create design specifications for required baseline modifications
- Development of data conversion, interface, and data warehouse and reporting strategies
- Establish State of Alaska baseline configuration specifications
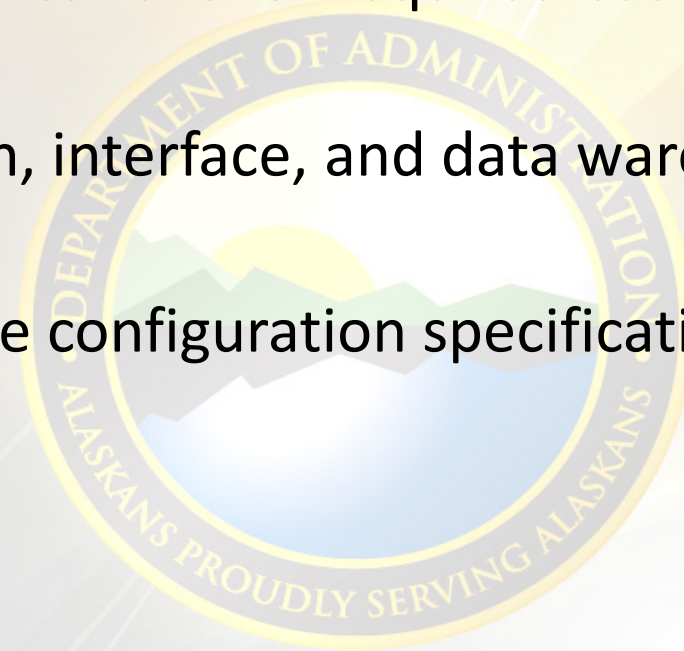
PHASE 3 - FINANCIAL MANAGEMENT AND PROCUREMENT

Configure the financial management and procurement components

- Reference data – Chart of Accounts
- Data conversion
- Interface conversion
- Vendor self service
- Inventory warehouse
- Alaska Data Enterprise Reporting (ALDER) data warehouse
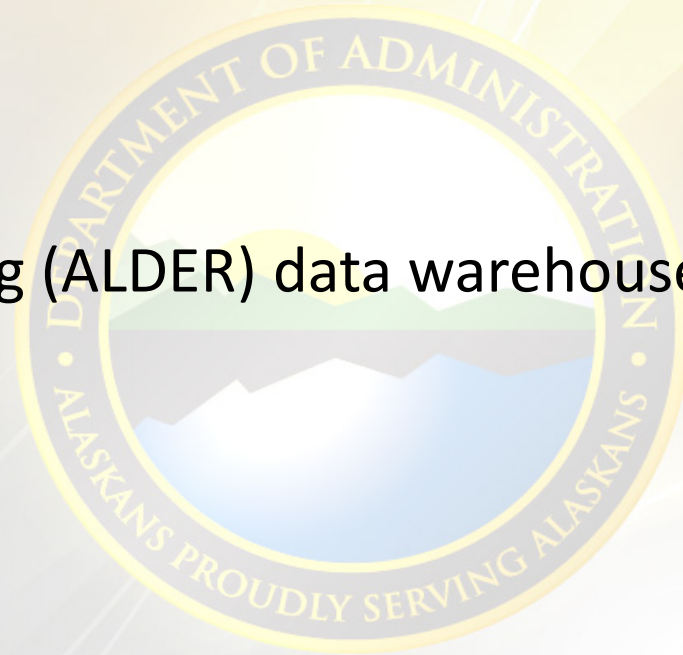
PHASE 4 - HUMAN RESOURCES AND PAYROLL

Configure the human resources and payroll management components

- Human resources management
- Payroll management
- Employee self-service

MANAGED ADVANTAGE OPERATIONAL SUPPORT SERVICES

- State is responsible for maintaining configuration
- Contractor is responsible for application and database maintenance support
  - System performance, patches, and scheduled upgrades
  - 2 hour recovery time to disaster recovery site

IRIS PROJECT BUDGET

IRIS Project Budget

	Planned Budget to Date	Actual Cost to Date	CPI	Project Budget ER/ENV/FIN	Est. Total Budget All Phases
Hardware	$ 134,423	$ 212,555	0.63	$ 134,499	$ 434,499
CGI Software & Maintenance	$ 4,153,926	$ 3,486,161	1.19	$ 4,941,561	$ 6,555,860
SOA Software & Maintenance	$ 1,602,204	$ 1,116,772	1.43	$ 1,603,306	$ 1,615,145
Data Center Hosting	$ 678,071	$ 662,483	1.02	$ 556,963	$ 1,505,087
SOA Personnel	$ 2,459,215	$ 2,384,479	1.03	$ 3,846,993	$ 5,448,044
CGI Professional Services	$ 14,917,934	$ 9,999,116	1.49	$ 20,863,617	$ 33,116,689
Professional Services	$ 3,381,407	$ 2,767,623	1.22	$ 4,100,742	$ 4,934,263
Communications	$ 85,000	$ 8,064	1.00	$ 146,500	$ 296,500
Space	$ 304,695	$ 881,827	0.35	$ 421,002	$ 421,002
Managed Advantage	$ 6,133,940	$ 6,103,940	1.00	$ 6,133,940	$ 6,133,940
Travel	$ 47,620	$ 44,735	1.06	$ 128,190	$ 253,190
Overhead	$ 100,000	$ 93,498	1.07	$ 150,000	$ 250,000
Management Reserve				$ -	$ 8,838,000
Total	$ 33,998,436	$ 27,761,252	1.22	$ 43,027,314	$ 69,802,219

LEARN ALASKA

LearnAlaska Portal helps staff with access questions, updates on eLearning and reference materials.

LEARN ALASKA

State of Alaska

Learn Alaska
Learning Management System

Contact Administrator

WELCOME TO THE STATE OF ALASKA'S LEARNING MANAGEMENT SYSTEM, LEARNALASKA

Recent Announcements

Fall 2013 Course Schedule
The course schedule for sessions offered by the Division of Personnel and Labor Relations during the months of September through December 2013 is now available. Please login and search for courses offered by DOP to view available class sections.

Recommended Browser Setup
Instructions have been added to the References & Resources page of the LearnAlaska Portal site to assist users with recommended browser configuration. (2013-07-24 @ 4:00 PM)

Login ID

Password

Log In

Use regular login to access:
- Your own personal training
- Managers console to assign new/existing training to staff

LearnAlaska provides information to state employees for use in performing their job duties. I agree to limit my use of LearnAlaska to state business purposes, and to provide stewardship over the information provided to others.

Unauthorized access/tampering is punishable under Alaska Criminal Statutes AS 11.46.200, AS 11.46.484, AS 11.46.740.

Alaska Statute 39.52.140 governs improper use or disclosure of information by state employees:

a. A current or former public officer may not disclose or use information gained in the course of, or by reason of, the officer's official duties that could in any way result in the receipt of any benefit for the officer or an immediate family member, if the information has not also been disseminated to the public.
b. A current or former public officer may not disclose or use, without appropriate authorization, information acquired in the course of official duties that is confidential by law.

LEARN ALASKA

Each employee has a list of online courses including:

- Onboarding
- Training/Technical
- Refresher/Annual

LEARN ALASKA

Business process efficiencies

- Integration with Active Directory for authentication and Outlook for manager notification of staff training requests

- Decommission of TrainAlaska

- Use of Captivate as the standard content authoring tool

- Computer Based Training (CBT) to reduce cost associated with instructor led courses

- Permanent electronic record of employee training

- Platform for departments to develop, deploy, and manage specific training to effectively achieve their mission
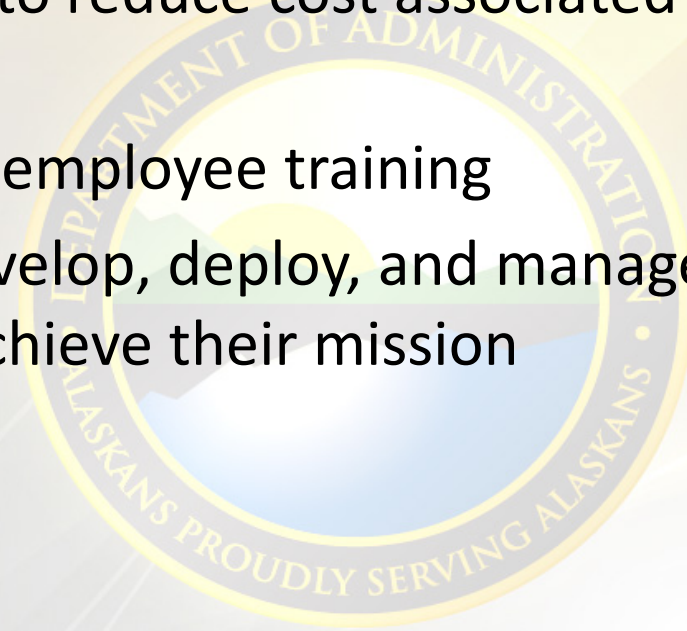
SYMPRO – BOND DEBT MANAGEMENT

System provides a consolidated view and management of bond debt with reporting on different aspects of their historical and outstanding debt.
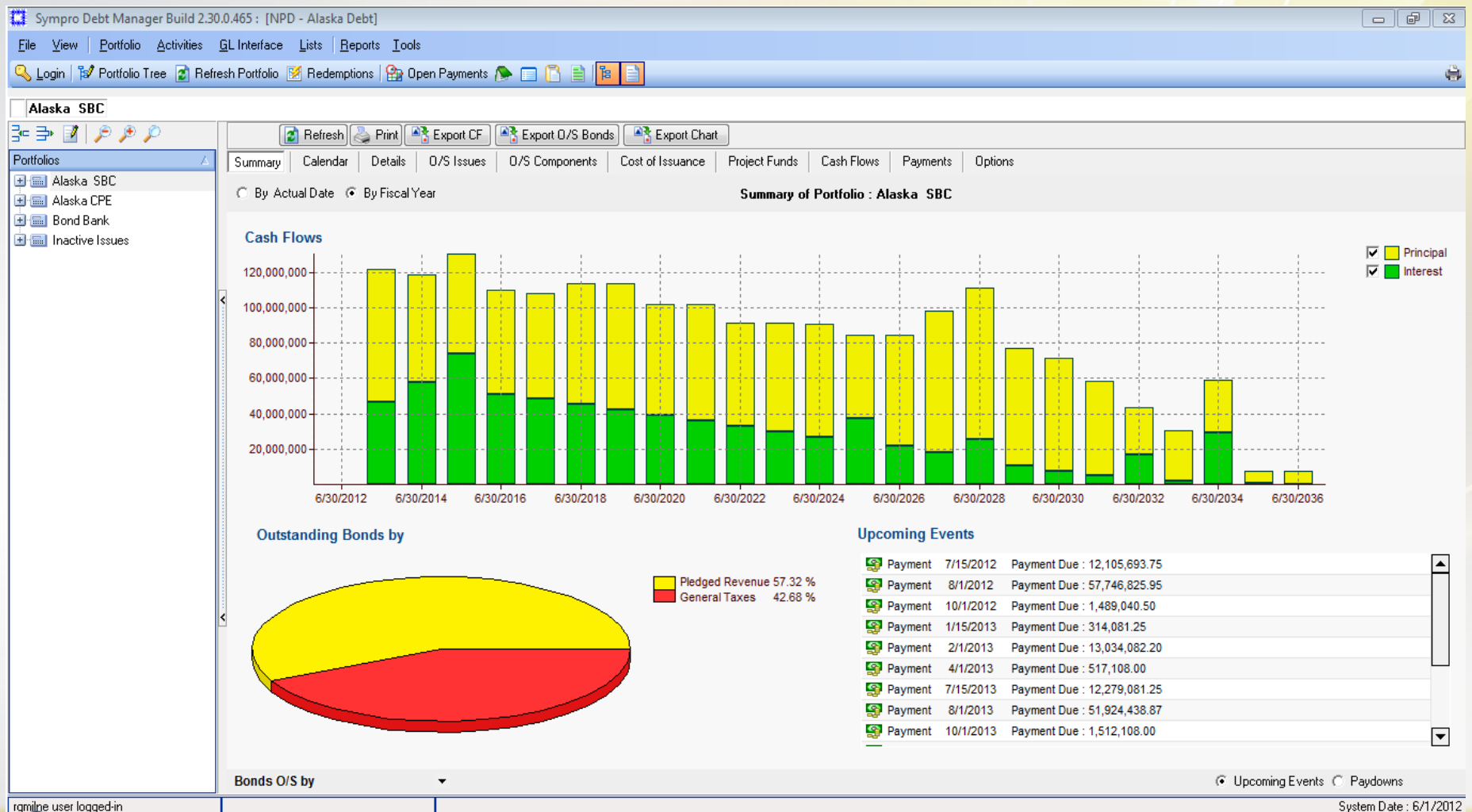
SYMPRO – BOND DEBT MANAGEMENT

Business process efficiencies

- Eliminate disparate spreadsheets
- Real time analysis of individual and portfolio debt
  - Remaining par value, outstanding interest and principle
  - Detailed cash flows
  - Dates and amount of future debt service payments
- Interface to the financial system general ledger by providing accounting transactions
- Bond debt preparation for FY2013 CAFR has already been performed
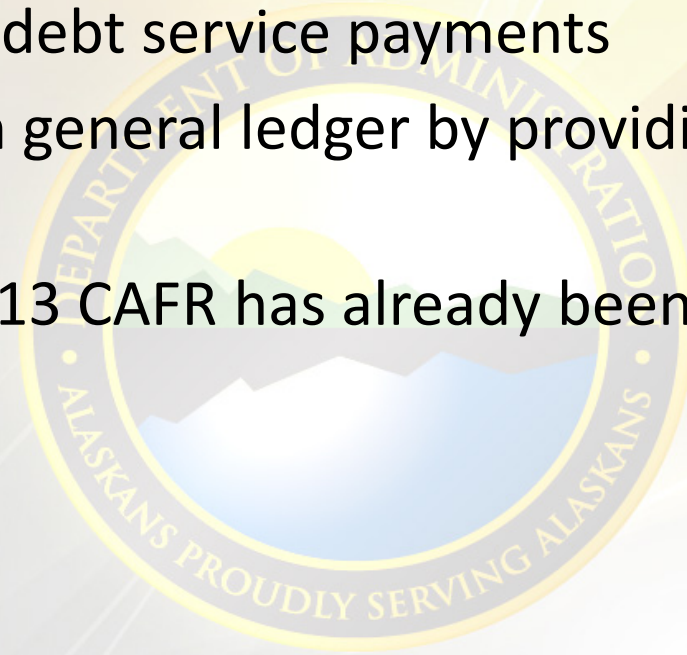
VENDOR SELF-SERVE (VSS)

Portal empowers vendors to be custodians of their own information and business opportunities available through state procurement.

- Vendors have access to a Quick Reference guide that provides step-by-step registration instructions
- Portal allows public access for improved transparency

- Access to all business opportunities: RFPs, Grant RFPs, ITB, RFI, RFQ
- Support for online or paper-based responses
- Integrated Notice of Intent and Notice of Award

VSS BUSINESS OPPORTUNITIES - SOLICITATIONS

Business process efficiencies

- Registration for a specific or range of National Institute of Government Purchasing (NIGP) codes allows for automatic vendor notification

- Vendor can actively manage their business relationship
  - Grant and control access by others in their organization to their specific portfolio
  - View and download orders
  - Update payment method, business demographic, and W-9 information
  - Submit online invoices
  - Download 1099 tax information

- Research and match delivery orders with payment(s) received

- Various contract forms are system generated

- Management reporting – who, what, when, how many, cost, vendor, etc

VSS BUSINESS OPPORTUNITIES - SOLICITATIONS

Vendors and members of the general public can track the prices paid per NIGP unit per commodity code

SECURITY

- System access – integration with Active Directory for authentication

- Navigation rights – page(s), document catalog, worklists

- Allowed accounting transactions – document codes, organization (department/division), and authority (view, edit/process, approve)

- Access to budget authority – restrictions on document accounting lines

- Allowed reference table updates

- Allowed access to sensitive information – filter displayed data or mask sensitive data fields

WORKFLOW

- Approvals and workflow are integrated/ inseparable
  - Approvals – conditions requiring document approval
  - Workflow – routing of the document to 'team' worklists
- Document conditions serve as internal controls
  - Statutory and/or audit requirements
  - Act as safe-guards for special, unusual, or unexpected circumstances
  - Provide central control and monitoring of transactions
  - Specific department and managerial requirements
  - Email notification when an event occurs
- Drastically reduce elapsed time for document processing- eliminate routing of paper files
- Attachment capability to a document

PROCUREMENT

Initiate the Procure-ment Process

Vendor and Customer Manage-ment

Manage Purchase Requests

Fixed Assets and Controlled Property

Procurement

Generate Solicitat-ions

Warehouse Inventory Manage-ment

Manage Solicitat-ion Process

Process Alternate Procure-ments

Generate Awards

Manage Awards & Contracts
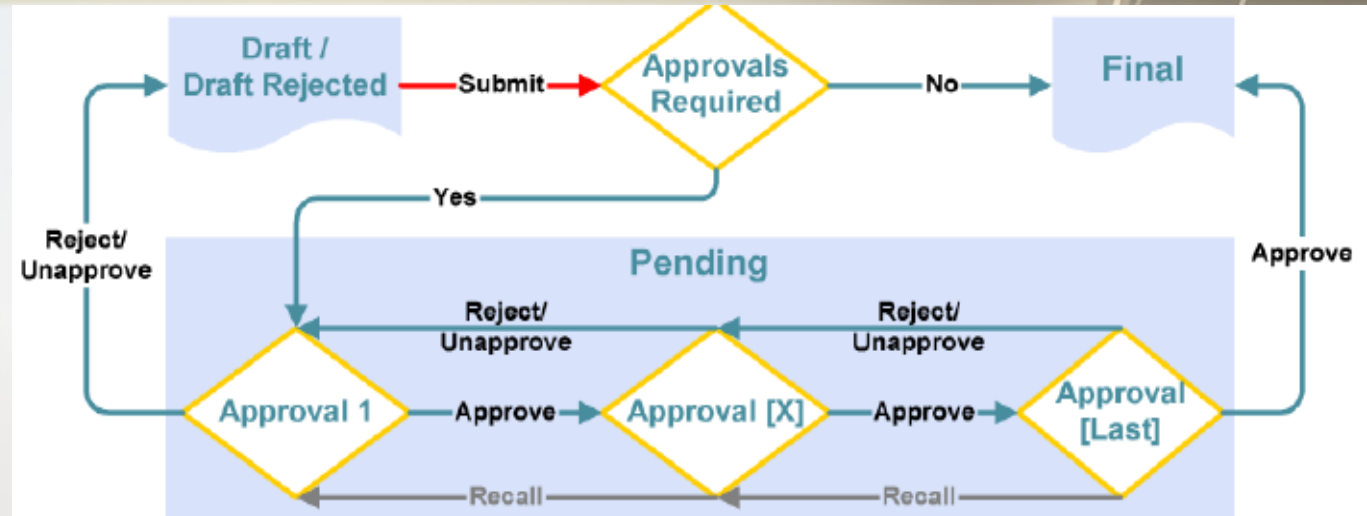
PROCUREMENT

Outcome of reengineering procurement business processes and important considerations

- Adhere to procurement code and statute

- Adapt baseline functionality – modifications have been limited to 10

- Core states have been defined as requisition, solicitation, solicitation response, response evaluation, award, and post-award

  - Procurement type determines which states to use

  - Vendor performance evaluation

- Core states drove 50 procurement, 27 inventory, and 16 vendor business process designs

- Pre-encumbrance for budget control

- Initial warehouse inventory conversion will be limited

- Defer including type 1 and 2 construction procurement

FINANCIAL

System is organized into 10 major business functions:

- General Accounting
- Budget
- Cost Accounting
- Cost Allocation
- Accounts Receivable
- Accounts Payable
- Procurement
- Fixed Assets
- Warehouse Inventory
- Vendor Management

FINANCIAL

Challenges and important considerations

- Adhere to generally accepted accounting principles and audit requirements
- Vastly different Chart of Account (COA) structure
- Centralized and decentralized COA structure
- Maintain department autonomy while providing uniformity across SOA
- Adapt baseline functionality – modifications have been limited to 3
- Build consensus through department collaboration for 'As-is' transition 'To-be' business processes

- 28 General Accounting
- 8 Budget
- 2 Cost Accounting
- 9 Cost Allocation

- 11 Accounts Receivable
- 19 Accounts Payable
- 15 Fixed Assets
- 2 Chart of Accounts

FINANCIAL

Some outcomes of reengineering financial business processes

- COA structure enables easier Comprehensive Annual Financial Report (CAFR) development
- Real-time access to complete information
- Automation of pre-encumbrance and encumbrance
- Accounting corrections tied directly to original transaction
- Budget inquiries available to view all activity real-time
- Expense budgets linked to revenue budgets for better compliance controls
- Ability to search by session reference – legislative bill source for an appropriation
- Expedite annual close-out activities that normally occur over two month period
- Budget structures control and enforce budgets for projects and grants
- Centralized vendor file management
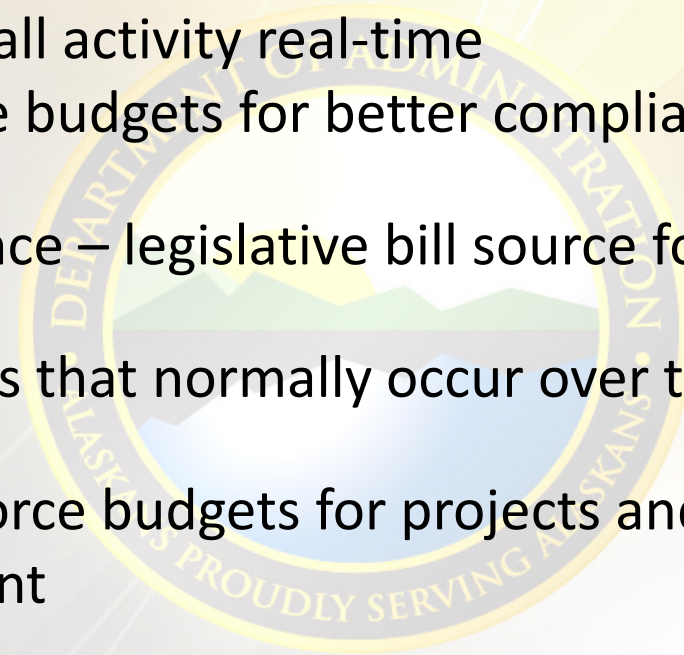
THREE-WAY MATCHING PROVIDES EFFICIENCY
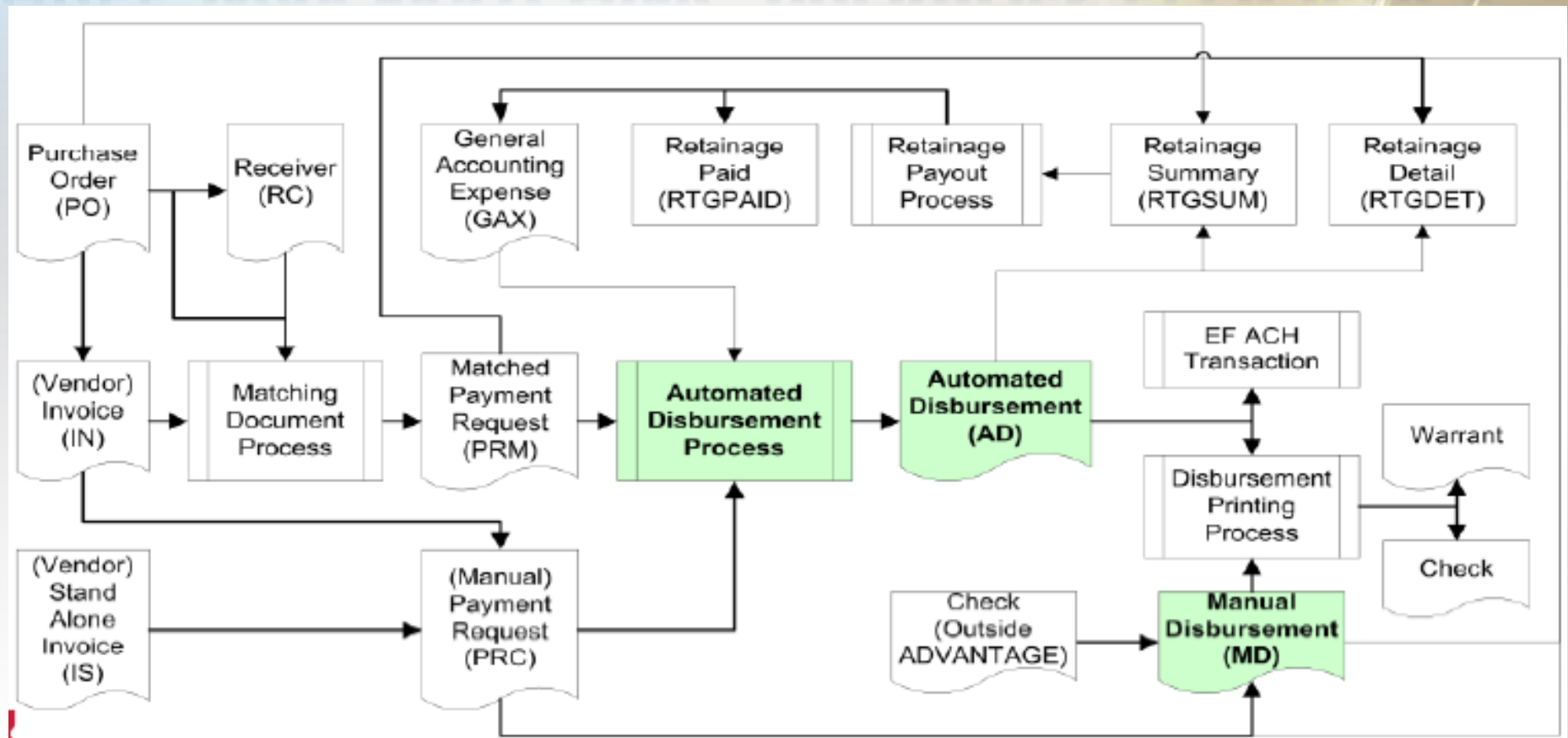
- Allow Automated Disbursement (AD) to streamline payment processing
- Controls imbedded in design – segregation of duties
- Ability to override automation with Manual Disbursement (MD)

THREE-WAY MATCH BUSINESS PROCESS

- As-built design for configured system
- Basis for training material and workforce development
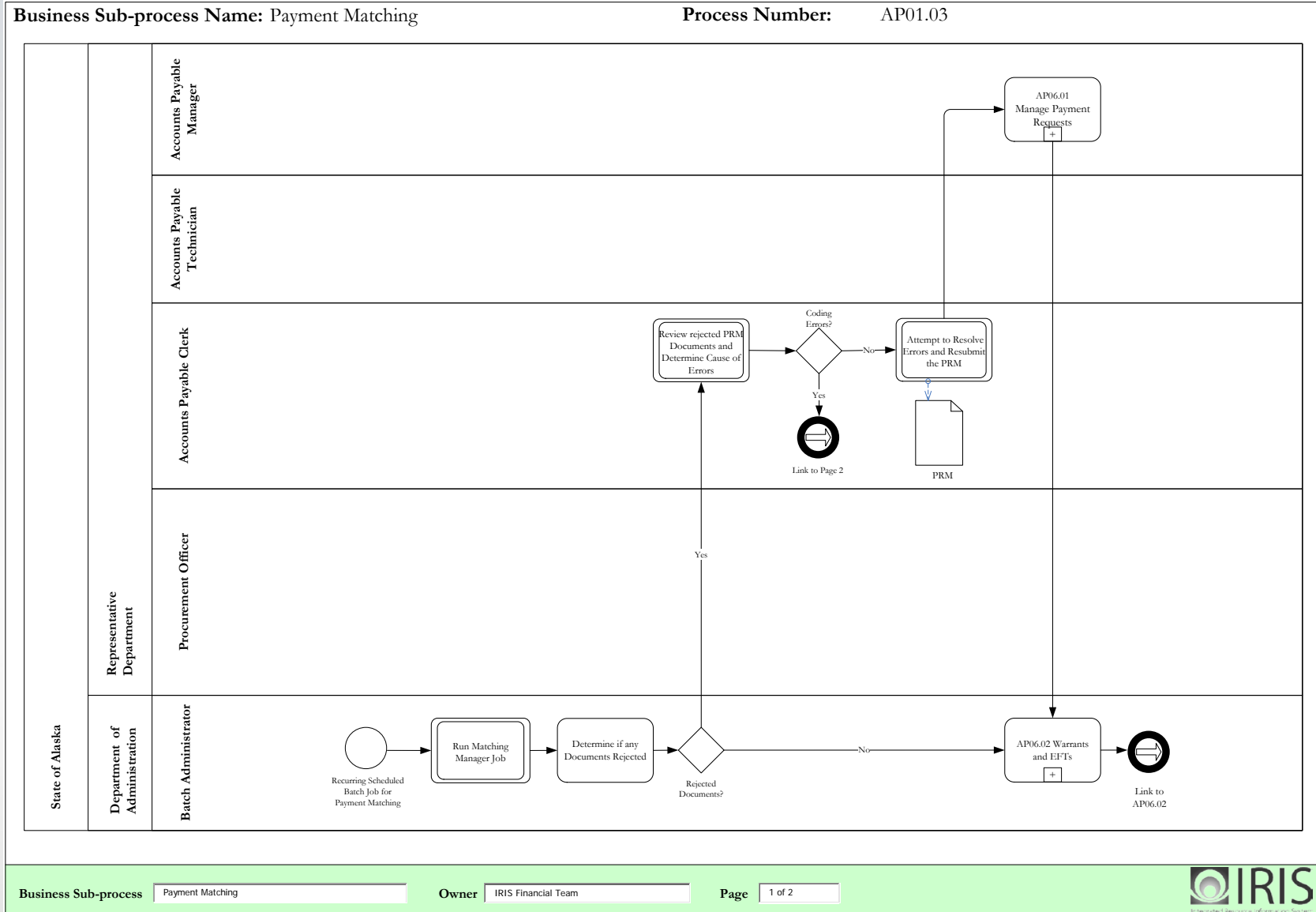
CHANGE MANAGEMENT AND 'MANAGING CHANGE'
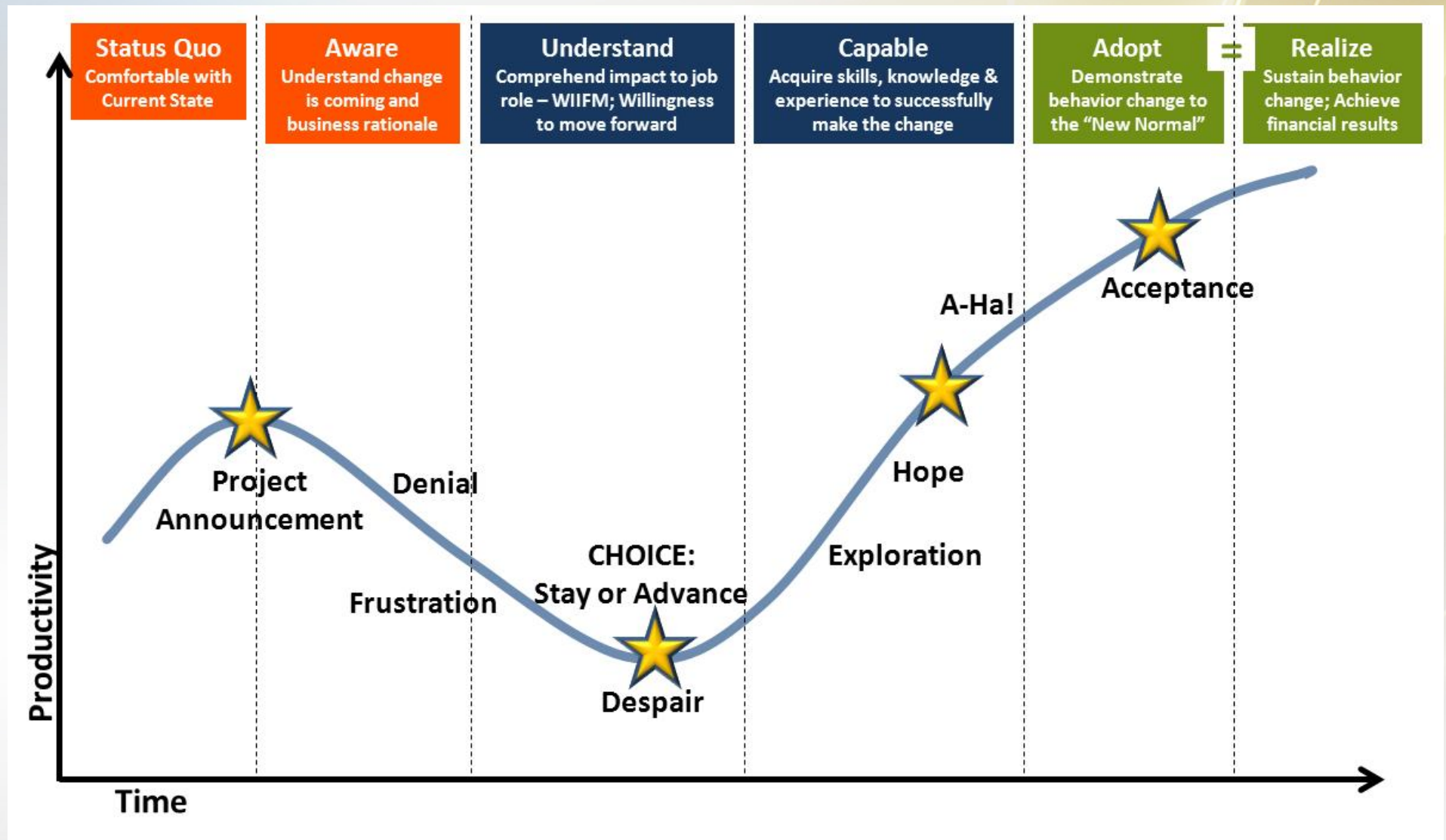
CHANGE MANAGEMENT AND 'MANAGING CHANGE'

Align Organization

Identify impacts to the current organization and develop customized solutions to manage restructuring, roles and responsibility changes, and skill gaps while building the infrastructure for sustainable change.

Engage Leadership

Arm leaders with the tools and resources to effectively guide their teams through transition. Prepare management teams to actively lead change.

Connect People

Connect the right people at the right time delivering compelling messages that engage people to 'answer the call' for change.

Prepare Stakeholders

Educate the organization on new processes and technologies to develop the knowledge, skills, and behaviors necessary to enable individuals to successfully perform in the future.

Measure Value

Measure adoption success throughout the transition, and help capture the full impact of the changes well past completion.

Integrate Project Management

Ensure proper change resourcing for all phases of project, team alignment on approach, sufficient communication throughout the project and transfer of critical knowledge to ensure sustainable change.

COMMUNICATIONS

Communication Channel	Description
Brochure / Flyer	Printed materials distributed either in paper form or as an attachment to an electronic message.
Demonstrations / Presentations	Scheduled sessions where the project team demonstrates various IRIS system functionality using the baseline or configured application.
Displays	Displays placed at various locations within SOA office buildings may include posters and elevator notices.
Large Group Meetings	Meetings or presentations conducted for large stakeholder groups.
Newsletter	Project newsletter distributed either in paper form or electronically at regularly scheduled intervals such as monthly or quarterly.
One-on-One Meetings	Meetings conducted with a single SOA executive, key leader, or employee to communicate a specific information item.
Project Email Messaging	Electronic messages distributed via SOA email network using IRIS.Project@alaska.gov.
Project Website	SOA IRIS Project Website
Small Group Meetings	Meetings conducted with a small group of individuals with a set agenda and purpose.
SOA Stakeholder Group Meetings	Presentations to SOA stakeholder groups at their regularly scheduled meetings. Examples of these stakeholder groups include Administrative Service Directors (ASD), State Finance Officers Association (SFOA), Alaska Procurement Officers Group (APOG), IT Managers, etc.
Road Shows	An informal public meeting where stakeholders can learn about the IRIS Project from key project personnel.
Videos	Videos may be shown at group meetings, accessed via the website, or distributed on public monitors.

PERFORMANCE METRICS

Key Performance Indicator (KPI)	Description / Derivation
Cycle time, requisition to purchase order.	Measures the time from requisition is created through to finalization of purchase order / contract / agreement.
Average number of modifications to orders.	Count of total purchase order / contract modification versions divided by the total number of purchase orders / contracts per the given time period.
Average number of responses received to RFPs.	Count of the number of response documents processed divided by the total number of solicitations for a given time period.
% of receipts of formal bids & proposals via the internet	Count of the number of response documents submitted through the Vendor Self Service portal divided by the total number of responses received for a given time period.
Commodity category contract coverage.	Percentage of categories of items and services purchased that have a contract in place divided by the total number of categories.
% of orders based on contract.	Count of purchase order line items which reference a master agreement divided by the total number of purchase order lines.
% of spend based on standard contract.	Dollar value sum of vendor payments (payment vouchers, pcard, manual disbursements) which reference a master agreement versus the dollar value total of payments for a given time period.
% of key stakeholders satisfied with suppliers.	Analysis of vendor performance evaluation results.
% of (preferred) suppliers not used in last 12 months.	Count of the number of active master agreements that have no usage for a given time period divided by the total number of master agreements.
% of total spend with diversity suppliers.	For all payments made during a specified time period the percentage made to identified business types, e.g., Alaska vendors.
% of on time delivery of ordered goods.	Count of the number of purchase order lines received after the agreed upon delivery date divided by the total number of purchase order lines for a given time period.
Average unit cost change per category.	For a given commodity code / supplier part number / unit of measure combination average price paid for a given time period versus price paid for the same item in a comparison time frame.

Thank you.

Q&A

MAINTAINING SCHEDULE

Using major milestones and gate criteria

Component	Ready for IST (10/1/13)	Ready for UAT (1/15/14)
Interfaces	50%	70%
Conversions	70%	90%
Forms	70%	90%
Modifications	50%	100%
Reference Data	70%	90%
Security Workflow		100%

◉ Integration System Test (IST)

◉ User Acceptance Test (UAT)