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*The Enterprise-Wide Technology Solution for
Montgomery County and its Customers*

Who Made Those Promises?

How Stakeholder Expectation Complicates an ERP Implementation

Association of Government Accountants

February 17, 2010

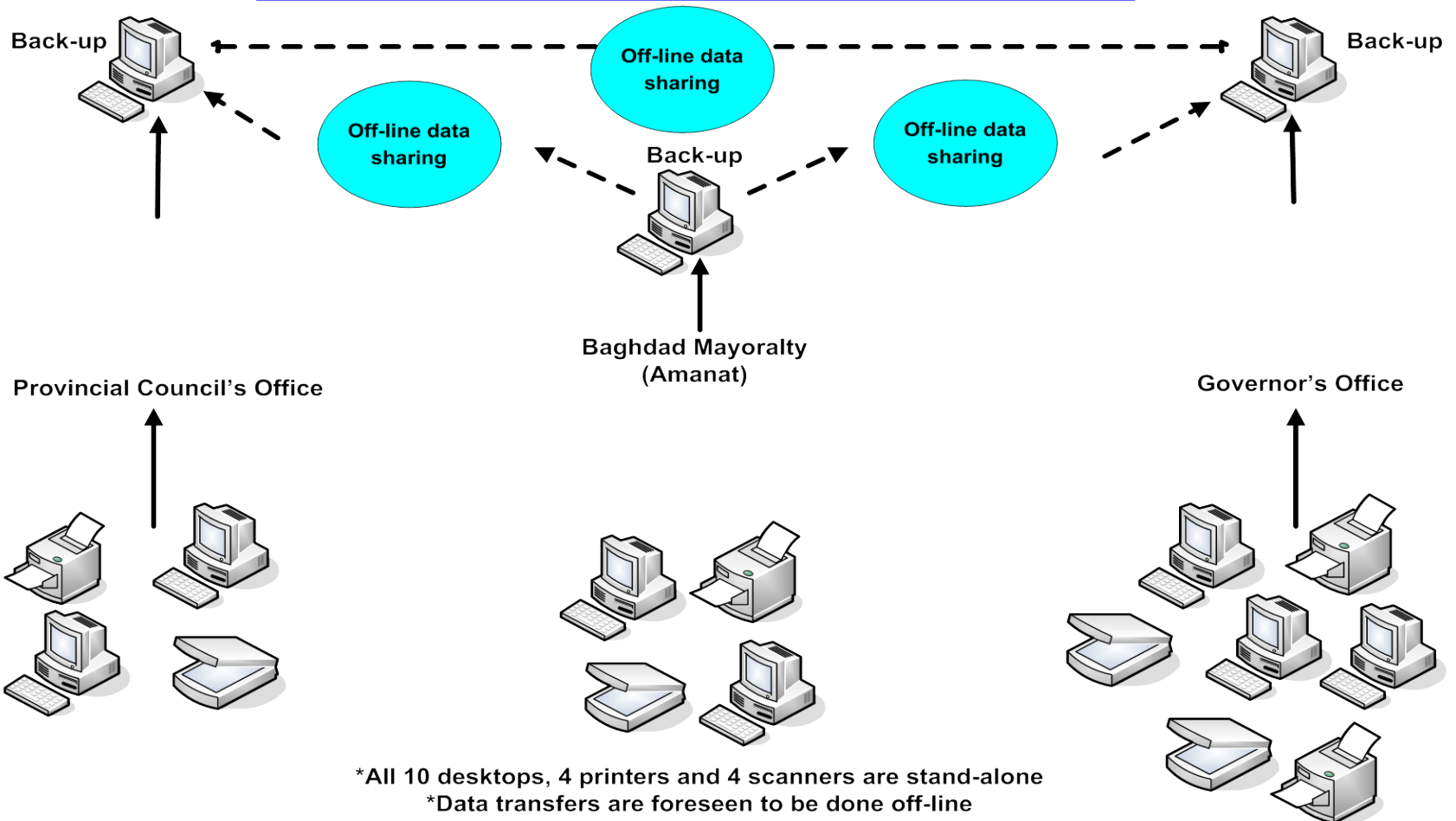


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Proposed GAPTIS Configuration in Baghdad

Typical Systems Configuration in Baghdad



Revised 6/13/08



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Agenda

- **General Information about Montgomery County**
- **Description and Status of MCG ERP Project**
- **Challenges of Stakeholder Expectations**
- **Lessons Learned-to-Date**
- **Q & A**



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About Montgomery County.....the organization

- Approaching 1,000,000 residents
- \$4.1 Billion Operating Budget
- \$3.8 Billion Capital Improvements Program (six years)
- AAA Credit Rating
- GFOA Award for Excellence in Financial Reporting and Distinguished Budget Presentation
- 10,000 Employee Workforce



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About Montgomery County.....the core systems (legacy applications)

- 1,400 system users
- Mainframe, DB2, green screen, customized – ~ 12 yrs old
- On-line decentralized financial/procurement
- Limited electronic workflow

- Many interfaces with loose integration/batch update (Budget, HR, specialized payments)
- Shadow systems
- Limited data warehouse/report writing

- Vendor support – none/limited - time & materials
- Internal support – limited/retirees



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About the County's ERP Project– Its Genesis



“Transform MCG is a comprehensive set of initiatives to transform the way Montgomery County does business. These initiatives -- Enterprise Resource Planning (ERP), Customer Relationship Management (MC311), and MCtime-- are the cornerstones of this transformation. They will enable us to deliver improved responsiveness to customers and improved operational efficiency.”



About Transform MCG– Three Initiatives

- 1) New Enterprise Resource Planning System (Discussed Later)
- 2) MC311-- County Constituents dial one number– 311– for all County services. A 3-1-1 call center creates tickets in a Siebel software system for all calls to the center. These tickets are tracked until resolution.
- 3) MCTime– A Kronos-based timekeeping system. Most employees log their time via a web browser. Certain public safety employees log time into separate system that interfaces to MCTime.



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Why ERP?..... The Business Drivers

- Data Integration - One version of the “Truth”
- Best Business Practices
- Real-Time Data
- Flexible Technology
- Drilldown/Audit Trail
- Enhanced Functionality
- Advanced Reporting and Analysis
- Web Enablement/Internet Capabilities

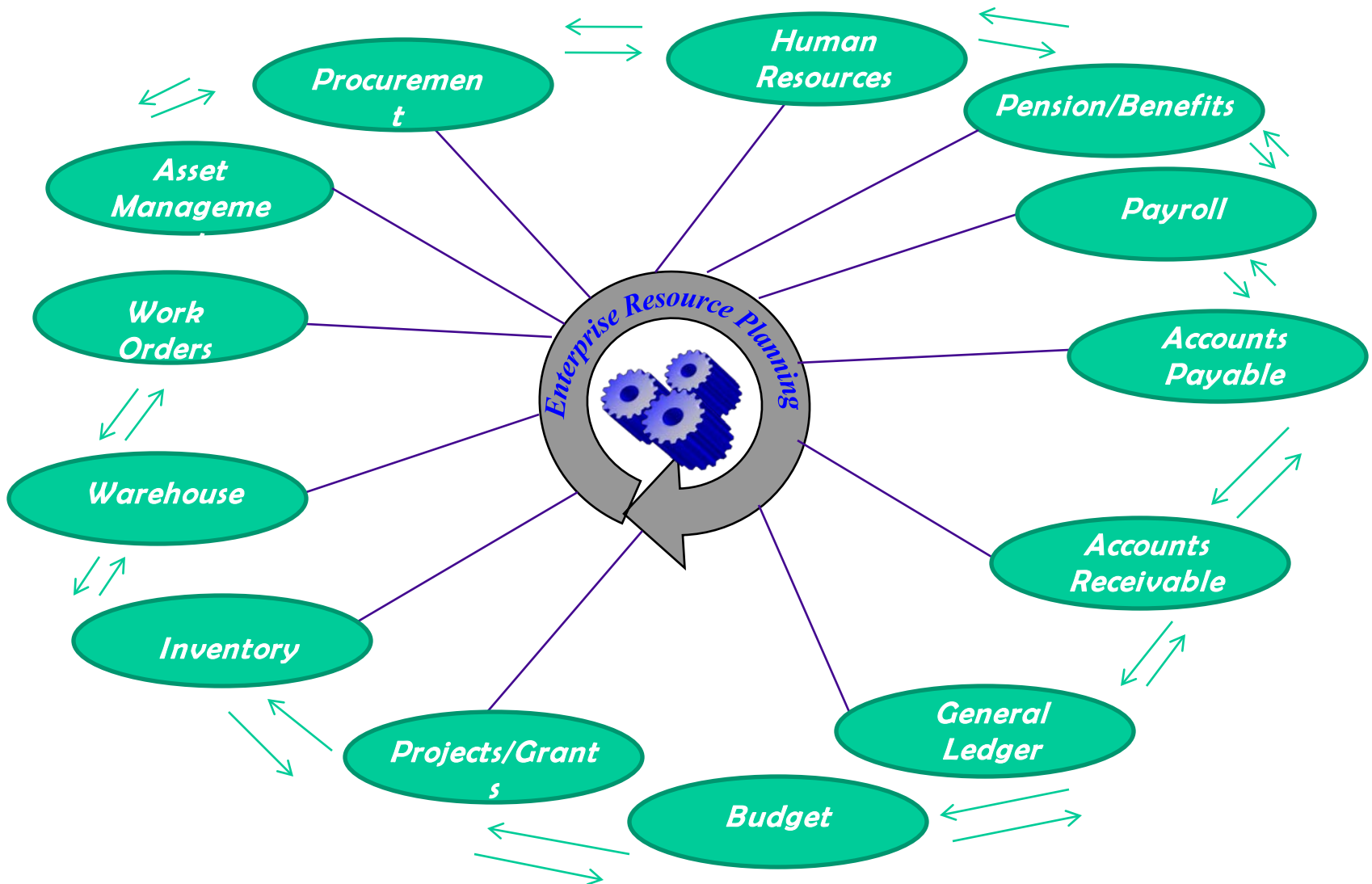
- **ENHANCED SERVICES TO OUR RESIDENTS!**



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The ERP Solution



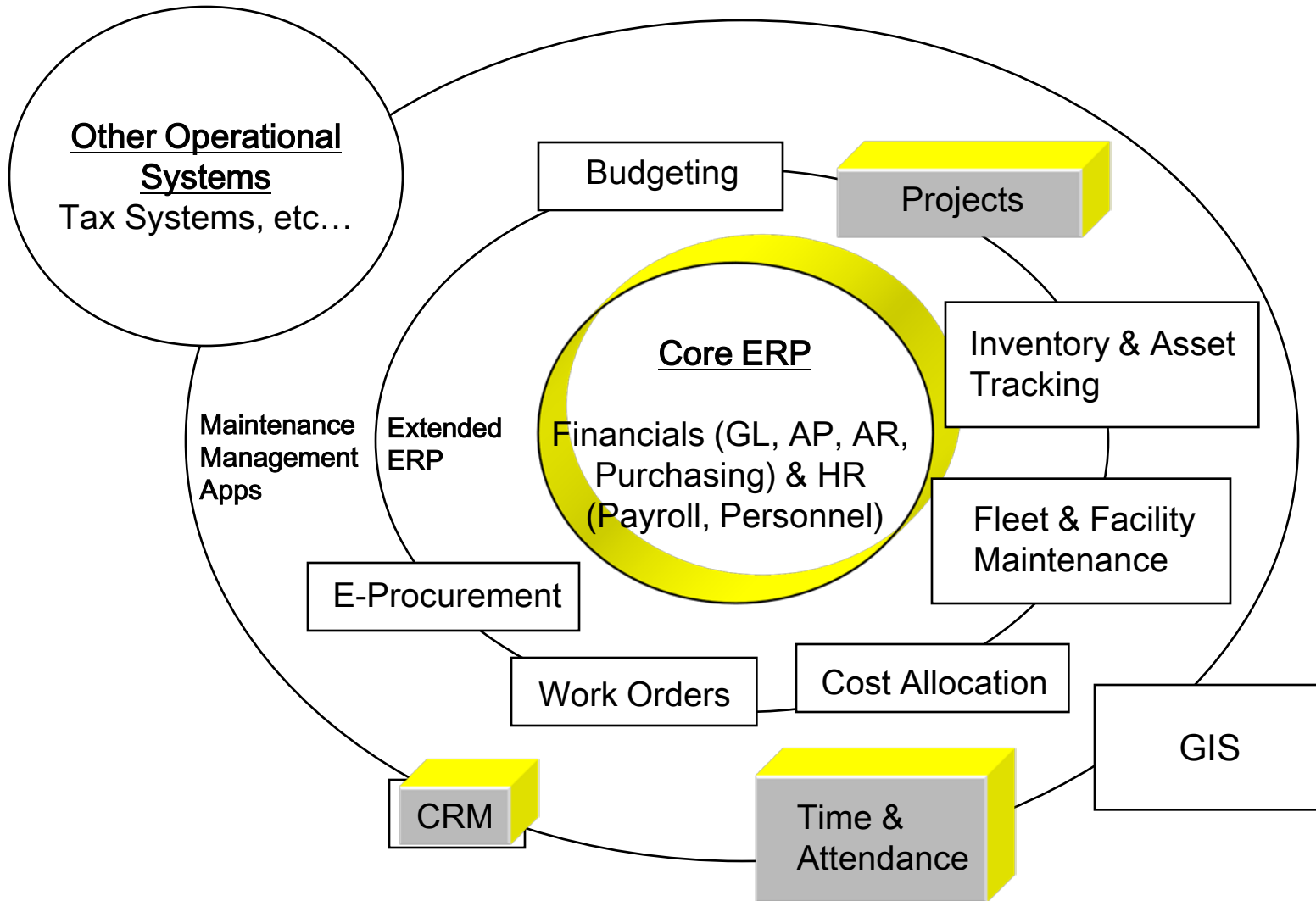
"Transforming the way Montgomery County serves its residents and customers by setting new standards for how government operates."



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Project Scope





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Governance

- **Structure**

- Project Sponsor
- Steering Committee
 - Change control function/board
- Workgroup?
- Project Manager
- Project Team
- Project Charter

- **Considerations**

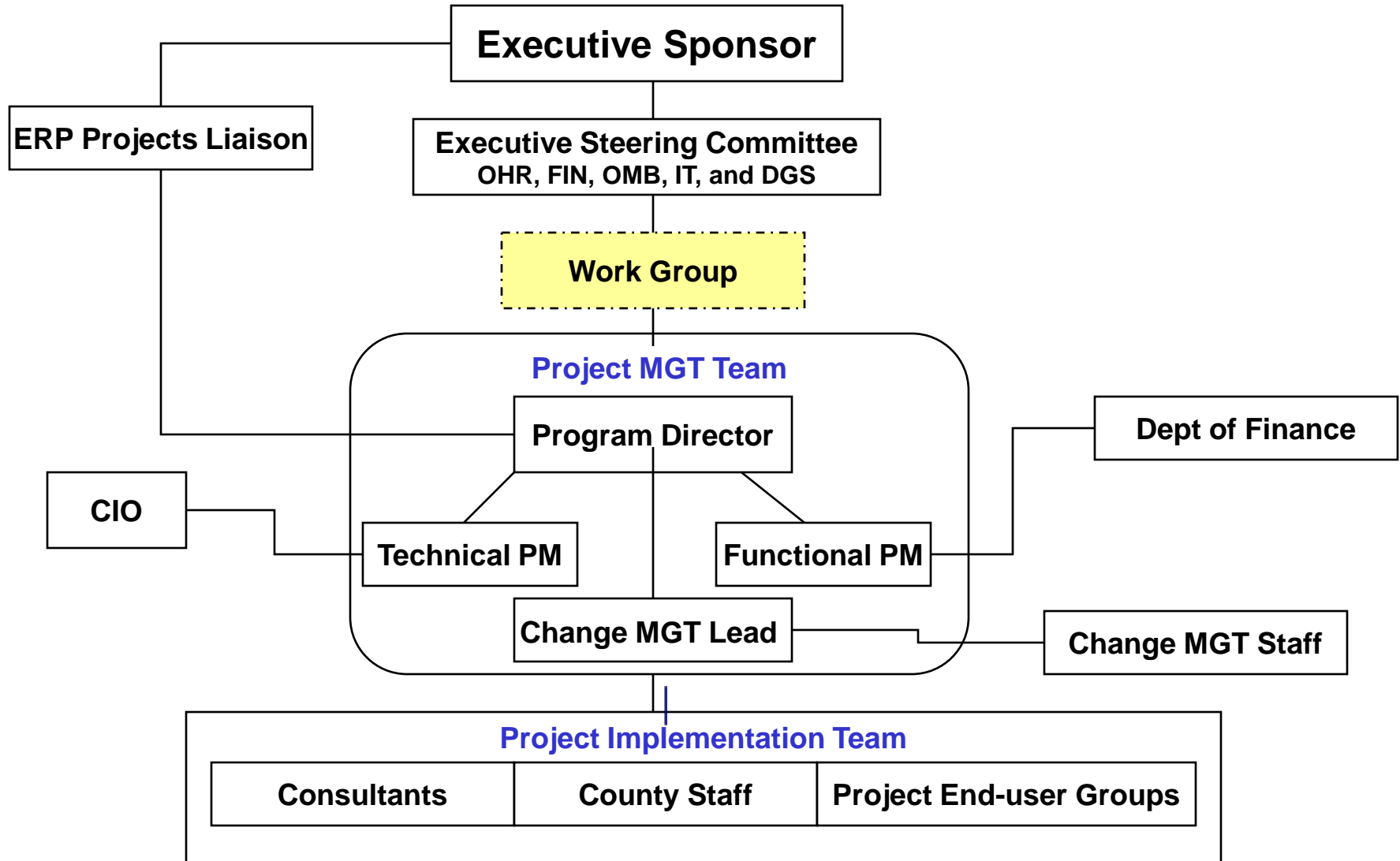
- *Highest Level Executive Support*
- *Role of Legislative/Funding Body*
- Role of Internal/External Users
- Voting vs. Advisory
- End State Vision and High-Level Business Case
- Risk Assessment and Mitigation Plan
- Audits/Oversight



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ERP Governance Structure





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ERP Timeline

Phase O	Global Design	January – August 2009
Phase 1A	Financials iProcurement	September 2009 – July 2010
Phase 1B	Human Resources <ul style="list-style-type: none">• iRecruitment• Pension / Benefits• HR Self Services• Payroll• Employee Services	September 2009 – January 2011



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ERP Timeline

Phase 1C	Budget Preparation	July 1, 2011
Phase 11A	Vendor Self Service Customer Self Service On-line bidding On-line catalogs Work Orders Inventory	January 1, 2012
Phase 11B	Training/Certification/Education Accident/Risk Management	January 1, 2012



System Implementation Phases

Phase I

Planning

- Project Team
- Methodology
- Project MGT
- Project Plan

Phase II

Design

- Conference Room Pilot
- Process Mapping
- *Process Reviews*
- *System Validation*

Phase III

Training

- User Training
- Risk Analysis
- Change Management
- Readiness Assessment

Phase IV

Go-Live (July 1, 2010)

- Readiness Green Light
- Contingency Plan
- Help Resources
- User Adoption Push

Phase V

Evaluation & Update

- Stabilize & optimize
- Process Refinements
- ROI Evaluation



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Project Status

- ▶ **Oracle EBS including Oracle HR/Payroll, and Oracle Benefits**
- ▶ **CIBER Implementation Partner**
- ▶ **Completed System Planning, initial CRPs, etc**
- ▶ **Began System Validation/ Process Reviews in January**
- ▶ **On-time and On-budget**
- ▶ **Three UPKs put into place— Invoicing, Req., End-to-End Proc.**
- ▶ **User Acceptance Testing Scheduled to begin in April.**



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THE ERP DILEMMA

"Graduates, as you embark on your life's journey, you will come to a fork in the road. The way to the left leads to despair and misery. The one to the right, to inevitable destruction. Choose wisely." – Woody Allen, in Without Feathers



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Stakeholder Expectations

Who Are the Stakeholders?

- ▶ Elected Officials
- ▶ Senior Executive Management
- ▶ Functional Users
- ▶ End-user Departments
- ▶ Vendors
- ▶ Citizens



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Stakeholder Expectations, Contd.

What was promised?

- ☀ **Modernize Core Business Systems that improve efficiency, effectiveness, and responsiveness of County Government**
- ☀ **Streamlined business processes**
- ☀ **Operational Savings that start in Year 5 after start of implementation or FY13**



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Stakeholder Expectations, Contd.

Modernize Core Business Systems

FY10– Estimated Operational Health and Replacement Priority of Existing Major IT Systems						
Priority	System Name	Status	Life	Age	Upgraded	Notes
1a	Core Financials	Red	10	14	1995	Replace w/ ERP System
1b	Human Resources	Red	7	22	1999	Replace w/ ERP System
1c	Position Control	Red	7	22	1986	Replace w/ ERP System
1d	Occ. Health	Red	3	7	2002	Replace w/ ERP System
1e	PeopleClick	Red	3	7	2004	Replace w/ ERP System
1f	Budget Dev.	Red	8	16	2007	Replace w/ ERP System
2	Voicemail	Red	10	17	1992	New VM System
3	CJIS	Red	8	14	1995	Potential for IJIS to replace
4	Tax Receivables	Red	8	23	1986	????



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Stakeholder Expectations, Contd.

Application Inventory Survey

- In Fall 2007, Gartner, an IT consulting firm, worked with departments to develop an inventory of all County systems (about 800 total)
- Almost 300 were identified to address functions related to ERP and were designated as “Potential Candidates for Elimination”



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Stakeholder Expectations, Contd.

ERP and iGovernment

- Self-service HR
- iRecruitment
- iProcurement
- iPayment
- iExpense



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Stakeholder Expectations, Contd.

Streamlined Business Processes

- Eliminate need for many manual processes
- Eliminate duplicate data entry
- Eliminate some custom interfaces
- Eliminate shadow systems



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Stakeholder Expectations, Contd.

ERP anticipated to need only 55 custom interfaces from existing applications, compared to about 113 interfaces that exists in the current environment.



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Stakeholder Expectations, Contd.

Operational Savings

- Decreased Costs for System Administration and Maintenance
- Less Personnel Needed to Perform Certain Business Processes as they were more automated
- Reduced learning curve for new users
- By Year 5, ERP is expected to produce operational savings of about \$5 MM and \$15 MM in Yr 6



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Lessons Learned To Date

- Organizational Business Process Change vs. System Business Process Change
- “Plain Vanilla” Implementation needs to be carefully defined
- Potential personnel/operational savings cannot be adequately addressed during implementation

Note: Lessons reflect my personal assessment and not MCG as a whole or the ERP team



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Contact Information

Lenny Moore

Controller,

Department of Finance

Montgomery County, Maryland

Email: lenny.moore@montgomerycountymd.gov

Phone: 240-777-8802