Presentation Agenda

- Plante Moran Introduction
- ERP for Milwaukee County
- Project Methodology and Scope
- Assessment Findings
- ERP Awareness
- Next Steps
- Questions
Plante Moran Background

- 25+ years public sector ERP experience:
  - Needs assessment
  - Process redesign
  - System selection
  - Contract negotiations
  - Implementation management

- Independent of ERP software providers to the governmental marketplace

- Generally assisting 10-12 public entities on similar projects:
  - Hampton Roads SD, VA
  - Muskegon County, MI
  - Broward County, FL
  - Corpus Christi, TX
  - Waukesha County, WI
  - Marin County, CA
  - Miami-Dade County, FL
  - St. Louis County, MO
  - Horry County, SC
  - Baton Rouge, LA

Plante Moran delivers on its promises 99%
What is ERP for Milwaukee County?

Enterprise Resource Planning (ERP) is business management software consisting of a set of integrated applications to consolidate common business operations.

For Milwaukee County this covers:

<table>
<thead>
<tr>
<th>County Systems Providing Functionality for the Following</th>
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</thead>
<tbody>
<tr>
<td>General Ledger</td>
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<tr>
<td>Human Resources</td>
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<tr>
<td>Budgeting</td>
</tr>
<tr>
<td>Payroll</td>
</tr>
<tr>
<td>Accounts Receivable</td>
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<tr>
<td>Time and Attendance</td>
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<tr>
<td>Accounts Payable</td>
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<tr>
<td>Contract and Document Management</td>
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<tr>
<td>Purchasing</td>
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<tr>
<td>Project Accounting</td>
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<tr>
<td>Fixed Asset Management</td>
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<tr>
<td>Treasury Management</td>
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<tr>
<td>Cash Receipting</td>
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<tr>
<td>Financial Reporting</td>
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<tr>
<td>Inventory Management</td>
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<tr>
<td>Pension Administration</td>
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<tr>
<td>Grant Accounting</td>
</tr>
</tbody>
</table>

- Facilitates standardization and efficiency of business practices
- Leads to increases in efficiency and productivity through enhanced data accuracy and availability across departmental boundaries
- Both powerful and challenging to implement, manage and maintain
Project Methodology

1. ERP Needs Assessment
2. ERP RFP Preparation
3. ERP Solution Selection
4. Statement of Work/Contract Negotiations
5. Implementation

Project Management

- Initiating
- Planning
- Executing
- Controlling
- Closing

Staff Time vs. Project Life Cycle
Project Scope

• Phase 1 – Needs Assessment
  - Examine the strengths and weaknesses of the County’s primary enterprise systems
  - Review core business processes and the County’s current technology strategy
  - Identify opportunities for improvement and a future course of action

• Phase 2 – RFP Development and Solution Selection
  - Develop detailed software requirements aligned with public sector best practices
  - Develop Request for Proposal (RFP) Document
  - Analyze Vendor Proposals and Facilitate Scripted Software Demonstrations
  - Conduct Due Diligence Activities and Negotiate a Contract and Statement of Work
Phase 1 - Project Activities

• October 2015: Kick-Off with Department Heads
• October 2015: ‘Process Owner’ Interviews
  - 25 interviews
• November 2015: Departmental Interviews
  - 41 interviews
• November 2015: Cross Functional Interviews
  - 9 sessions, 190+ participants
• November 2015: Benchmarking
• December 2015: Delivery of Draft Findings
• January 2015: Presentation of Draft Findings and Recommendations to Board
• February 2015: Presentation of Findings to County Leadership
Overall Project Approach

NOT A “TECHNICAL UPGRADE”

Business area driven project:

• We need a commitment from County leadership and staff a) to move toward ‘best practices’ and b) help answer the following questions and contemplate future solutions:
  • How well do the existing business processes work and support the County’s operations?
  • Can the County’s administrative systems support its business goals and objectives?

Organization Performance is supported by:
People, Process and Technology
Key Themes

• County’s current primary enterprise system environment unsustainable
  - Antiquated technology
  - Product sunset
  - Limited support
  - ‘Customizations’ make systems difficult to maintain
  - Inefficient processes

• Data integrity/security risks as standalone databases reside across County departments

• Legacy County ordinance/legal decisions limit options to use a public sector focused, ‘off-the-shelf’ solution
Key Findings - Strengths

• County management support to engage stakeholders
• Effective workarounds to address many system limitations
• Strong desire to increase efficiency
• Experience using newer ERP systems/increasing ERP awareness throughout the County
• The ‘Intranet’ has improved the County’s ability to analyze financial data
• Pent up demand
Key Findings - Weaknesses

• Limited tools for end users to develop reports
• Lack of integration between many legacy system components
• System access is inconsistent
• Side systems are proliferating
• SOP communication and enforcement
• Limited ongoing training available
• Paper based processes
• Communication when upgrading/modifying key systems
Key Findings - Opportunities

- Robust reporting tools
- More self-service environment
- Process Redesign
- Leverage lessons learned
- Grassroots project involvement
- Public sector ‘best-practices’
- Improved interfacing
- Increased automated electronic workflows
Key Findings - Threats

• Ability to change legacy County policies and legal decisions
• Staff expectations for a future system
• Expecting system functions alone to solve problems
• Differing strategic visions on robust functionality vs. full-integration
• Strong institutional and current system knowledge is concentrated in many staff nearing retirement
• General anxiety about change
• Need for ongoing system support staffing
• Inherent complexity with data conversion and integration
• Change Management
# Options and Alternatives Analysis

<table>
<thead>
<tr>
<th>Option</th>
<th>Summary of Options/Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1: Status Quo</td>
<td><strong>Do Not Change</strong> the Current Application Environment. Remain on the current versions of Advantage and Ceridian and retain existing best of breed systems.</td>
</tr>
<tr>
<td>Option 2: Upgrade</td>
<td><strong>Upgrade</strong> and pursue one of the alternatives below:</td>
</tr>
<tr>
<td></td>
<td>• Upgrade Advantage and Upgrade Ceridian</td>
</tr>
<tr>
<td></td>
<td>• Replace Advantage and Upgrade Ceridian</td>
</tr>
<tr>
<td></td>
<td>• Upgrade Advantage and Replace Ceridian</td>
</tr>
<tr>
<td>Option 3: Replace</td>
<td><strong>Replace Current Systems</strong> and pursue one of the alternatives below:</td>
</tr>
<tr>
<td></td>
<td>• Replace Advantage and Ceridian with multiple best of breed solutions</td>
</tr>
<tr>
<td></td>
<td>• Replace Advantage and Ceridian with a fully integrated solution</td>
</tr>
</tbody>
</table>
ERP Awareness
Context for County ERP

Integration

Extended ERP

Core ERP

Financial

Human Resources

Inside

Outside Agency

Debts
Investments
Contracts
Facilities Management
Etc.
Context for County ERP

Core ERP Modules
- Accounts Payable
- Bank Reconciliation
- Misc. Billing
- Budget
- Cash Receipting
- Fixed Assets
- General Ledger
- Human Resources
- Inventory
- Payroll
- Purchasing/Contract Management
- Reporting
- Time & Attendance

Expanded ERP Modules
- Pension Administration
- Cash Management
- Debt Management
- Investment Management
- Request for Service

Possible System Interfaces
- SciQuest
- Cornerstone
- Timeclocks
- Caseware
- Municast
- Pro Phoenix
- Others

Expanded Outside Agency Interfaces
- Bank Applications
- Benefit Providers
- HUD System
- Third Party Payment Processing
- US Treasurer (1099s)
- Other Outside Agencies
# ERP Vendor Components

<table>
<thead>
<tr>
<th>Hardware</th>
<th>Software</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Servers and associated operating systems</td>
<td>• Application software (vendor and 3rd party provided)</td>
<td>• Implementation</td>
</tr>
<tr>
<td>• Storage</td>
<td>• Database software</td>
<td>• Training</td>
</tr>
<tr>
<td>• Periphery devices (e.g., POS terminals, scanners, etc.)</td>
<td>• Reporting software</td>
<td>• Project Management</td>
</tr>
<tr>
<td>• Other hardware</td>
<td>• Other software</td>
<td>• Data Conversion and Interfaces</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Report Development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• On-Going Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Others</td>
</tr>
</tbody>
</table>
# ERP Versus Best of Breed

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Integrated ERP</th>
<th>Best of Breed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Meets the needs of the organization as a whole</td>
<td>Potential for more robust functionality</td>
</tr>
<tr>
<td></td>
<td>Better optimize business processes</td>
<td>Vendor independence</td>
</tr>
<tr>
<td></td>
<td>Improved reporting</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disadvantages</th>
<th>Integrated ERP</th>
<th>Best of Breed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change management</td>
<td>Risk commensurate with integration experience</td>
</tr>
<tr>
<td></td>
<td>Significant capital investment</td>
<td>Added support for multiple systems</td>
</tr>
<tr>
<td></td>
<td>Implementation risk</td>
<td>Information silos</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Distraction from core mission</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fragmented and inefficient processes</td>
</tr>
</tbody>
</table>
## Tier 1 vs. Tier 2 ERP

<table>
<thead>
<tr>
<th>Tier 2</th>
<th>Tier 1.5</th>
<th>Tier 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Many focused heavily, if not exclusively, on government.</td>
<td></td>
<td>• Sells to variety of industries</td>
</tr>
<tr>
<td>• Have a wide range of products, including some constituent-facing applications as well as government-specific functionality (e.g., permitting)</td>
<td></td>
<td>• Deep functionality; highly configurable</td>
</tr>
<tr>
<td>• Functionality tends to be more rigid, but also can surprise you as it is designed for the Public Sector</td>
<td></td>
<td>• Sells primarily to larger local and state governments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Wide array of products including core “ERP” as well as some extended functionality</td>
</tr>
</tbody>
</table>
Tier 1 vs. Tier 2 ERP

**Tier 2**
- *New World Systems*
- SunGard
- Springbrook Systems
- Microsoft Dynamics AX
- Tyler Technologies
- Others

**Tier 1.5**
- CGI
- UNIT4/ITP
- Infor
- Others

**Tier 1**
- Workday
- Oracle (JDE, EBS, PeopleSoft)
- SAP
- Others
## Tier 1 vs. Tier 2 ERP - Recap

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Tier 1 Vendors</th>
<th>Tier 2 Vendors</th>
</tr>
</thead>
</table>
| **Sample Representative Vendors:** | • JD Edwards  
• Oracle  
• Lawson – (1.5)  
• CGI – (1.5)  
• Workday  
• Others | • SunGard  
• Tyler Technologies  
• New World Systems  
• Springbrook  
• Microsoft  
• Others |
| **Design Considerations** | • Designed for private sector and later adapted to public sector  
• Larger organizations with greater R&D budgets  
• Robust development tools | • Primarily designed for public sector  
• More prescriptive functionality  
• Environments leverage 3rd party tools (database, report writer, etc.) |
| **Software Functionality** | • Core modules have robust functionality  
• May lack public sector specific features (e.g. encumbrance rollover, GASB 34 reporting, etc.)  
• Highly configurable | • Typically less robust functionality for core components, including HR/Payroll  
• Many vendors offer additional public sector modules; e.g., permitting  
• Some configuration |
## Tier 1 vs. Tier 2 ERP - Recap

<table>
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<tr>
<th>Characteristic</th>
<th>Tier 1 Vendors</th>
<th>Tier 2 Vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff required for Implementation</td>
<td>• 6-12 FTE</td>
<td>• 3-7 FTE</td>
</tr>
<tr>
<td>Ongoing support staff required</td>
<td>• 3-8 FTE</td>
<td>• 1-3 FTE</td>
</tr>
<tr>
<td>Cost Model for Major Version Upgrades</td>
<td>• Most major upgrades include significant license fee costs</td>
<td>• License fees for version upgrades often included with maintenance fees</td>
</tr>
<tr>
<td></td>
<td>• Most major upgrades require significant levels of vendor services to assist</td>
<td>• Most major upgrades require moderate levels of vendor services</td>
</tr>
<tr>
<td>Software Support Channel</td>
<td>• Mixed, some direct, some through implementer / value added reseller channel</td>
<td>• Primarily direct vendor support</td>
</tr>
<tr>
<td>Hosting Options</td>
<td>• Generally hosted internally, some offering ASP. Few multi-tenant web-based options.</td>
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</tr>
<tr>
<td>Cost</td>
<td>• Costs can be 2 – 3 times higher than Tier 2</td>
<td></td>
</tr>
</tbody>
</table>
## Expected ERP Project Outcomes

<table>
<thead>
<tr>
<th>Efficiency</th>
<th>Decision Making</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater integration of modules – elimination of related shadow systems</td>
<td>Real time access to information</td>
<td>Scalable, configurable and user-friendly</td>
</tr>
<tr>
<td>Reduces data re-entry - minimizes manual processes</td>
<td>Robust reporting capabilities across the organization</td>
<td>Risks of falling behind (e.g. the Digital Divide) in the information age</td>
</tr>
<tr>
<td>Elimination of many paper-based processes</td>
<td>Greatly enhanced information availability, analytics, and reporting functionality</td>
<td>Costs avoided in the long term</td>
</tr>
<tr>
<td>Re-engineered business processes built around best practices</td>
<td>Organizational transparency of real-time business critical information (a pre-requisite for business intelligence)</td>
<td>Ability to respond to information requests faster</td>
</tr>
<tr>
<td>Improved inventory, asset management and cost accounting</td>
<td></td>
<td>Improvements to citizen services</td>
</tr>
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Project Methodology – Next Steps

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Project Management

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Project Life Cycle

Staff Time

ERP Solution Selection
Phase 2 – RFP Development

• “The essence of strategy is choice”
  - ERP vs. Best-of-Breed
  - Tier 1 vs. Tier 2
  - On-premise vs. ‘cloud’
• The requirements we develop will most likely guide the County’s future strategy
Project Structure – Phase 1

- Executive Sponsor
  - Executive Steering Committee
    - IMSD Project Coordinator
    - Plante Moran Project Manager
  - County Process Owners/Users
Example Project Structure – Phase 2

Executive Sponsor/Executive Steering Committee

Project Steering Committee

County Project Manager

Plante Moran Project Manager

Project Management Office (PMO)

Technical Lead

Functional Leads

Training and Change Management Lead

Technical Team

Process Teams/SME’s

Departmental ERP ‘Champions’
Key Takeaways

• Financial management and HR/Payroll systems are integral to the County’s day to day business
• This project will streamline and improve our business processes though updated critical business systems
• Your support and involvement in this project is critical to its success
• This complex project will touch many areas within Milwaukee County and have a high level of visibility with its constituents
• The project team is committed to keeping you informed and engaged throughout the project
• ‘Change Management’ will be a critical key to ensuring project success
• Questions?