

The Next Generation



***FI\$Cal***

*Financial Information System for California*

**Update for  
Information Technology Council  
February 2, 2007**

# The Vision

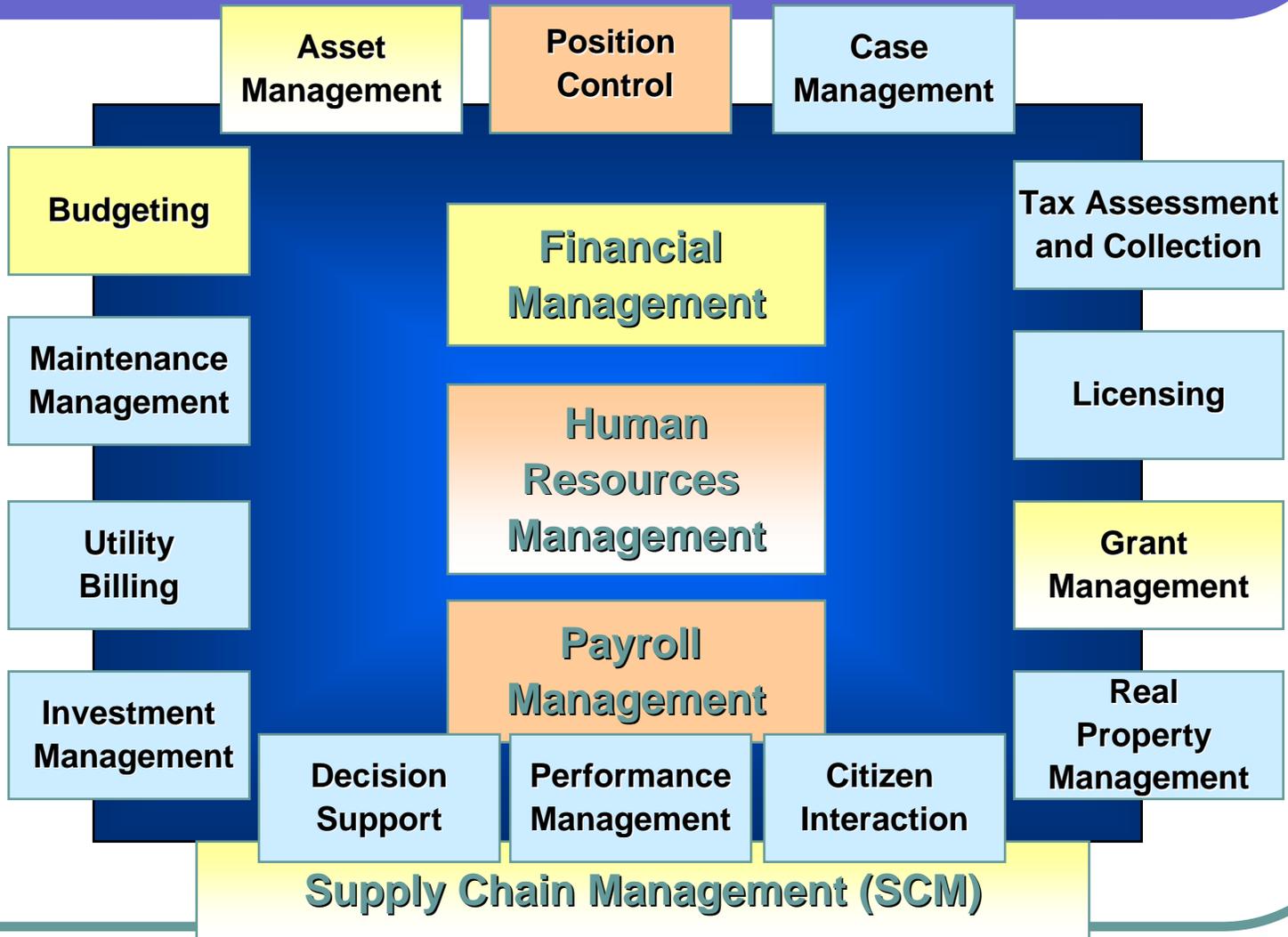
- **A statewide integrated enterprise financial management system based on enterprise resource planning software.**
- **Optimize the business management of the state.**

# More Vision

- **Ensure best business practices through business process reengineering.**
- **Development, implementation, utilization, and maintenance will be collaborative.**

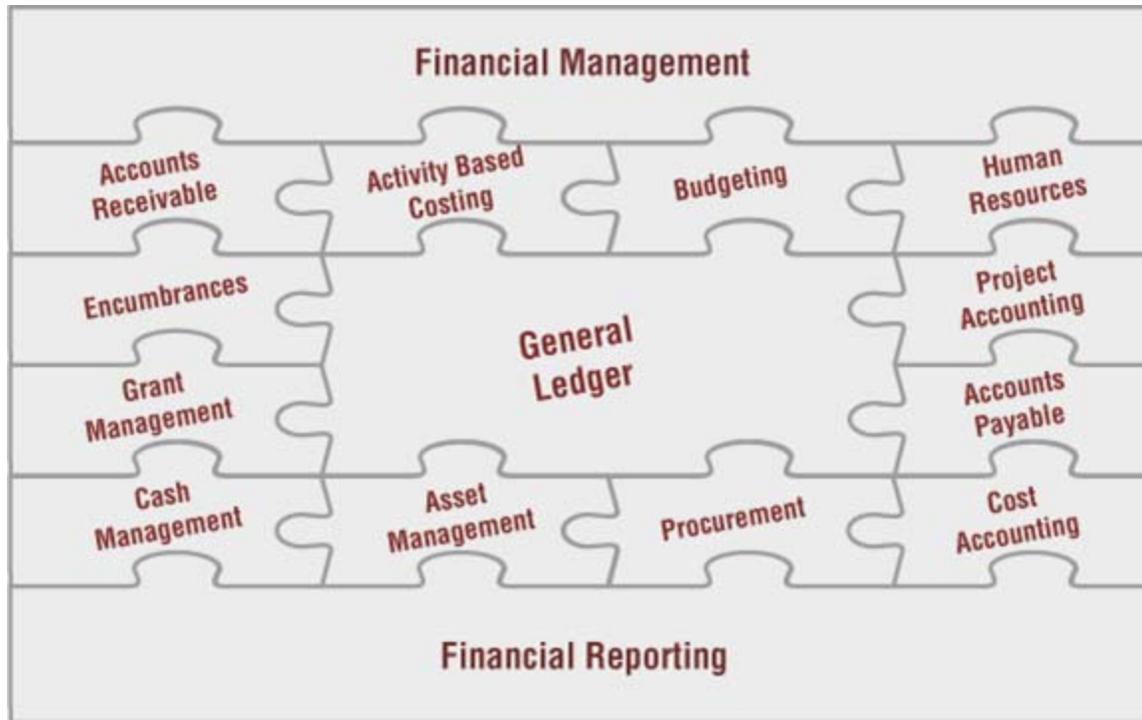
# Public Sector View

## ERP Full Suite of an ERP



# “Req to Check”

## ERP Functions for this Project



# Critical Success Factors and Lessons Learned for Enterprise Systems (ERP)

- Start with the end in mind
- Adopt ERP Best Practices
- Change Management is crucial and will require the Greatest Effort
- Centralized, Service Oriented Control/Configuration Support & Maintenance
- Statewide IT Infrastructure Must Support the System
- Executive Support
- Collaboration
- Train, Train, Train, Train, Train
- Right Size Resources

# The "Next Generation" Succession Planning

- Key objective for the FI\$Cal project is succession planning, to meet that goal:
  - **Upfront Knowledge Transfer**
    - Use state employees to build the system and reengineer our processes side by side with consultants to ensure development of state staff and transfer of knowledge.
  - **Standardize**
    - Financial management activities and tools (budget, accounting, procurement) will be standard across the state resulting in interchangeable skill sets between departments and from outside of state service.
  - **Continuous Service, Support and Improvement**
    - Results in continuous improvement of both employee skills as well as business and system knowledge.

# Elements of the Change Process

- It is a journey with many travelers that will include:
  - Skills Assessment
  - Training
  - Education
  - New Organization
  - New Knowledge
  - New Skills
  - New Responsibilities and Duties
- The change effects both Business and Technology.

# Proposed Approach for FI\$Cal

- How do we get there from here?
  - Statewide requirements development and review.
  - Stage 1 – RFP to build the system and deploy to 25 agencies in two waves.
  - Stage 2 – Uses an MSA for continued system integrator services (one or more vendors) to continue the deployment of the system.
  - Stage 3 – Future projects related to the vision
    - Broadening the scope to include other ERP functionality.

MSA=Master Services Agreement

# Estimated Project Cost

## FI\$Cal Project 11 Year Costs

	<u>\$ in millions</u>
Salaries and Benefits	
Project Staff	\$194.3
Program Staff	218.0
Hardware	3.8
Software	130.4
Telecommunications	12.3
Contract Services	411.3
Data Center	287.7
Facilities	29.3
Project Other	32.4
Program Other	14.6
<b>Total</b>	<b>\$1,334.1</b>
Ongoing Annual M &O	\$88M

# Proposed Approach for FI\$Cal (continued)

- **Stage 1 - Wave 1 from 2008 to 2010 builds the system:**
  - Statewide functionality for the four control agencies.
  - Repository of statewide financial data during the transition from existing systems until deployment of the new system at all agencies.
  - Operations for seven departments.

# Project Schedule

## **Near term project schedule includes:**

- Dec 2006/Jan 2007 – Departments completed review of business and functional requirements
- March 2007 – Planned request for input from vendors on the project as outlined in the SPR
- July 2007 – RFP Released
- June 2008 – Complete Procurement
- August 2008 – Complete Updated Special Project Report
- July 2010 – Implement Stage 1 – Wave 1