**Change is Coming:**
**Needs Assessments and Software Planning**
*January 30, 2020 | 10:15 a.m.*

CSMFO
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**Agenda**

1. Introductions
2. Fountain Valley Case Study
3. Best Practices and Keys to Upgrade/Implementation Success
   a. Project Management
   b. Organizational Change Management
4. Questions and Discussion

1

2

## Objectives

The objectives of this session are to:

- Discuss strategies for determining whether to upgrade or implement a new system

- Explore best practices in project management and change management for evaluating current environment needs

- Understand keys to success in planning for an implementation or upgrade



3

## Introductions



**Michele Dotson**

**Consulting Manager**



**Jason Al-Imam**

**Finance Director**



**David Faraone**

**Budget Analyst**

2

4

## Fountain Valley Case Study

- ERP system implemented in 2003 for Financials, Utility Billing, and Human Resources/Payroll functionality

- One of the primary challenges is that due to current system limitations there is reliance on manual and paper-based processes

- City retained BerryDunn for a current state assessment and future state planning

5

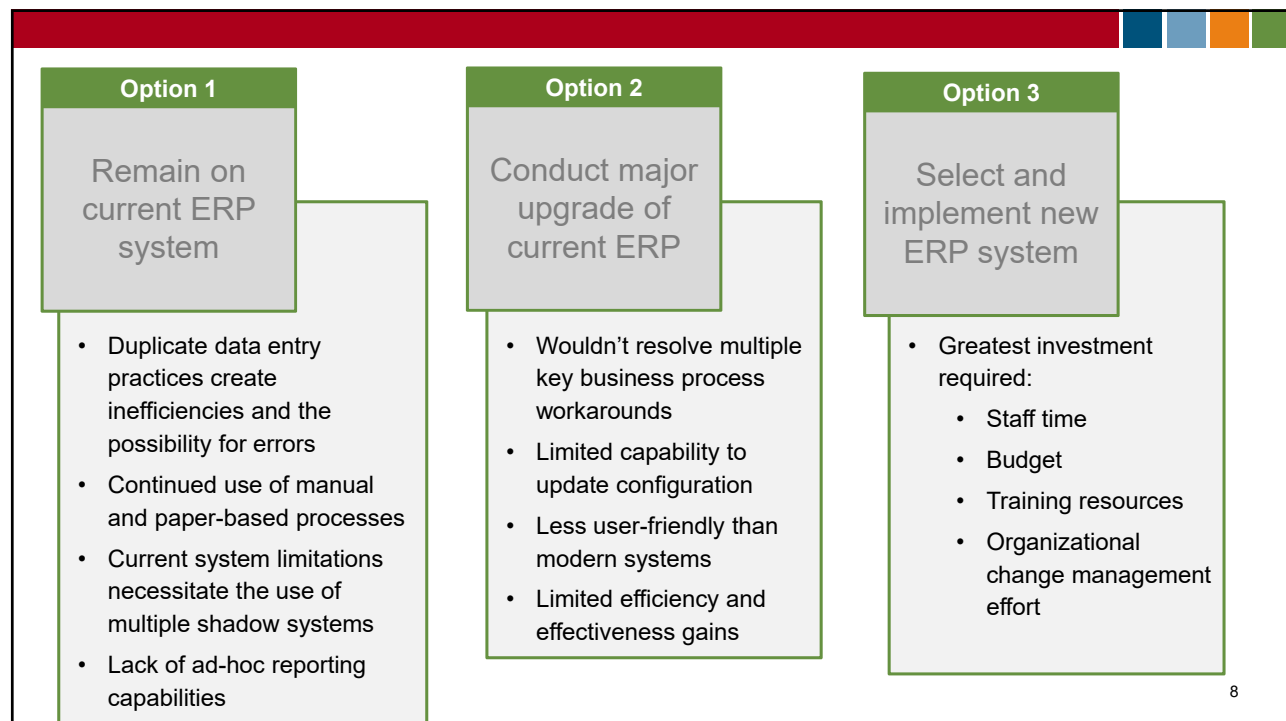## Current State Assessment and Future State Planning

- Comprehensive study of how departments use the current ERP system – based on the results of a SWOT analysis, interviews and group discussions with staff, review of policies, etc.

- Process Improvement Goals:

  - Leverage technology for business process improvement (e.g. automate manual process to increase efficiency and reduce error)

  - Improve reporting capabilities (ad hoc reporting capabilities)

  - Identify core functional and technical requirements

3

6

## Current Environment Challenges

| 1 | Duplicate data entry practices create inefficiencies and the possibility for errors. |
|---|---|
| 2 | There is a current reliance on manual and paper-based processes. |
| 3 | Reporting is challenging in the current environment and often requires manual manipulation. |
| 4 | Users report that the Incode application is not user-friendly and difficult to use. |
| 5 | The current system provides limited alert or notification capabilities. |
| 6 | The current chart of accounts does not provide enough flexibility to accommodate growth and necessary reporting. |
| 7 | Current system limitations necessitate the use of multiple applications for human resources and payroll functions. |
| 8 | Workflow is done on paper in the current applications environment. |

7

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**Option 1**

Remain on current ERP system

- Duplicate data entry practices create inefficiencies and the possibility for errors
- Continued use of manual and paper-based processes
- Current system limitations necessitate the use of multiple shadow systems
- Lack of ad-hoc reporting capabilities

**Option 2**

Conduct major upgrade of current ERP

- Wouldn't resolve multiple key business process workarounds
- Limited capability to update configuration
- Less user-friendly than modern systems
- Limited efficiency and effectiveness gains

**Option 3**

Select and implement new ERP system

- Greatest investment required:
  - Staff time
  - Budget
  - Training resources
  - Organizational change management effort

4

8

## Evaluation Factors

- Functional and technical capabilities were evaluated as part of a structured and scripted demonstration process to focus on key challenges in the current environment.

- Vendor's experience with similar implementations for comparable organizations.

- Reference feedback

- Cost

9

## Structured Demonstration Process

- A scripted demonstration process keeps the demos focused on core functional requirements

- Script Examples

| Functional Area | Demonstration Script |
|---|---|
| Purchasing | PR.7 Demonstrate the ability to create a notification to alert a user when a contract renewal date draws near. |
| Human Resources | HR.10 Demonstrate the process to route completed new employee forms to appropriate departments, based upon multiple workflows. |
| Time Entry & Payroll | TP. 11 Demonstrate the ability to calculate pay for a firefighter with a 15-day FLSA work schedule that is paid every 14-days. |

5

10

## We decided to implement or upgrade…

### …so now what?

**Prosci® Project Change Triangle™**
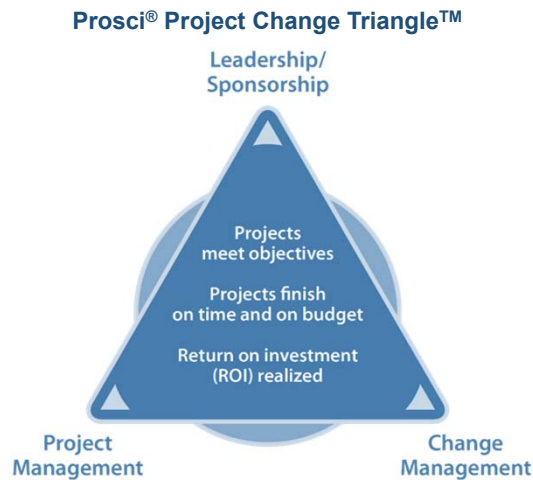


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11

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## Project Management Best Practices

- Start by conducting upgrade due diligence or vendor selection activities

- Establish formal project governance structure

- Conduct stakeholder identification and analysis

- Establish deliverable-based milestones with clearly defined acceptance criteria

- Leverage opportunity to refresh training and support models

- Allocate sufficient resources for post-upgrade/post-live needs

6

12

## Change Management Best Practices

- *Change management* is a practice that helps ease organizational transitions. It helps employees understand, commit to, and accept changes in the business environment.

- Primary success factors:

  ✓Active and visible executive sponsorship

  ✓Structured change management approach

  ✓Dedicated change management resources

  ✓Engagement with middle managers

  ✓Employee engagement and participation

  ✓Frequent and open communication

  ✓Integration and engagement with project management

13

## Fountain Valley – 2003 Implementation (A Case Study)

- Project Management Team did not include crucial departments

- Lack of a feasibility study and subject matter expert/stakeholder input

- Selected vendor had little presence in California at the time

- City's commitment to the implementation fell far short of needs

- Hands on training for stakeholders was limited or non-existent

- Ending result was an incomplete implementation with shadow systems added to address shortfalls

7

14

## Fountain Valley – 2020 Implementation (A Case Study)

- Project Management Team was designed to include members from all crucial departments

- Understood our resources, selected partner to conduct a Feasibility Study

- Conducted online survey and on-site interviews with key stakeholders in all functional areas

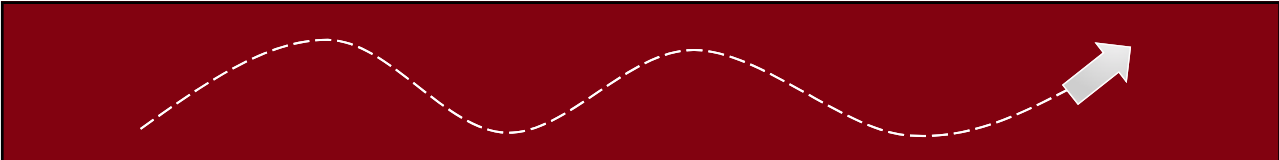- Results of survey & interviews were compiled and presented to the Project Management Team

15

## Fountain Valley – 2020 Implementation (A Case Study cont'd)

- A System Planning Memo was created to clearly identify all SWOT categories and provide guidance for the Project Management Team on expected time commitments and costs for the City.

- Incumbent vendor requested an opportunity to demonstrate their product

- Specific scripts were created for vendor demonstrations that kept presenter(s) focused on the needs of the City and the capabilities of their product

8

- Subsequent to the completion of the vendor demos it was determined that we would need to proceed to a full RPF process

16

**Questions and Discussion**



# Thank You!

**Michele Dotson**
**Consulting Manager**
**mdotson@berrydunn.com**

**Jason Al-Imam**
**Finance Director**
**jason.al-imam@fountainvalley.org**

**David Faraone**
**Budget Analyst**
**david.faraone@fountainvalley.org**

9