



Financial Information System for California



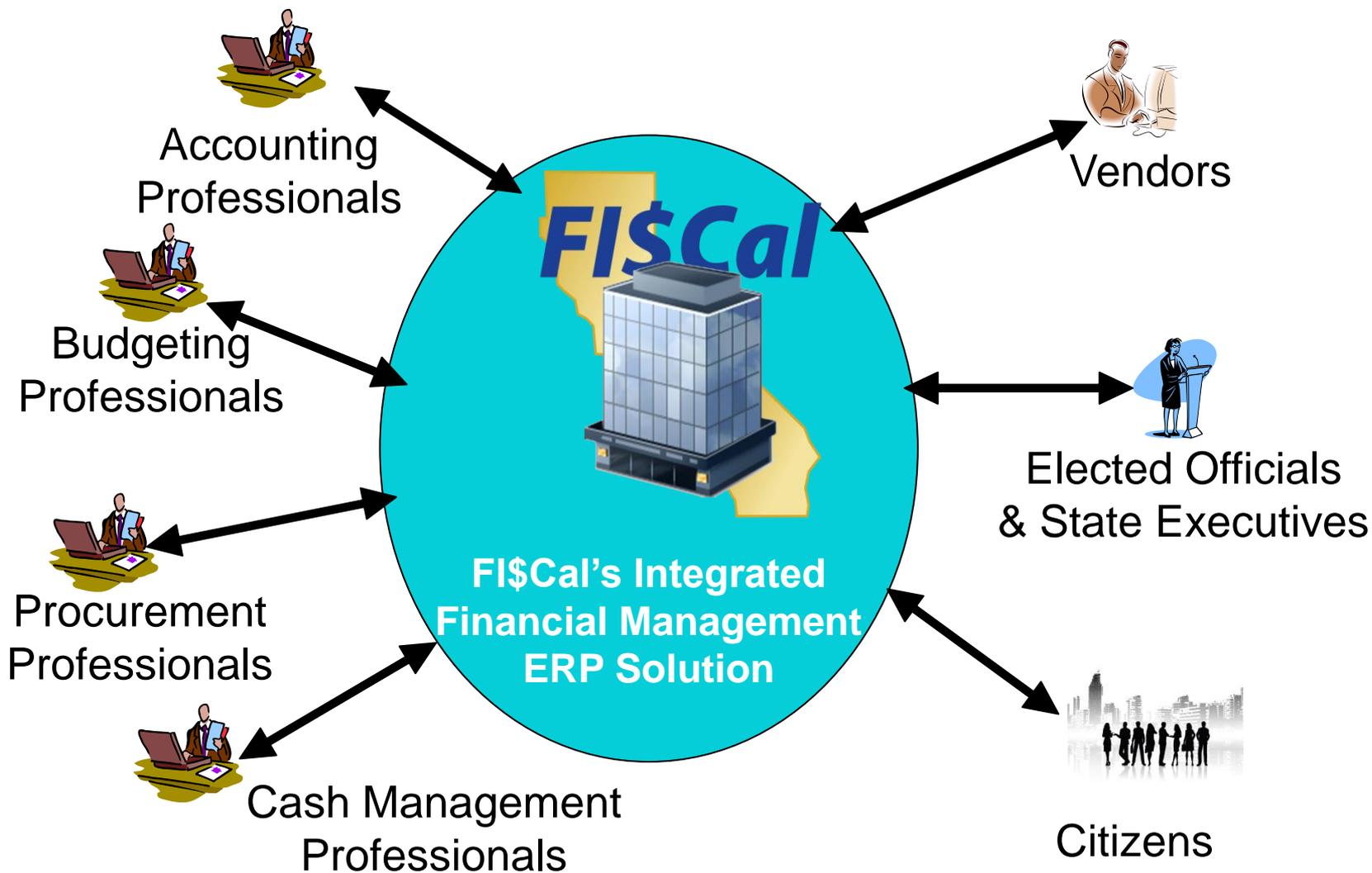
Assembly Briefing FI\$Cal and Special Project Report 5

March 20, 2014

What is FI\$Cal?

- The Financial Information System for California (FI\$Cal) is a business transformation project that will enable the State of California to combine accounting, budgeting, cash management, and procurement operations into a single financial management system using an Enterprise Resource Planning System providing the following benefits just to name a few:
 - Automation of many manual processes
 - Improved access to more detailed financial data
 - Improved tracking of expenditures
 - Standardized financial practices for the State
 - Reduced procurement cycle time
 - Provides a central source for financial data

FI\$Cal: The Future



What is the Status of FI\$Cal?

- FI\$Cal's Pre-Wave had a successful go live in July 2013
 - Requisition, Purchase Order, and Receiving functionality to a small group of departments
 - Installing the majority of the system hardware for FI\$Cal
 - An opportunity for the FI\$Cal Project to work through the full life-cycle of the implementation of a wave and to gain lessons learned from experience

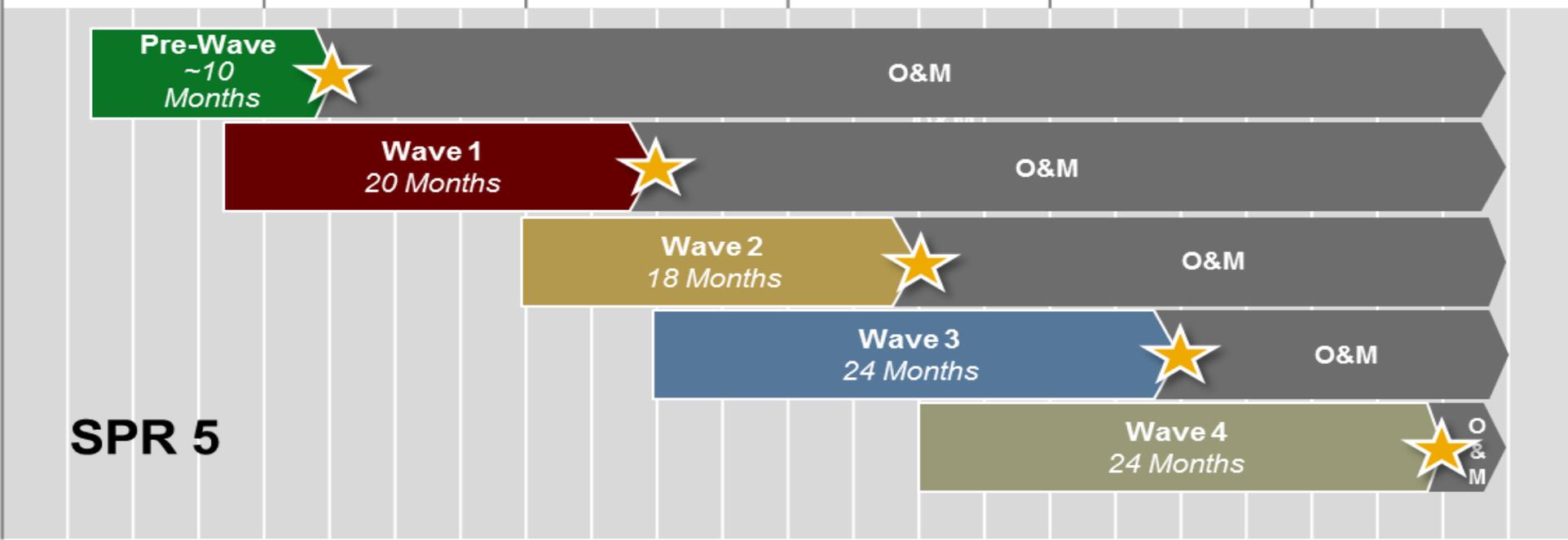
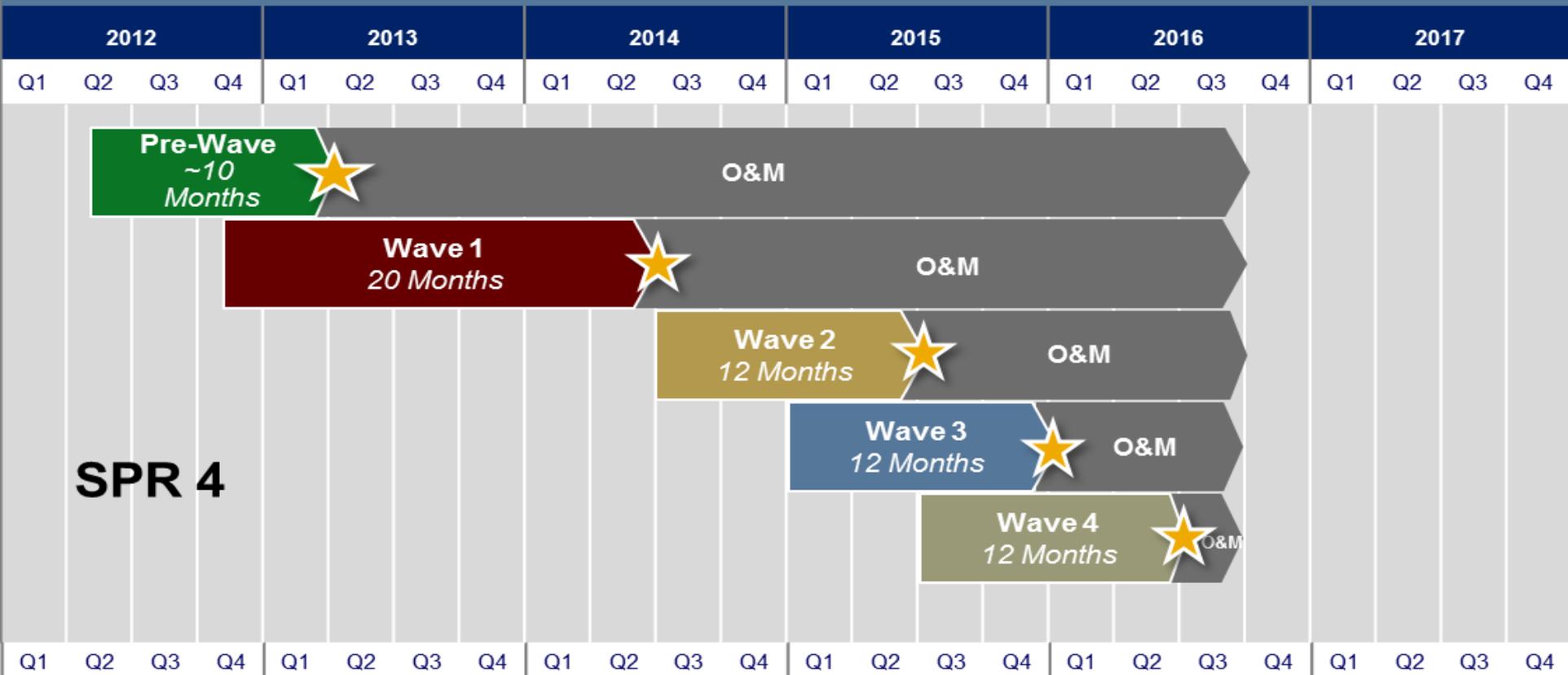
- Wave 1 is scheduled for go live in July 2014
 - Completed design, development, and build of vast majority of Wave 1 functionality
 - In the Testing and Training Phase with User Acceptance Testing starting in April and End User Training in May
 - Significant workload remains, but FI\$Cal is on schedule and within budget for July 2014 go live of Wave 1

What Changes with SPR 5?

- SPR 5 makes the following changes to FI\$Cal:
 - Adds Department of General Services (DGS) from a partially deferred department for its operations to a Wave 2 department
 - Shifts State Treasury's Office (STO) and State Controller's Office (SCO) control agency functions to Wave 3 with a new go live date of July 2016
 - Shifts the majority of departments to Wave 4 with a new go live date of July 2017
 - Provides 24 months of implementation time for the Wave 4 departments
 - Includes a PeopleSoft upgrade in Wave 3

- SPR 5 does not make any changes to Wave 1 and retains the roll-out of Wave 2 departmental functionality to Wave 1 departments

Calendar Years



Why SPR 5?

- The FI\$Cal Project is over a year into the implementation. There is a clearer picture of the magnitude of work necessary for success that is now based upon first-hand experience.
- Overlapping workload associated with the design, build, and test activities for the end-to-end System functionality for SCO, STO, and DGS Control Agency functions and the remaining departmental functionality all in Wave 2 while bringing on several very large departments, creates an even greater risk than anticipated.
- Experience and knowledge gained from Pre-Wave and Wave 1 efforts and the advice of the ERP Advisors, highlighted that a change is necessary to decrease Project risk and increase the probability of success in each FI\$Cal wave.

Why SPR 5? (con't.)

- The schedule change will provide the ability to focus on full solution and stabilization before rollout to the majority of the departments.
- Implementing the Control Agencies and the entire end-to-end FI\$Cal solution as well as the upgrade prior to deployment to the majority of State departments and agencies will significantly reduce the amount of retraining and rework required.
- Like other large projects have found, interfaces and conversions are complex. Departments do critical program work that will depend on accurate data from FI\$Cal making it imperative that we get the interfaces and conversions correct. SPR 5 provides more time for that important work.

SPR 5 Cost Changes

- SPR 4 assumed \$616.8M
based on actuals through FY 2010/11 and projections through FY 2017/18
- SPR 5 assumed \$672.6M
based on actuals through FY 2012/13 and projections through FY 2018/19
- Of the \$672.6M, the System Integrator (Accenture) contract is increased by \$13.9M for:
 - DGS ABMS replacement (\$5.9M)
 - Enterprise Licenses (\$2.1M)
 - Contract work related to extending the contract through FY 2017/18 (\$5.9M)

Other Lessons Learned?

- Organizational Change Management
 - Pre-Wave and Wave 1 have provided many opportunities to continuously improve our change management with departments, including:
 - Departments need more support from FI\$Cal – FI\$Cal has hired a Department Support Lead to head-up a team of experts to assist departments in a more “hands-on” approach
 - FI\$Cal has a better understanding of the departmental tasks for each phase – Departments were challenged with an almost constant barrage of work requests. Our experience will help us improve and use a more packaged approach for future waves
 - Departments need to see the System – FI\$Cal has only been conceptual for the Wave 1 departments which has been a significant challenge. We will utilize rolled-out functionality as much as possible in each wave to help departments better understand what FI\$Cal is.

Thinking “*Outside the Box*”

- FI\$Cal has embraced a number of “unconventional” resources to help drive to success, including:
 - Collaborating with IT Leadership XXI – Developing guides/templates for departments on internal change management development and as-is business process documentation
 - Collaborating with the Senate Commission on Cost Control in State Government – Research project to provide insights into best practices and needed decisions for the future public transparency website
 - Developing proposal to engage higher education institutions – Collaborate on development of programs to help build a pool of state job candidates with skills in PeopleSoft and Hyperion
 - Certified FI\$Cal Leadership Team in Prosci Change Management – Build a foundation and culture of embracing change and helping departments through the change to FI\$Cal
 - Collaborating with Wave 1 departments – Provide experts to support departments in later waves