Consolidate Back-Office IT Systems
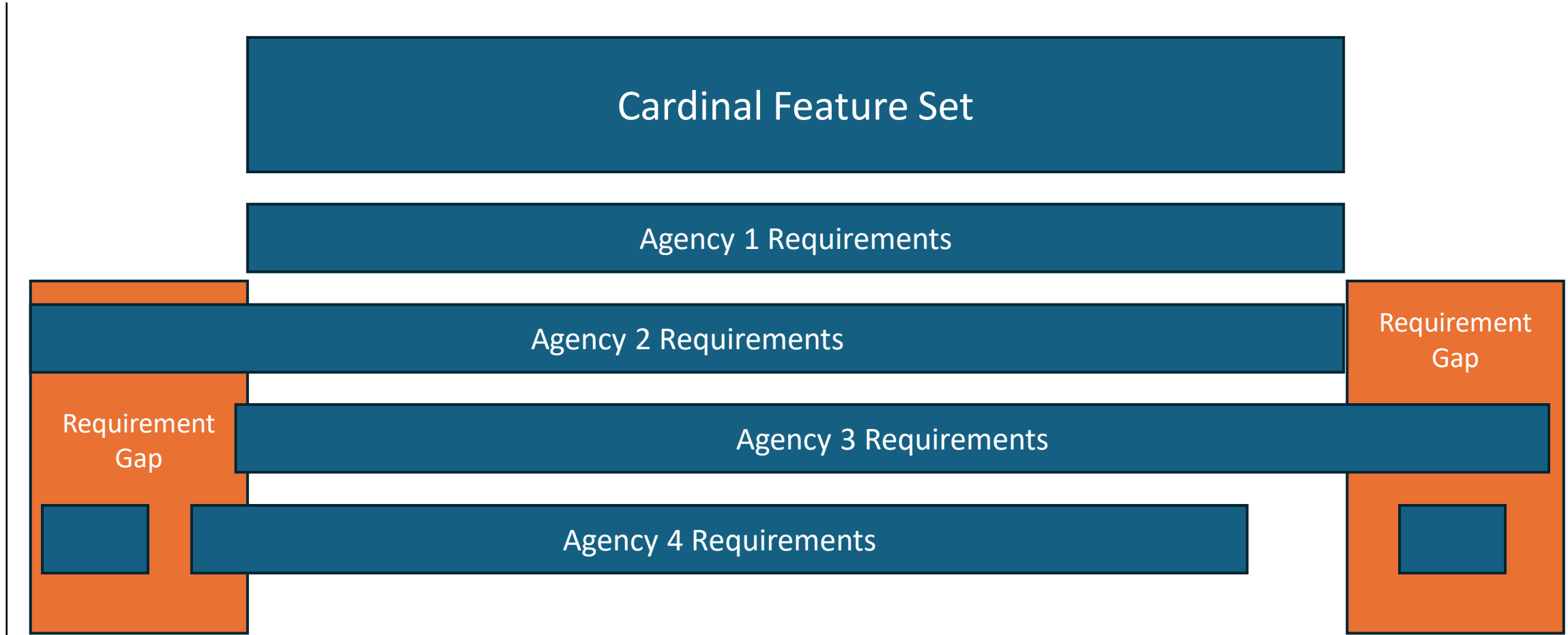
Commonwealth Leadership Academy - 2024 Cohort

Project Challenge

- Determine how to effectively consolidate IT back-office systems in a decentralized organization

- Effectively utilize statewide IT systems of record

- Provide relief for cost of agencies procuring separate IT systems to meet their individual agency needs.

Agency Needs vs Enterprise Solutions

Cardinal Feature Set

Agency 1 Requirements

Agency 2 Requirements

Requirement Gap

Agency 3 Requirements

Requirement Gap

Agency 4 Requirements

Problem affects many business areas

1. Financial Management

2. Human Resource Management

3. Procurement Management

4. Asset Management

5. Project Management

6. Reporting and Analytics

7. Grants Management

Root Causes

Primary Causes of Current Situation

Insufficient feedback mechanism

- Agency end users are stakeholders of enterprise systems yet have no effective mechanism to communicate requirements
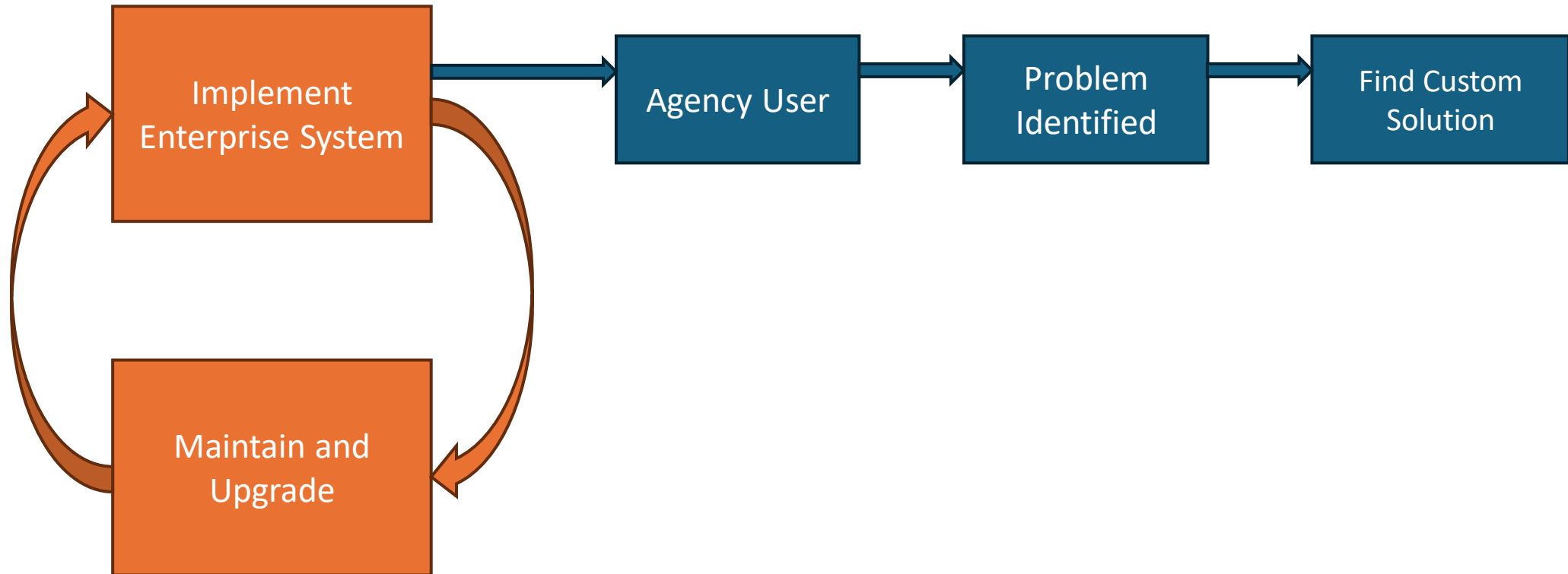
Insufficient governance mechanism

- The Commonwealth's decentralized system ownership leads to inefficient governance
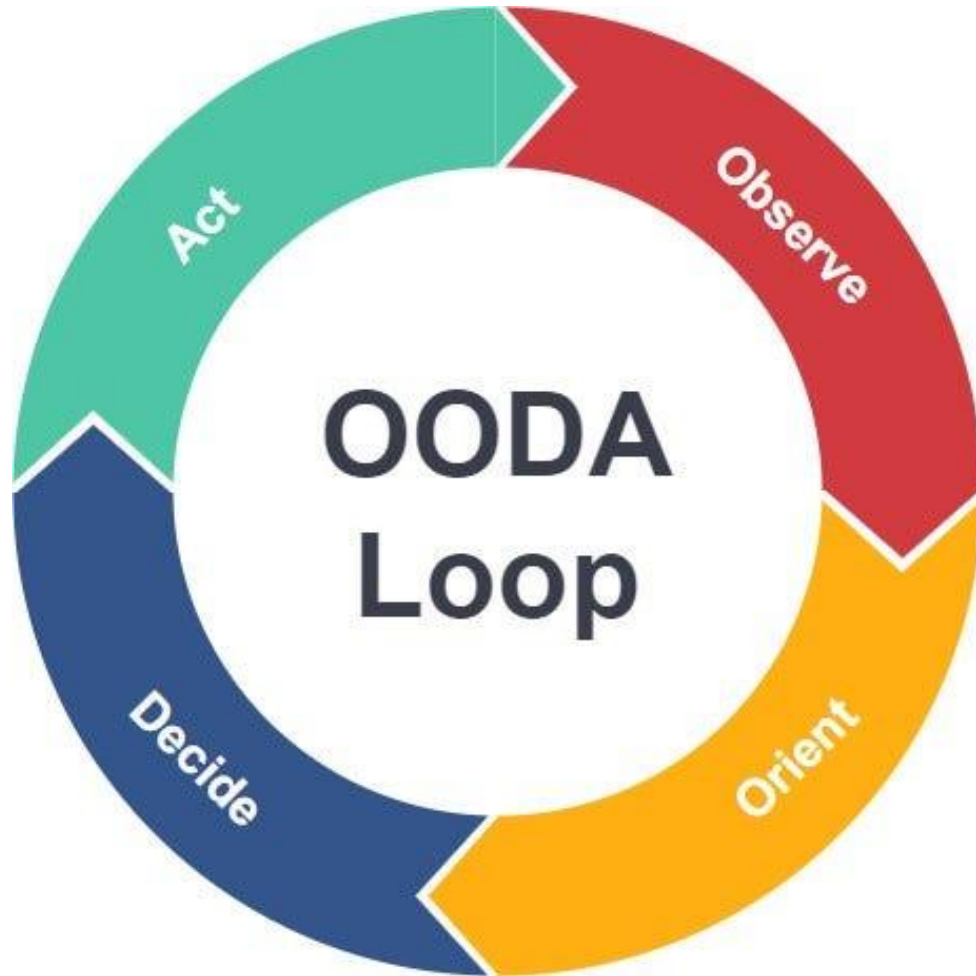
Insufficient Feedback Mechanism

Issue 1

Current process

Industry Approaches

OODA Loop

Observe
What is the current situation? What is the reason you want to change? how bad do you want to change?

Orient
Where are you currently at relative to where you want to go? How far is it to your destination?

Decide
What is the exact path you are going to take? How are you going to handle challenges and set backs?

Act
What's the approach and method you will take to implement the decisions? What is your action plan?

Current Efforts

- Cardinal Modernization Project requesting agency feedback

Cardinal Modernization Project (CMP) Agency Survey

As part of the Cardinal Modernization Project (CMP) analysis phase, the Cardinal team is requesting select agencies complete this comprehensive survey.

This survey will include questions about your agency's use of Cardinal Financials (FIN), FAACS, LAS Plus, and agency-based financial systems and other internal tools used to manage your agency's financial activities. The survey and related data gathering activities include the following objectives:
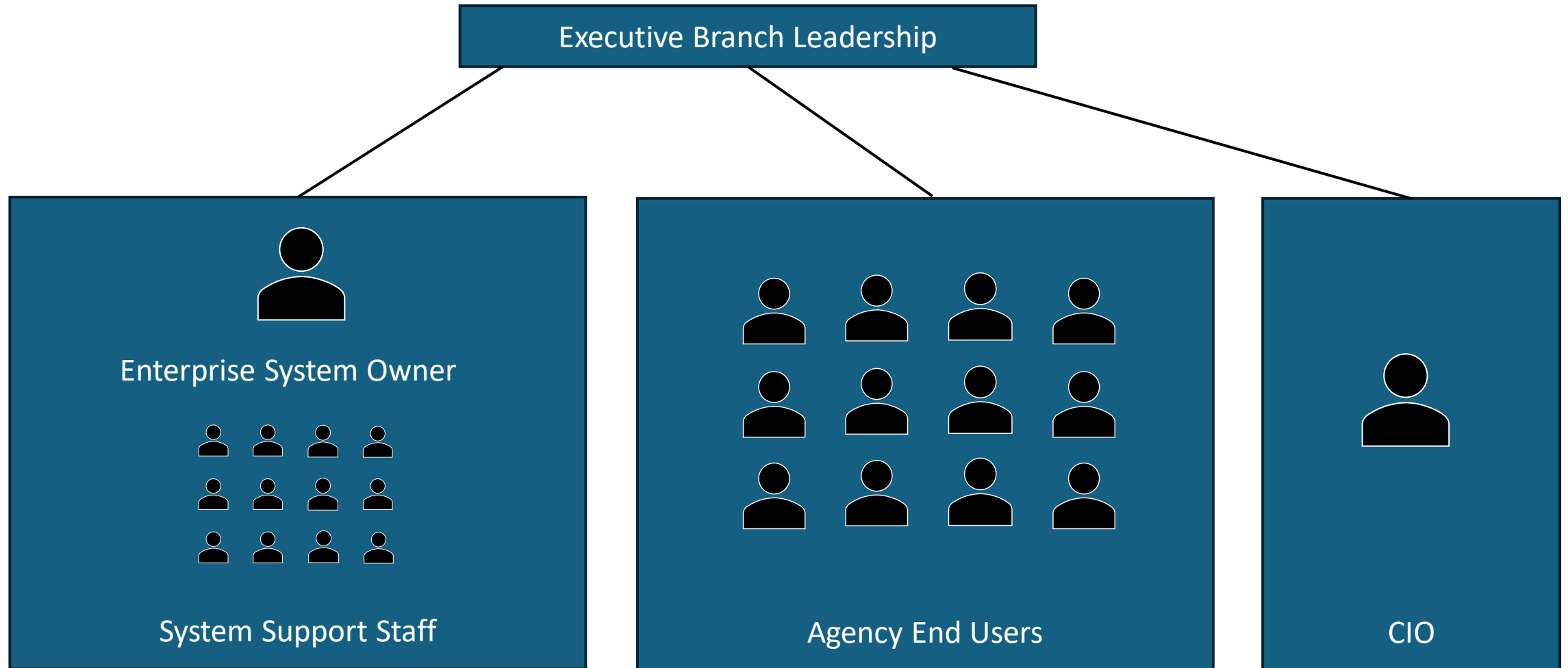
- Enterprise Architecture Documentation System (Ardoq)

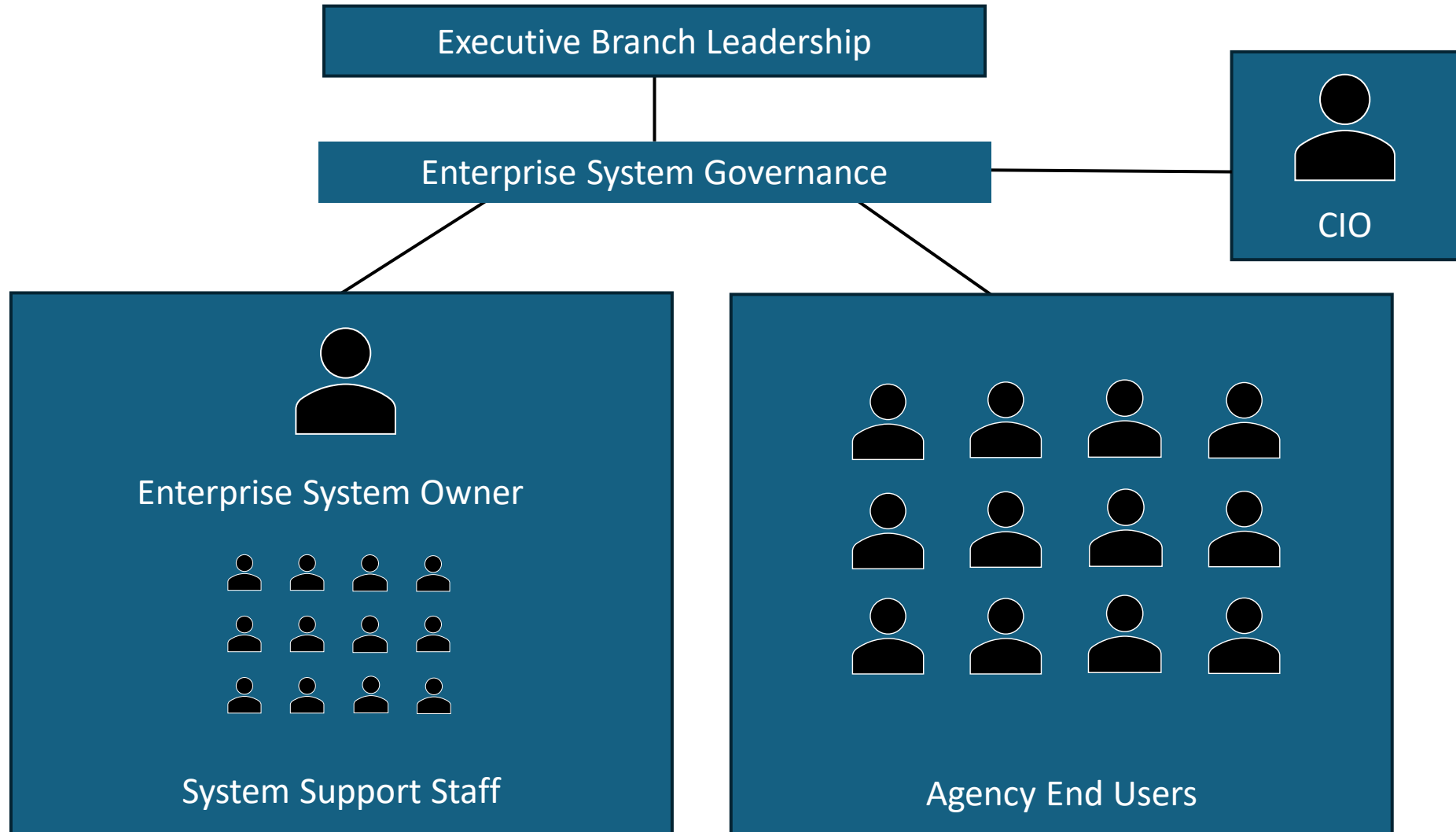**Coming Soon: Ardoq**

Insufficient Governance Mechanism
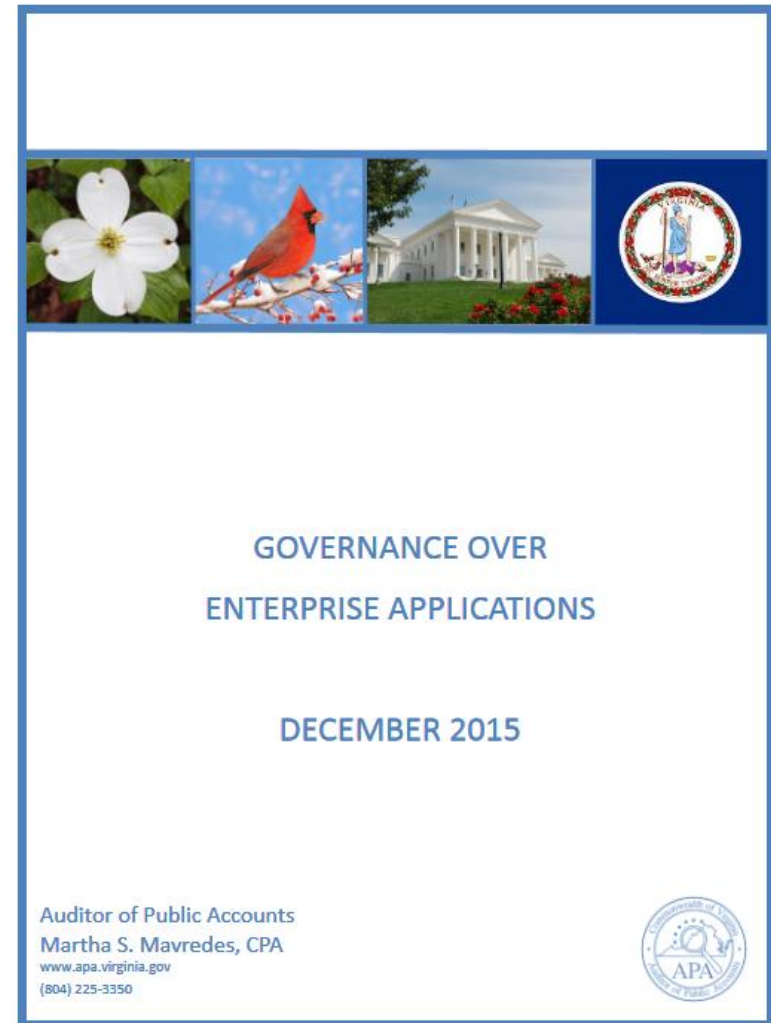
Issue 2

Current Model

Governing Model with Centralized Accountability

APA Report on Enterprise Applications

A governance framework will lead to better alignment of resources, such as funding and personnel, allowing the Commonwealth to derive maximum value from its systems

Recommendations

Collect Feedback

- Enterprise system owners should conduct analysis on the front end, and again at least annually to identify new needs
- VITA needs an agency-facing Business Analyst to research agency needs
  - Interview agencies about *why* they need a different solution
  - Collect system requirements, document functionality, communicate capabilities

Improve Service Awareness

- Agencies are not aware of preferred options
- If no preferred option:
    - VITA Architecture could benefit from stakeholder focus groups

Establish a Role or Governing Body

- Add to charter for Information Technology Advisory Council (ITAC)
  - Implement working groups for specific systems
  - Ability to task VITA Business Analysts
- Review agency requirements, feedback, cost
- Set priorities and direct action for enterprise systems
- Receive progress reports
- Grant approval for agencies to use non-enterprise system

Factors Affecting Prioritization

- Cost
- Solution availability
- Number of agencies served
- Modernization
- Business risk
- Transparency of data

Conclusion

The lack of Enterprise System Governance has created a position where agency requirements are not met, and agencies are buying disparate systems to meet similar needs.

By creating a governance model for enterprise systems, with emphasis on stakeholder feedback, the CIO can achieve the guiding principle:

"Amplify the value of Commonwealth investments by fully leveraging technology assets across Commonwealth agencies"

Thank you

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Authority

- **§ 2.2-2012. Additional powers and duties related to the procurement of information technology.**

- A. The CIO shall develop policies, standards, and guidelines for the procurement of information technology of every description.

- B. 1. Information technology shall be procured by (i) VITA for its own benefit or on behalf of other executive branch agencies or (ii) such other agencies to the extent authorized by VITA. Such procurements shall be made in accordance with the Virginia Public Procurement Act (§ 2.2-4300 et seq.), regulations that implement the electronic and information technology accessibility standards of the Rehabilitation Act of 1973 (29 U.S.C. § 794d), as amended, and any regulations, policies, procedures, standards, and guidelines of VITA. In no case shall such procurements exceed the requirements of the regulations that implement the electronic and information technology accessibility standards of the Rehabilitation Act of 1973, as amended.

- 2. The CIO shall review, and approve or disapprove, all executive branch agency procurements of information technology, including approval of all agreements and contracts prior to the execution of the procurement. The CIO may exempt from review requirements, but not from the Commonwealth's competitive procurement process, any executive branch agency that establishes, to the satisfaction of the CIO, (i) its ability and willingness to administer efficiently and effectively the procurement of information technology or (ii) that it has been subjected to another review process coordinated through or approved by the CIO.

- 3. The CIO shall develop and administer a system to monitor and evaluate executed information technology contracts and billing and collection systems.

- The CIO shall disapprove any procurement that does not conform to the Commonwealth strategic plan for information technology developed and approved pursuant to subdivision A 3 of § 2.2-2007.1 or to the individual strategic plans of executive branch agencies developed and approved pursuant to § 2.2-2014.

- § 2.2-4300. Short title; purpose; declaration of intent

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APA Governance over Enterprise Applications - https://www.apa.virginia.gov/reports/11947

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VITA Ardoq: https://covgov.sharepoint.com/sites/VITA-Connections-External/SitePages/Ardoq.aspx

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  Effective Governance Is Critical to the Success of Government Enterprise Projects - https://www.gartner.com/document-reader/document/3991371

  Initiate a Governance Approach for Government Projects in 10 Steps - https://www.gartner.com/document-reader/document/3939995

Infotech Research: **Governance and Management of Enterprise Software Implementation** - https://www.infotech.com/research/ss/governance-and-management-of-enterprise-software-implementation

  Build an ERP Strategy and Roadmap - https://www.infotech.com/research/ss/build-an-erp-strategy-and-roadmap

Additional Resources Utilized

- VITA System Tool (Archer) - Agency Systems Export

- Expiring/Renewing Contracts List

- Cardinal Interface agencies list

- Cardinal status reports

- Grant funded positions analysis

- Interviews with other agencies, industry experts