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Enterprise IT Management Initiatives Category

State of Wisconsin
ERP for 50-Plus Agencies: Wisconsin's Blueprint for Enterprise IT Transformation and Efficient State Government

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Executive Summary

While the world moved on to more modern computer systems, the State of Wisconsin was still operating on systems developed in the 1960s, '70s and '80s. And while every state agency uses the same accounting principles, civil service rules and procurement policies, they were relying on a disparate set of administrative systems to support financial, human resources, payroll and procurement activities.

All told, Wisconsin's 58 state agencies were running 140-plus different systems. Those legacy systems were no longer meeting agencies' business needs – resulting in processes that weren't as efficient or effective as they could be. What's more, the patchwork of systems was making it impossible to generate accurate reports at the state level and was fueling risk around talent and technical obsolescence.

More than a decade ago, the state set out to fix the situation with the Integrated Business Information Systems (IBIS) Project. Starting in June 2005, the internal team gathered over 6,600 requirements and subsequently chose PeopleSoft in 2006. But by April 2008, the project – and the vision for enterprise IT transformation – was put on hold. Following the election of Governor Scott Walker, who has articulated a commitment to leaner, more efficient government, Wisconsin revisited the need for a statewide enterprise resource planning (ERP) solution.

Launching the State Transforming Agency Resources (STAR) Project in 2014, leaders set forth an ambitious vision: to migrate all agencies to a single ERP platform for Finance, Procurement and Human Resources, and to do so on a highly aggressive timeline without disrupting day-to-day operations for the state's 35,000 employees.

Under the leadership of Department of Administration Assistant Deputy Secretary John Hogan (also the STAR Project Sponsor), STAR Project Director Dawn McCauley, and State CIO David Cagigal, the project has been highly successful – meeting timelines, coming in below budget, and achieving engagement and support across the broad base of agencies. As the project completed its final milestone, the State of Wisconsin became a data-driven government, and is poised to realize nearly $100 million in savings over the next decade. In the meantime, Wisconsin's approach to enterprise IT transformation offers a blueprint of best practices for any state seeking to implement an enterprise platform for greater consistency, higher efficiency and enhanced transparency for all stakeholders.

Project Narrative: Concept

Following his election in 2010, Governor Scott Walker articulated a clear objective of a leaner, more efficient Wisconsin state government. To address that goal, he created the Governor's Commission on Government Reform, Efficiency and Performance, with Department of Administration (DOA) Secretary Scott Neitzel as co-chair. One of Secretary Neitzel's top priorities was replacing the state's antiquated IT systems and finding cost savings by leveraging technology.

With the Integrated Business Information Systems (IBIS) Project nearly a decade earlier, Wisconsin had already made an unsuccessful attempt to replace those legacy systems. To ensure success with the State Transforming Agency Resources (STAR) Project, the state took a different approach, starting with an updated third-party feasibility study. In January 2013, the state requested that Information Services Group (ISG), Inc. refresh its 2005 cost estimate, as well as update and confirm the implementation scope and phased timeline. In its in-depth analysis, ISG estimated the total cost of the project to be $138,671,461 including a 20-percent contingency.

While the IBIS project had attempted to use all in-house resources, ISG recommended that the state engage a systems integrator to support the STAR Project. Accenture was ultimately selected for that role. Although ISG recommended that Wisconsin spend four years implementing the new Finance, Procurement and HR applications one at a time, Accenture made a strong case for implementing Finance and Procurement concurrently, and outlined a plan for how it could be accomplished.

With Accenture as systems integrator and Gartner Consulting as a third-party advisor, Wisconsin has implemented the STAR Project in these phases:

- Phase 1 – PeopleSoft and Oracle BI for Finance and Procurement – completed October 1, 2015.
- Phase 2 – PeopleSoft and Oracle BI for Human Capital Management – completed January 4, 2016.
- Phase 3 – PeopleSoft and Oracle BI for Finance and Procurement for the Department of Transportation – completed July 1, 2016.

Following the rollout of the first two phases, the STAR Project team began finding concrete ways to measure the state's financial processes. They first identified key metrics to track and then spent months validating the quality and reliability of the data. They're now embarking on a series of business intelligence initiatives to better understand, and continually improve, performance across a range of performance indicators.

Likewise, performance enhancements to the system are being implemented. Throughout 2016, the STAR team worked to design and deploy a maximum availability architecture (MAA) that included Exalogic and Exadata to run PeopleSoft seamlessly between the primary data center and a recovery site, in order to achieve a near-zero downtime environment. As a result, the State of Wisconsin was awarded an Oracle Excellence award for architecture in 2016.

Significance

With the STAR Project, Wisconsin is achieving not just incremental improvements but rather a fundamental transformation of the way it runs state government. In less than three years, it has migrated away from a collection of outdated and expensive systems and embraced a unified platform that's delivering superior efficiency and transparency.

In reflecting on the success of this ambitious project, the team has pinpointed these as best practices:

- **A commitment to minimal customizations.** From the beginning, the Governor's Office and the Department of Administration (DOA) were clear that the new applications would be implemented with minimal customizations. The goal was to deploy the system as close to out of the box as possible, and they voiced an executive commitment to making the business process and/or legislative changes necessary to accomplish that goal. Consistent executive support helped ensure that the 58 agencies and thousands of employees believed in, and were committed to, the effort.

- **Cross-agency leadership engagement.** The state has used various approaches for managing and governing information technology (IT) over the years. At some stages, DOA adopted an autocratic approach, seeking to implement and enforce enterprise-wide approaches and standards, but often leading to resentment and resistance from other state agencies. At other times, agencies were left to fend for themselves; they then adopted systems and hardware that might have made sense for that specific agency at the time, but did not serve the overall interests of the state as an enterprise. With STAR, the state adopted a truly collaborative model that involved all the agencies that rely on the technology, along with those charged with providing the technology.

- **Tiered governance.** The IBIS project suffered because of attempts to gain consensus on all decisions. With STAR, Wisconsin instituted a tiered model for gathering input and making decisions. The model included STAR Project Teams for day-to-day project decisions (including functional requirements, configuration settings, and data conversion mapping), as well as the STAR Decision Council for

tactical decisions around business process changes, enterprise configuration, data retention requirements and project milestones and deliverables. The project also leveraged the Information Technology Executive Steering Committee (ITESC) for strategic decisions and project oversight. Unlike many steering committees that meet biweekly or monthly, the Assistant Deputy Secretary of DOA and ITESC Chairman, John Hogan, convened the ITESC Steering Committee on a weekly basis. Every Monday at 11 a.m., about 30 IT leaders from multiple state agencies would gather to get updates, debate issues and make decisions to keep the project on track.

- **Focus on change management.** In addition to the hard work at the enterprise level, the STAR Project created a significant number of to-dos for each of Wisconsin's 58 agencies. To help the agencies tackle those tasks – while further strengthening buy-in – the state created an Agency Readiness Team. From the core project team, about 12 individuals were chosen to serve as agency liaisons, with each responsible for supporting several agencies. In addition, each agency identified "change agents" from within who participated in monthly communications and change management meetings. These individuals worked together to ensure that each agency accomplished the thousand-or-more specific actions that were essential to project success. (The team also maintained a public website with details about the STAR Project.)

- **Dedicated subject matter experts (SMEs).** Throughout the project, the core team plucked individual SMEs out of certain agencies to help in some of the critical business areas. As just a few examples, that included experts in accounts payable, general ledger and grants for Finance. For Procurement, they tapped expertise in requisition processing and inventory management. And for HR, they pulled in SMEs in benefits administration and payroll processing, among others.

- **Comprehensive training.** To support the launch of the new platform, the STAR Project team created 40-plus computer-based and instructor-led courses. They delivered more than 500 instructor-led training sessions to 15,000-plus end users. Additionally, the team provided training electronically via online computer-based classes and an extensive inventory of job aids to 35,000 state employees.

- **Experienced system integrator.** In choosing Accenture, Wisconsin benefited from the firm's extensive experience with other state ERP implementations. It also benefited from Accenture Enterprise Services for Government (AESG) – a collection of source code, configurations and configuration scripts, process models and documentation. AESG provided a "jump-start" spanning multiple business processes, which helped position the STAR Project for success.

Impact

When the State of Wisconsin was running on 140-plus different systems, it was difficult for workers to move from one agency to another. Training requirements and maintenance costs were high and growing. So were support risks, as programmers specializing in aging legacy systems continued leaving the workforce. What's more, it was nearly impossible to get a truly enterprise view of key operational metrics, or to share them with citizens and other stakeholders.

With the STAR implementation, Wisconsin has eradicated those issues through its enterprise IT transformation, making government better through:

A more productive workforce
By deploying a secure, reliable ERP system, the state is enabling a more efficient and effective workforce and operations through standardized work processes and the ability to use analytics. The new ERP platform is also empowering the 35,000 state workers by streamlining approval processes and pushing decision making to the appropriate level.

Significant cost savings
Over time, the state also will be able to reduce or eliminate paper and decrease long-term business costs by nearly $100 million over the next 10 years. The STAR Project, now a Program Office, has shifted its focus to Benefits Realization – an initiative to ensure the savings identified in the feasibility study are achieved. Savings have already been realized through system decommissioning and process improvements. These savings will be captured, monitored and tracked along the way to confirm the state's overall cost savings goal will be met. As part of the project, the state also modernized its data center, migrating off its legacy mainframe. The supporting infrastructure is now modern and more cost-effective.

Data-driven operations
With one efficient, transparent and modern enterprise-wide system, Wisconsin can better monitor and track spending, enhance human resource and procurement efforts, and allow agencies to better manage payroll and other administrative systems. Agencies benefit from real-time information to make better-informed business decisions. Further, they have the ability to produce data and information that can be shared with decision makers and the general public.

Open government
Procurement data from each of Wisconsin's 17 cabinet-level agencies is now available to Governor Walker's Office and state lawmakers through the new ERP platform. This data will generate new insight into how the state is spending money. In the coming months, the

agencies will be able to take a deeper dive into human-resources data, helping identify trends and opportunities to improve human capital management. Long-range plans call for the state to publish scorecards on spending, shining a light on each agency's financial performance.

As it continues in its journey to becoming leaner and more efficient, the State of Wisconsin offers an inspiring example through the STAR Project – including a methodical and collaborative approach that other states can emulate in their own enterprise IT management.