

## NASCIO 2018 State IT Recognition Awards

---

Category: Business Process Innovations

# From a Four-Letter Word to a Five: Transforming SHARE into a True Enterprise System For the State of New Mexico



**Project Initiation: January 1, 2016**

**Project Completion: October 31, 2017**

Project Sponsors:

Darryl Ackley, State CIO and Secretary, Department of Information Technology

Duffy Rodriguez, Secretary, Department of Finance Administration

Submitted By: Cassandra Hayne  
SHARE/ERP Director, Department of Information Technology  
715 Alta Vista Street, Santa Fe, NM  
cassandra.hayne@state.nm.us



## Executive Summary

---

The Enterprise Resource Planning (ERP) system was supposed to be the solution. In 2007, the state of New Mexico implemented the Statewide Human Resources Accounting and Reporting (SHARE) system using PeopleSoft, to replace 70+ disparate accounting and human resources applications used across the state. PeopleSoft's Financial Supply Chain Management (FSCM) and Human Capital Management (HCM) suites were intended to bring cohesion, consistency, and integration to an environment that lacked all three.

But the implementation was flawed; key stakeholders were not included, requirements were poorly defined, and users were not adequately trained. The resulting system suffered from performance problems and was generally disliked. Over the next several years, the state stabilized SHARE and made marginal improvements to ensure the business of the state could be completed, but the system still lagged and its reputation worsened. SHARE became a four-letter word, a favorite target of state legislators, an albatross blamed for all problems, system-caused or not.

Tired of the constant state of anxiety surrounding every payroll cycle or phone call reporting another disk failure, in 2014 the Department of Information Technology (DoIT) migrated SHARE to a virtualized application architecture, LINUX operating system, and new database hardware. We were giddy with success; we achieved performance improvements of 70% for critical processes, 99.99% sustained system uptime, and a technical infrastructure firmly in the sweet spot of the Department.

It wasn't enough. SHARE was still mistrusted, still the butt of jokes, still a four-letter word. We hadn't reached users; we couldn't change minds with just technology improvements. The bigger problem was that SHARE hadn't been updated since implementation and hadn't kept pace with the state's needs, leading many agencies to conduct business outside of the system. By 2015, we knew we had to tackle upgrading to PeopleSoft 9.2 and we had to do it by engaging users at every step. It was clear -- **the upgrade could be technically perfect and still fail.**

It was time for SHARE to thrive, to revolutionize, to transform. In January 2016, DoIT launched the SHARE upgrade with a focus on shifting organizational culture and re-building trust through increased transparency and communication. Within 22 months, SHARE went live, flawlessly, with FSCM 9.2 and HCM 9.2 and a confident, engaged user community applauding SHARE instead of cursing it. SHARE was transformed into a true enterprise system with significantly improved financial controls, employee accountability, and standardized business processes across 120 staunchly independent agencies, boards, and commissions. Key agency leadership actively adopted and maintains an enterprise view of requirements, working across silos and countering agency-specific agendas.

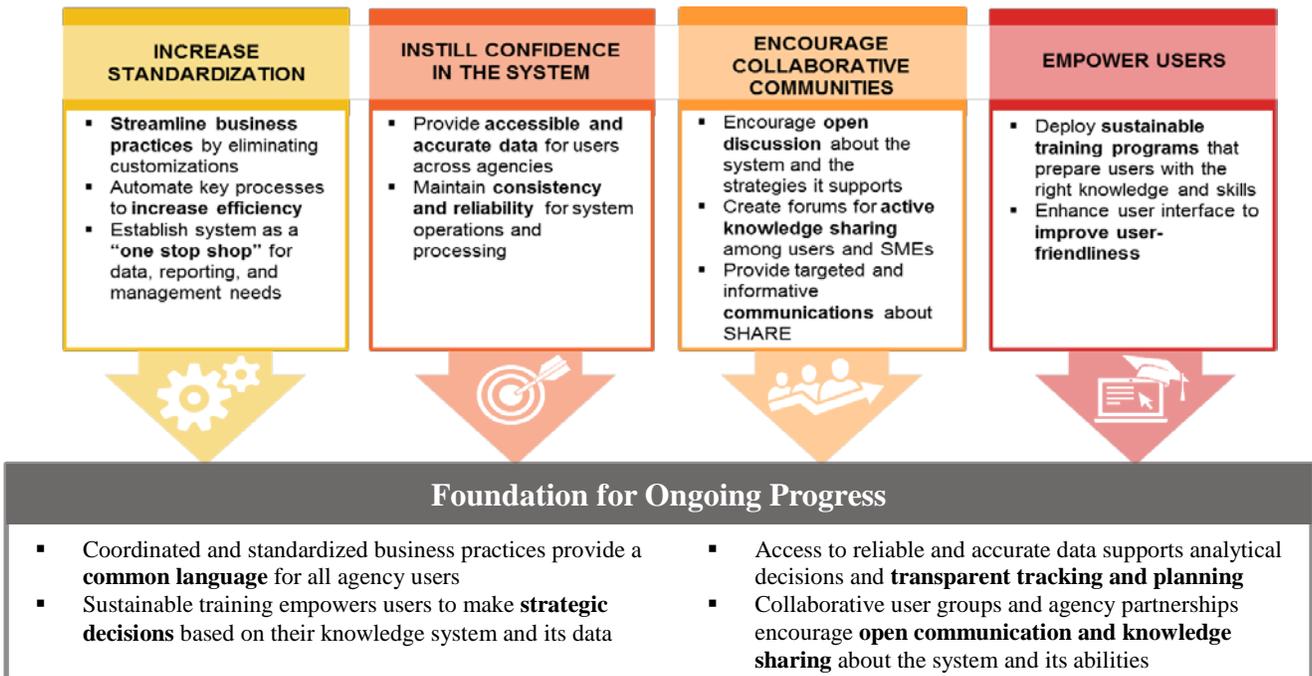
The project has achieved fundamental, measurable change. Revamped employee time reporting eliminated overpayments. More than half a million supporting documents are no longer mailed or hand-delivered each year to the Department of Finance Administration (DFA) for processing. Transaction approvals are visible, swift, and auditable. Accounting is consistent, complete, and traceable.

We have a modern ERP system that enables the state to continuously evolve and leverage its investment. No longer met with skepticism, SHARE is a trusted enabler of the business of the State of New Mexico.

## Project Narrative: Concept

DoIT initiated the 9.2 upgrade using an Agile methodology and the help of two systems integrators, Deloitte Consulting and CherryRoad Technologies, with Burger Carroll & Associates on board for Independent Verification and Validation (IV&V) services. The first team on the ground was Organizational Change Management (OCM), emblematic of our priority to fully engage more than 20,000 employees and change the culture surrounding SHARE through effective training, inclusion, and communication.

The project team established strategic goals and priorities to guide project decisions. Executive leadership from across the state participated in a day-long design lab -- a nearly unprecedented display of collaboration and collective goal-setting:



The use of Agile enabled a disciplined, iterative approach to requirement gathering and rapid decision making at daily stand-up meetings. Half of the existing DoIT support team was diverted from operational support and dedicated to the upgrade. DoIT retained responsibility for the technical upgrade and code management. The state maintained project leadership, with the State Controller and the SHARE Director collaborating daily and working in full partnership with the on-site consulting teams. The entire project would be completed in twenty-two months with a budget of \$19.7M.

Our executive sponsors, State CIO and DoIT Cabinet Secretary Darryl Ackley and DFA Cabinet Secretary Duffy Rodriguez, confident in the team’s ability to deliver and continuing the strong partnership between their agencies, ran political interference and trusted us to work to excellence, enabling a remarkable level of freedom to operate.

The team planned a staggered approach to deliver value faster by implementing HCM before FSCM:

- April 12<sup>th</sup>, 2017 – Go Live of HCM 9.2
- October 12<sup>th</sup>, 2017 – Go Live of FSCM 9.2

For HCM, one issue stood out – employee timesheets were based on scheduled hours, not actual hours worked. Employees entered only exceptions to their hours, such as annual leave, instead of hours worked. This led to payroll inaccuracies and instances of overpayments in every payroll cycle, which was resource-intensive for the state to resolve. The answer – move the state to positive time reporting. Employees would enter all hours worked, and supervisors would approve time entered, or no paycheck would be generated. This was a fundamental shift in behavior, and the stakes were high. Communication and training would lead to buy-in and successful adoption; confusion or resistance would lead to employee hardship and damaging headlines.



FSCM posed additional challenges. In the decade since the original implementation, undisciplined data entry and inconsistent business practices left a long path of detritus that interfered with ongoing reporting and made simple transactions challenging. Procurement was reliant on paper with few metrics available to understand workload, approval times, or resource allocation. And the showstopper: the state could not reconcile our ledger to the bank, and as a result, had to book a \$100M contingency liability. The headlines and the Legislature were merciless. There was no room for error.

The multi-faceted communications strategy included SMARTNet (SHARE Modernization and Readiness Training Network), to bring together change agents from all branches of state government and representing all critical functional areas. Monthly SMARTNet in-person meetings and webinars supported our unofficial goal of “over communicating.” We shared details of the work in progress and the challenges we faced, building trust through open discussion and both formal and informal question & answer sessions.

## Significance

---

The upgrade could be technically perfect and still fail; this project was about more than software.

Instead of a source of confusion, SHARE could be a common thread linking independent agencies through documented, standardized processes from hiring to procurement. Knowledge and skills would transfer more easily among agencies, and training materials should exist in a variety of formats for new employees or those seeking to advance their knowledge. We pursued the following areas as the best opportunities to provide value, considering both *what* we delivered and *how* we delivered it:

### Modernize Key Business Practices

*“Prior to the SHARE 9.2 upgrade, the only way we could measure our workload was with a ruler.”* – Ron Spilman, New Mexico State Controller

Referring to the stacks of paper copies of invoices, email authorizations, and print outs (from SHARE!) of purchase orders that were mailed, overnighted, or hand delivered to the central Financial Control Division of DFA for review and approval, this was one of the most unfortunate impacts of our reliance on paper.

Through more than 100 design sessions, the team identified the highest impact areas for improvement in both financial accounting and human resource practices, including the areas where more control was

needed to ensure accuracy and traceability. While PeopleSoft 9.2 offered many new features, the team was cognizant of the risk of change fatigue – the win was in simplification and improved understanding, not in the number of functions available to users who often only needed one reliable way to accomplish their tasks. We would not empower users by overwhelming them with menu options in an “upgraded” system. And we could not modernize our business practices unless we adopted industry standards over agency-specific habits and traditions.

### **Agile Practices, Culture Change, and Data-Driven Decisions**

The project teams held brief daily stand up meetings to discuss current status and issues, which kept 90% of decisions at the project level and allowed near real-time escalation to leadership when necessary. Weekly deep-dive status meetings with leads from all concurrent workstreams, the Controller, and the SHARE Director followed the “Lean Coffee” approach, which proved so effective in targeting risks, issues, and items requiring action that the IV&V vendor adopted the format for their corporate meetings and encouraged other clients to put it into practice. When the tradeoffs among competing requirements were not clear, the cross-agency Upgrade Governance Board (UGB) reviewed the data and weighed in. Initially created to help counter agency-specific agendas, UGB quickly evolved into a collaborative group that shared ideas and supported an enterprise view.

“Lean Coffee is a structured, but agenda-less meeting. Participants gather, build an agenda, and begin talking. Conversations are directed and productive because the agenda for the meeting was democratically generated.” –leancoffee.org

Early on, the OCM team designed and executed a statewide culture diagnostic. This was distributed to 6,400 SHARE users across the state to understand and better support behavior change. The survey provided an in-depth understanding of employee views and perceptions of current organizational culture related to large scale transformation. The data-rich results revealed a picture of state culture and behavior previously assumed but not quantified. With this, we knew more about how employees work, how they want to work, and how we could tailor our approach to be successful. We developed targeted interventions related to governance, change management, communications, and training needs – the fuel needed to drive a successful ERP upgrade.

### **Training**

All of the initial project assessments reached the same conclusion: agency users did not understand how to use SHARE and, over time, created their own workarounds and documentation to address real or perceived system gaps. Some agencies developed their own SHARE training materials in a variety of formats with no collaboration or uniformity. Agencies without specially-created SHARE training materials relied on informal mentoring. SHARE was not used the same way across, and often within, agencies. Standardized, sustainable training developed with input from users to ensure relevancy, would be a cornerstone of our success.

### **Build a Model for Continuous Improvement**

The work could not stop when the upgrade was complete, or we’d soon find ourselves in the same place. Years without significant system maintenance first required data cleanup and then redefining the “norm” based on continued engagement and change adoption by users. We would clean up old transactions causing confusion, interfering with reporting, and frustrating general system use. Next, we would empower users with the means to prevent similar data issues going forward, while continually evolving SHARE via careful introduction of features and changes clearly communicated to users.

## Impact

---

### Efficiency

Two seemingly simple new features – electronic attachments and workflow – are examples of how people, process, and technology, when effectively combined, have an impact an order of magnitude greater than any one element on its own. The state now has immediate traceability for all transactions – users and management alike can easily see who did what when, what actions are pending, and what action needs to be taken. These changes led agencies to define new standard procedures for scanning, submitting, and approving invoices and supporting documents as electronic attachments, creating a better audit trail and a central repository of transaction history. Segregation of duties was “baked in” to the revamped process and associated user roles, and as a result is clearly defined and easily enforced.

“Runners” whose job was to pick up and deliver procurement packets to Financial Control from multiple locations several times a day were redeployed to more impactful work. Agencies and offices located in remote parts of the state achieved “geographic equality” now that their transactions could be reviewed immediately.

Financial Control has real time visibility into the number and nature of items pending review – no rulers are needed to determine workload, to identify bottlenecks, or improve operations. Approvals are transparent, timely, and traceable. A 40% reduction in customizations means users are directly benefiting from a streamlined system: prior to the upgrade, users followed a 17-step process to close vouchers, now done in one step.

### Trust

Extensive data cleanup cleared the way for reporting and analytics, a logical approach to using SHARE, and increased confidence in the system. The team:

- Closed over 570,000 stale purchase orders, providing an accurate report for “Open” transactions without using complicated criteria for reports/queries;
- Closed over 5,000 vouchers and 300,000 requisitions from previous fiscal years, providing visibility into key transactional workflows; and
- Inactivated over 30,000 unused Chart of Accounts values, helping users locate valid values quickly and report accurately.

Agile enabled a focus on testing that ensured our finished product met our expectations and those of our users. Every Sprint included system testing of completed development, and later Sprints were planned to include integration tests. All told, we completed 5,859 integration tests to validate system functionality for the FSCM module alone.

The team built user confidence in the Financials suite with 35 User Acceptance Testing sessions with over 350 participants from 45 agencies. Representing the polar opposite of the original implementation, this erased the last vestiges of skepticism that the upgrade was “more of the same” and would not bring lasting, positive change.

### Training

More than 16,000 employees completed training, the first exposure to structured information about SHARE most had seen. A central location for SHARE training and learning resources enables users to access the information they needed when they need it, including 15 new web-based classes. The SHARE

Information Center website includes an overview of learning requirements for both HCM and Financials, access to training courses, more than 75 step-by-step job aids, video simulations of key functions, and robust user toolkits. The website has had more than 122,000 visits since it was revamped in April 2017.

### **Change Management and Communication**

We built an active user community through sustained communications and change management activities. Change agents were “activated” a full 13 months before the first system Go-Live date. Representatives met monthly to learn about changes to SHARE and see previews of the system as development was completed. The user community received targeted and relevant communications including videos, newsletters, and flyers. Change agents reinforced these communications at their agencies, provided project updates tailored to their users, and collected feedback. An early sign of engagement was encouraging: we announced the move to positive time reporting in a packed auditorium of HR staff and were greeted with applause.

Change agents included members of the Legislative and Judicial branches of state government. Traditionally, non-Executive branches were not fully folded in to SHARE initiatives, exacerbating existing cultural divisions and hampering unified progress. The project team monitored awareness of the upgrade through monthly readiness surveys; outlier responses led to targeted interventions with specific agencies to address underlying concerns. This network remains active, and is currently fully engaged in our continuous improvement efforts, including the implementation of a new HCM module this summer.

Did it work? **Unequivocally, yes.** The effectiveness of our engagement, communication, training, and modernized business practices can be summed up by the first payroll after the upgrade, which relied on positive time reporting for the first time. This payroll, completed 5+ hours more quickly than pre-upgrade, set a standard that has largely been upheld in the year since:

- **99.998% of timesheets** were submitted on time;
- **99.994% of paychecks** were correct.

SHARE is now thriving in an environment of trust and understanding of the strength of an enterprise system, with a ledger in balance with the bank. The work continues; we transitioned from upgrade to a model of continuous improvement, bringing forward the most successful elements of the project. SMARTnet and the renamed Continuous Improvement Governance Board are both active and supportive of pursuing more standardization, more automation, and more education for users. Together, we work to maintain resilience and the ability to adapt to change as we evolve our business and manage regular Oracle updates for the first time since the system’s inception.

Transformation achieved: SHARE is no longer a four-letter word.