



2022 Budget Presentation Enterprise Resource Planning Systems (ERPs)

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Process – ERPs & Timekeeping Replacement Systems

\$1M Request for 2022

- Follow GFOA recommendations for ERP replacements for medium to large governments
- GFOA recommends replacement once every 10-15 years
 - Our financial ERP is now 22 years old
- Build system inventory for current systems
 - Capture all primary systems, Excel spreadsheets, manual files, and determine other tools needed to either replace or connect to new ERP systems
- Review existing business processes for improvement opportunities and make these changes during 2022



Process – ERPs & Timekeeping Replacement Systems

\$1M Request for 2022 (con't)

- Develop criteria to capture processes, required enhancements, and security measures for new ERPs
- Establish budget for 2023-2025+ Implementation Years
 - Cost estimates based on similar sized counties– very high-level, early estimate of \$10M
 - Best estimate determined after evaluation of all EPC systems
- Receive budget approval for purchase and implementation during 2022 budget hearings for 2023
- Issue a Request for Proposal (RFP) and begin evaluation process



Value Added – ERPs & Timekeeping Replacement Systems

2026 and Future

- Will have modern, standardized, streamlined cloud-based ERP systems that will enable robust data and analytics practices, enhancing data-based decision-making processes
- All aged, outdated ERP systems will be retired
- Enhanced ability to prevent fraud and cyber attacks
- Transparently process and audit over \$1B of taxpayer funds that flow through EPC systems
- Enhanced processes to allow workflows, transparency, auditability, and analysis



Value Added – ERPs & Timekeeping Replacement Systems

2026 and Future (Con't)

- Manual and/or shadow systems minimized/eliminated
- Standardized platform across ERPs for ease of upgrades, training, expansion, and workflows
- Enhanced reporting capabilities for transparency to taxpayers



Costs of Not Taking Action – ERPs & Timekeeping Replacement Systems

End of 2025 – Kronos system end of life

- Resume paper-based timesheet documentation and manual data entry/upload into financial management system

End of 2031 – JD Edwards system end of life

- Decrease in our ability to make strategic, data-driven decisions resulting in significant non-quantifiable opportunity loss
- High likelihood EPC would fail audits and lose federal funding
- Virtually impossible to have segregation of duties and cross-checks in place if had to revert to spreadsheets and manual tracking of required documentation
- Require hundreds of staff to take on this workload, thereby significantly increasing costs to EPC

Off-the-Shelf box store programs incapable of meeting our needs



Consultant Recommendations – ERPs & Timekeeping Replacement Systems

Gartner Challenges/Recommends:

- ERP project implementation costs are highly variable and therefore easy to underestimate
 - Avoid grossly underestimating these costs by getting upfront cost estimates for all the elements that contribute to the ERP initiatives total cost of ownership
 - Consider all costs
 - License fees, data migration, change management, etc.
 - Generate your first estimate by focusing on the largest elements of the cost calculations
 - use ranges; be wary of averages



Consultant Recommendations – ERPs & Timekeeping Replacement Systems

Gartner Challenges/Recommends Continued:

- Underestimating the cost of external service providers is a common mistake, which often leads to actual ERP implementation costs being significantly higher than the predicted costs
- Implementing ERP is no longer a matter of undertaking a single project with a single business case; order-of-magnitude cost estimates need to combine estimates for multiple contributing initiatives



Consultant Recommendations – ERPs & Timekeeping Replacement Systems

The Three Stages of Cost Estimation for ERP Initiatives



1. Initial Estimate

- Very little data
- Ranges +/- 50%
- Documented assumptions
- Not budgetary
- High-level value objectives

2. Interim Business Case

- Greater detail on data
- Ranges +/- 10%
- Documented and debated assumptions
- Long-range budgetary use
- More granular value objectives and timelines

3. Final Business Case

- Full data clarity
- Ranges +/- 5%
- Documented and agreed assumptions
- Budgetary use
- Detailed value objectives, key performance indicators and timelines

Source: Gartner
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Questions?

