HR & Finance Systems Replacement

Business Case

10th April 2019

Norfolk
County Council

Contents

This business case is the final product of the discovery work carried out between September 2018 and March 2019. It explores the reasons and options for replacing NCC's HR & Finance Systems

Section	Contents
Executive Summary	Summarises the business case to change our HR & Finance systems
Approach & progress	Describes the approach to the discovery phase and the progress made
The Case for Change	Assesses the reasons for considering replacing our HR & Finance Systems, and concludes that there is a case for change
Option Appraisal	Considers three approaches to changing the systems in terms of benefits, costs and savings
Recommendation	Drills into more detail for the recommended option
Project Plan	Plan for the project to implement the recommended option.

The discovery phase of the HR and Finance Systems Replacement project, initiated by County Leadership Team 20th September 2018, has developed options and a business case. The conclusions of the business case are as follows:

1. The systems as they stand **constrain transformation** of services and delivery of savings – a new approach is essential to provide a key enabler for the Business Transformation programme and associated savings;

2. As **legacy systems** the systems will have to be replaced at some point;

3. Of the available options **an ERP approach** (integrated HR and Finance) is the best fit to our strategic requirements;

4. A replacement project would **cost** in the region of £13.2m; **saving**s over the subsequent 10 years are estimated between £20m and £31m.

5. The benefits can only be achieved with a high level of **organisational readiness**, including the policy to 'adopt not adapt' the system, the willingness to critically review and re-engineer business processes, and time and resources to support the implementation;

6. This will involve a **4-year project** with an initial go-live around December 2021.

Objective.

"The discovery phase of the HR & Finance System Replacement Project is intended to establish the options and business case for replacing NCC's core E-Business Suite and peripheral systems. It needs to be aspirational, thorough and evidence-based to ensure that decisions and subsequent actions are well-founded. The phase culminates in a business case to CLT analysing the options open to NCC."

Decision Paper approved by NCC County Leadership Team, 20th September 2018, section 2.1.1

Process.

The project team has led various activities to develop the business case, including benefits workshops, business analysis, supplier workshops, other authority contacts and Gartner research. Over 50 colleagues from the corporate and departmental teams have engaged in this process. In all of this we have been supported by SocITM Advisory, who were engaged as our partner for the discovery phase, and have brought to the project considerable expertise in the current market and local authority approaches.
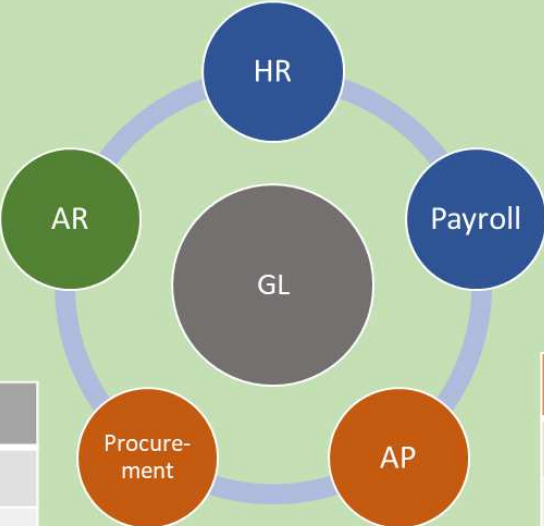
Finance & HR Volumes 2017-18

Citizens	
130,000	Customers
£1,404m	Income
132,000	Invoices sent
118,000	Receipts

Users	
5,000	System users
150-200	Concurrently
18,000	Online payslips

Employees	
25,000	Employees
42	Payrolls
120,000	Claims
30,000	Contract changes

Corporate	
£1,383m	Gross expenditure
850,000	Payments & receipts
500,000	Code combinations
55m	Accounting balances

Suppliers	
16,000	Suppliers
460,000	Payments
£1,436m	Value
53,093	Requisitions
6,000	Contracts
94.4%	Paid in 30 days

HR · Payroll · AP · Procure-ment · AR · GL

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Initial project research

CLT
20/09/18

Strategic decisions

External partner appt.

Investment bid

CLT
17/10/18

P&R
29/10/18

Project team appts.

| Stakeholder engagement | Data & analytics | Technology & innovation |
| Market & other authorities analysis | Current systems analysis | Benefits analysis |

Exec briefings

Business case
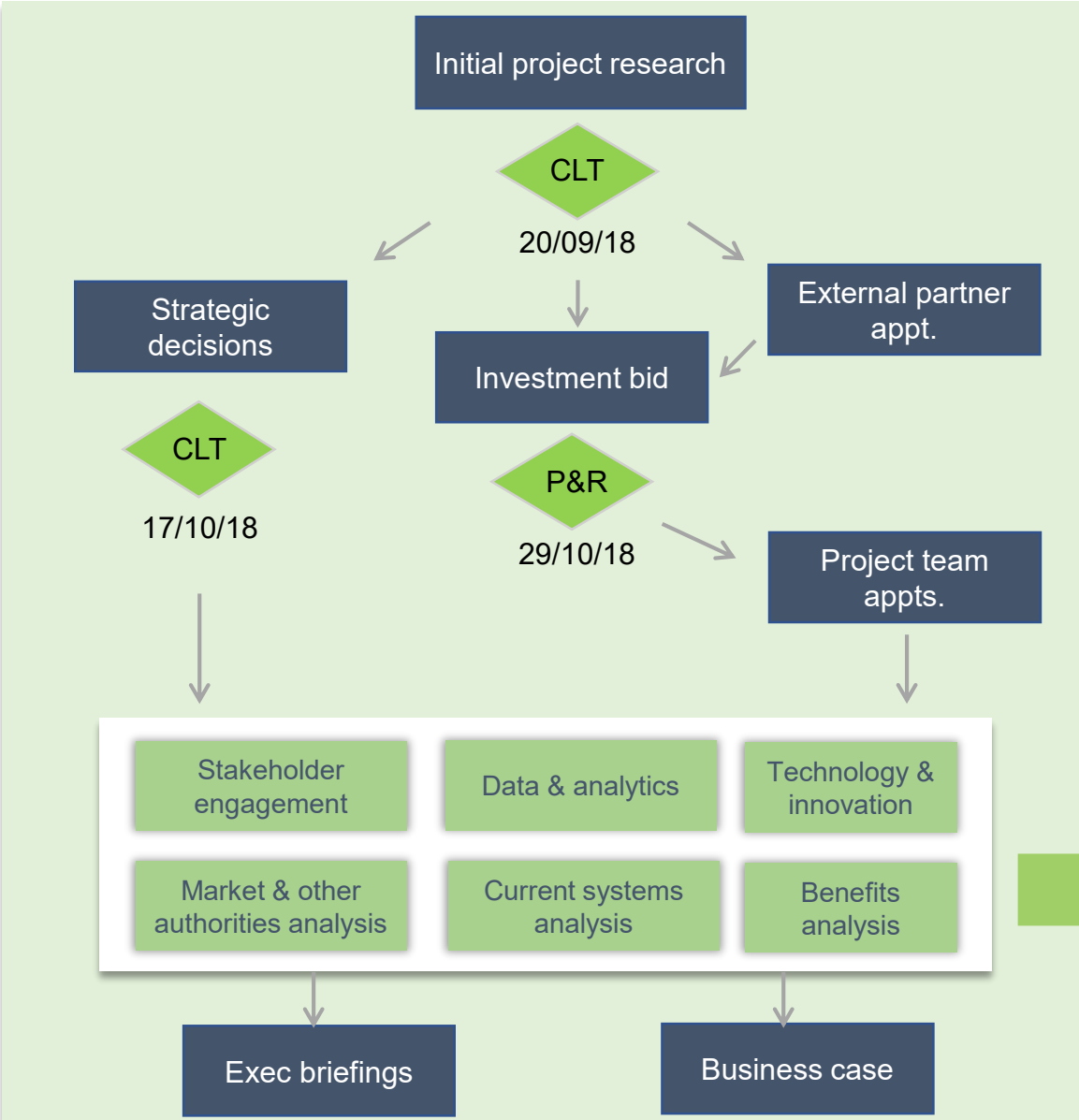
100%	Current systems analysis	Prioritised requirements list developed, 5 deep dive scenarios with SMEs, 2 full time Business Analysts supported by SocITM Advisory.
100%	Stakeholder engagement	Via DMTs, Individual Exec briefings, benefits workshops, and individual SME interviews.
90%	Data & analytics	Top 240 requirements and Data & Analytics strategy developed. Further work exploring options to meet requirements to be completed
100%	Benefits Analysis	Benefits workshops followed through with SocITM Advisory and suppliers.
100%	Technology & Analytics	Forum led by SocITM Advisory, strategic approach confirmed.
100%	Market & other authorities	6 supplier workshops, other authority contacts, market expertise from SocITM Advisory

Decision Paper approved by NCC County Leadership Team, 20th September 2018, section 3.1.2

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Definitions for business case evaluation

Integration > to ensure that systems and data are integrated and that data and processes across systems are open and effective.
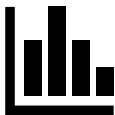
Savings > by reducing support costs and adapting our processes to a consistent, modern, user-friendly system with more automation and self-service.

Digitisation > to deliver strategic step change, including better online services for employees, partners, providers, and citizens.

Flexibility > reducing support complexity, risks and limitations of the current EBS; improving disparate peripheral systems and processes by introducing standardisation and simplification of processes; offering options for commercialisation and shared services opportunities.

Productivity > a system enabling our staff to work with optimum agility and effectiveness, enhancing governance and controls and releasing front-line staff time

Workforce > Improved workforce development and deployment > enabling our staff to work with optimum agility and effectiveness, enhancing governance and controls and releasing front-line staff time.

Best Practice/Business Process > To ensure most effective business process and data to carry out our core business and statutory functions, our residual employer responsibility including budget planning.

Analytics > to unlock the potential of the data with better analytics informing service improvement and demand management and connecting with advances in technology such as Internet of Things and Artificial Intelligence.
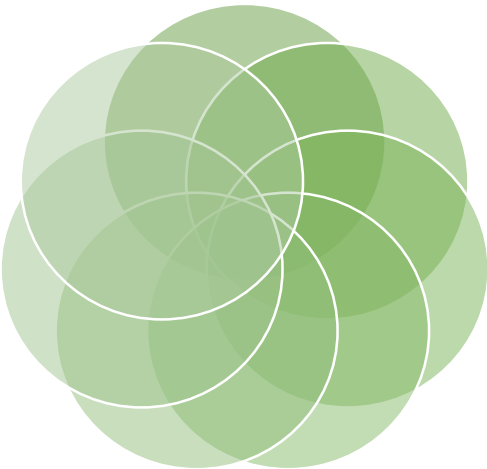
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Enterprise resource planning (ERP)

"is defined as the ability to deliver an integrated suite of business applications. ERP tools share a common process and data model, covering broad and deep operational end-to-end processes, such as those found in finance, HR, distribution, manufacturing, service and the supply chain." (Gartner IT Glossary)

A best of breed system

"is the best system in its referenced niche or category. Although it performs specialized functions better than an integrated system, this type of system is limited by its specialty area. To fulfill varying requirements, organizations often use best of breed systems from separate vendors. However, maintaining multiple systems provides little cross connectivity, which creates maintenance and integration challenges." (Techopedia). In our context, we explored the feasibility of two separate "Best of Breed" systems for Finance and HR/Payroll and were not convinced that the functionality necessarily exceeded an integrated ERP system.

Business Intelligence (BI).

Business intelligence solutions are among the most valuable data management tools available. BI solutions collect and analyse current, actionable data with the purpose of providing insights into **improving business operations**. The purpose of business intelligence is to **support data-driven business decision making**. BI improves and maintains operational efficiency and helps companies increase organizational productivity through visualization mechanisms, such as real-time dashboards, where managers can generate intuitive, readable reports that contain relevant, actionable data.
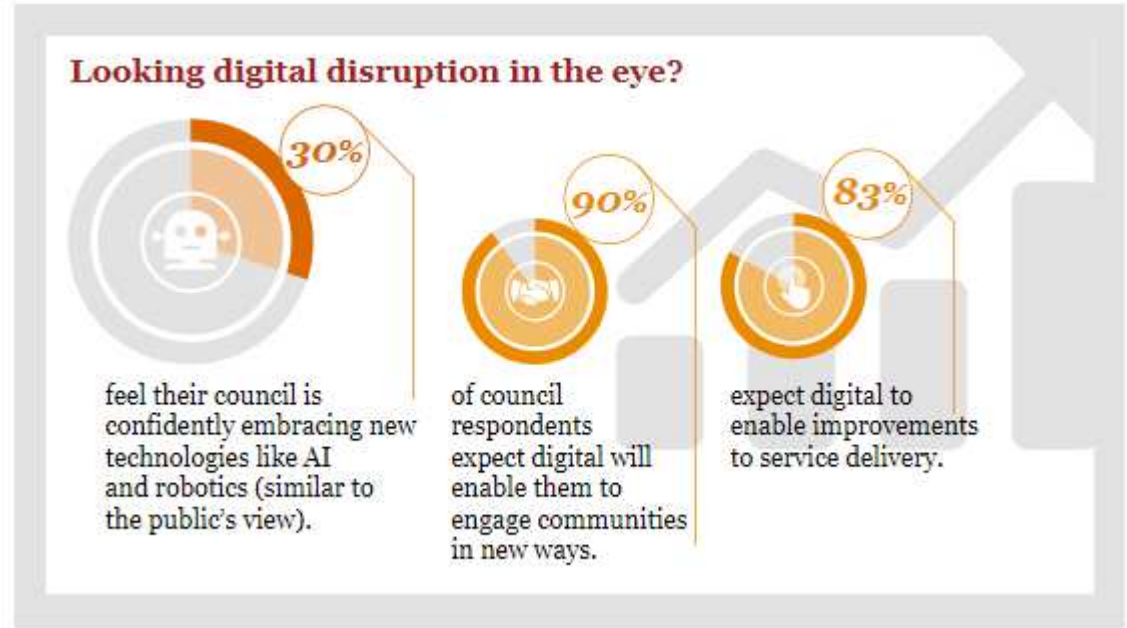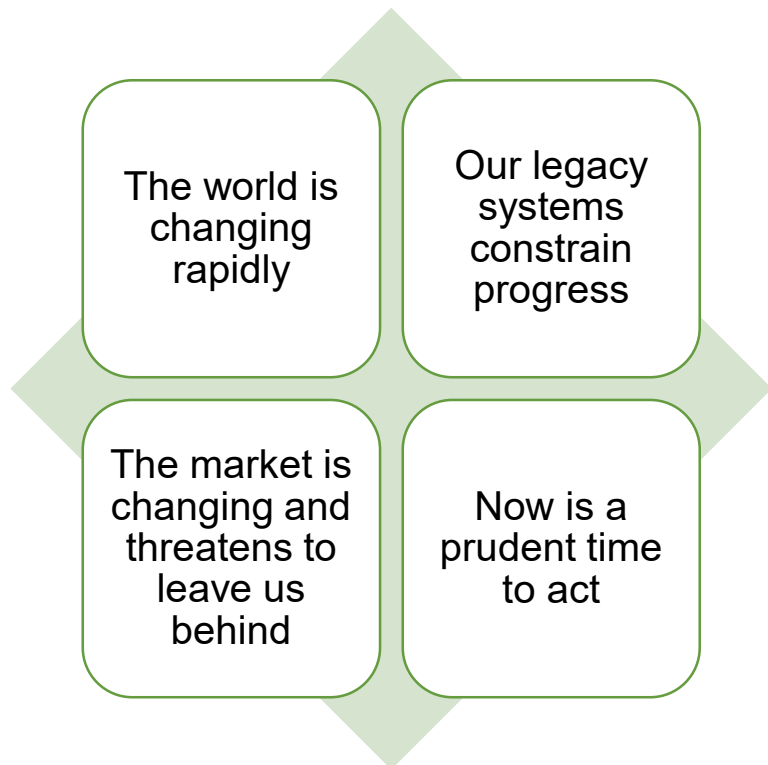
Business Analytics (BA).

Business analytics is part of the business intelligence category. Like BI, it is primarily used to analyse historical data, but with the intention of **predicting trends**. It also usually has an eye toward improvement and preparation for change. One of the most powerful aspects of BA is ad-hoc reporting, which allows companies to perform analysis of specified data in real-time **to answer targeted questions to make quicker business decisions**. In effect, business analytics uses predictive analysis to solve problems before they've occurred.

	Lesson Learned	Application
Social Care Replacement	**Analytics** Problematic, significant additional resources but struggle to produce the required analytics.	Early engagement of head of I&A being part of the core project team. Development of data and analytics strategy. Early analysis of report requirements
	Governance & Team Structure The correct level to gain agreement from a business decision and senior board	The SCSR governance model was used and improved in the governance model approved by CLT for this project.
	Training Training requirements, roll out and uptake difficult to deploy	Review various technology led options to exploit training opportunities
	Support Model Support Model was not in place or resourced accordingly for go-live.	Ensure model is planned and costed early and resourced accordingly for BAU transition
	Project Team Co-located Working relationships and joint team collaboration was not efficient	Co-located project team for discovery phase
	Testing Rounds Duration and time between the testing rounds made implementation process challenging and left little time for changes to be apprised adequately	Adequate time built into implementation portion of high level project plan
Source to Pay	**Business users engaged early** Successful stakeholder engagement and early adoption of project.	Benefit workstreams and business analyst workshops forming business case development
	Data Cleansing & Migration Do not underestimate the size and resources required to complete cleansing and migration activities.	Resource planning for procurement and implementation phase project.
	Tender Process Failed to identify what the supplier needed to do to meet requirements, therefore gaps in design stage	Early engagement with suppliers (market research) to understand products and approaches. Expert support for development of SoR
DPSS	**Data Cleansing & Migration** Data migration tools somewhat primitive, has required a disproportionate of time spent compared to volume of records. 3rd party data quality is also an issue.	Resource planning for procurement and implementation phase project.

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"While councils have coped well in the face of continuing uncertainty, there are now real fears of failure looking ahead. But with every threat comes an opportunity. Digital disruption, artificial intelligence and robotics have the potential to transform local public services. Councils will need resilience, agility and new capabilities to grasp their potential."

The Local State We're In **2018** **pwc**

The world is changing rapidly

Our legacy systems constrain progress

The market is changing and threatens to leave us behind

Now is a prudent time to act

Looking digital disruption in the eye?

30% feel their council is confidently embracing new technologies like AI and robotics (similar to the public's view).

90% of council respondents expect digital will enable them to engage communities in new ways.

83% expect digital to enable improvements to service delivery.

"It is crucial that local government now respond to six key challenges"
Including:
- Embracing the value of data as an asset and investing in data analytics capabilities to inform decision-making and generate insight, driving smarter, earlier interventions and influencing behaviours to manage demand and reduce cost.
- Harnessing digital disruption and new technologies such as AI to change traditional ways of working, creating new value and better serve the needs of communities.

https://www.pwc.co.uk/industries/government-public-sector/local-government/insights/local-state-we-are-in-2018.html

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| Hypothesis presented to CLT 20/09/2018	Assessment	Confirmed?
* Constraints – we are locked into a rigid system designed for requirements specified in 2004, which seriously limits our ability to make significant changes for today and the future	We have recent experience of current systems proving difficult and costly to extend, replace and integrate.	✔
* Benefits - there are potentially significant benefits of a replacement system, including productivity, analytics, digitisation, savings and flexibility	There has been a revolution in automation and analytics in the leading solutions which promises to unlock the benefits we envisaged.	✔
* Market - the market trends indicate that solutions are available and affordable now, and our current system is at risk of being left behind by the market	Although E-Business Suite is supported through to 2030, Oracle are no longer marketing it; development is likely to be limited; 14 years on from our implementation, Oracle and other suppliers have new solutions which have moved forward significantly.	✔
* Forward-thinking - we need to think ahead as change would involve a 3-4 year project;	Detailed planning supports a minimum of 2 ½ years to procure and implement, with a further 1 year for change optimisation	✔
* Cost avoidance - the roadmap for the current system (EBS) suggests a significant time around 2021-22 when further investment would be required for little or no service benefit.	Oracle cease support of 12.1 December 2021 enforcing an upgrade involving 9-12 months work. A significant programme of work will also be required simply to keep our HR and Finance systems operational.	✔

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The current HR and Finance systems are built around EBS which was configured in 2004 for a different world. Peripheral systems have been added, resulting in a fragmented systems landscape. Integration, capability to develop, data and analytics, and ultimately business processes all suffer as a result.

- Fragmented systems, data and processes, with silos built around multiple systems.
- EBS is supported by Oracle to 2030, but is no longer marketed. It is now a legacy system and in practice there is a now a risk of degradation of support levels and reduction in enhancement investment.
- Complex integrations make analytics difficult and costly
- The current systems constrain options for transformation of systems, data and processes.
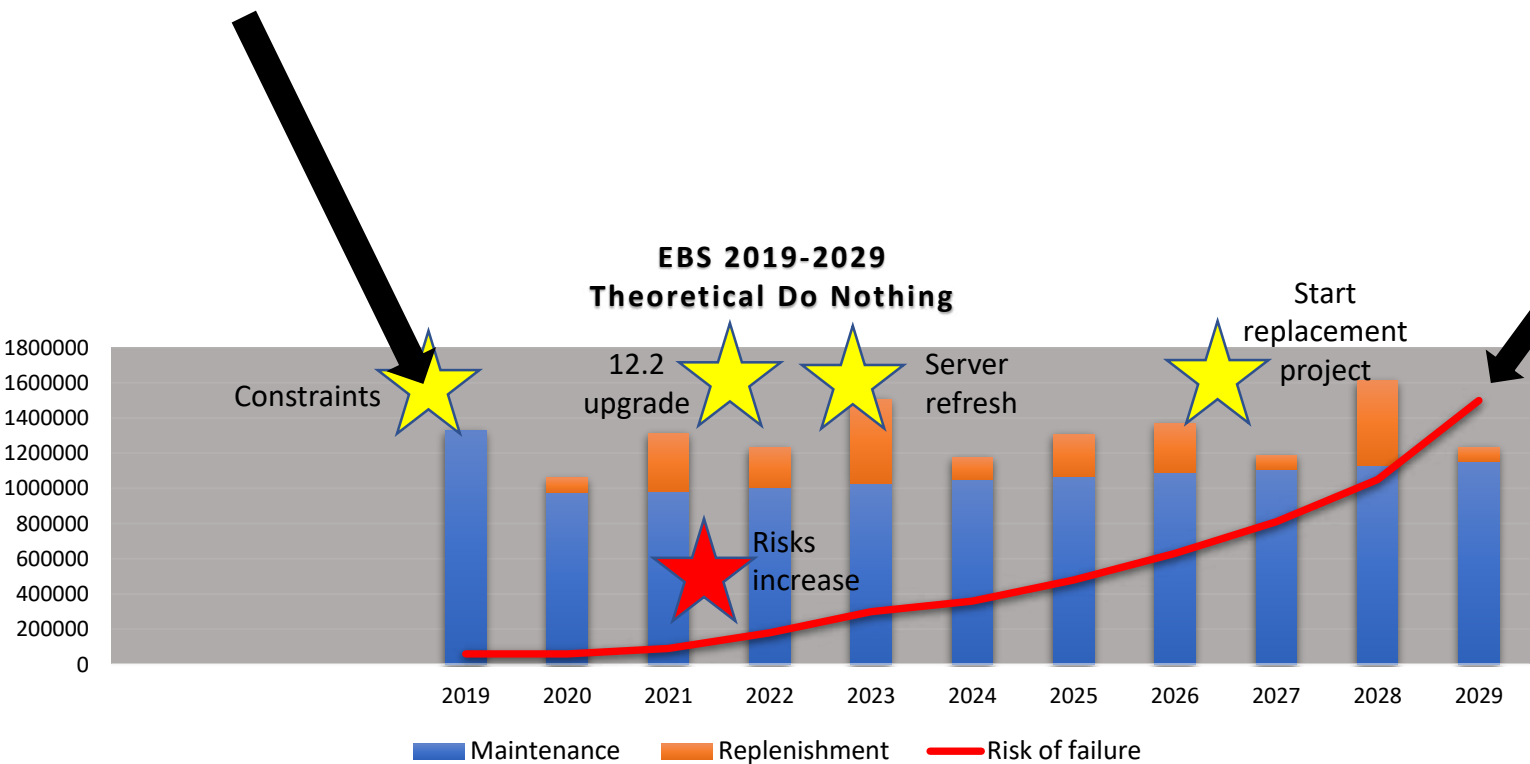
The risk curve is an unquantified indication of increasing risk of:
- delay or failure in systems
- reduced in-house and supplier expertise
- resultant business failures leading to reputational damage and costs

EBS 2019-2029 Theoretical Do Nothing

Constraints · 12.2 upgrade · Server refresh · Risks increase · Start replacement project

| 1800000 |
| 1600000 |
| 1400000 |
| 1200000 |
| 1000000 |
| 800000 |
| 600000 |
| 400000 |
| 200000 |
| 0 |

2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029

■ Maintenance   ■ Replenishment   — Risk of failure

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"ERP is not what it was 15 or even 10 years ago. Organizations are replacing large, inflexible ERP systems with more open and adaptable suites deployed in the cloud. ERP vendors are deploying new technologies such as artificial intelligence (AI) and machine learning (ML) to enhance their systems, changing some fundamental capabilities of ERP and how users interact with it."

Gartner "ERP Primer for 2019"

ERP

All roadmaps are underpinned by the revolution in data and analytics, the core ERP dataset and its integrations

AI

Automation – including AI and machine learning, is generally seen as the biggest factor in transforming working with ERP systems from transactional to decision support. This would require an 'adopt not adapt' approach.

Digitisation

Solutions are now built to be accessed any time, anywhere, any device supported by a cloud model. Citizen access is integral to all the solutions.

Blockchain

Integration technology likely to be built into ERP, initially streamlining supply chain management.

Postmodern ERP Strategies

AI · Strategy · Vendor Selection · Digitization · ERP · Blockchain · Value Realization · Execution · IoT · Conversational UX

ID: 327381 · © 2018 Gartner, Inc.

We have engaged with the leading suppliers to local authorities, as well as SocITM Advisory and Gartner research. All suppliers have these common themes in their roadmaps.

zellis   UNIT4   Microsoft

SAP   ORACLE   1

IoT

ERP solutions imbed and interact with real-time IoT data to support predictive analytics and workflow
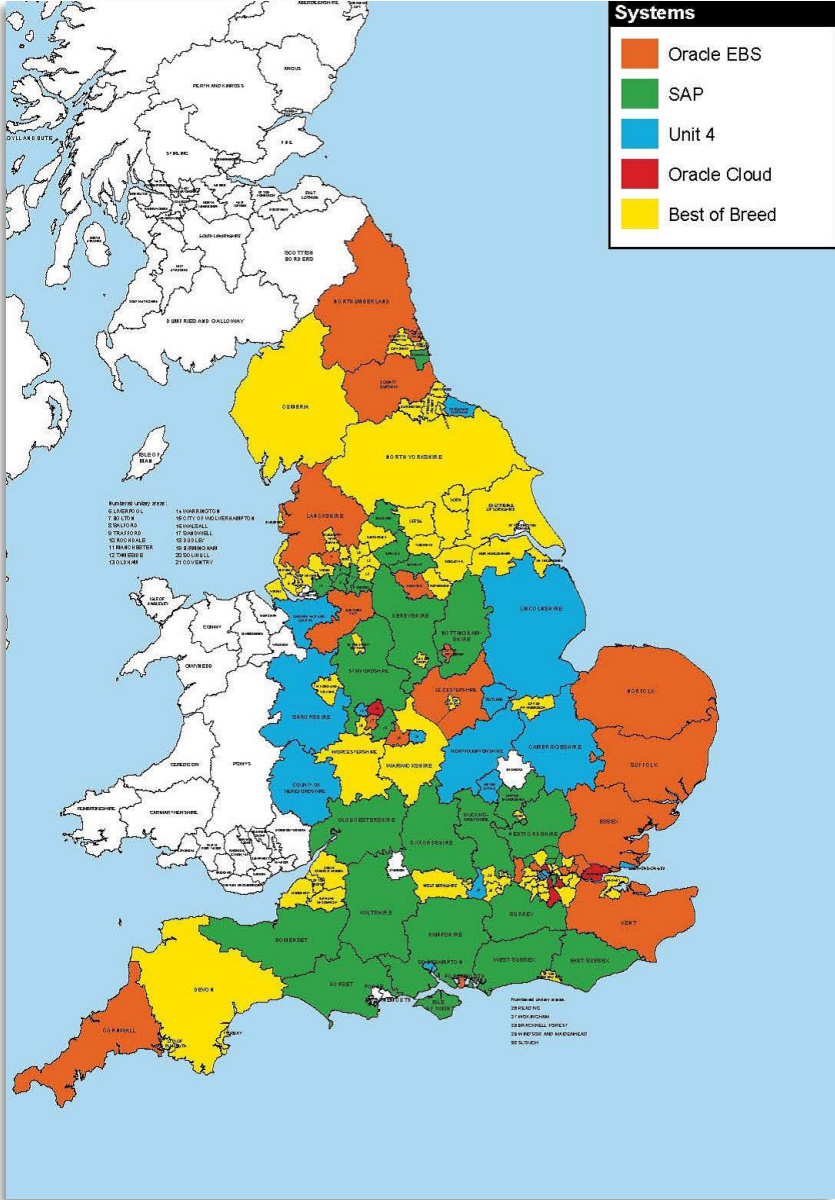
Conversational UX

Use of digital assistant/chatbots within the products is already common. Microsoft cut internal Finance support costs by 30% simply via chatbots

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There is some disruption in the local government market as the new cloud offerings have gained traction. Some customers are upgrading to cloud products, others procuring them. We believe that the market is competitive, which should be good for price.

HR & Finance implementations	Reviews in progress
• Lambeth • Camden • Walsall • Cheshire E/W • LGSS • South Norfolk • Shropshire • Leics & Nottingham • Worcestershire • Cornwall	• Suffolk • Essex • Birmingham

We have spoken with or visited most of these authorities. We have also discussed in detail with SocITM Advisory, whose experience encompasses these and other local authority ERP approaches. The map on this slide is SocITM Advisory's, 2018.

Example of extent of cloud product uptake from our incumbent (Oracle) in UK Local Government

• 3 local authority customers live
• 5-6 in deployment for go live by end 2019
• 1-2 in deployment for go live post-2019

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It will take 3-4 years to change

Oct 18– May 19 | Jul 19 – Mar 20 | Apr 20 – Sep 21 | Oct 21 – Sep 22

Discovery Phase
Approach + business case approved

Procurement Phase
Detailed requirements
Procurement of system & SI

Implementation Phase
System
Business Change
Go live

Change Optimisation Phase
Further Innovation
Benefits Realisation
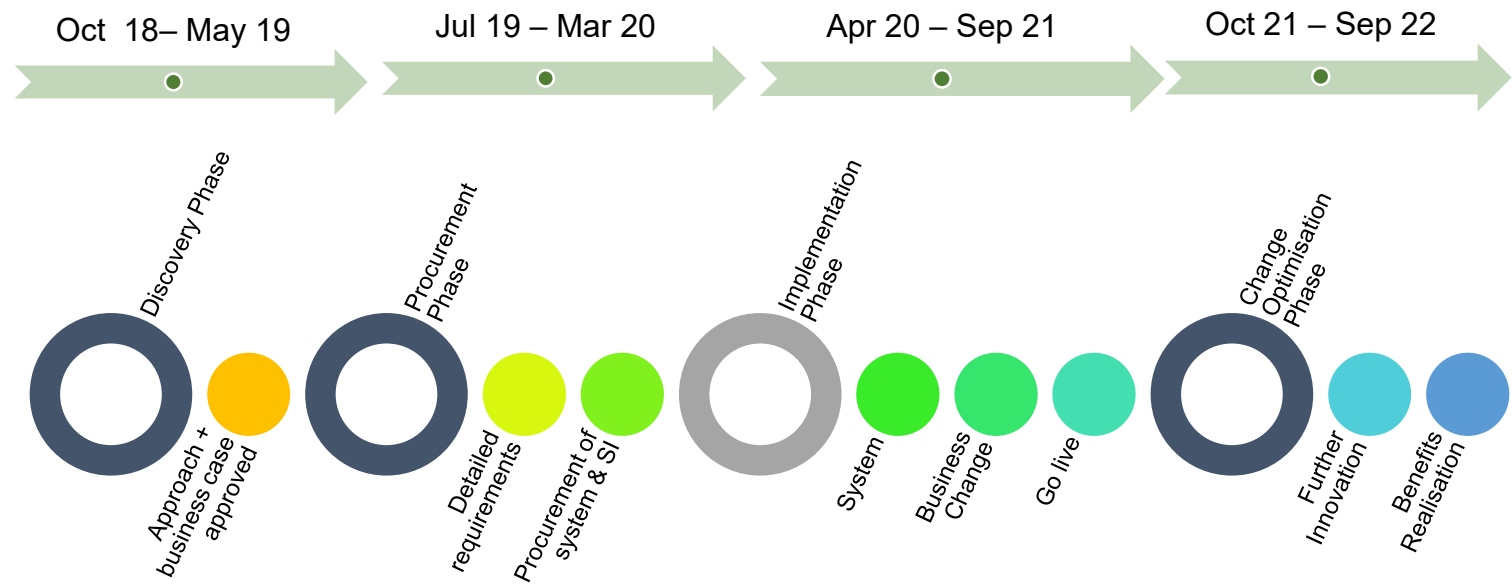
What if….we wait for 12 months?

✓ The products will mature and more evidence of the benefits will be available

x Benefits and savings will be delayed by 12 months

x Other programmes of work will be impacted (e.g. Smarter Working)

x The market will move on, and the pricing picture may be less favourable

x Significant EBS changes will be required

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Option appraisal

We have assessed the options available to us. This has been informed by a library of material built up from research, SocITM advice, supplier workshops, benefits workshops, business analysis and contact with other authorities. A more detailed evaluation follows this slide, covering comparative benefits, other factors and costs and savings.

OPTION	Do Nothing	1 Enhanced As is	2 ERP	3 Best of breed
Definition	Keep running with systems as we are now, with upgrades and replacements as components reach end of life, essential changes are required, or contracts end.	Maintain EBS and peripheral systems and invest in development to meet strategic requirements	Procure an integrated system for Finance and HR/Payroll, with a single database.	Procure two separate systems for Finance and HR/Payroll, and build the necessary integration.
Assessment				
Observations	Benefits not achieved. Must be replaced sooner or later.	Benefits difficult to achieve. Must be replaced sooner or later.	Consistent, integrated approach. Leverages technical innovations.	Feasible but adds complexity. Lose current integration of Finance & HR/Payroll. Some disjoin in data and processes.

There is a strong case for the ERP approach. We believe this is the only approach that can achieve NCC's strategic benefits.

Benefits comparison

OPTION	1 Enhanced As is	2 ERP	3 Best of breed	Rationale
Savings	1	5	4	Significant savings can be made if we maximise the Adopt not Adapt principle. ERP Supports best practice business process
Digitisation	3	5	4	Evidence of integrated AI, Chatbots & Machine Learning within ERP & the positive impact these would have on improved business process & therefore productivity.
Productivity	1	5	4	Evidence seen of improved functionality and intuitive processes within ERP systems that will deliver increased productivity for customers (internal and external) and back office users.
Analytics	3	4	3	Embedded analytics evidenced within ERP solutions, combining Finance & HR data. Evidence of predictive analytics also seen but not part of core functionality.
Workforce	2	4	3	Talent management, skills functionality readily available within core ERP systems however detailed approach has not been evidenced to date.
Flexibility	2	5	4	System supports innovative organisation structuring. Evidence seen of mobilising this functionality quickly within ERP.
Integration	2	5	4	Evidence that integration requirements with an ERP system will be minimal, mainly around line of business systems
Business process	3	5	4	ERP will support end to end processes. Evidence seen of automated escalation and prioritisation to enable a focus on key KPI's.
TOTAL	17	38	30	

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Other factors

Factor	1 Enhanced As is	2 ERP	3 Best of breed
Organisational change	RED	GREEN	GREEN
Consider change management, training & support model against ROI	More resources and effort required to make the organisational change required (e.g. enabling smarter working, transformation and savings). Adopt not Adapt = very challenging as easy for employees to do what they have always done	Supports Adopt not Adapt principles. Possible combined SI and business change. Inbuilt intelligent training functionality evidenced in 2 ERP's	Supports Adopt not Adapt principles. Single Business Integrator still required across 2 systems. Potentially require 2 SI's?
Core Functionality	AMBER	GREEN	GREEN
Consider statutory functionality, ability to deal with NCC's back office processes & standard modules for core processing	Additional resource & time to maintain current core processes & statutory requirements. Old technology out of step with modern requirements	Delivers core functionality & evidence of additional functionality to support gains across all benefit themes	Delivers core functionality
Timescale	AMBER	AMBER	RED
Time to implement	Recent experience of adding additional functionality to the legacy system has proved challenging & timescales will reflect complexity of changes	Reasonable time to procure & implement given size & scale of change	Implementation of 2 systems, 2 separate training requirements, additional procurement and integrations
Market	RED	GREEN	AMBER
Consider availability now & long-term sustainability	Support for current version will disappear, we will have to update to 12.2 & even after that will have to complete a full re-procurement. Peripheral will also need to be maintained, supported and licensed	The time is now. Expect price point to look good, new technology being delivered as core in a cloud platform	Limits and complicates choice. Possibly limits access to new technology opportunities.

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Cost & savings comparison

SUMMARY COSTS AND SAVINGS

10 YEAR FIGURES	Current	1 Enhanced As is	2 ERP	3 Best of breed
A. System Operating Costs	13,241,556	15,041,556	12,800,000	12,800,000
Saving in system costs		**-1,800,000**	**441,556**	**441,556**
B.Support Model Costs	15,171,906	15,171,906	15,171,906	15,171,906
Saving in support model		**0**	**0**	**0**
C. Business Process Costs	113,838,944	108,146,997	70,071,500	81,004,882
Savings in business process		**5,691,947**	**43,767,444**	**32,834,062**
D. Project Costs	0	7,037,954	13,244,594	14,796,918
E. Overall Savings		**-3,146,006**	**30,964,406**	**18,478,700**
F.Depreciation / System Replacement At some point in the 10 years, EBS Replacement is inevitable		13,244,594	0	0

These are the current summary numbers subject to change as we finalise the procurement phase.

How does this compare?

NCC Social Care System Replacement	£10.3m

Provenance of estimates

At this stage we have taken estimates from SocITM Advisory for system operating costs and third party implementation costs. We have chosen not to approach the market for indicative costs. The market costs will be obtained by the procurement process.
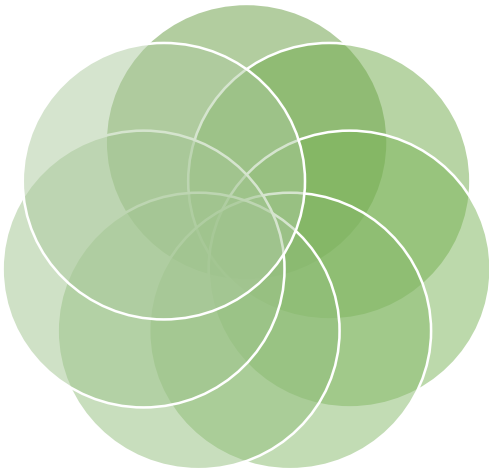
Recommended option - cost estimates

CAPITAL / REVENUE BREAKDOWN					
	2019-20	**2020-21**	**2021-22**	**2022-23**	**TOTAL**
Staff costs	1,105,942	1,724,769	1,299,597	820,766	4,951,074
Supplier costs	538,000	2,081,000	2,531,000	0	5,150,000
Capital totals without contingency	*1,643,942*	*3,805,769*	*3,830,597*	*820,766*	*10,101,074*
Capital contingency (year 1 10%, subsequent years 20%)	164,394	761,154	766,119	164,153	1,855,821
Advanced Analytics	0	250,000	250,000	250,000	750,000
Overall capital cost estimate	***1,808,336***	***4,566,923***	***4,596,717***	***984,920***	***12,706,895***
Staff costs (revenue)	66,150	0	0	0	66,150
Training (revenue)	0	0	343,723	43,723	387,445
Revenue totals without contingency	*66,150*	*0*	*343,723*	*43,723*	*453,595*
Revenue contingency (year 1 10%, subsequent years 20%)	6,615	0	68,745	8,745	84,104
Overall revenue cost estimate	***72,765***	***0***	***412,467***	***52,467***	***537,699***
OVERALL COST ESTIMATES	***1,881,101***	***4,566,923***	***5,009,184***	***1,037,387***	***13,244,594***

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Assessment of ERP approach benefits

Integration > to ensure that systems and data are integrated and that data and processes across systems are open and effective.

Savings > by reducing support costs and adapting our processes to a consistent, modern, user-friendly system with more automation and self-service.

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Best Practice/Business Process > To ensure most effective business process and data to carry out our core business and statutory functions, our residual employer responsibility including budget planning.

Analytics > to unlock the potential of the data with better analytics informing service improvement and demand management and connecting with advances in technology such as Internet of Things and Artificial Intelligence.

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Savings estimates

To establish potential savings attributable to Option 2 the Project Team carried out an extensive and detailed evaluation of a selection of Finance and HR business processes. In addition, research was undertaken on the impact of the implementation of an ERP system in other organisations. Evidence was drawn from the following:

- Deep Dive Business Analysis of Query Management, Financial Forecasting, Self Service, Employee Onboarding and Reporting & Analytics.
- Supplier Demonstrations with corporate and departmental representatives.
- Detailed benefits mapping.
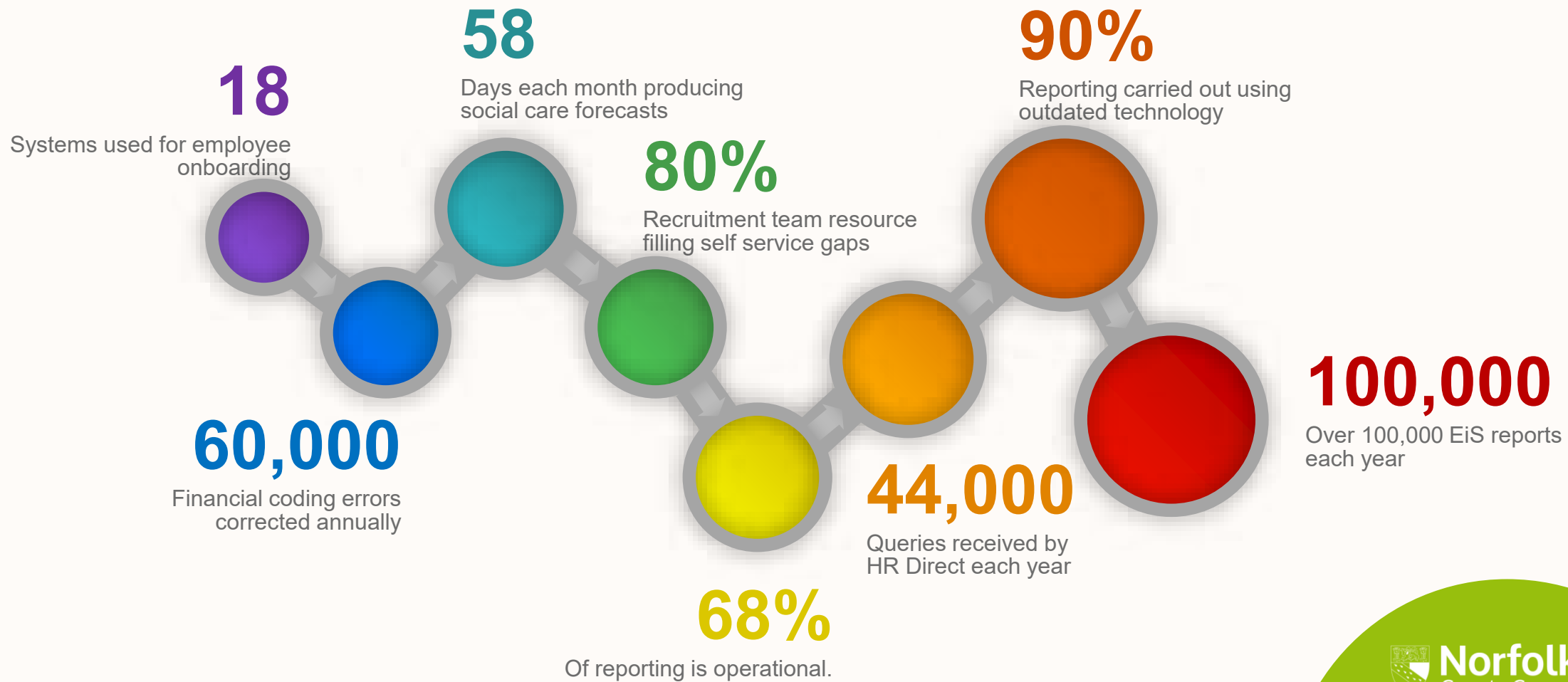- Industry Research evaluating the productivity savings of cloud ERP implementation.

Current estimates suggest that Option 2, ERP could attract savings in the range of £20m to £31m over 10 years, this saving has been profiled below. The higher end savings would be achieved by the Authority investing in and mobilising an enhanced approach to ERP Analytics

Projected Net Annual Savings 2022/23 to 2031/32
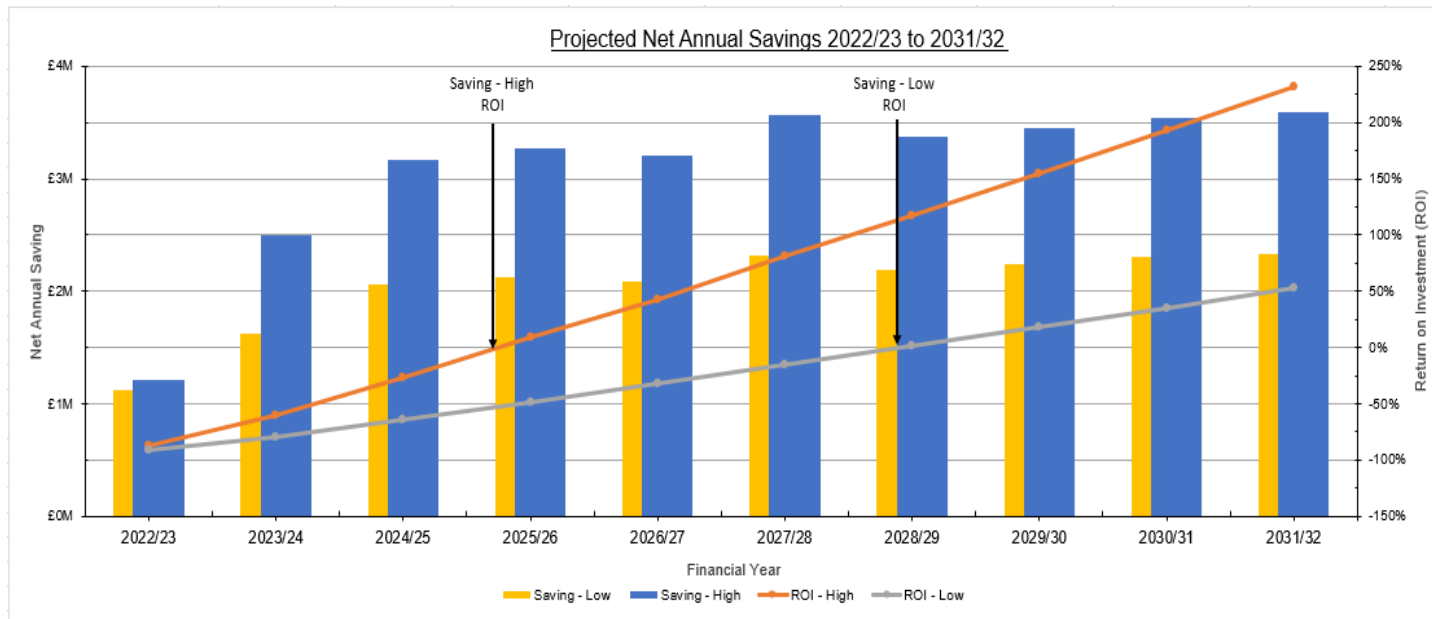
Return on Investment (ROI)
Based on the lower savings profile of net £20m over the 10-year projection, we are anticipating the return on the investment to accrue in 2028-29 (year 7). If the higher end savings are achieved it is possible that this could be brought forward to 2025-26 (year 4).

Deep Dive Analysis - Summary

Challenges we need to address

Disparate Systems & Processes

Confidence in Data, Quality and Consistency

Inadequate Reporting & Forecasting Tools

Access to Information & Data visibility

Business Intelligence

Significant Manual Processing

Lack of Insight & Measurement (KPI's)

Lack of Intuitive & Useable Systems

Customer/User Appetite

Departmental Barriers & Ownership

Transformations we need to make

Reduced Manual Intervention & Processing

Single or Integrated Data Sources

Access to Real Time Information

Improved Visibility and Distribution

Automated Workflow

Broader Self-Service

Consistency of Process & Data

Enabling Customers & Users

Automated Intelligence

Improved Data Modelling & Visualisation

Savings these changes can achieve

Time and Resource

Empowering Customers & Users

Enabling Intelligent Decisions

Confidence in Data, Analytics & Forecasts

Streamlining of Processes

Increased Productivity & Analytical Time

Improved Personalisation

Improved Talent Pool

Prevention

Predictive not Reactive

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Deep Dive Analysis – Key Points

18

Systems used for employee onboarding

60,000

Financial coding errors corrected annually

58

Days each month producing social care forecasts

80%

Recruitment team resource filling self service gaps

68%

Of reporting is operational.

44,000

Queries received by HR Direct each year

90%

Reporting carried out using outdated technology

100,000

Over 100,000 EiS reports each year

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Social Care Financial Forecasting Process (Current)

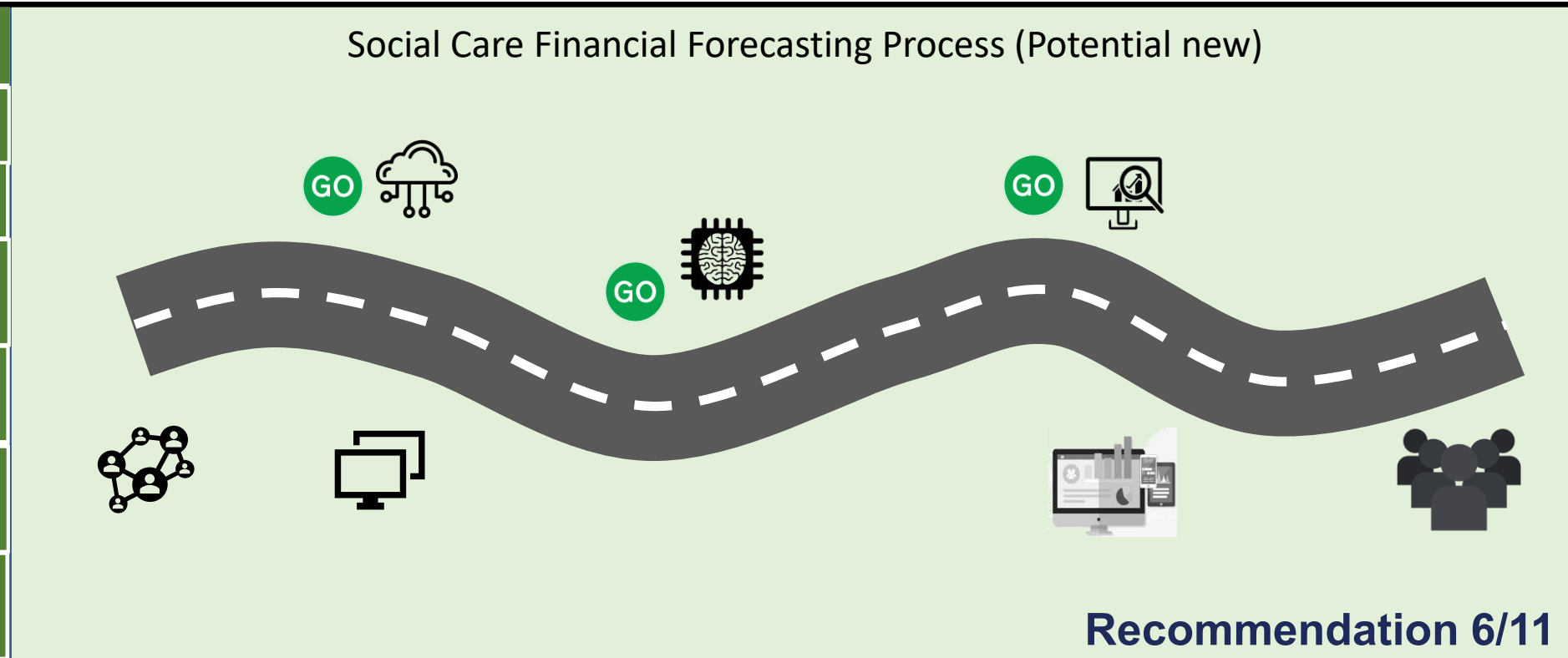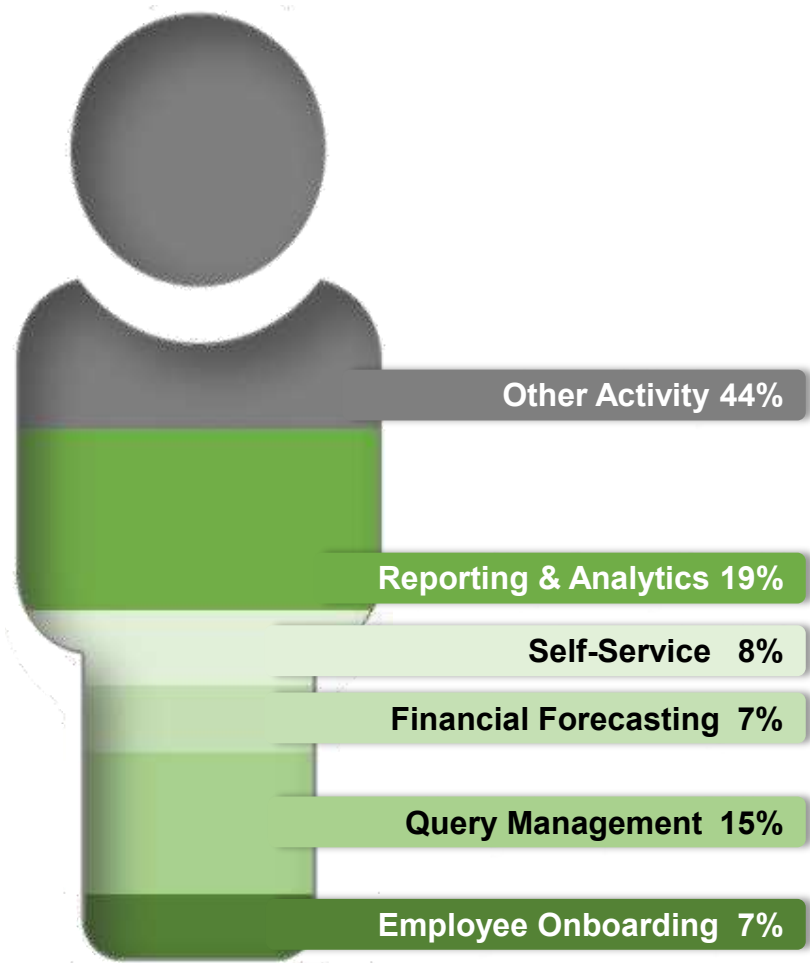|	
🖥️	Data manually extracted from disparate systems.
⚛️	Business areas and leads supplement the data extracted.
📊	Reporting outputs produced in various formats manually.
👥	The reporting outputs & data issued manually to various audiences.
⚠️	• Manipulation of source data. • Disparate ownership of data. • Investigation of data gaps. • Manual adjustments. • Manual trend analysis. • Capture of data from non system sources, i.e. excel.

Social Care Financial Forecasting Process (Potential new)
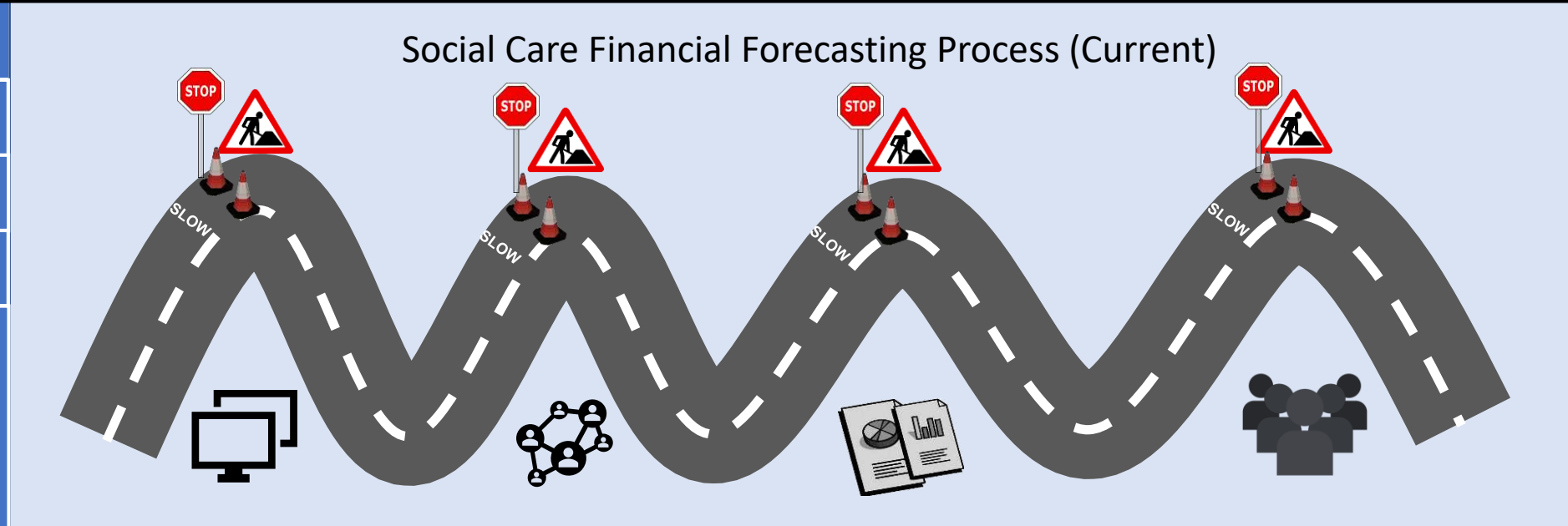
⚛️	Data captured by business areas & leads in source systems.
🖥️	Source system data linked to the data warehouse.
☁️	Automated collation & validation by the data warehouse.
🔲	Data combined, analysed and forecasts provided using AI & machine learning.
🖥️	Value added manual tasks to refine methodology, purpose & uses of data.
📊	Improved reporting outputs, available in tailorable dashboard form, with drilldown capability.
👥	Providing consistent formats that improve the visibility and interpretation of data.

Recommendation 6/11

Replacement of EBS functionality

- GL
- AP
- AR
- iProc
- HR
- Payroll / including schools & externals

Replacement of peripheral systems

- All current Finance and Procurement systems
- All HR and Payroll systems

Additional functionality

- Major change management
- More advanced dashboards & reporting
- Machine learning
- AI
- Chatbot
- Self Service
- System user flexibility
- Advanced Analytics
- Schools Finance
- Schools HR

Future functionality

- Internet of things (IoT)
- Predictive analytics
- Skills optimisation
- Targeted benefits realisation

Outside the scope

- Property Asset management
- CRM

Implementation

Change optimisation

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	Procurement	Accounts Payable	Accounts Receivable	GL	Banking & Treasury	Analytics	HR		Payroll	Pensions	Educator Solutions	Fire	Other
In Scope Core Functionality		Fiscal	Solchar	Budget Manager	Non-Op	EIS/Splash	QAS/Experian	OSHENS	APEX		SpiritCRM		
		IMS	AIM				Sailpoint	Learning Hub	Online Payslips		Workspace		
							HR Self Service	Org Plus			HR InfoSpace		
							ATS	RMS			Vacancy Filler		
							Hot Docs				Imprest/STAR Accounts		
	Oracle EBS (AP/AR/GL/iProc/HR/Payroll)												
In Scope Integrations		OCC Provider Portal	Routewise		HMRC Online	Power BI	PeopleNet			Altair			SMIS
		Spydus	Global Iris			GRID	Active Directory						Tribal (Synergy)
		ContrOCC/LAS/SSRS	CRM				Atlantic						Address Base
			Barclays.net										recreateX
			Bottomline										Assyst
													Mayrise
Out of Scope/Not Yet Decided	InTend		BACS Portal		DELTA		Fit for Work					Ohio	Firmstep
					Asset Manager		Avaya CMS					Firewatch	QUBE
							Ohio					Repel	Connect2
							Validium						Sitecore
							IPRS						NCC Menu
							GRI						eBrokerage

First draft of systems scope, to be refined and finalised in Statement of Requirements work.

**1.
Adopt
not Adapt**

This means that we will have to change and standardise our processes to make best use of the solution, resulting in efficiency, consistency, better data and optimal use of business intelligence and analytics capabilities.

Our benefits cannot be realised without the organisational support and change management (cultural and behavioural) to 'Adopt not Adapt.'

**2.
Organisational
Redesign**

Any organisation structure redesign arising from more efficient business processes is out of scope of this project. The potential savings which would be generated have been included in the business case.

**3.
Business
Readiness**

Business readiness is key. This includes the cultural change being led by Smarter Working and the time commitment from the organisation to support and deliver this project.

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Hosting & supplier track record

4. Hosting

All suppliers will offer Software as a Service (cloud subscription). This should be our default requirement.

This will be the platform to leverage automation software.

All data hosted in the ERP cloud solution will be available for us to access and to use in any reporting or analysis that we need. By hosting data in the cloud there will be no loss of reporting or analytical functionality when compared to hosting on site.

5. Supplier track record

In the procurement process we will check the track record of suppliers and solutions, and will verify that the solution is in use and successful at other local authorities with similar Finance, Procurement, HR and Payroll business requirements to NCC.
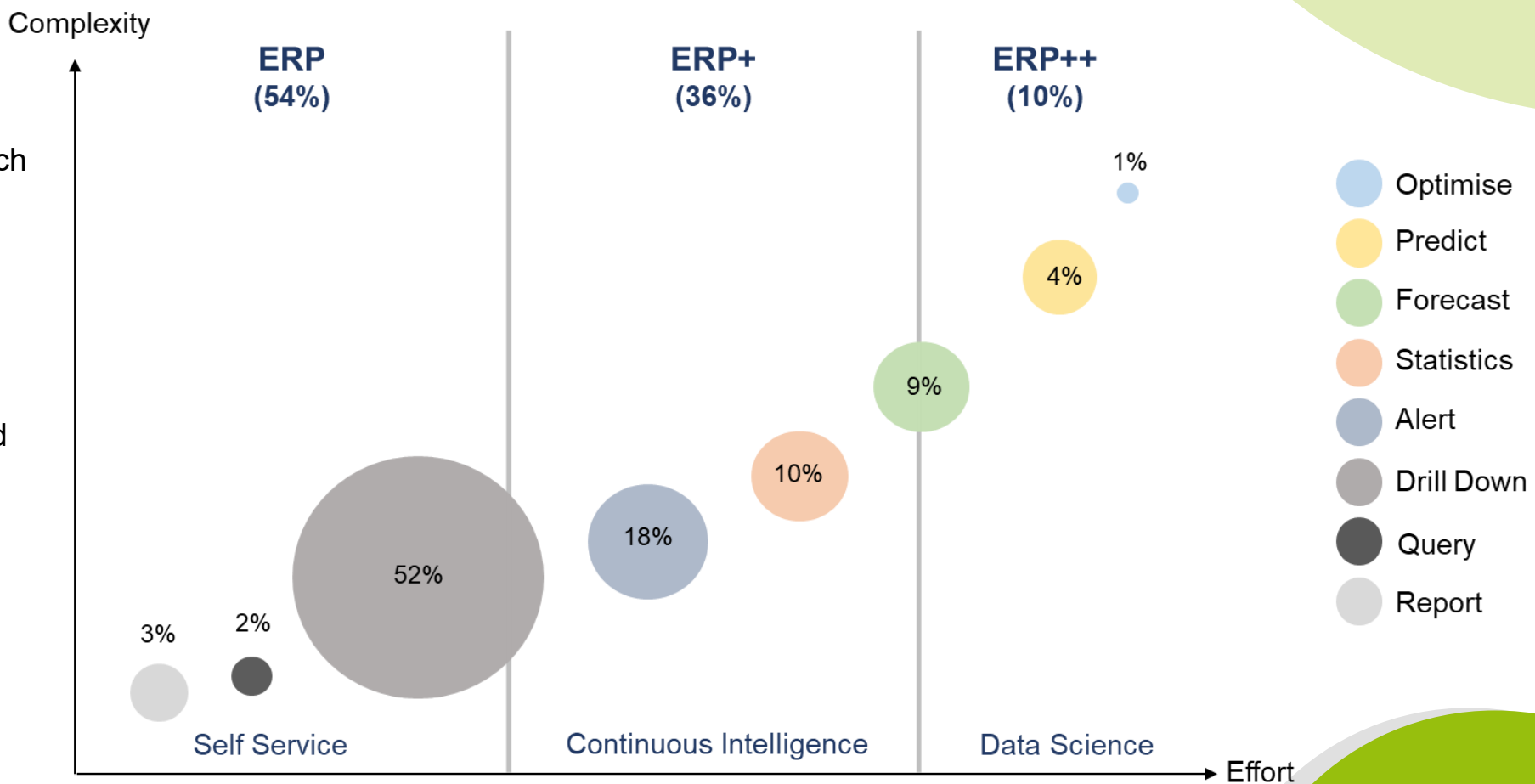
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Assuming an 'Adopt not Adapt' approach, it is envisaged that the majority of the business intelligence(BI) and analytics (BA) requirements will be met within the ERP solution using standard reports, workflows & dashboards and inbuilt reporting tools. However there are some concerns about the capability to achieve the ERP+ analytics without additional advanced analytics tools. This will be confirmed only in the detailed requirements and procurement process.
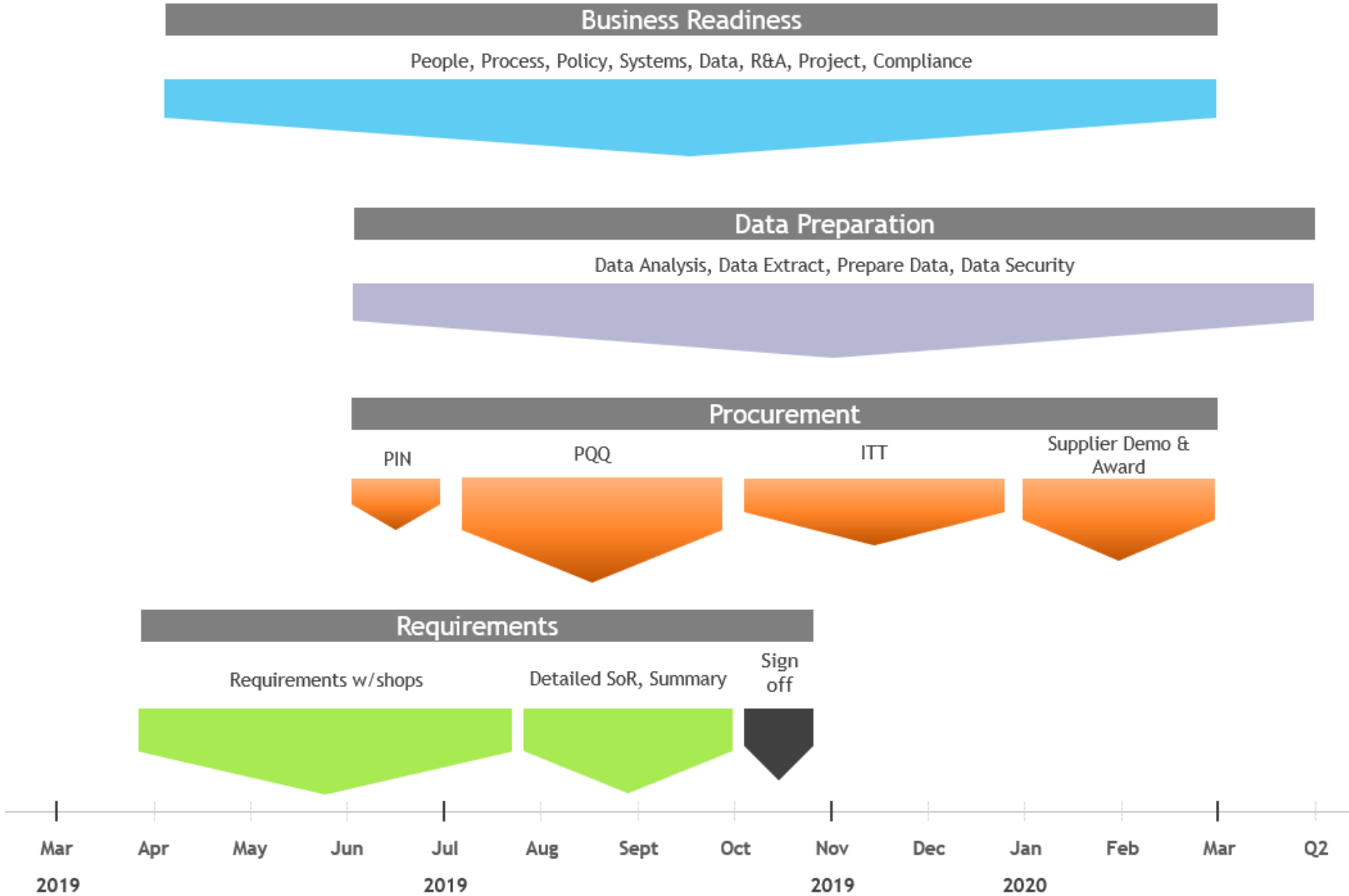
ERP

Out of Box reporting
No NCC intervention required
Assumes Adopt not Adapt approach
Automated / Workflow
Self Service reporting

ERP+

ERP supplemented with small amount of external data
Minimal NCC intervention required
Self Service
Performance dashboards

ERP++

External data supplemented with ERP
Intelligent analytics
NCC intervention required
Predictive analysis

Complexity

| ERP (54%) | ERP+ (36%) | ERP++ (10%) |

Self Service | Continuous Intelligence | Data Science

Effort

Legend:
- Optimise
- Predict
- Forecast
- Statistics
- Alert
- Drill Down
- Query
- Report

Values shown: 1%, 4%, 9%, 10%, 18%, 52%, 3%, 2%

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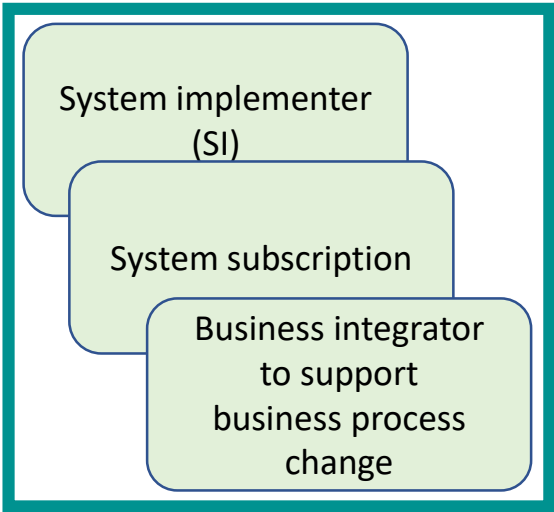| Phase	Start	Finish	2018		2019				2020				2021				2022		
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Discovery Phase	01/10/2018	31/05/2019																	
Discovery	01/10/2018	31/05/2019																	
Business Readiness & Procurement Phase	01/04/2019	31/03/2020																	
Statement of Requirements	01/04/2019	30/08/2019																	
Procurement Process	01/05/2019	31/03/2020																	
Business Readiness	01/05/2019	31/03/2020																	
Data Preparation	01/05/2019	31/03/2020																	
Implementation Phase	01/04/2020	30/09/2021																	
Design	01/04/2020	01/10/2020																	
Implementation	01/10/2020	30/09/2021																	
Data Migration	01/04/2020	30/09/2021																	
Business Change	01/04/2020	30/09/2021																	
Optimisation Phase	01/10/2021	30/09/2022																	
Change Optimisation Phase	01/10/2021	30/09/2022																	

	Route	Narrative
1	CCS framework – RM3821	Available 22nd Feb 2019, 7 year limit
2	G-Cloud	Not appropriate, 4 year limit, catalogue focus
3	Open process	Small number of bids likely, clear requirements
4	Restricted process, negotiated route	Clear requirements, longer process including pre-qualification questionnaire, allows for some negotiation
5	Dialogue process	Allows refinement of requirements and bids, longer process

We propose either a two-stage procurement:

System implementer (SI)

System subscription

Business integrator to support business process change
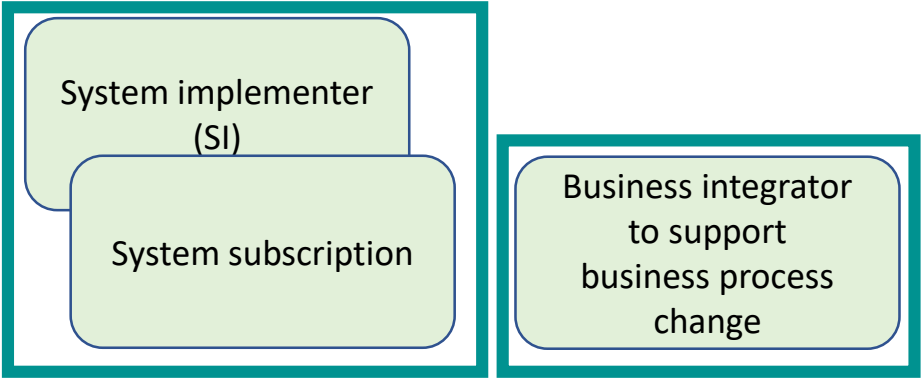
+ Specialist skills
- Additional third party to deal with

Or a single procurement:

System implementer (SI)

System subscription

Business integrator to support business process change

+ One supplier to deal with
- May limit the market

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System change control approach

	Procurement	Accounts Payable	Accounts Receivable	GL	Banking & Treasury	Analytics	HR		Payroll	Pensions	Educator Solutions	Fire	Other
In Scope Core Functionality		Fiscal; IMS	Solchar; AIM	Budget Manager	Non-Op	EIS/Splash	QAS/Experian; Sailpoint; HR Self Service; ATS; Hot Docs	OSHENS; Learning Hub; Org Plus; RMS	APEX; Online Payslips		SpiritCRM; Workspace; HR InfoSpace; Vacancy Filler; Imprest/STAR Accounts		
						Oracle EBS (AP/AR/GL/iProc/HR/Payroll)							
In Scope Integrations		OCC Provider Portal; Spydus; ContrOCC/LAS/SSRS	Routewise; Global Iris; CRM; Barclays.net; Bottomline		HMRC Online	Power BI; GRID	PeopleNet; Active Directory; Atlantic			Altair			SMIS; Tribal (Synergy); Address Base; recreateX; Assyst; Mayrise
Out of Scope/Not Yet Decided	InTend		BACS Portal		DELTA; Asset Manager		Fit for Work; Avaya CMS; Ohio; Validium; IPRS; GRI					Ohio; Firewatch; Repel	Firmstep; QUBE; Connect2; Sitecore; NCC Menu; eBrokerage

Rationale:

In order to succeed with this project we will have to prepare to focus absolutely on:

- Business change preparation
- Data analysis and preparation
- Requirements definition
- Business process review
- The procurement process

Any system change needs to be assessed for its impact on key resources and knock-on effect on the project.

Proposal:

For all systems in scope of this project, Programme Board must approve:

- Any proposed tenders to replace systems
- Any significant upgrades or change projects
- Any new procurements
- Any new integration, interface or reporting requests

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