COUNTY OF ORANGE, AUDITOR CONTROLLER

ERP (CAPS+) ANALYSIS

PROJECT KICKOFF MEETING

FEBRUARY 16, 2022

Intueor

KPMG

1	**INTRODUCTIONS**
2	**PROJECT OBJECTIVES, AND SCOPE**
3	**PROJECT APPROACH OVERVIEW**
4	**DETAILED ACTIVITIES, AND SCHEDULE**
5	**KPMG POWERED ENTERPRISE (KPE)**
6	**BUSINESS PROCESS AREA – WORKING SESSIONS**
7	**KEY STAKEHOLDER INVOLVEMENT**
8	**QUESTIONS & DISCUSSION**

LAURENCE MCCABE

DIRECTOR OF INFORMATION TECHNOLOGY

AUDITOR-CONTROLLER'S OFFICE

RAVI NANDIVADA

PRINCIPAL-IN-CHARGE

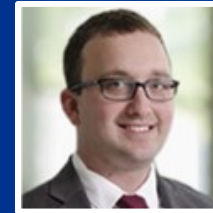**SREENI MALIREDDY**

PROCUREMENT STRATEGY, QA ADVISOR

BINDIYA KHURANA

ERP & HCM ADVISOR

TONY HERNANDEZ

ERP / FINANCIAL SYSTEM ADVISOR

ERIC SCHANZ

PROJECT MANAGER

MATT NIXON

PROJECT MANAGER*

ANDY WAKEFIELD

MARKET ASSESSMENT / OPTIONS ANALYSIS

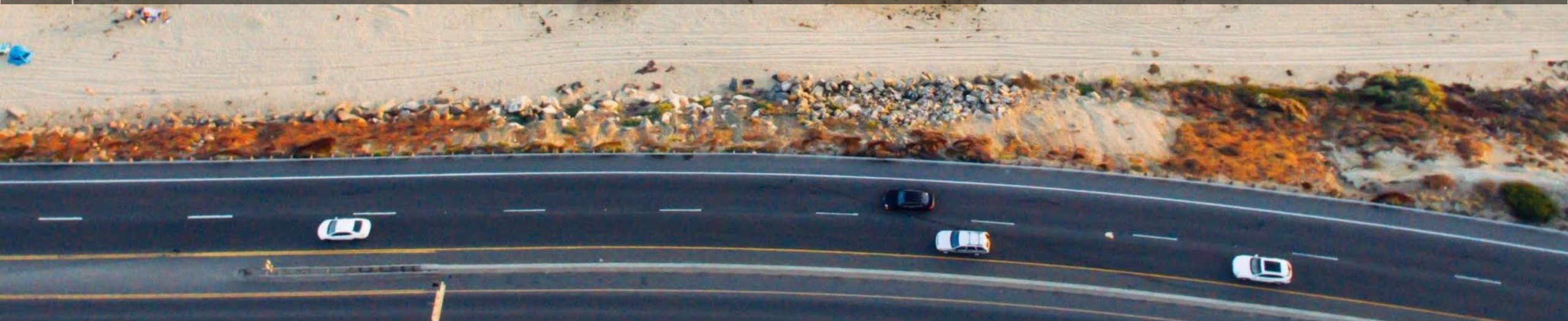**REBECCA BELL**

STAFF – SPECIALIST

STEVE RUPP

ERP CONSULTANT

*Matt Nixon is currently out of office on paternity leave until 3/1/22

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Project Objectives & Scope

Strategic Objectives for ERP (CAPS+) Analysis:

- ERP must **meet and/or exceed** County's **operational and service delivery requirements – under a federated (centralized and satellite) operating model**.

- **Modernize aging technology systems** for ease of use by **800+ core users and 18,000+ employees.**

- **Align** County's operations **with industry leading** business practices.

- Assess future-state options that align with a goal of **fiscal stabilization.**

- Stay up-to-date and **compliant with changing regulations and labor union agreements** impacting payroll processing.

- Improve **citizen experience** through interactions with local government.

- Secure most **vital assets – community and employees** and their personal information.

- Assure complete **transparency** and **accountability** to highlight the success of local government.

Improving user and employee experience

Technology modernization

IT security

Transparency and accountability

Fiscal stabilization

Changing regulations and MoUs

Effective and efficient reporting

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Perform a detailed independent assessment of the County's current CAPS+ system's ability to meet its growing functional and technical needs while assuring alignment with current industry best practices and capabilities in managing critical Finance and HR business processes.

To complete this work the team will analyze the following business areas to understand current capabilities and any potential gaps that may exist within the CAPS+ system:

FINANCE	HR/PAYROLL
• Plan to Perform • Quote to Cash • Project to Result • Source to Pay • Acquire to Retire • Transact to Record • Record to Report	• Talent Acquisition & Worker Onboarding • Learning & Talent Enablement • Total Rewards • Workforce Administration • Payroll • Time Management • Workforce Administration

Reporting and Business Intelligence

Cybersecurity

Technical Architecture

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- Auditor-Controller

- County Executive Office/Budget

- County Executive Office/Human Resources Services

- County Procurement Office

- District Attorney

- Health Care Agency

- OC Community Resources

- OC Public Works

- Public Defender

- Sheriff-Coroner

- Social Services Agency

- Treasurer-Tax Collector
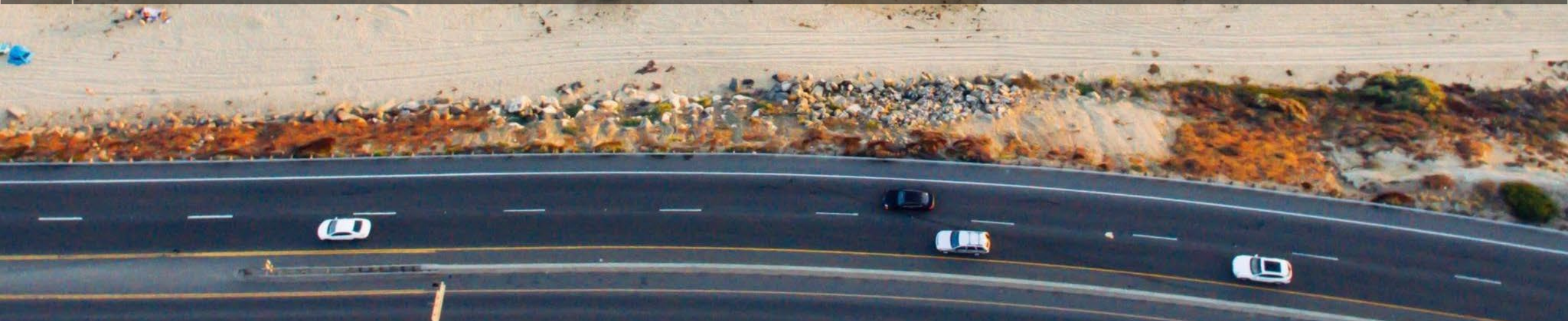
In-Scope County systems

- Countywide Accounting and Personnel Systems (CAPS+)
- Financial and Purchasing Data Warehouse
- Payroll Data Warehouse
- Treasurer-Tax Collector FAS
- Treasurer-Tax Collector Quantum
- Treasurer-Tax Collector Collections

In-scope systems for existing and potential integration/interface

- HRIS Data Analytics
- Project Information Management System
- CMMS Implementation *(in progress)*
- OC TIME
- OnBase (Document Management System)
- Access Request Application (ARA)
- MIM (Identity Management System)
- AiM
- Eureka
- OC Expediter
- Employee Portal / Employee Self Service
- Benefits
- HARP / OC Profile
- Worker Compensation
- Mileage Claim
- Orange County Employees Retirement System (OCERS)
- Inventory Control / Asset Management
- Wells Fargo
- Employee Unions
- Hire Tech
- Talx / Equifax

Project Approach Overview

The project approach follows the completion of three distinct tasks to achieve the County's objectives.

Task 1: Project Startup, Management, and Organizational Change Readiness

- Project Kickoff Meeting
- Communication Plan and Status Reporting
- Deliverable Development
- Organizational Change Readiness
- Deliverable Quality Management

Task 2: Needs Assessment, Requirements Definition and Improvements

- Discovery and Requirements Gathering
- Requirements Elicitation
- Requirements Analysis
- Requirements Definition
- Requirements Validation
- Technology Fit / Gap Analysis
- Recommendations for Improvement

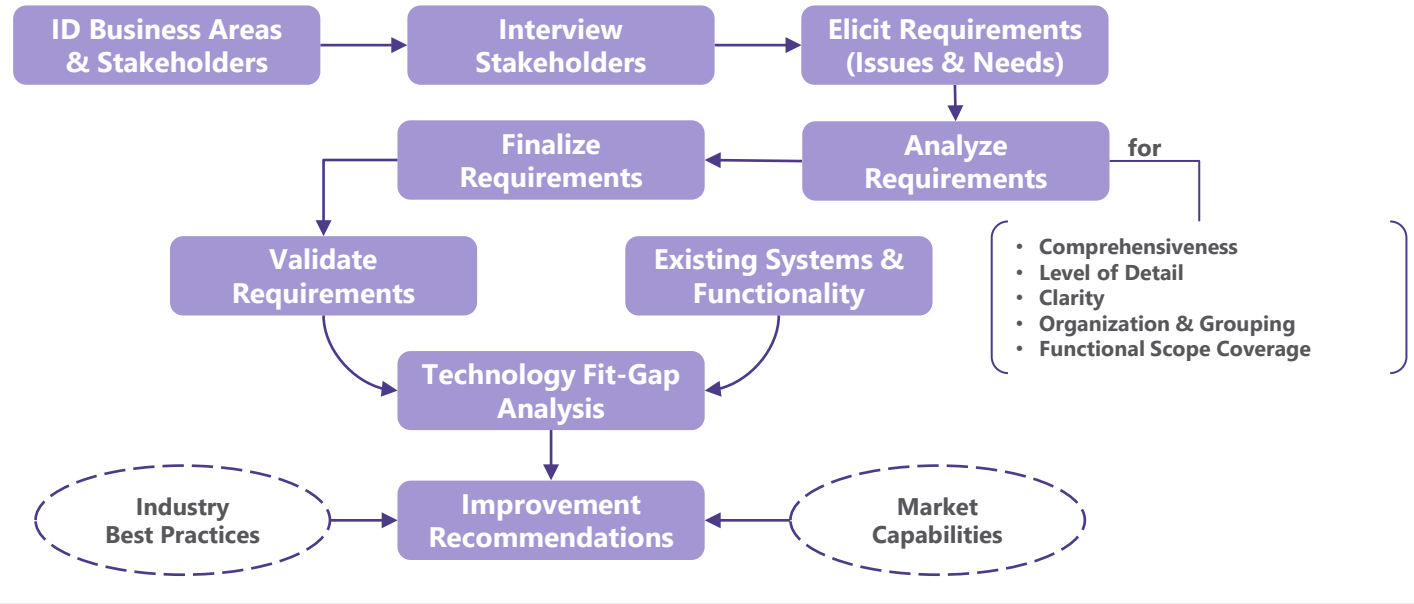**Task 3: Enterprise Application Alternatives Assessment and Business Case**

- Target Enterprise Application Workshops
- Enterprise Application Market Assessment
- Implementation Roadmap and Business Case
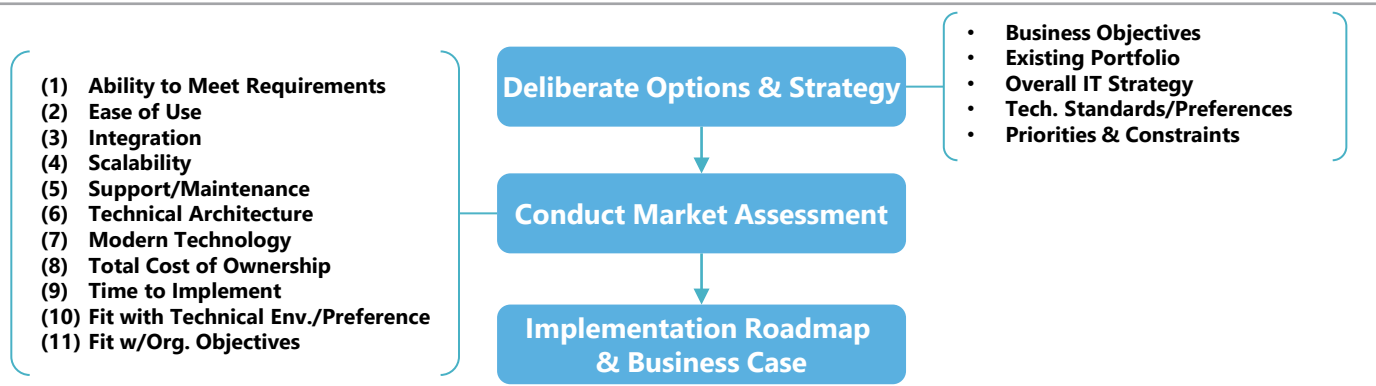- Enterprise Application Selection Presentation

TASK 1 – PROGRAM MANAGEMENT, GOVERNANCE & ORGANIZATIONAL CHANGE READINESS

PM Standards	Risk Management
Communications	Deliverables Quality Control
Status Tracking	OCM/Readiness Assessment

TASK 2 – ERP NEEDS ASSESSMENT, REQUIREMENTS & TARGET MODEL DEFINITION

ID Business Areas & Stakeholders → Interview Stakeholders → Elicit Requirements (Issues & Needs)

Finalize Requirements ← Analyze Requirements

for
- Comprehensiveness
- Level of Detail
- Clarity
- Organization & Grouping
- Functional Scope Coverage

Validate Requirements

Existing Systems & Functionality

Technology Fit-Gap Analysis

Industry Best Practices → Improvement Recommendations ← Market Capabilities

TASK 3 – ERP Application Alternatives Assessment & Business Casing

(1) Ability to Meet Requirements
(2) Ease of Use
(3) Integration
(4) Scalability
(5) Support/Maintenance
(6) Technical Architecture
(7) Modern Technology
(8) Total Cost of Ownership
(9) Time to Implement
(10) Fit with Technical Env./Preference
(11) Fit w/Org. Objectives

Deliberate Options & Strategy

- Business Objectives
- Existing Portfolio
- Overall IT Strategy
- Tech. Standards/Preferences
- Priorities & Constraints

Conduct Market Assessment

Implementation Roadmap & Business Case

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Detailed Activities and Schedule

TASK 1 – PROGRAM MANAGEMENT, GOVERNANCE & ORGANIZATIONAL CHANGE READINESS

PM Standards ⭐

Risk Management ⭐

Communications ⭐

Deliverables Quality Control ⭐

Status Tracking ⭐

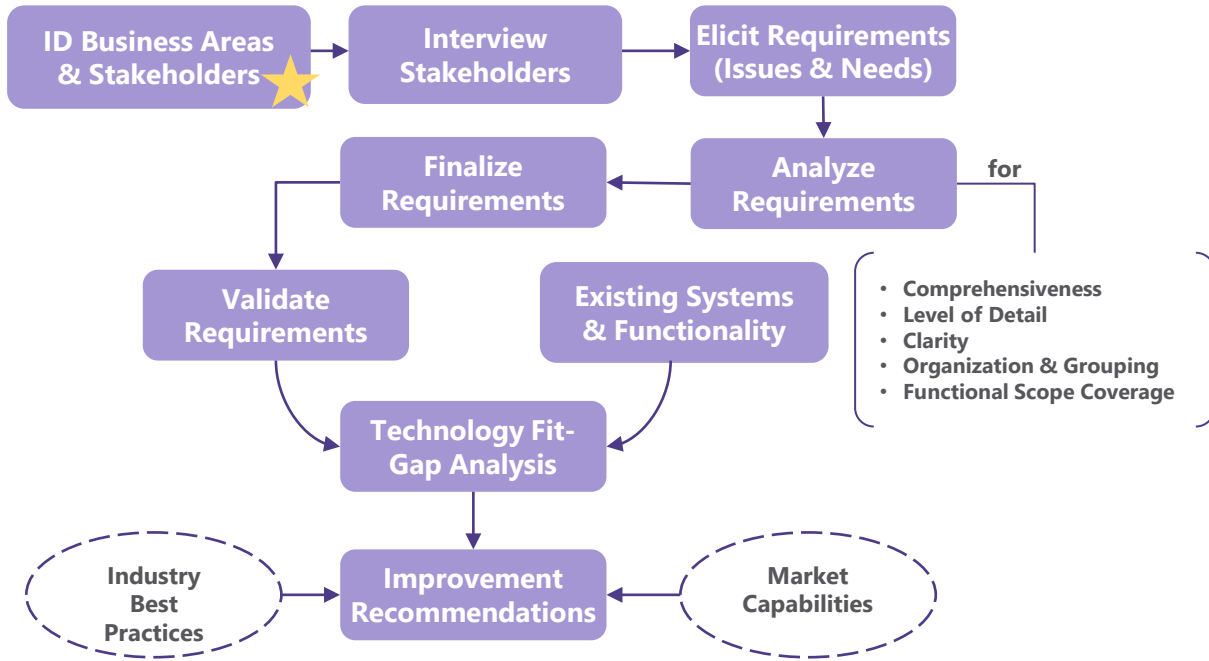OCM/Readiness Assessment

⭐ Completed activities to date

Task 1 Activities

- **Project Management Plan**

- **OCM / Readiness Assessment**

- **Status Tracking**

  – Weekly status reporting on Intueor activities

TASK 2 – ERP NEEDS ASSESSMENT, REQUIREMENTS & TARGET MODEL DEFINITION

Flow diagram:

- ID Business Areas & Stakeholders ⭐ → Interview Stakeholders → Elicit Requirements (Issues & Needs) → Analyze Requirements for:
  - Comprehensiveness
  - Level of Detail
  - Clarity
  - Organization & Grouping
  - Functional Scope Coverage
- Analyze Requirements → Finalize Requirements → Validate Requirements → Technology Fit-Gap Analysis
- Existing Systems & Functionality → Technology Fit-Gap Analysis
- Technology Fit-Gap Analysis → Improvement Recommendations
- Industry Best Practices → Improvement Recommendations ← Market Capabilities

⭐ Completed activities to date

Task 2 Activities
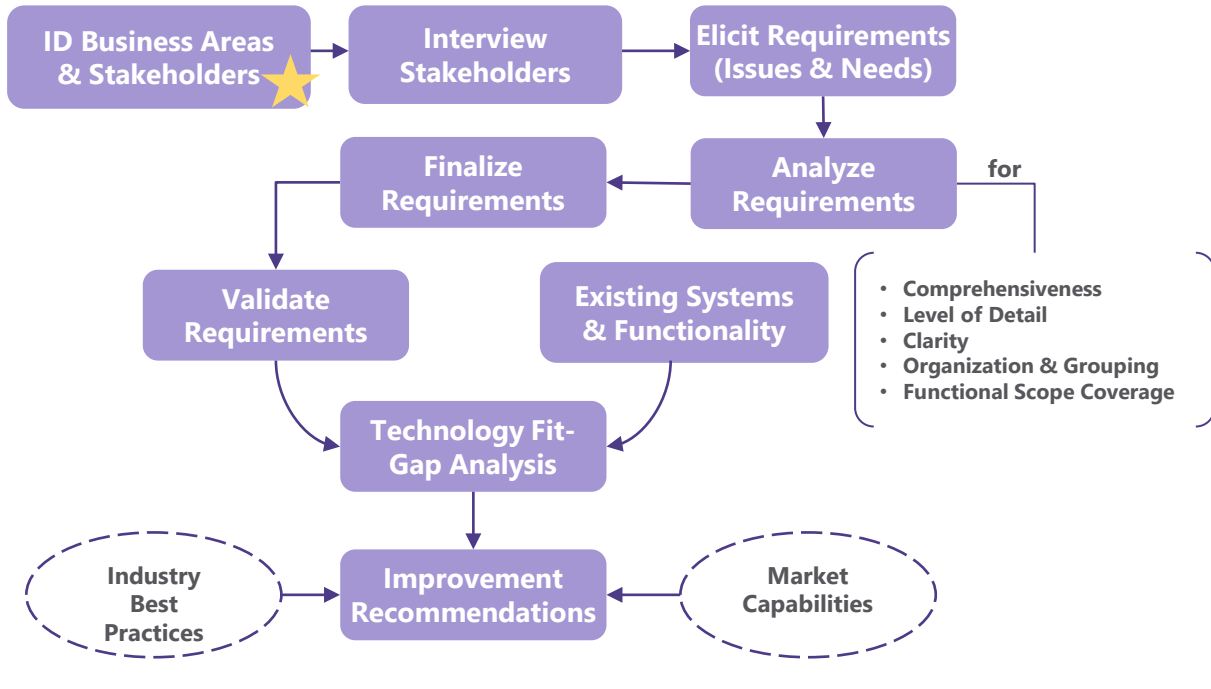
- **ID Business Areas & Stakeholders**
  - County provided business SMEs grouped by business area
  - Review existing County finance and HR processes to identify potential gaps
  - Existing documents will be reviewed using industry best practices (KPMG Powered Enterprise)

- **Interview Stakeholders**
  - Review potential gaps identified during Intueor process review
  - Discuss County's issues with current system
  - Identify County's needs for future system

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TASK 2 – ERP NEEDS ASSESSMENT, REQUIREMENTS & TARGET MODEL DEFINITION

```
ID Business Areas & Stakeholders ★ → Interview Stakeholders → Elicit Requirements (Issues & Needs)
                                                                        ↓
Finalize Requirements ← Analyze Requirements   for
        ↓
Validate Requirements    Existing Systems & Functionality
        ↓                        ↓
        → Technology Fit-Gap Analysis ←
                        ↓
(Industry Best Practices) → Improvement Recommendations ← (Market Capabilities)
```

for:
- Comprehensiveness
- Level of Detail
- Clarity
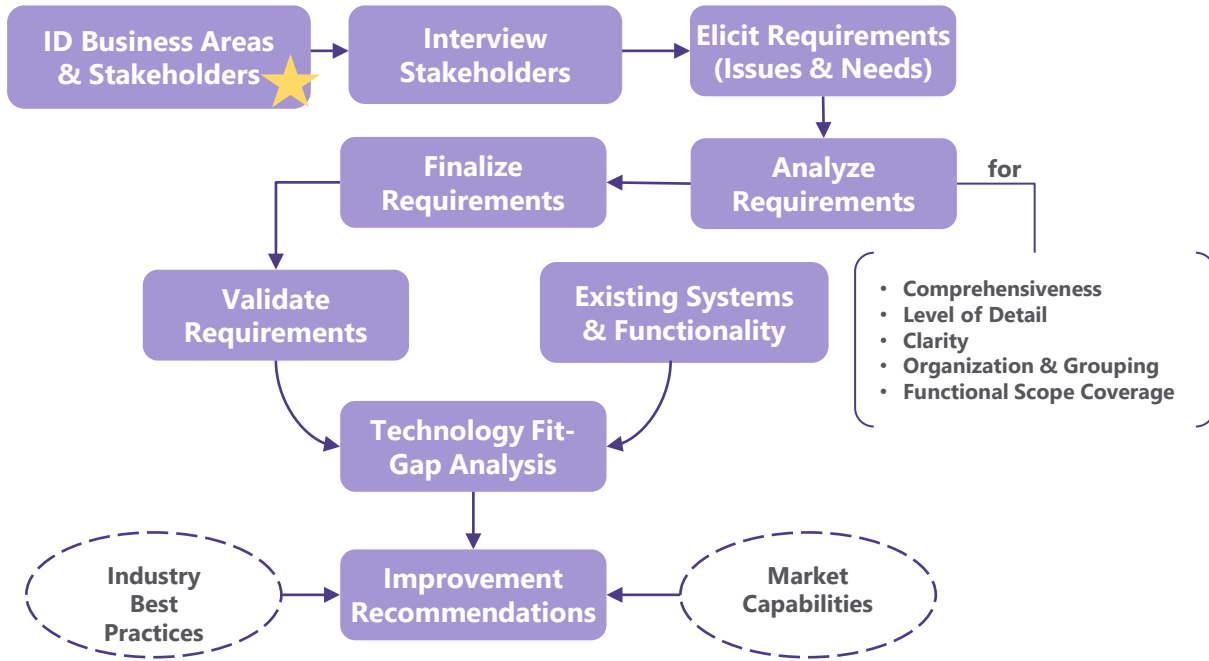- Organization & Grouping
- Functional Scope Coverage

★ Completed activities to date

Task 2 Activities

- **Elicit Requirements (Issues & Needs)**
  - Review feedback from interviews
  - Conduct follow up interviews as needed

- **Analyze Requirements**
  - Draft requirements with appropriate detail and clarity

- **Finalize Requirements**
  - Ensure requirements are comprehensive and meet the County's future needs

- **Validate Requirements**
  - Provide requirements to stakeholders for approval
 - Conduct validation meetings as needed

TASK 2 – ERP NEEDS ASSESSMENT, REQUIREMENTS & TARGET MODEL DEFINITION

ID Business Areas & Stakeholders → Interview Stakeholders → Elicit Requirements (Issues & Needs)

Finalize Requirements ← Analyze Requirements — for

Validate Requirements

Existing Systems & Functionality

- Comprehensiveness
- Level of Detail
- Clarity
- Organization & Grouping
- Functional Scope Coverage

Technology Fit-Gap Analysis

Industry Best Practices → Improvement Recommendations ← Market Capabilities

⭐ Completed activities to date

Task 2 Activities

- **Existing Systems & Functionality**

  – Request and review existing County functional and technical processes

- **Technology Fit-Gap Analysis**

  – Compare validated requirements to the County's exiting processes

  – Document which requirements are fits versus gaps

- **Improvement Recommendations**

  – Intueor will provide the County with recommendations to improve existing processes based on best practices and market capabilities

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TASK 3 – ERP Application Alternatives Assessment & Business Casing
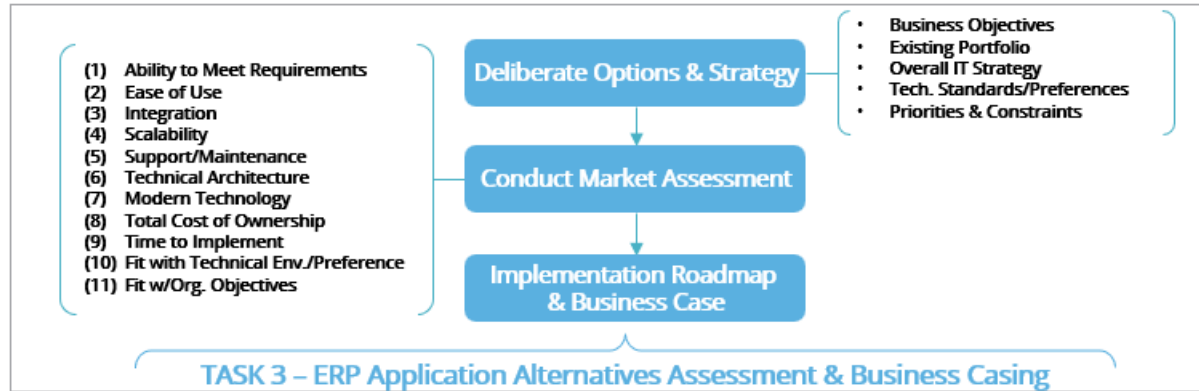
Task 3 Activities

- **Deliberate Options & Strategy**
  - Review options (and analysis) for target County architecture options
  - Options for rollout approaches

- **Conduct Market Assessment**
  - Assess and provide market insights on vendors that can support the functional needs and preferred operational target model of the County

- **Implementation Roadmap & Business Case**
  - Implementation roadmap focused on County's priorities and needs. Will include estimates on costs, schedules, and project tasks for future upgrade/replacement
  - Presentation on options and associated project considerations

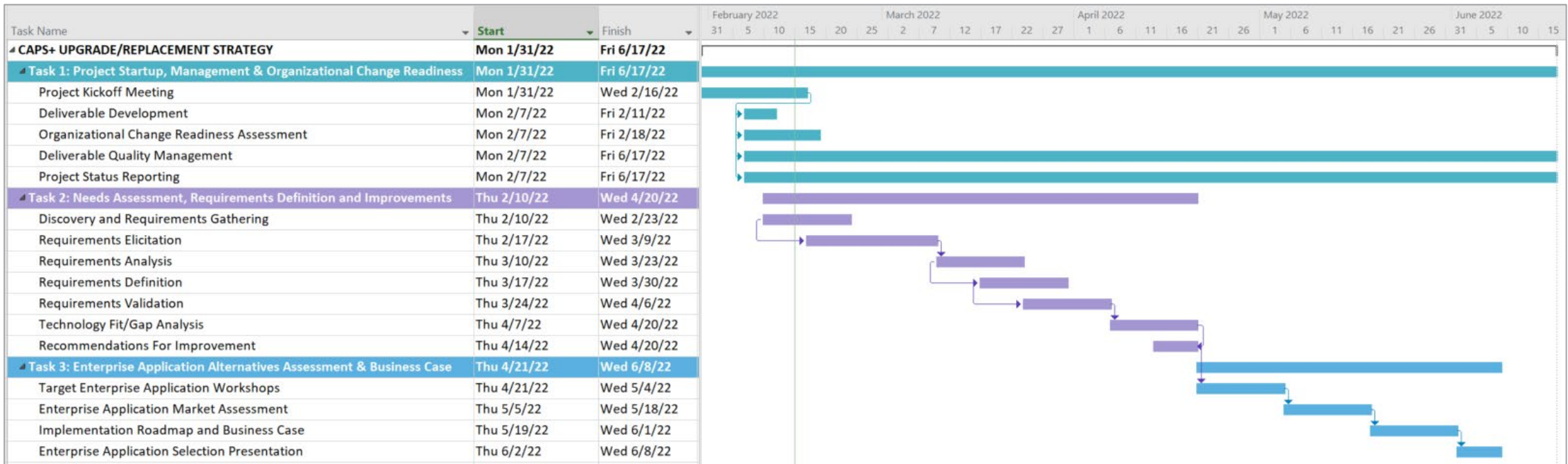## TASK 1 – PROGRAM MANAGEMENT, GOVERNANCE & ORGANIZATIONAL CHANGE READINESS

- **Project management plan (includes communications and quality assurance plans)**
- **Status reporting templates, schedule, and approach**
- **OCM Stakeholder Assessment**

TASK 2 – ERP NEEDS ASSESSMENT, REQUIREMENTS & TARGET MODEL DEFINITION

- **Unique business requirements list**
- **Technology fit gap analysis**
- **Recommendations for improvement**
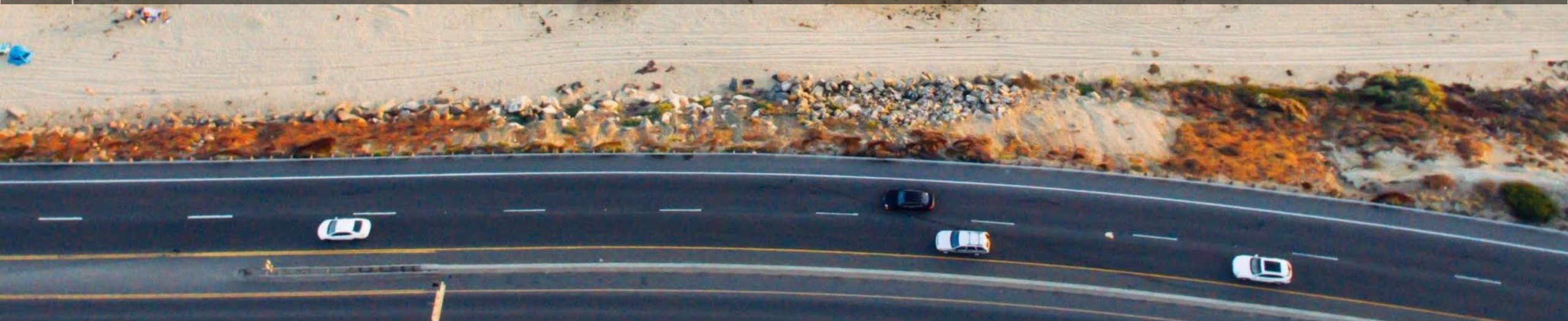- **Recommendations for "to be" processes**

TASK 3 – ALTERNATIVES ASSESSMENT & BUSINESS CASING

- **Enterprise Application Alternatives Assessment Report**
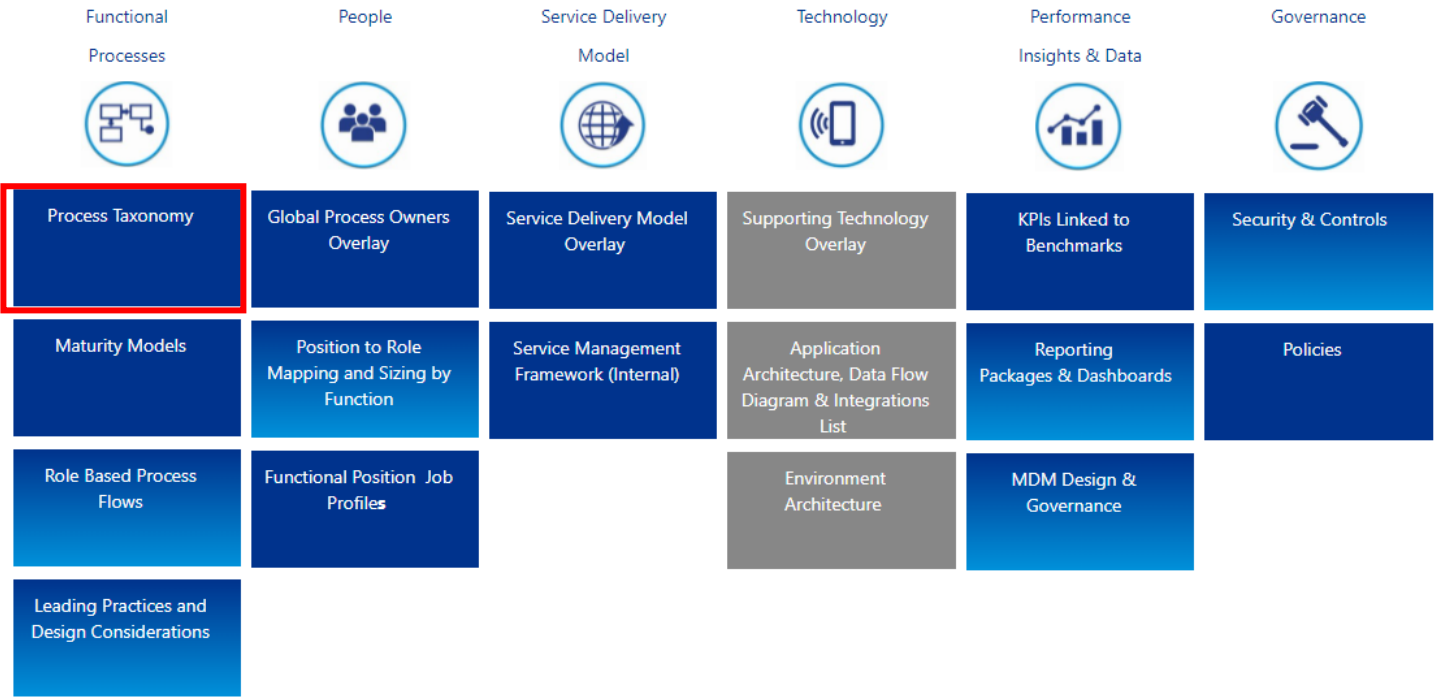- **High-Level Total Cost of Ownership Estimate**

Task Name	Start	Finish
⊿ CAPS+ UPGRADE/REPLACEMENT STRATEGY	Mon 1/31/22	Fri 6/17/22
⊿ Task 1: Project Startup, Management & Organizational Change Readiness	Mon 1/31/22	Fri 6/17/22
Project Kickoff Meeting	Mon 1/31/22	Wed 2/16/22
Deliverable Development	Mon 2/7/22	Fri 2/11/22
Organizational Change Readiness Assessment	Mon 2/7/22	Fri 2/18/22
Deliverable Quality Management	Mon 2/7/22	Fri 6/17/22
Project Status Reporting	Mon 2/7/22	Fri 6/17/22
⊿ Task 2: Needs Assessment, Requirements Definition and Improvements	Thu 2/10/22	Wed 4/20/22
Discovery and Requirements Gathering	Thu 2/10/22	Wed 2/23/22
Requirements Elicitation	Thu 2/17/22	Wed 3/9/22
Requirements Analysis	Thu 3/10/22	Wed 3/23/22
Requirements Definition	Thu 3/17/22	Wed 3/30/22
Requirements Validation	Thu 3/24/22	Wed 4/6/22
Technology Fit/Gap Analysis	Thu 4/7/22	Wed 4/20/22
Recommendations For Improvement	Thu 4/14/22	Wed 4/20/22
⊿ Task 3: Enterprise Application Alternatives Assessment & Business Case	Thu 4/21/22	Wed 6/8/22
Target Enterprise Application Workshops	Thu 4/21/22	Wed 5/4/22
Enterprise Application Market Assessment	Thu 5/5/22	Wed 5/18/22
Implementation Roadmap and Business Case	Thu 5/19/22	Wed 6/1/22
Enterprise Application Selection Presentation	Thu 6/2/22	Wed 6/8/22

Overview of KPMG Powered Enterprise (KPE) Approach

Record to Report Target Operating Model (TOM)

Functional Processes	People	Service Delivery Model	Technology	Performance Insights & Data	Governance
Process Taxonomy	Global Process Owners Overlay	Service Delivery Model Overlay	Supporting Technology Overlay	KPIs Linked to Benchmarks	Security & Controls
Maturity Models	Position to Role Mapping and Sizing by Function	Service Management Framework (Internal)	Application Architecture, Data Flow Diagram & Integrations List	Reporting Packages & Dashboards	Policies
Role Based Process Flows	Functional Position Job Profiles		Environment Architecture	MDM Design & Governance	
Leading Practices and Design Considerations					

- Provides insight into each layer of the KPE TOM
  - Functional Processes
  - People
  - Service Delivery Model
  - Technology
  - Performance Insights & Data
  - Governance
- Allows the team to review all aspects of County processes when identifying requirements

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Sub ledgers	General Ledger		Financial Consolidation	Period End Reporting	Process Governance		
1.0 Close General Ledger Data Sources	**2.0 Pre-Close Activities**	**3.0 Preliminary Financial Reviews & General Ledger Close**	**4.0 Financial Consolidation**	**5.0 Period End Reporting**	**6.0 Technical Accounting**	**7.0 Manage Process**	**8.0 System Governance**
1.1 Close and Transfer General Ledger Data Sources	2.1 Record Journal Entries	3.1 Review Trial Balance	4.1 Preliminary Consolidation Processes & Checks	5.1 Prepare External Reporting & Notes to the Financials	6.1 Understand & Interpret New Accounting Pronouncements	7.1 Manage Close Process and Calendar	8.1 Maintain Data Model (Chart of Accounts, Dimensions, Hierarchies)
1.2 Reconcile General Ledger Data Sources	2.2 Process General Ledger Allocations	3.2 Review Preliminary Financial Statements	4.2 Process Currency Translations	5.2 Prepare Statutory Filings & Reporting	6.2 Identify & Monitor Accounting Issues	7.2 Maintain Policies, Procedures, Standards, & Templates	8.2 Maintain Application Configuration & Security
1.3 Perform Intercompany Reconciliations	2.3 Record Statutory Journal Entries	3.3 Record Management & Corporate Adjustments	4.3 Process Intercompany Eliminations	5.3 Prepare Shareholder Reporting and Manage Investor Relations	6.3 Maintain Disclosures	7.3 Maintain Internal Controls	8.3 Manage Application Releases & Upgrades
	2.4 Perform General Ledger Foreign Currency Accounting	3.4 Close General Ledger	4.4 Process Consolidation Adjustments	5.4 Prepare Regulatory Reporting	6.4 Maintain & Publish Accounting Policies	7.4 Manage External Audit	8.4 Maintain Reports
	2.5 Process Local Tax Calculations and Journal Entries	3.5 Manage & Perform Period End Reconciliations	4.5 Process Tax Calculations & Consolidated Tax Journal Entries	5.5 Prepare Financial Management Reporting		7.5 Manage Process Efficiency & Effectiveness	8.5 Manage Interfaces
	2.6 Perform Journal Review Checks		4.6 Close Corporate Consolidation Ledger			7.6 Enhance Business Partner and Employee Experience	8.6 Maintain Process Automation & Digital Labor
						7.7 Archive & Maintain Records	

Record to Report Overview

- High level role-based process flows for the major finance and HR processes

- Each step links to more detailed process flow

- Accelerates review of County processes and supports SME interviews

- Provides a baseline for the review of County processes when identifying requirements

- Assists in the identification of potential gaps in County processes to draft requirements

Detailed Process Flow: Close & Transfer GL Data Transfers
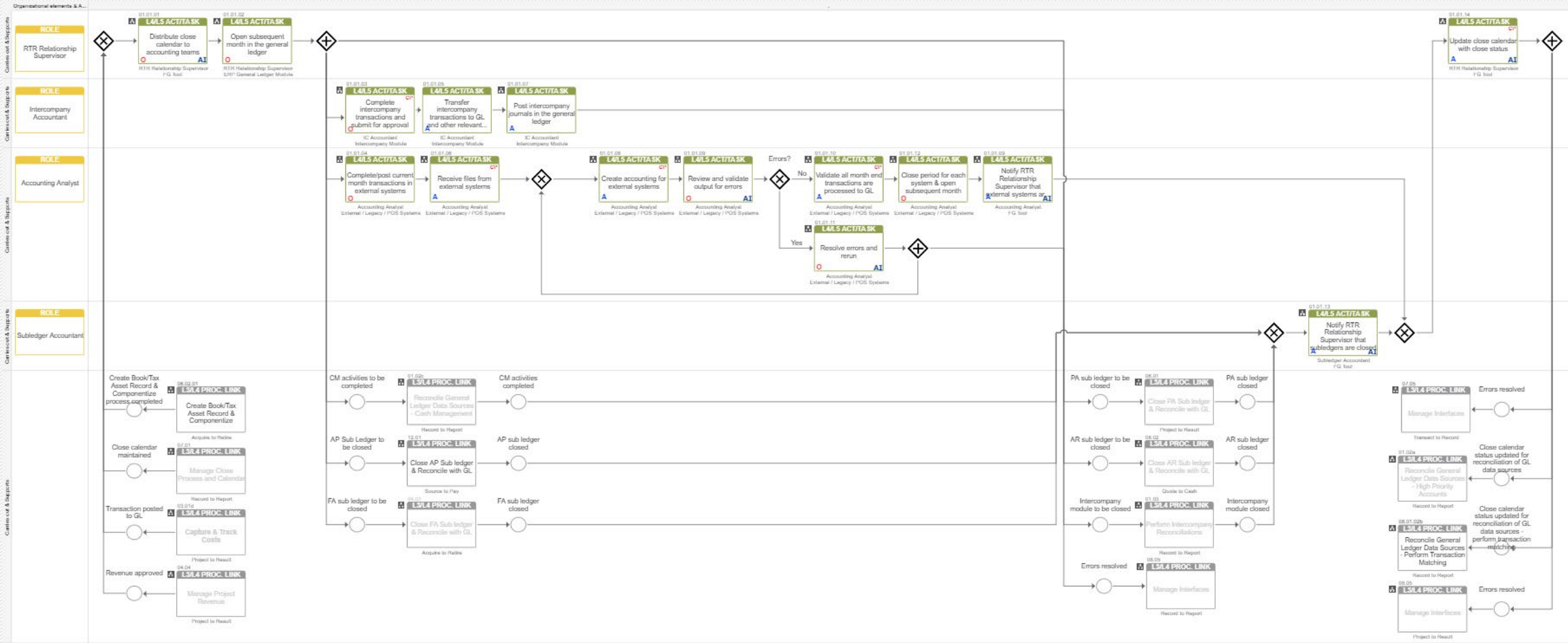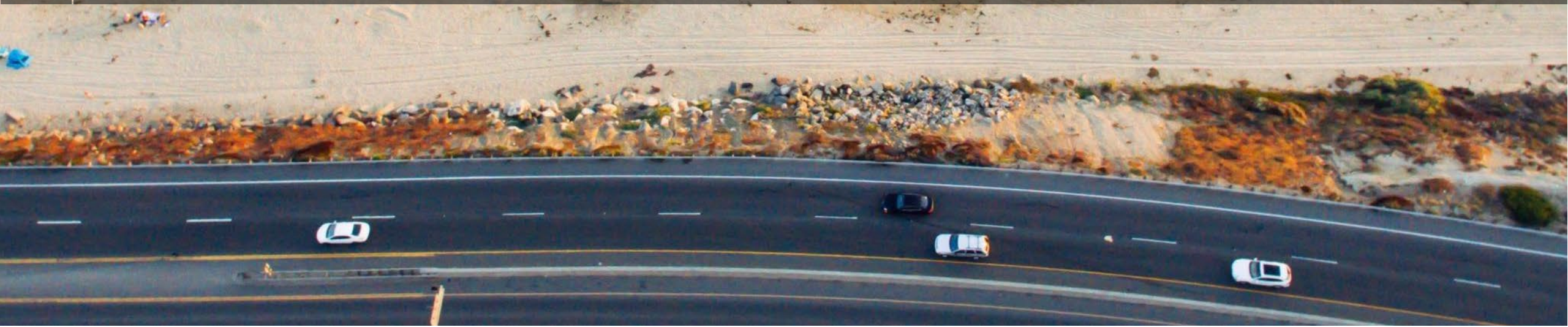
Record to Report Leading Practices

	L2 MAPPING	TYPE	NAME	DESCRIPTION
1	01.00 Close General Ledger Data Sources	Leading Practice	Establish standard month-end close processes	Create a global month-end close calendar, checklist, and formal governance structure to standardize and optimize the period-end close process. Includes establishing set cut off times, ensuring subledgers and account hub are closed in line wit the period close calendar and timelines, and moving all non-critical tasks outside of closing cycle. Establishing a formal governance structure for close periods provides the following benefits to the organization: - Communicates expectations, timing, and accountability to teams involved in the close process - Increases ability to monitor progress through the close - Enables team members and project managers to identify close issues - Enables teams to capture relevant close information - Supports continuous close improvement
2	01.00 Close General Ledger Data Sources	Leading Practice	Utilize a financial governance tool	The management of the period close process, including notifications, dashboard reporting, and overall visibility of progress monitoring should be handled within a financial governance tool, either within the ERP system (i.e. Closing Cockpit) or through a third party tool (i.e. Blackline or Trintech). The RTR team should include steps within external source systems where possible. This practice enhances communication of close tasks and automates the close process management. It also enhances visibility of progress/obstacles for more efficient risk escalation.

- Documentation of leading practices within each process area
- Assists in the comparison of existing County processes to leading practices to identify opportunities for improvement when developing requirements

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Business Process Area Working Sessions

Intueor will utilize the following approach for the business process area working sessions:

- Review the County's current business processes to potentially identify specific business processes for discussion

- Walk through KPE process flows with SMEs to identify detailed requirements as needed

- Assess current process gaps / issues

- Discuss future state needs of the County

- Examine business process area best practices

Business Process Areas	
Finance	**HR**
• **Plan to Perform** • **Quote to Cash** • **Project to Result** • **Source to Pay** • **Acquire to Retire** • **Transact to Record** • **Record to Report**	• **Talent Acquisition & Worker Onboarding** • **Talent Enablement & Learning** • **Total Rewards** • **Workforce Administration** • **Payroll** • **Time Management** • **Workforce Management**

Intueor asks that the County business process area working session attendees have:

- Familiarity with existing County processes in the appropriate business process areas

- Knowledge of gaps / issues in the current state business processes

- Ideas for future state needs of a County ERP system

- Understanding that requirements do not have to replicate the County's current state but assist in the development of the future state

- Documentation of specific processes, gaps, or future state needs that Intueor should review (if needed)

Key Stakeholder Involvement

Key activities that will require County stakeholder involvement*

Activity	Dates	County Stakeholder Involvement
Interview business area stakeholders	02/21/2022 – 03/09/2022	Heavy
Requirements analysis with stakeholder follow up, as needed	03/10/2022 – 03/23/2022	Moderate
Requirements validation for each business area	03/24/2022 – 04/06/2022	Moderate
Technology fit/gap analysis	04/07/2022 – 04/20/2022	Light

*OC PM will be coordinating stakeholder schedules and availability
*Level of involvement will be dynamic based on stakeholder role and functional responsibilities

The following items are key considerations for project success:

- Timeline is swift and will require prompt completion of activities by Intueor and the County

- Timely Stakeholder availability and involvement will be critical for the project timeline

- Develop future-state based on leading business practices and operating models

- Not just replicate current system functionality but to enhance and future-proof system based on evolving

  needs

| Name	Project Role	Email	Mobile
Ravi Nandivada	Principal-In-Charge	nandivada@intueor.com	949-394-4163
Tony Hernandez	Technical Advisor	anthonyhernandez@kpmg.com	610-517-4259
Sreeni Malireddy	Quality Assurance Lead	malireddy@intueor.com	510-872-6000
Bindiya Khurana	ERP & HCM Advisor	bkhurana1@kpmg.com	909-362-6093
Matt Nixon~	Project Manager	mdnixon@kpmg.com	484-515-3742
Eric Schanz*	Project Manager	eschanz@kpmg.com	845-554-2969
Andy Wakefield*~	Market Assessment / Options Analysis	wakefield@intueor.com	651-442-5633
Steve Rupp	ERP Consultant	rupp@intueor.com	206-915-5259
Rebecca Bell	Staff – Specialist	rebeccabell1@kpmg.com	623-277-7492

Primary points of contact as of 2/3/22

~ Primary points of contact as of 3/1/22

Thank You...!

Backup Slides
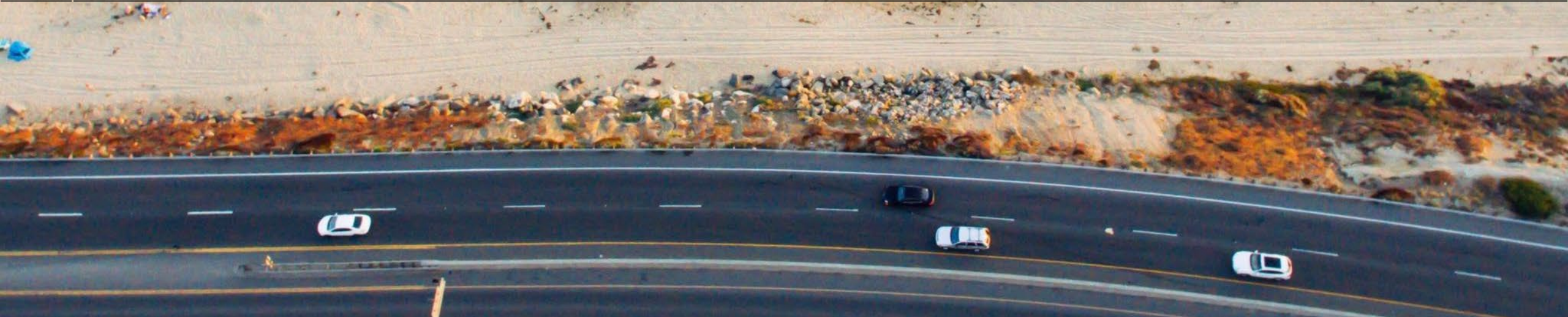
BUILD REQUIREMENTS FOR MULTIPLE PURPOSES

- Reach consensus amongst County Stakeholder Groups

- Document County's needs, complexities and priorities

- Emphasize County's unique needs

- Communicate needs to vendors and solicit responses

- Evaluate and rank vendor responses

- Include in contract scope and deliverables

- Validate implementation ("traceability" matrix)

QUALITY OF REQUIREMENTS

- Clarity – clearly communicate the need

- Flexibility – Maximize user control to configure

- Structure – provide a context for requirements

- Coverage – cover all enterprise functions

- Priority – define the relative priority of requirements

- Type – functional, technical, performance, etc.

- Future – not just existing, but anticipated needs

ASSESS CAPS+ CURRENT STATE AND OPERATING MODEL & DEFINE FUTURE STATE TARGET OPERATING MODEL.

ANCHORED ON THREE KEY PRINCIPLES:

Assess if the existing system and environment is sustainable and scalable, aligning with changing regulations and labor union agreements. The key question will be: is it relatively easy for the County to maintain and manage existing system, and make required changes?
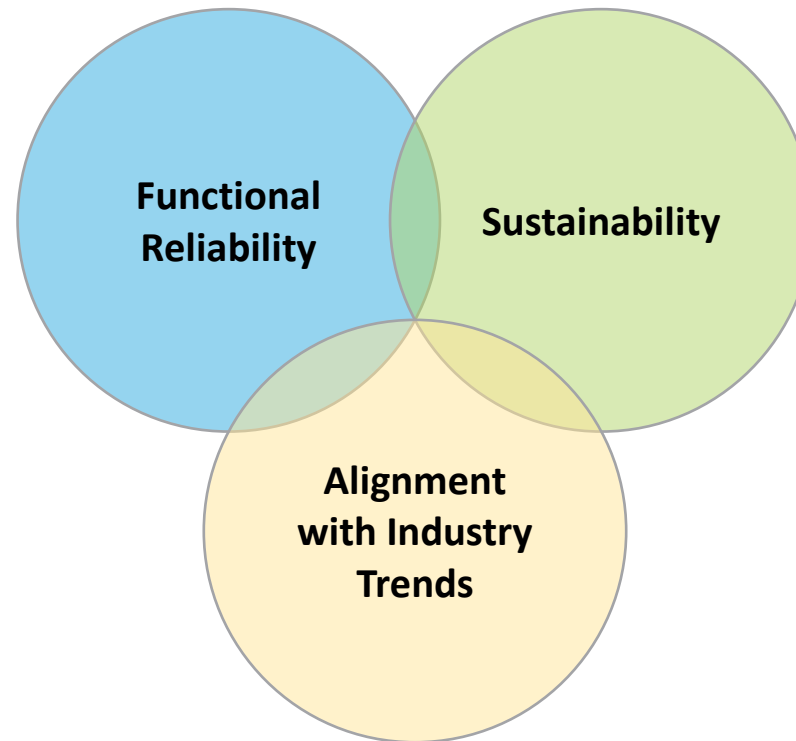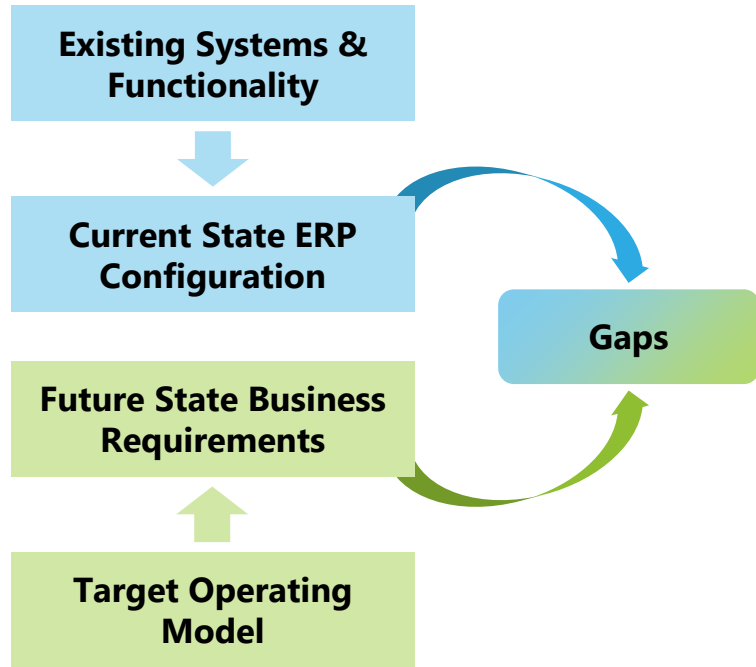
Assess the current state considering if the existing environment and the set of systems are meeting the operational needs of County's users, employees and stakeholders.

Functional Reliability
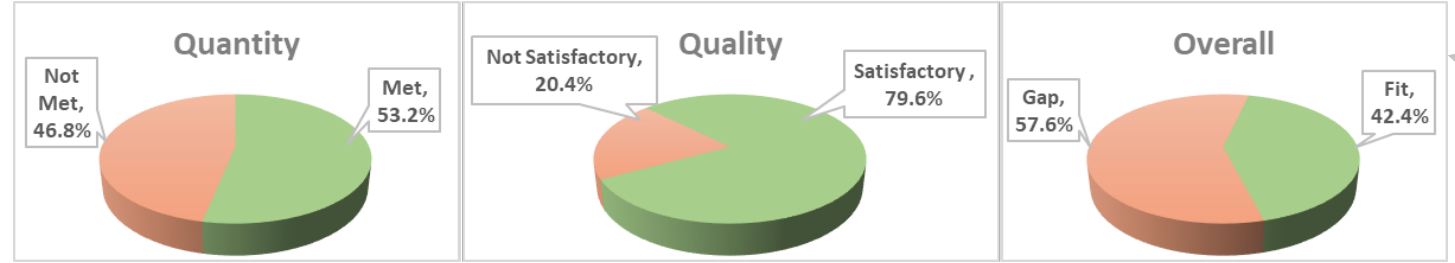
Sustainability

Alignment with Industry Trends

Assess if the existing system, business processes is aligned with industry leading practices, technology trends and overall strategic priorities of the County.

Existing Systems & Functionality

Current State ERP Configuration

Future State Business Requirements

Target Operating Model

Gaps

OVERALL GAP ANALYSIS – ALL APPLICATIONS

Quantity — Not Met, 46.8% — Met, 53.2%

Quality — Not Satisfactory, 20.4% — Satisfactory, 79.6%

Overall — Gap, 57.6% — Fit, 42.4%

Major Business Area	Total Reqts	# Reqts Met	Quantity Fit	Quality Fit	Overall Fit
Finance, Accounting, Budgeting, Procurement	621	338	54.4%	74.3%	40.4%
HR, Benefits, Recuitment	365	187	51.2%	89.1%	45.7%
All Applications	986	525	53.2%	79.6%	42.4%

GAP ANALYSIS – FINANCE, ACCOUNTING, BUDGETING, PROCUREMENT

Quantity — Not Met, 45.6% — Met, 54.4%

Quality — Not Satisfactory, 25.7% — Satisfactory, 74.3%

Overall — Gap, 59.6% — Fit, 40.4%

GAP ANALYSIS – HR, BENEFITS, RECRUITMENT

Quantity — Not Met, 49.0% — Met, 51.0%

Quality — Not Satisfactory, 10.7% — Satisfactory, 89.3%

Overall — Gap, 54.5% — Fit, 45.5%

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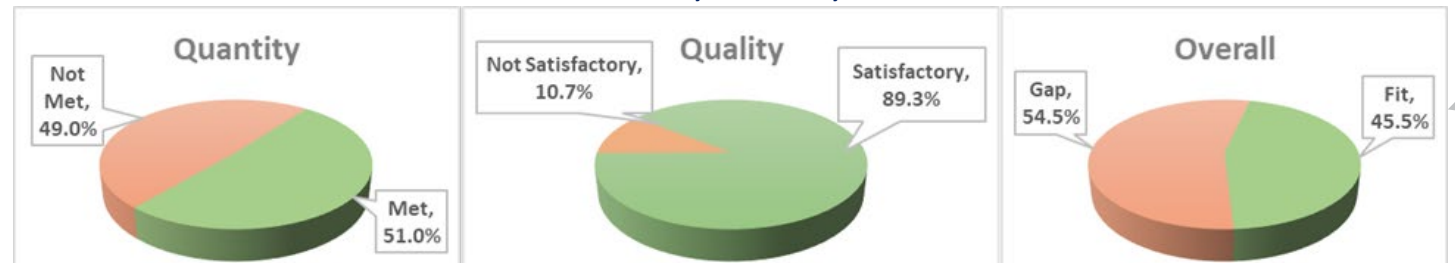
Team Intueor plans on taking the following next steps:

Activity	Deadline	Owner

Team Intueor plans on taking the following next steps:

- **Documentation:**
  - Confirm method of document sharing with the County
  - Review documentation already gathered by the County
  - Developing a Document Request List (DRL). DRL will be maintained throughout the project lifecycle
- **Meetings:**
  - Schedule kick off meeting with County stakeholders
  - Schedule meetings with OC subject matter experts
  - Schedule a weekly project management meeting
- **Task 1: Activities Beginning Week of 2/7/22:**
  - Create project kick off deck
  - Begin developing project management plan
  - Draft reporting templates and submit for County approval