



Enterprise Resource Planning (ERP)

Quick overview

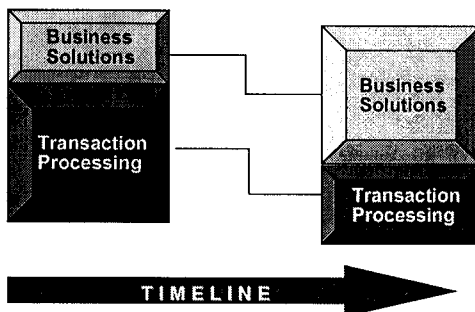
WHAT IS ERP?

An ERP system is an **integrated solution**, sharing a centralized database, with all 'users'.... Human Resources/Payroll/Benefits, E-procurement, Accounting, Budget, etc.... being served by the same database through **one point of entry**.

Data need only be entered or updated once, **reducing errors, time and labor** for reports, analysis, planning and program management. Ultimately, time and costs are shifted to **innovating, problem solving** and direct **service to customers** rather than **inputting, processing, organizing, verifying** and related "busy work" that burns through time and money.

ERP value

- ▶ Shifting "processing" time and costs to more solutions and results



WHAT IS BUDGET REDESIGN?

- An integral component of ERP that involves streamlining budget processes and enhancing analysis and reporting capabilities.
- A budget system driven by goals and performance, not incremental change from last year's dollars.
- Budget and accounting system information that compares costs to program outputs and results.
- A solution to the current budget system, which is decades old, and unable to provide the information envisioned by the Accountable Government Act.

WHY IS BUDGET REDESIGN CRITICAL TO ACCOUNTABLE GOVERNMENT ACT?

- ▶ To get quick, accurate answers to questions such as...What are Iowans getting in return for their tax dollars?
- ▶ To provide data for decision makers to review results and identify resources needed for State programs.
- ▶ To enhance data collection, program analysis, and provide integrated reporting.

ERP UPDATE

ERP Management Team

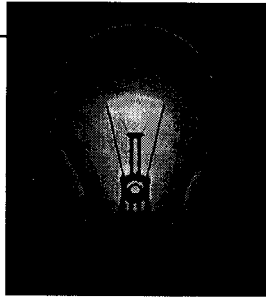
Cynthia Eisenhauer— Director, Department of Management
Gerald Bair—Director, Department of Revenue and Finance
Richard Haines—Director, Department of General Services
Mollie Anderson—Director, Department of Personnel
Richard Varn—Director, Department of Information Technology and Iowa CIO

- The State received a very favorable response from the vendor community upon the release of the RFP for ERP in late September.
- Staff from over 20 state agencies participated in evaluating the vendor proposals.
- Work on the first components, budget redesign and e-procurement, could begin as early as Summer 2002.

Enterprise Resource Planning

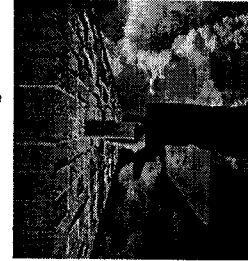
A Multitude of Benefits For Iowa Government

March 2002



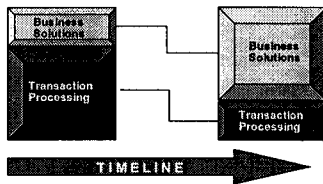
What is ERP?

- ▶ Organizing and doing things in a systematic way across many areas of a business or organization to improve business processes, and ultimately improve the information and services delivered to customers.



... ERP value ...

- ▶ Shifting "processing" time and cost to more solutions" and results

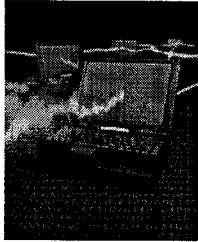


Components of ERP



ERP System: What Iowa will have that it doesn't have now
Quick, accurate answers to...

- ▶ How much does the State pay for consulting services? What are the actual benefits of those services?
- ▶ How many personal computers does the state own, where are they and how old or new are they?
- ▶ What does the state spend on training?
- ▶ How many employees does the State have?
- ▶ Is training increasing productivity and achieving results? At what cost?
- ▶ What are Iowans getting in return for tax dollars?



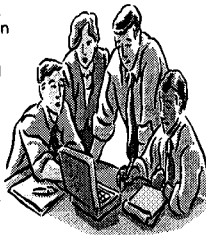
ERP Activities

- ▶ Planning Project : Developed high-level migration plan.
- ▶ Vendor Education Sessions: Five major ERP vendors presented ERP system capabilities to educate State staff.
- ▶ Development of a Request for Proposal (RFP): Interagency teams have worked to develop a RFP to select a contractor to provide software and implementation services for an ERP system.
- ▶ Communication: Website, newsletter, presentations to groups.



ERP Schedule

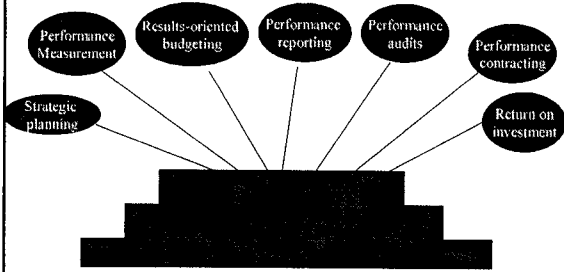
- ▶ Request for Proposal (RFP): Issued 9/21/01. Bids were due 11/16/01.
- ▶ RFP Bid Reviews: Multi-agency evaluation committees reviewed the vendor proposals. Vendor scripted demonstrations were held in January.
- ▶ Notice of intent to award the bid was issued on March 1, 2002.
- ▶ Implementation schedule of ERP: Three year plan.
 - ▶ Year 1 – Budget and eProcurement components
 - ▶ Year 2 – HR/Benefits/Payroll components
 - ▶ Year 3 – Financials (accounting, purchasing, fixed assets)



Evaluation Department Participation

- ▶ Accounting: Revenue & Finance, Human Services, Transportation, Workforce Development, Cultural Affairs, Commerce
- ▶ Budget: Management, Legislative Fiscal Bureau, Workforce Development, Education, Public Safety, Health, Human Rights, Transportation
- ▶ eProcurement/Purchasing: General Services, Corrections, Transportation
- ▶ Fixed Assets: General Services, Auditor, Transportation, Revenue & Finance, Corrections, Natural Resources
- ▶ HR/Payroll/Benefits: Revenue & Finance, Transportation, Personnel, Corrections, Inspections & Appeals, Health, Commerce, Human Services
- ▶ Overall: Information Technology, Revenue & Finance, Management, Treasurer, Auditor, Transportation,

ERP Links to Accountable Gov't



Where does Iowa fit regionally?

- ▶ We are surrounded by states with a head start.
- ▶ Missouri is using performance measures information for program evaluation aimed at cutting costs.

