Financial Systems Transformation

Campus Forum

Autumn 2020
Introductions

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Objectives of Today’s Session

- FST Program Overview
- FST Program Update: Recent Activity
- Software RFP Process & Selection
- Upcoming Activities
- Q&A
FST PROGRAM OVERVIEW
Financial Systems Transformation (FST) is a multi-year initiative to replace the University’s legacy mainframe-based Financial Accounting System (FAS) and related operational systems.

- The University manages more than $1.07B in government and private grants, gifts, and contracts annually via disparate and loosely integrated systems.
- The University manages procurement and payment activities averaging $600M annually through multiple platforms.
Scope of FST Program Work

Financial Management
- Chart of Account Redesign
- General Ledger
- Endowment Accounting
- Fixed Assets
- Receivables
- Cash Management
- Treasury
- Payables
- Forecasting

Projects & Grants Management
- Project Costing
- Project Billing
- Grants Management

Budgeting & Planning
- Budgeting Planning

Supply Chain
- Procurement
- Sourcing
- Contracts
- Inventory Management

Asset Management*
- Facilities Operations & Maintenance
- Construction Program Management
- Space Utilization & Planning
- Property Management

Operational & Analytical Reporting
Program Timeline

Phase Description

**Pre-Implementation** – Process Design, Requirements, Software Selection, and Implementation Partner

**Wave 1**: Financials, Supply Chain, Projects, and Grants

**Wave 2**: Budgeting, Planning, and Forecasting

**Wave 3**: Assets and Inventory Management

Campus Forums will continue through implementation.
RECENT ACTIVITY
Preliminary Systems Rationalization Assessment

128 University Software Systems Analyzed

- 51 Candidates for Replacement
- 47 Special Purpose Systems Retained & Integrated
- 30 Re-Evaluated after Software Selection
Points of Intersection

- **Chart of Accounts**: Shared / aligned COA that is scalable and flexible
- **Intercompany Transactions**: Reduce the burden of manual transactions
- **Financial Statements Mapping**: Aligns accounts across organizations
- **Close & Consolidation**: Streamline and automate close & consolidation process

**Operational efficiency and cost savings**
Virtual Campus Visits

- Met with peer institutions
- They shared experiences, tools, and lessons learned
- They helped to identify key areas of focus
- We are refining our approach based on best practices
Virtual Campus Visits

Workday

Washington University in St. Louis

Georgia Tech

UC San Diego

VANDERBILT UNIVERSITY

UCLA

Yale

University of Rochester
Virtual Campus Visits

Oracle

Washington University in St. Louis
Georgia Tech
Vanderbilt University
UC San Diego
UCLA
Yale
University of Rochester

THE UNIVERSITY OF CHICAGO
Virtual Campus Visits

Joint project between university and medical center

Washington University in St. Louis
Georgia Tech
Vanderbilt University
UC San Diego
UCLA
Yale
The University of Rochester
Virtual Campus Visit Takeaways

Consider Project Staffing Models

Universities employed different staffing models for their project to balance cost, internal capabilities and system integrator expertise.

- Outsource
- Internal Team Growth
- Staff Augmentation

Adopt Multiple Training Strategies

Universities leveraged a variety of training strategies, but the most successful thought about it beyond the job-related click steps in the system.

- Project & Change Management
- Functional Knowledge: Budgets, Accounting, Data Analysis, etc.
## Virtual Campus Visit Takeaways

<table>
<thead>
<tr>
<th>Start Data Conversion Early</th>
<th>Be Aware of Overcomplication</th>
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</thead>
<tbody>
<tr>
<td>Data conversions took significantly longer than expected.</td>
<td>Modern financial systems provide a vast array of technology, leveraging the systems to improve processes without overcomplicating them.</td>
</tr>
<tr>
<td>• Uncatalogued data sources</td>
<td>• Chart of Accounts Design</td>
</tr>
<tr>
<td>• Greater data cleanup than expected</td>
<td>• Customizations vs. Process Changes</td>
</tr>
<tr>
<td>• Needed more iterative conversion testing</td>
<td></td>
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RFP PROCESS
Software Evaluation Approach

**Assess**
- Preview “Art of the Possible” system capabilities via software vendor preview sessions
- Map existing systems to candidate software capabilities
- Develop requirements and user scenarios

**Evaluate**
- Issue RFP
  - Evaluate vendor’s written responses, demos, product roadmap, and client references

**Recommend**
- **FST program team** –
  - Negotiate with vendors on terms
  - Develop recommendation based on evaluations delivered to the Executive Sponsors
- **Executive Sponsors** –
  - Make an informed decision based on the team’s recommendation and cost benefit analysis

**Contract**
- Based on institutional leadership decision, we will:
  - Finalize vendor negotiations
  - Award Contract
  - Communicate vendor of choice decision to the University community
The University invited two vendors, Oracle and Workday, to respond to the request for proposals (RFP) and demonstrate the functional and technical capabilities of their cloud ERP solutions.

- **1,897** Software requirements were included in the RFP
- **42** Total software demonstration sessions were conducted in a 2-week period
- **284** Members of the UChicago community attended at least 1 demo
- **116** Members provided responses to the evaluation survey
The University invited two vendors, Oracle and Workday, to respond to the request for proposals (RFP) and demonstrate the functional and technical capabilities of their cloud ERP solutions.

1,897 Software requirements were included in the RFP for all of the functional and technical areas within scope.

Vendors indicated how their solution addresses each requirement:

- Functionality provided **out-of-the-box**
- Functionality provided by the vendor, but **requires custom extension**
- Functionality provided, but **requires customized integrations**
- Functionality **not provided**
The University invited two vendors, Oracle and Workday, to respond to the request for proposals (RFP) and demonstrate the functional and technical capabilities of their cloud ERP solutions.
Software Evaluation – Demonstration Scoring

Functional Evaluation
Scored based on demonstration of the highly detailed "business scenarios"
Example: “Demonstrate how to perform the consolidation process in GL”

Technical Evaluation
Scored based on vendor’s demonstration of technical and data capabilities
Example: Data centers, encryption, methods for integration

User Experience Evaluation
Scored based on vendor’s demonstration of software usability
Example: Is the system user-friendly and intuitive?
# Software Evaluation – Scoring Summary

<table>
<thead>
<tr>
<th>Area</th>
<th>% Weight</th>
<th>% Requirements Met Workday</th>
<th>% Requirements Met Oracle</th>
<th>% Use Cases Met Workday</th>
<th>% Use Cases Met Oracle</th>
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</thead>
<tbody>
<tr>
<td>Forecasting, Budget &amp; Planning</td>
<td>20%</td>
<td>94.1%</td>
<td>99.6%</td>
<td>75.2%</td>
<td>77.8%</td>
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<tr>
<td>Financial Management</td>
<td>20%</td>
<td>86.7%</td>
<td>88.3%</td>
<td>73.2%</td>
<td>66.2%</td>
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<tr>
<td>Supply Chain Management</td>
<td>20%</td>
<td>93.3%</td>
<td>92.7%</td>
<td>71.8%</td>
<td>74.7%</td>
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<tr>
<td>Grants &amp; Projects</td>
<td>20%</td>
<td>81.1%</td>
<td>93.2%</td>
<td>65.0%</td>
<td>66.3%</td>
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<tr>
<td>Asset Management</td>
<td>N/A</td>
<td>33.3%</td>
<td>75.0%</td>
<td>31.0%</td>
<td>63.1%</td>
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<tr>
<td>Technical</td>
<td>5%</td>
<td>99.7%</td>
<td>97.4%</td>
<td>86.3%</td>
<td>82.0%</td>
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<tr>
<td>Master Data Management*</td>
<td>5%</td>
<td>89.0%</td>
<td>89.6%</td>
<td>76.4%</td>
<td>86.4%</td>
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<tr>
<td>Core</td>
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<td>93.0%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Overview</td>
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<td>N/A</td>
<td>81.5%</td>
<td>80.9%</td>
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<tr>
<td>Points of Intersection</td>
<td>5%</td>
<td>99.0%</td>
<td>97.2%</td>
<td>78.3%</td>
<td>75.0%</td>
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*Section is titled ‘Data’ in Use Case section*
UPCOMING ACTIVITY
Systems Integrator - Overview

Systems Integrator (SI) partners are consulting firms such as Accenture and Deloitte with deep experience in cloud ERP implementation projects in a multitude of sectors including higher education and academic medical centers.

How will SIs support the ERP project?

What roles will SIs Play?

- Project Processes and Methods
- Risk Management
- ERP Cloud Skilled Teams
- Tools and Techniques
- Software Configuration
- Process Design
- Project Management
- Organizational Change and Training Support
System Integrator - Timeline

Autumn AY21
- Issue RFP
- Written Responses

Winter AY21
- Down Select & Live Presentations

Spring AY21
- Selection & Negotiations

Project Approval

Anticipated Selection Process:
- Evaluation & Scorecard Kick-off
- Week 1 Orals Debrief
- Week 2 Orals Debrief
- Scorecard Review Session
- Scorecard Conclusion

SI Selection Committee includes key contributors from:
- Academic Units
- Central Administrative Units
- FST Program Leadership Team
Other Upcoming 2021 Activities

**Chart of Accounts (COA)**
- UCM and UChicago to collaborate on COA
- Build conversion tools
- Socialize COA with campus units

**Data Conversion and Archive**
- Identify sources
- Data cleansing

**Process Improvements**
- Implement process improvement possible in advance of ERP

**Reporting**
- Inventory existing reports and confirm that ERP meets needs
- Solution reports where gaps exist

**Change Management**
- Collaborate with units to identify user roles and change impacts
- Map approval hierarchies

**Train Team and Process Owners**
- Train team in advance of SI start
More Questions?

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