

MEMORANDUM

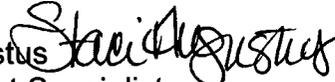
*Department of Administration
Division of Administrative Services*

STATE OF ALASKA

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TO: File

DATE: June 30, 2011

FROM: Staci Augustus 
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SUBJECT: Documentation of Enterprise
Readiness Phase

The State of Alaska has determined that it is imperative to the success of project to replace AKSAS (financial), AKPAY (payroll), and implementation of an integrated procurement system to add an Enterprise Readiness phase.

Due to the size of the project and impact on State resources, the State recognizes that it requires a significant organizational change in business processes and staff management. Many published lessons learned from state and large local governments that have already implemented an ERP system stress the importance of Enterprise Readiness as key factor for success. It became clear through consultation with Salvaggio, Teal and Associates (STA), the State's Quality Assurance team, that the State was not adequately prepared. Drawing upon STA's experience as participants in fourteen previous statewide ERP initiatives, a number of key areas were identified.

- Refined agency project vision – unified enterprise approach taking into account specific agency concerns to achieve long-term commitment and project acceptance.
- Governance Structure and Responsibilities – establish active governance structure with State personnel assignments so that informed and timely decisions are available to the project.
- Core team readiness training – establish the knowledge, skills, and ability of the core State team so that they are in a position to lead during the limited period that agency staff are available.
- Communication – perform a stakeholder analysis and develop performance measures to periodically gauge their acceptance so that the proper messages can be crafted to 'manage change'.
- Agency readiness – actively engage each agency to determine systems that might be decommissioned through use of ERP functionality and those that will remain.
- Business process flows – collect, review, update, and consolidate agency documents to create a comprehensive 'AS IS' collection of business processes.

- Synergy of union contracts – identify disparate areas that might be unified into a best practice approach to provide consistency and ease transition to a new payroll system.
- Enterprise system security plan – develop a plan consistent with the State Security Office regulations to ensure all aspects of the eventual implementation of the ERP solution comply.

All of these components were identified by the State as a change in scope and were consolidated into an Enterprise Readiness phase and included in the Implementation Services Agreement. The RFP section 7.04 Cost states:

“The cost proposal may not be amended by the Offeror as a result of increased understanding gained during the Pre-award Phase. It may only be amended by scope changes proposed by the State during the Pre-award Phase.”

The State believes that an organization ready and willing to accept significant change is paramount for a successful ERP implementation. Adding work products that address these concerns to the scope of RFP 2010-0200-9388 will mitigate these State risks.