



State of Vermont Enterprise Resource Planning (ERP) Transformation

**Joint Information Technology Oversight
Committee**

November 25, 2024

Sarah Clark – Secretary of Administration

Denise Reilly-Hughes – Secretary of Digital Services & Chief
Information Officer

ERP Transformation Project – Overview

ERP Modernization

- As part of the State of Vermont’s commitment to modernizing its operations, we are transitioning from our current on-premises ERP system to a new cloud-based ERP system, Workday. This transformation is designed to streamline human resources, payroll, and finance processes, providing state employees with a more efficient, secure, and modern user experience.

Future Vision

- The ERP Project will allow a future where Vermont’s enterprise systems are fully integrated, agile, and secure - empowering our employees with intuitive tools and real-time insights. We envision streamlined operations, seamless alignment across the state, and a resilient infrastructure that drives efficiency, optimizes resources, and ensures we achieve our goals with excellence, no matter how demands or needs evolve.

Operational Foundation

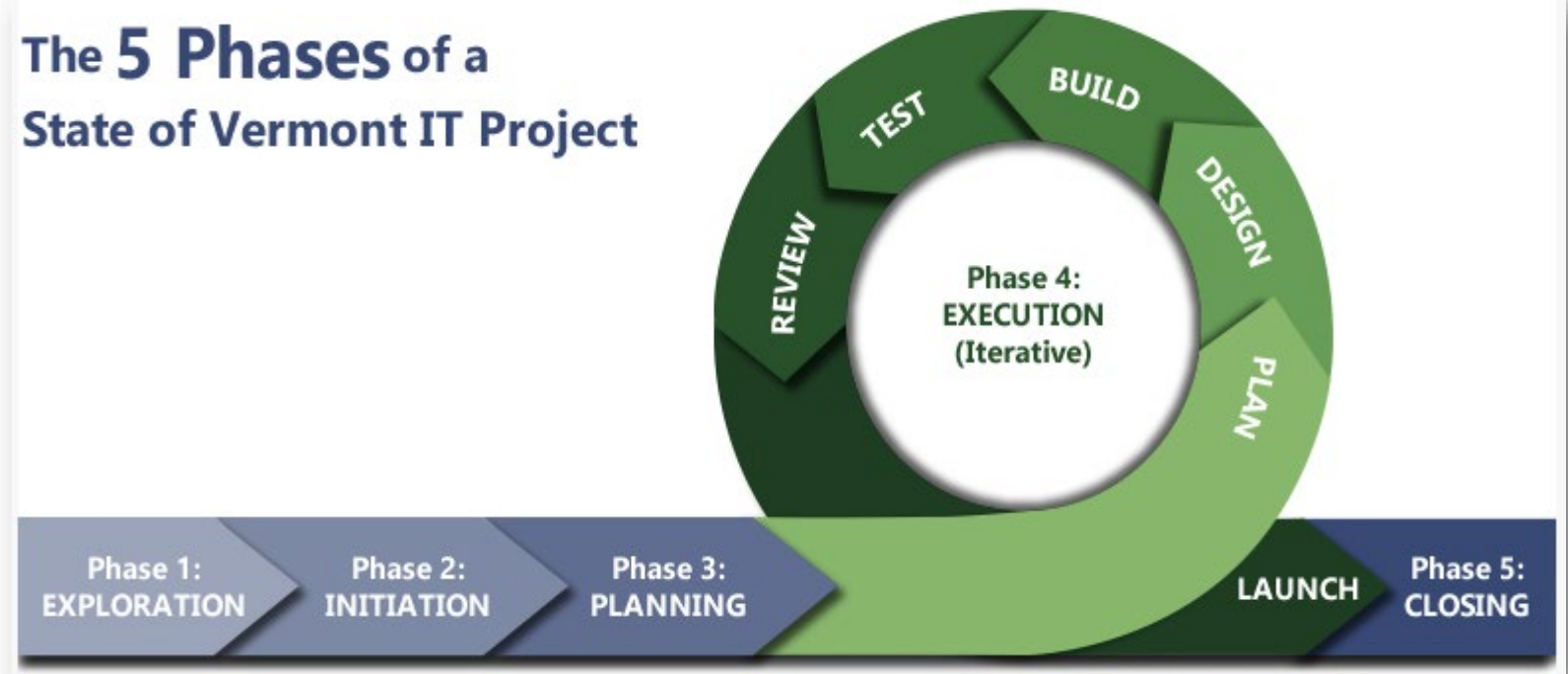
- This platform is the foundation of state government and is critical to maintaining and achieving effective operations.



ERP Transformation Project – Project Methodology

ADS manages projects using a hybrid Waterfall-Agile process. By combining traditional Waterfall phases with an Agile Execution phase, we can capitalize on the clarity of Waterfall, while providing the flexibility and transparency of the Agile process, which is often needed to adapt to changing or unknown requirements.

The 5 Phases of a State of Vermont IT Project



<https://digitalservices.vermont.gov/epmo/project-process>

ERP Transformation Project – Project Management Plan

Deliverable	Description	Update Frequency
Project Management Plan	<p>The Project Management Plan will dictate specifics on how the Contractor Project Manager will administer the project and will include the following documentation:</p> <ol style="list-style-type: none">1. Change Management Plan (will dictate how changes will be handled including any Service level terms on over/under estimates)2. Communication Management Plan (will dictate what will be communicated, to who, and how often)3. Requirements Management Plan (will dictate the approach that the requirements will be gathered, approved, and maintained)4. Human Resources Management Plan (will dictate what resources will be assigned to the project, for how long, under what allocation, who they report to, and how to handle changes to the resource plan)5. Procurement Management Plan (will dictate how the vendor(s) will interact with the project and expectations regarding vendor relations with State resources)6. Quality Management Plan will dictate the quality controls over the deliverables, work products, and activities performed as part of the project, including identifying and tracking Key Performance Indicators and associated metrics.7. Risk and Issues Management Plan (will dictate how risks and issues will be managed over the course of the project)8. Scope Management Plan (will dictate how the scope will be maintained to prevent “scope creep”)	



ERP Transformation Project – Communications Plan

Communication Goals

- **Raise Awareness:** Ensure all employees understand the reason for the ERP transformation and how it will benefit them.
- **Generate Engagement:** Motivate employees to support the change and embrace the new system.
- **Ensure Readiness:** provide the necessary training and resources to prepare employees for a successful transition.
- **Reinforce Success:** Sustain momentum post-implementation by celebrating milestones and encouraging continued use.

Awareness

Inform all employees about the ERP project and its importance.

- DHR Connect Newsletter: Message: Introduction, highlights, benefits, players
- Website Message: Project overview with project goals, timeline, and key dates
- Town Hall Meetings: hosted by leadership to explain the project and address any immediate questions from employees

Engagement & Acceptance

Build support for the change by emphasizing benefits and addressing concerns.

- Employee Testimonial Videos
- FAQ Documents
- Departments-specific Material

Knowledge & Training

Provide employees with the tool and knowledge they need to use the new ERP system.

- Training Invitations:
- Training Resources (Videos & written guides):
- Helpdesk Information

Go-Live and Reinforced Support

Provide real-time support as employees begin using the new system.

- Daily/weekly Support Emails
- On-the-Ground Champions



ERP – Business Process Transformation Phases

PHASE TABLE

PHASE	PHASE DESCRIPTION
Planning	The Planning phase encompasses Process definitions, timeframes, key contacts and Engagement Kick-off activities, roles and responsibilities, identify templates where needed.
Current State/Requirements Gathering	The Current State phase includes interview workshops, stakeholder analysis, inventory of ancillary systems specific to current business processes and needs analysis and current integrations.
Future State Design & Documentation	The future state phase includes identifying how current state will translate to the future state identifying where there are gaps and solutions to mitigate those gaps.
Data Conversion	The Data Conversion phase includes providing assistance and knowledgebase using templates provided by the SI.
Change Management & Organizational Readiness	The Change Management and Organizational Readiness phase will assess the State's readiness in preparing of moving to the new solutions and assisting the State through that change.
Training & Testing	The Training and Testing Phase includes assisting the State and SI with Testing activities and leading the State through training up on the new solutions.
Deployment/Post Deployment Support	The Deployment/Post Deployment Support phase provides the State the knowledge to ensure



ERP – Implementation Phases: HCM and Budget

Implementation Phase	Deliverable/Milestone	Estimated Month	Month
Base Camp – HCM	Base Camp Initiation	24-Dec	1
Base Camp – HCM	Vision Statement that documents Project’s “North Stars”	25-Jan	2
Base Camp – HCM	GH+ Discovery Workshop Notes	25-Feb	3
Base Camp – HCM	Recommended Roadmap		
Base Camp – HCM	Analysis of KPI’s		
Base Camp – HCM	Customer Training Plan	25-Mar	4
Base Camp – HCM	Baseline Process Delta Reviews		
Plan – HCM	Project Initiation Kick Off	25-Apr	5
Plan – HCM	Project Organizational Structure		
Plan – HCM	Baseline Project Schedule		
Plan – HCM	Tenant Strategy		
Plan – HCM	Communications Plan		
Architect and Configure – HCM	Workset A – Design Sessions, Configuration & Business Process	25-Jun	7
Architect and Configure – HCM	(BP) Workbook Completion, Data Load		
Architect and Configure – HCM	Workset A – Playback	25-Jun	7
Architect and Configure – HCM	Workset B – Design Sessions, Configuration & BP Workbook	25-Aug	9
Architect and Configure – HCM	Completion, Data Load		
Architect and Configure – HCM	Workset B – Playback	25-Aug	9
Architect and Configure – HCM	Workset C – Design Sessions, Configuration & BP Workbook	25-Sep	10

Architect and Configure – HCM	Completion, Data Load		
Architect and Configure – HCM	Workset C – Playback	25-Oct	11
Architect and Configure – HCM	Customer Confirmation Session Completion	25-Nov	12
Architect and Configure – HCM	Unit Testing Complete	25-Dec	13
Test – HCM	End to End Tenant Build Complete	26-Jan	14
Test – HCM	End to End Testing Wave-1 Complete	26-Feb	15
Test – HCM	End to End Testing Wave-2 Complete	26-Mar	16
Test – HCM	End to End Testing Wave-3 Complete	26-Apr	17
Test – HCM	Parallel Tenant Build Complete	26-May	18
Test – HCM	Parallel Testing Wave-1 Complete	26-Jun	19
Test – HCM	Testing Stage Complete	26-Jul	20
Deploy – HCM	Employees Live on Workday HCM	26-Sep	22
Production Support – HCM	First 2 payrolls complete	26-Oct	23
Production Support – HCM	Second Month Post Go-Live Support Complete	26-Nov	24
Production Support – HCM	90 Day Production Support Complete	26-Dec	25

Adaptive Planning:			
Adaptive Planning (Phase 1B)	Adaptive Planning Project Initiation	25-Mar	4
Adaptive Planning (Phase 1B)	Adaptive Planning Go-Live	25-Sep	10



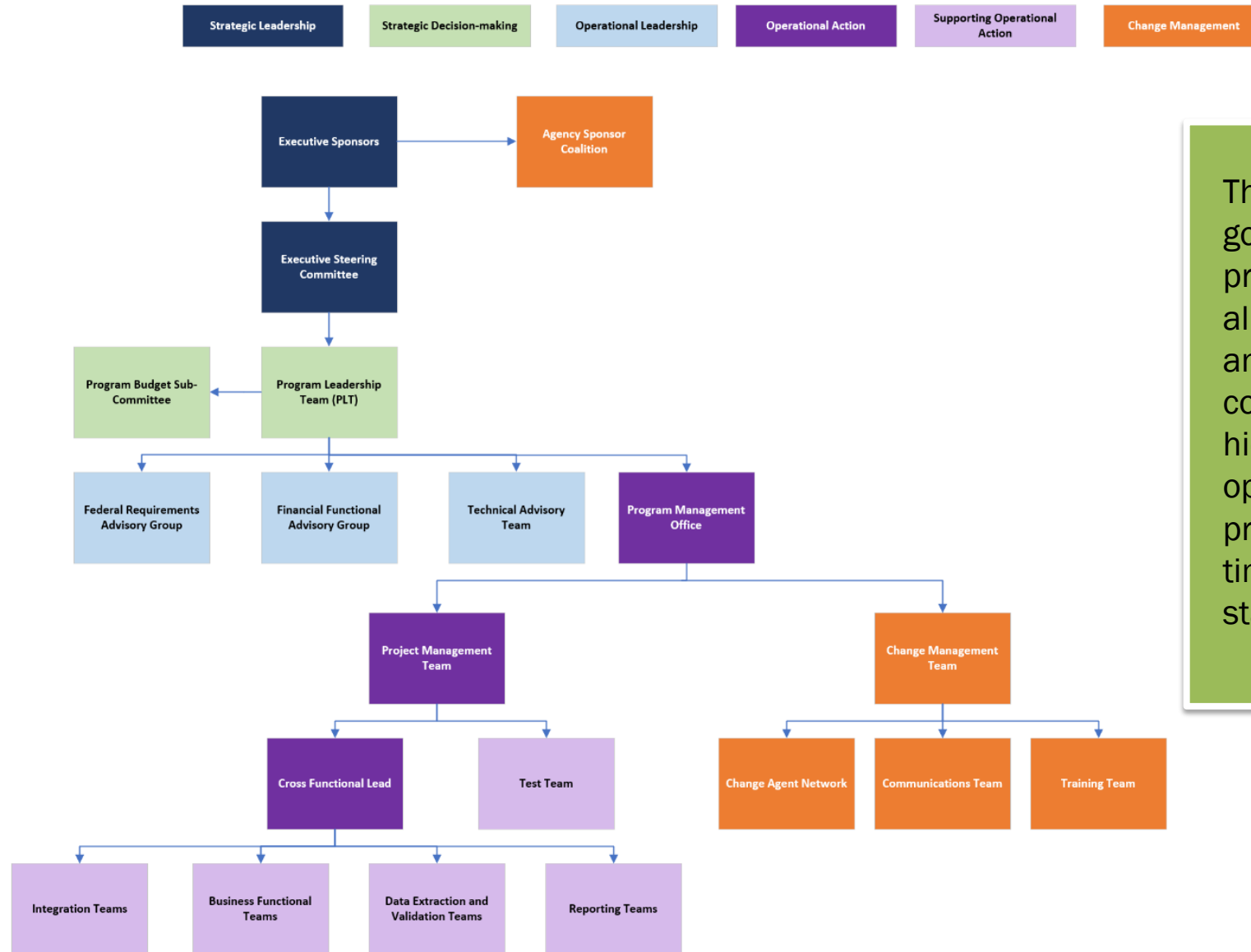
ERP – Implementation Phases: Finance

Implementation Phase	Deliverable/Milestone	Estimated Month	Month
Base Camp – Financials	Base Camp Initiation	26-Oct	23
Base Camp – Financials	Vision Statement that documents Project’s “North Stars”	26-Nov	24
Base Camp – Financials	Customer Training Plan	26-Dec	25
Base Camp – Financials	GH+ Discovery Workshop Notes	27-Jan	26
Base Camp – Financials	Recommended Roadmap		
Base Camp – Financials	Analysis of KPI’s		
Base Camp – Financials	Customer Training Plan		
Base Camp – Financials	Baseline Process Delta Reviews		
Plan – Financials	Project Initiation Kick Off	27-Feb	27
Plan – Financials	Project Organizational Structure		
Plan – Financials	Baseline Project Schedule	27-Feb	27
Plan – Financials	Tenant Strategy	27-Feb	27
Plan – Financials	Communications Plan		
Architect and Configure – Financials	Workset A – Design Sessions, Configuration & Business Process	27-Apr	29
Architect and Configure – Financials	(BP) Workbook Completion		
Architect and Configure – Financials	Workset A – Data Load	27-Apr	29
Architect and Configure – Financials	Workset A – Playback	27-Apr	29
Architect and Configure – Financials	Workset B – Design Sessions, Configuration	27-Jun	23
Architect and Configure – Financials	(BP) Workbook Completion		

Architect and Configure – Financials	Workset B – Data Load	27-Jun	31
Architect and Configure – Financials	Workset B – Playback	27-Jun	31
Architect and Configure – Financials	Workset C – Design Sessions, Configuration	27-Jul	32
Architect and Configure – Financials	(BP) Workbook Completion		
Architect and Configure – Financials	Workset C – Data Load	27-Jul	32
Architect and Configure – Financials	Customer Confirmation Session Completion	27-Sep	34
Architect and Configure – Financials	Unit Testing Complete	27-Oct	35
Test – Financials	End to End Tenant Build Complete	27-Nov	36
Test – Financials	End to End Testing Wave-1 Complete	27-Dec	38
Test – Financials	End to End Testing Wave-2 Complete	28-Feb	39
Test – Financials	End to End Testing Wave-3 Complete	28-Mar	40
Test – Financials	Testing Stage Complete	28-Apr	41
Deploy – Financials	Gold Tenant Build Complete	28-May	42
Deploy – Financials	Employees Live on Workday Financials	28-Jun	43
Production Support – Financials	One Month of Post Go-Live Support Complete	28-Jul	44
Production Support – Financials	Second Month of Post Go-Live Support Complete	28-Aug	45
Production Support – Financials	90 Day Production Support Complete	28-Sep	46



ERP Transformation Project – Governance



The ERP Modernization project governance hierarchy identifies the proper stakeholders, define roles, aligns for decision-making authority, and establishes program communications. This governance hierarchy will serve to balance SOV operational requirements and program management needs for timely decisions and empower all stakeholders at the right levels.



ERP Transformation Project – Current Cost Estimates

IT Activity Lifecycle:	10 years, starting with 2022 through 2031.
Total Lifecycle Costs:	\$87,629,765
Total Implementation Costs:	\$52,557,677
New Annual Operating Costs:	\$4,983,924
Current Annual Operating Costs:	⚠ \$4,012,126
Difference Between Current and New Operating Costs:	\$971,798

**10 Year Lifecycle costs
based on CIO Independent
Review**

Funding Source(s) and Percentage Breakdown if Multiple Sources:	Appropriation A - ARPA-CSFR Fund to AoA, changed to GF in 2021		Appropriation B - Technology Modernization Special Fund	
	Funds Appropriated	\$ 12,800,000.00	\$	11,800,000.00
	Estimated Costs	\$ 28,701,612.74	\$	23,856,064.34
	Budget Shortfall Subtotals	\$ (15,901,612.74)	\$	(12,056,064.34)
	Budget Shortfall Total	\$ (27,957,677.08)		



⚠ Does not include STARS, FARS, hardware replacement, support, or staffing costs

ERP Transformation Project - Summary

Business Process Transformation Partner

- Execute contract and kick off on December 1, 2024. Contract held by Agency of Administration
- Partner with the State and the System Implementor with the defined vision, guiding principles and measures of success by providing input to new system - including a business process gap analysis
- Coordinate with business and technology teams to ascertain system requirements

System Implementor Partner

- Execute contract and kick off on December 1, 2024. Contract held by Agency of Digital Services
- Provide implementation services to Vermont to deploy the Workday ERP solution
- Implement five stages of deployment starting with "Base Camp". This stage will include conducting a gap analysis and business requirements gathering and occurs in the first four months of the contract.

Project Phases

- Phase 1 – Human Capital Management
- Phase 1b – Budgeting Replacement
- Phase 2 - Financials



ERP Transformation Project – Final Thoughts

1. Transparency and Communication
2. Prioritize Gap Analysis and Business Requirements
3. Align Testing Strategy with Workday Recommendations
4. Develop a Comprehensive Data Management Plan
5. Address Chart of Accounts Concerns
6. Mitigate Integration Risks
7. Demonstrate Commitment to Ongoing Testing

By proactively addressing these operational and software concerns, the Project Team can demonstrate a commitment to responsible fiscal management and increase the overall project success. Transparency, communication, and a clear plan for addressing challenges are key to continued collaboration and support between branches, business offices, and users.

