

State of Vermont**Agency of Digital Services**

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*Denise Reilly-Hughes, CIO & Secretary**Sean Brown, Deputy Secretary***MEMORANDUM**

TO: Senator Robert Plunkett (Chair), Monique Priestley (Vice Chair)

CC: Joint Information Technology Oversight Committee (JITOC)

FROM: Secretary Denise Reilly-Hughes (ADS), Deputy Secretary Sean Brown (AOA)

DATE: October 21, 2025

SUBJECT: JFO ERP Memo Response From ADS & AOA

We appreciate the oversight and feedback provided by the JFO Legislative IT Consultant; however, we believe some aspects of the analysis may not fully reflect the current status and strategic direction of the project. Below is an outline of our perspective, along with additional context to clarify the concerns raised.

Gap Analysis and Functional Alignment:

Clarification: The ERP project team has conducted a comprehensive gap analysis to ensure alignment between Workday ERP functionalities and the State's business needs. This analysis is ongoing, and we are committed to addressing any identified gaps promptly.

Supporting Facts: The project maintains an ongoing workbook that identifies gaps and outlines the proposed action plan. This document is known as the "Business Process Transformation Flags." This document captures the gap, criticality, context, and proposed action for resolution across all Human Capital Management (HCM). This will be used for Financials when that phase kicks off.

As an example, for AOT, the project team has gathered requirements (to replace MATS and STARS) and has provided those to the implementation vendor to determine how and with what features we would address the needs with Workday. If gaps are identified, the plan would be to collaborate with State team members (AOT/ADS) to develop a solution for addressing those specific gaps, while utilizing the new state ERP platform for the majority of the workflow components. In this case, it may also be a preference of AOT to delay full adoption until the final phase go-live to ensure a single adoption cycle for the workstreams aligned under MATS and STARS.

Documentation and Communication:

Clarification: The state team has developed detailed documentation outlining project definitions, technical approaches, and data management strategies. This documentation is regularly updated and shared with all stakeholders to ensure transparency.



Supporting Facts: The State holds weekly functional and technical forums/meetings that ensure each group is aligned with the strategies and project work. Examples of written documentation and communications include: Project Governance, Project Communications, Tactical Communications, Weekly Project Status Reports, Decision Documents, Design Documents, and more.

Timeline of Project that targets Gap Resolution:

Clarification: We have established a clear timeline for confirming and addressing gaps, with contingency plans in place to manage any issues that arise during the Design and Testing phases.

Supporting Facts: Early Preview Sessions (EPS) will commence at the end of October 2025, allowing State team members to preview the configuration that has been built to date. This agile and iterative approach is an opportunity for the State to identify any changes that may need to be addressed by the implementation vendor before formal unit testing begins. These items are tracked in the project requirements repository (JIRA) for further evaluation and approval by the State and implementation vendor.

Integration and Testing Plans

Clarification: Our integration and testing plans are designed to ensure seamless transitions between system phases, with robust strategies for managing interim integrations with existing systems.

Supporting Facts: The State has assigned a dedicated Test Lead from the Agency of Administration to coordinate test strategy development in partnership with State resources, Business Process Transformation partners, and the implementation vendor. This unified testing strategy will be reviewed with project leadership in November 2025.

The State project team has developed a list of approximately 130 integrations that will need to be implemented throughout the project's life. The project team is actively working on the integrations prioritized for each phase (Budget, HCM, Financials). The implementation vendor is working in conjunction with the State integration leads on implementation. These integrations will be a part of the testing strategy and plan.

Engagement with Peer States and Experts

Clarification: We actively engage with other states and industry experts to gather insights and best practices, which are incorporated into our project strategies.

Supporting Facts: Change Management maintains an active peer exchange with the Organizational Change Management lead from the State of Rhode Island. Most recently, we engaged with the RI team to connect with a Department of Transportation resource for Vermont's Agency of Transportation (AOT) to meet with directly and discuss Rhode Island's Workday implementation experience.

Our Director of Statewide Accounting actively participates in a national workgroup through the National Association of State Comptrollers, a part of the National Association of State Auditors,



Comptrollers, and Treasurers. In that forum, states regularly share implementation experiences, process improvements, and lessons learned, which we are using to inform Vermont's approach. The Agency of Digital Services leadership team has been actively engaged with Rhode Island, Georgia, Washington, Iowa, and Maine as they are further in their adoption journey. Additionally, we have engaged with many other public sector organizations that are in their early stages of adopting the full Workday platform. Workday is in the process of establishing a more formal customer advisory board, to which Vermont has expressed interest in participating.

Lastly, in addition to regularly engaging with Workday resources, we collaborate closely with our system implementer, Guidehouse, and our Business Process Transformation partner, Attain, drawing on their extensive Workday implementation experience and lessons learned from other state implementations to inform decisions and mitigate risk as we proceed.

Risk Management Framework

Clarification: We have implemented a formal risk management framework to continuously identify, assess, and mitigate risks throughout the project lifecycle.

Supporting Facts: The project team has created and maintains a risk management log, where we actively engage with appropriate stakeholders to ensure that mitigation strategies and steps are taken to reduce and eliminate identified risks. The project team holds regular risk management meetings with project team members to address open risks and issues, ensuring that proper mitigation strategies are identified and implemented. Project issues that cannot be solved at the project team level are escalated to the project leadership team for discussion and resolution.

Impact of Related Projects

Clarification: We are coordinating closely with related projects, such as the replacement of the Willis system, to ensure alignment and minimize any potential impact on the ERP project.

Supporting Facts: The Change Management Team facilitated a lessons-learned session with members of the VTBuys implementation to capture practical insights on communication pacing, stakeholder fatigue, and role clarity. These lessons are being directly applied to ERP engagement planning. Additionally, the state has hired a vendor to develop a new system to replace the Willis system. It is not anticipated to impact the project.

We are committed to the successful implementation of the ERP project and welcome continued dialogue to ensure that all stakeholders have a clear and accurate understanding of our progress and plans. Please don't hesitate to contact us if you have any further questions or require additional information.

Thank you for your attention to this matter.

Sincerely,

Denise Reilly-Hughes
ADS Secretary & CIO

Sean Brown
AOA Deputy Secretary

