



# **Risky Business!**

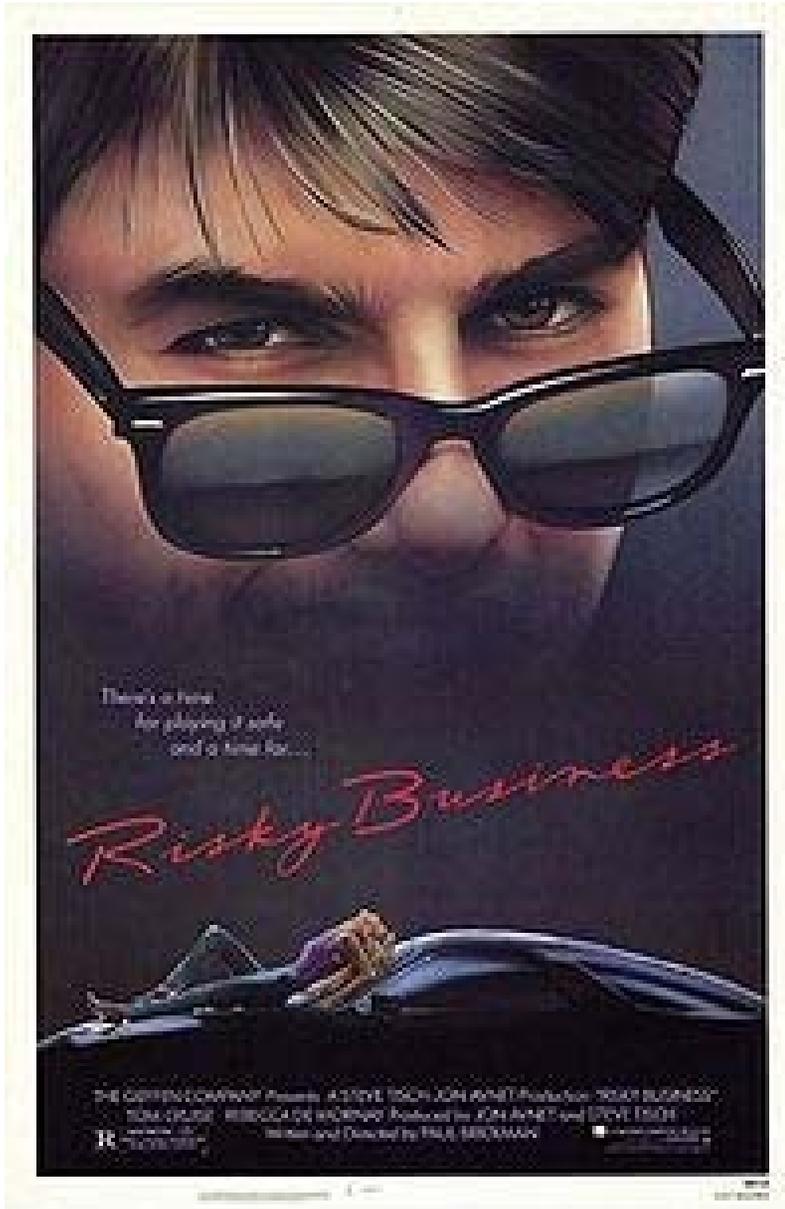
## **MAGIC and Stimulus!**

June 17, 2009

**Department of Finance and Administration**  
Mississippi Management and Reporting System

# Agenda

- Risky Business
  - ▶ What are we up against?
- MAGIC
  - ▶ Where are we?
  - ▶ What's next?
  - ▶ What are the risks to do this? To not?
- Stimulus
  - ▶ American Reinvestment and Recovery Act
  - ▶ Who does this impact?
  - ▶ What are the risks here?
- So – What Do We Do?
- Q&A



Title fits where we are today  
.....right in the middle of a  
bunch of *Risky Business*...

Some was being planned  
for....

**MAGIC**

Some was not.....

**MATA > FFATA >  
Stimulus....**

**And No FY2010  
Approved Budget!**



**MISSISSIPPI MANAGEMENT  
& REPORTING SYSTEM**

Meeting the Management Information Needs for the State of Mississippi

# MAGIC

June 17, 2009

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# Alternatives

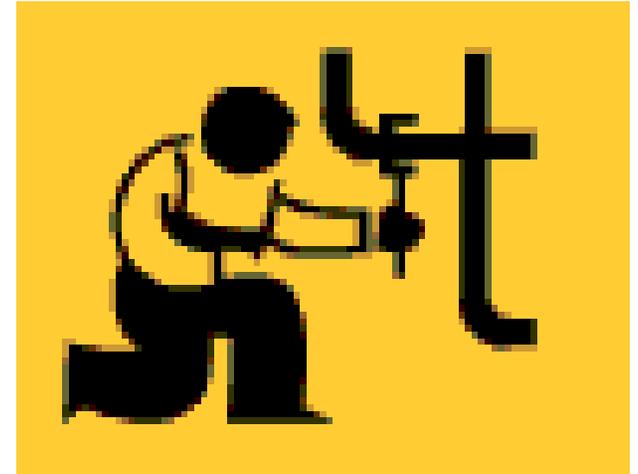
- **Alternative 1**
  - ▶ Continue the current model of statutory enhancements
- **Alternative 2**
  - ▶ Significantly enhance the legacy systems
- **Alternative 3**
  - ▶ Implement an Enterprise Resource Planning (ERP) System

## Recommendation – Alternative 3

- Acquire a new Statewide ERP system using commercial off-the-shelf software
- Follow a five-phase approach to implement Finance and Procurement followed by HR/Payroll
- Finance the MAGIC initiative with a combination of bond funds and appropriations

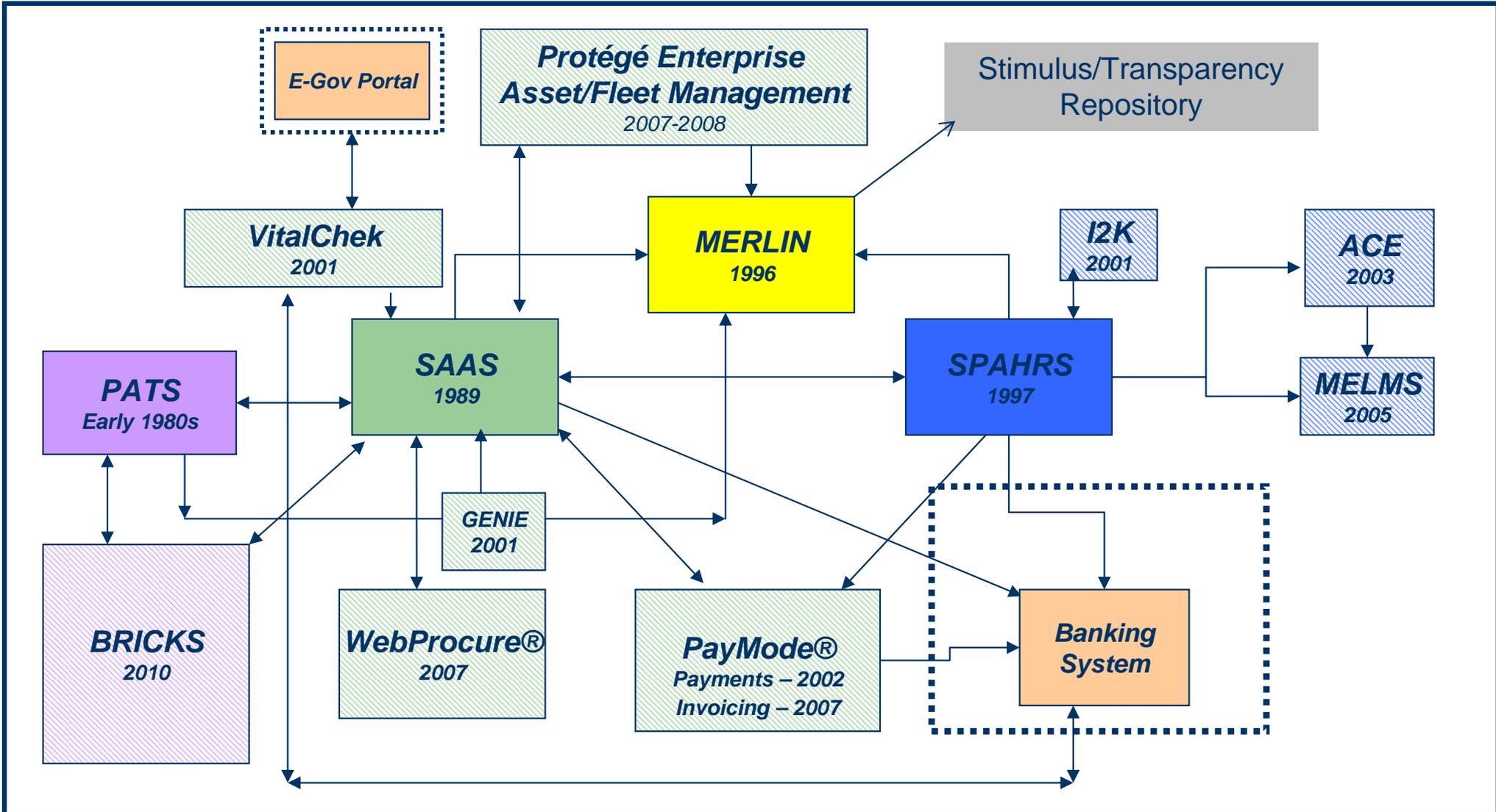
## Why not Alternatives 1 or 2?

- Postponing the inevitable
- Costs associated are lost
- Age of current technology
- Trained staff are retiring
- SAAS has no vendor support
- Every infrastructure software upgrade introduces additional risks of critical system malfunctions
- Economic climate places existing niche system components in jeopardy

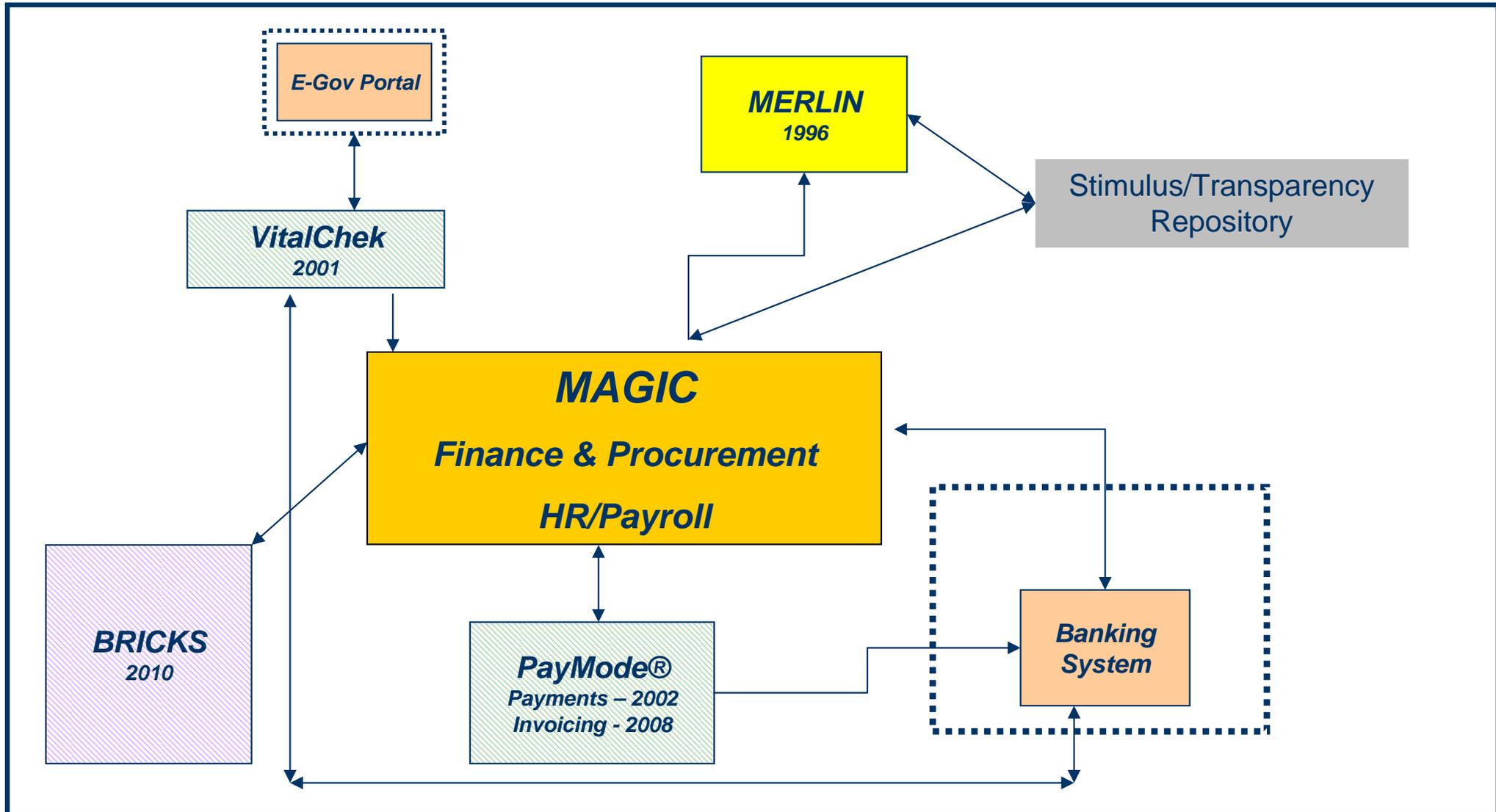


**RISKY BUSINESS ALL!!!**

# MMRS Today



# “End Game”



## ERP Benefits

- Improved access control and audit trails
- One user-id and password for all ERP based functions
- More fully integrated functions
- Automated workflow and approvals rather than “sneaker-net”
- Expanded on-demand reporting
- Viable technical architecture
- Document repository
- Rules based and role based processing so improved internal controls

# Risks of Implementing ERP

- Cost
- **Change**
- Insufficient staffing
- **Change**
- Insufficient funding
- **Change**
- Ongoing statutory mandates
- **Change**
- Ongoing (growing) operational needs
- **Change**

## Activities To Date

- **Functional Requirements Developed**
  - ▶ 60+ meetings held with subject matter experts
  - ▶ 7,000+ requirements identified
    - ▶ Solicited broad based user input
    - ▶ Completed work sessions with agencies with special integration requirements
    - ▶ Obtained control agency specific requirement approvals
  - ▶ Reviewers - 1,000+
    - ▶ Task Force
    - ▶ AWG Members
    - ▶ Others
      - ▶ Online review and feedback
- **Business Case Analysis (BCA) Adopted**
  - ▶ <http://www.mmrs.state.ms.us/MAGIC/index.shtml>

## Activities to Date (continued)

- Conducted the ERP Workshop
- Conducted numerous briefings
  - You want us to talk to someone about this, we will!
- Documented “As-Is” processes
- Obtained ITS Board approval to proceed with software procurement
- Received limited initial funding approval (2009 bond bill)

## Next Steps

- Complete documentation of projected, high-level “To-Be” processes
- Engage outside counsel
- Develop RFP evaluation criteria and processes
- Establish RFP evaluation team
- Complete, release, and evaluate software RFP
- Develop, release, and evaluate implementation services RFP
- Acquire and implement development environment (with ITS)
- Determine impact and management of financing under GASB 51, et al
- Continue to attempt to acquire funding “just in time”

## Interested Software Parties

- ADP (HR/payroll only)
- Cogsdale Holdings
- Empower (HR/payroll only)
- Kronos (Time capture only)
- Lawson
- Oracle (PeopleSoft)
- SAP
- There could be others.....

## Interested Services Providers

- Accenture
- Bearing Point (Deloitte LLP)
- AT&T
- IBM
- MAXIMUS
- Northrup Grumman
- There could be (and probably will be) others.....

## **BEST CASE** Software RFP Timeline

<b>Task</b>	<b>Date</b>
First Advertisement Date for RFP	08/04/2009
Second Advertisement Date for RFP	08/11/2009
Mandatory Vendor Conference	08/25/2009
Deadline for Vendor's Written Questions	09/08/2009
Deadline for Questions Answered and Posted to ITS Web Site	09/29/2009
Proposals Due	10/27/2009
Evaluation of Proposals	01/08/2010
Vendor Onsite Presentations Completed (Allowing 3 days per vendor)	02/11/2010
Project team recommendation of prospective winner	03/24/2010
MAGIC Task Force Presentation	04/01/2010
MMRS Steering Committee Presentation	04/07/2010
ITS Board Presentation	04/22/2010
Contract Negotiation Completed	05/30/2010

# **BEST CASE - Finance and Procurement Services RFP Timeline**

<b>Task</b>	<b>Date</b>
First Advertisement Date for RFP	04/01/2010
Second Advertisement Date for RFP	05/04/2010
Mandatory Vendor Conference	05/11/2010
Deadline for Vendor's Written Questions	05/25/2010
Deadline for Questions Answered and Posted to ITS Web Site	06/29/2010
Proposals Due	07/13/2010
Evaluation of Proposals	08/25/2010
Vendor Onsite Presentations Completed (Allowing 3 days per vendor)	09/08/2010
Project team recommendation of prospective winner	11/16/2010
MAGIC Task Force Presentation	11/20/2010
MMRS Steering Committee Presentation	12/01/2010
ITS Board Presentation	12/23/2010
Contract Negotiation Completed	01/01/2011

# Go Live – Finance and Procurement

- Goal: FY Break - Target FY2013 (7/1/2012)
- Reality: Depends
  - Expanse of functions implemented
  - Integration to external systems
  - Funding approvals
- More risks
  - Total Cost of Ownership
  - Recovery of the economy
  - Constant pressure for more information immediately
  - Increased pressure for more system based controls
  - How to get it done before SAAS implodes
    - Further collapse procurement (software and services done collectively)
      - Potential for cost over time to increase!



There are no more outlets without ...





# **Stimulus**

## **American Recovery and Reinvestment Act**

**June 17, 2009**

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# American Recovery and Reinvestment Act

- General Overview
- Risky Business – Money First and Rules Later
- Mississippi Status

# ARRA – General Overview

- What is it?
- If my (agency, county, institution, -----) is not getting money, why mess with me?



RECOVERY.GOV



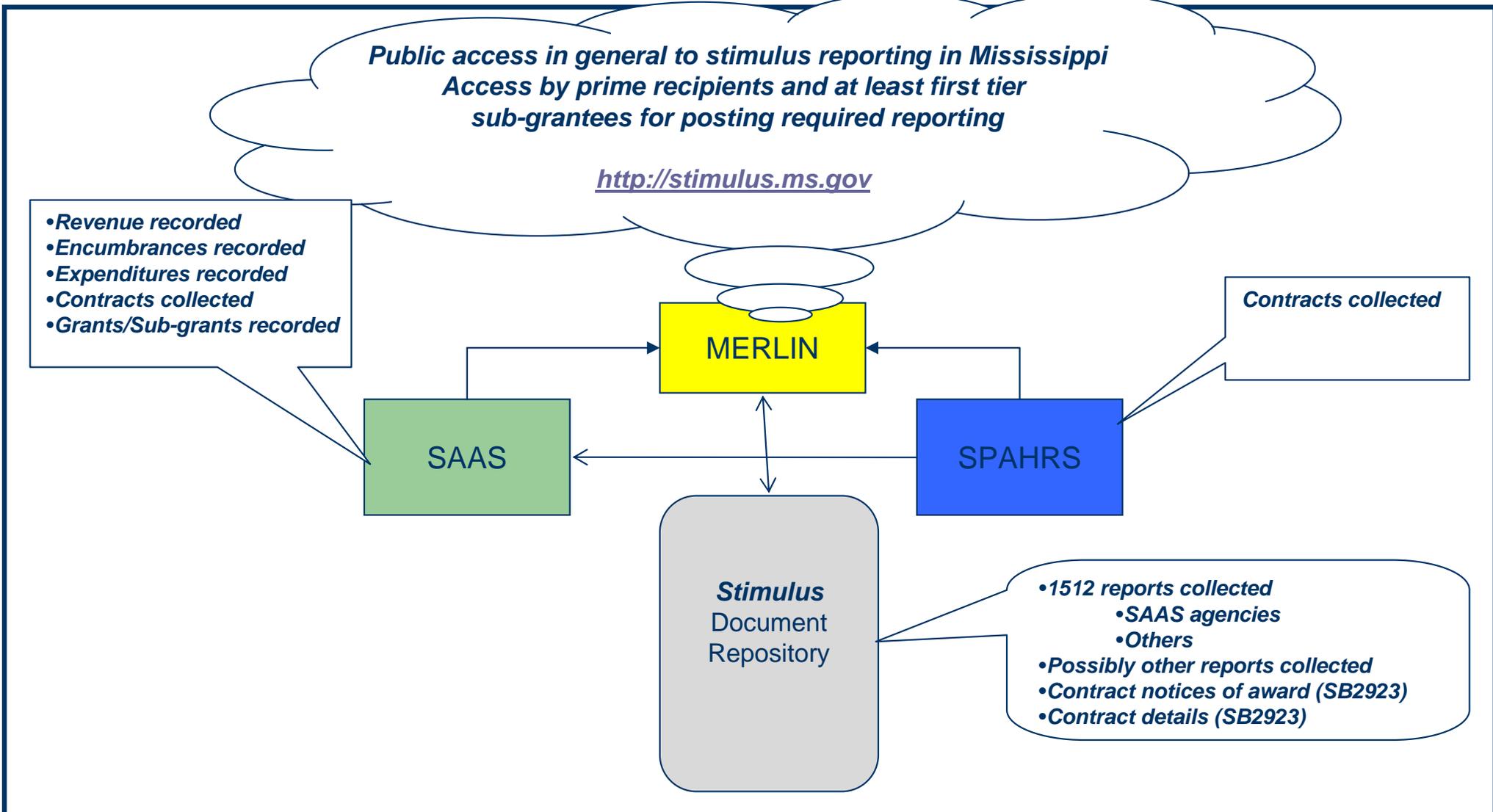
# ARRA Issues – Money First and Rules Later

- Think about “Disaster Declarations..”
- Add additional oversight
- Stir in multiple moving sets of reporting requirements...
- Add in we purposely due to risk had not implemented all MATA/FFATA mandates (now being done)
- Then add no State of Mississippi FY2010 budget

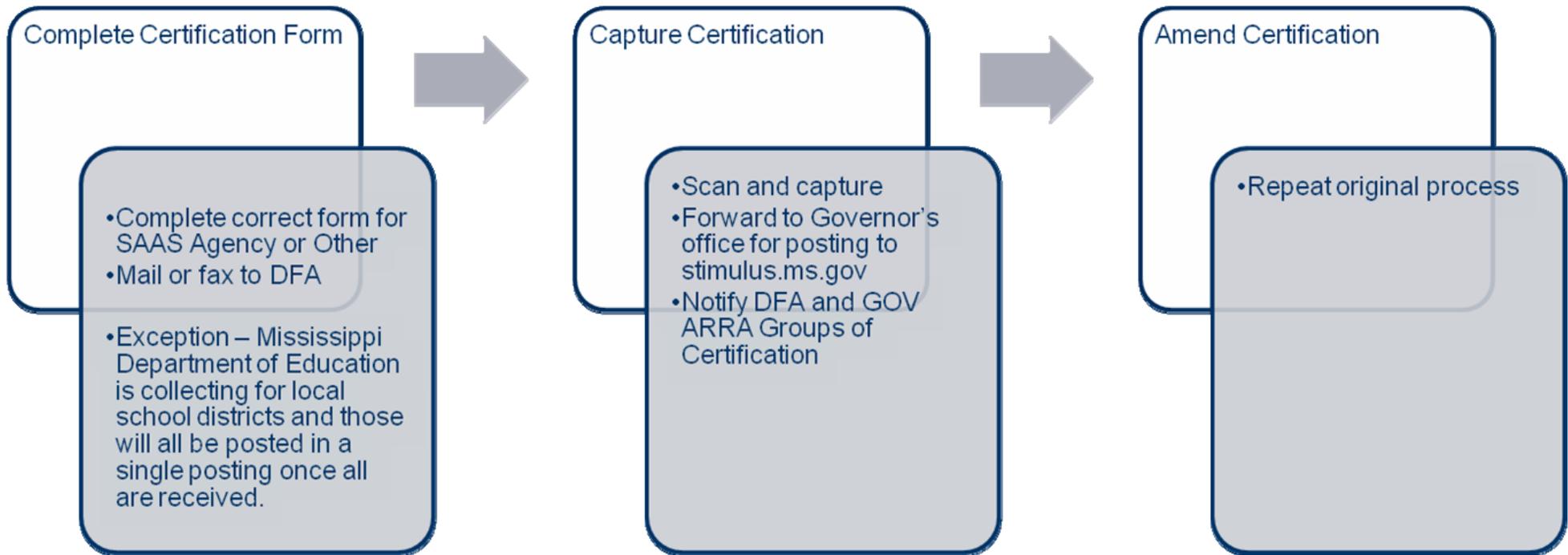
**Result = Recipe for Disaster IF we DON'T pay Attention**



# Mississippi Approach

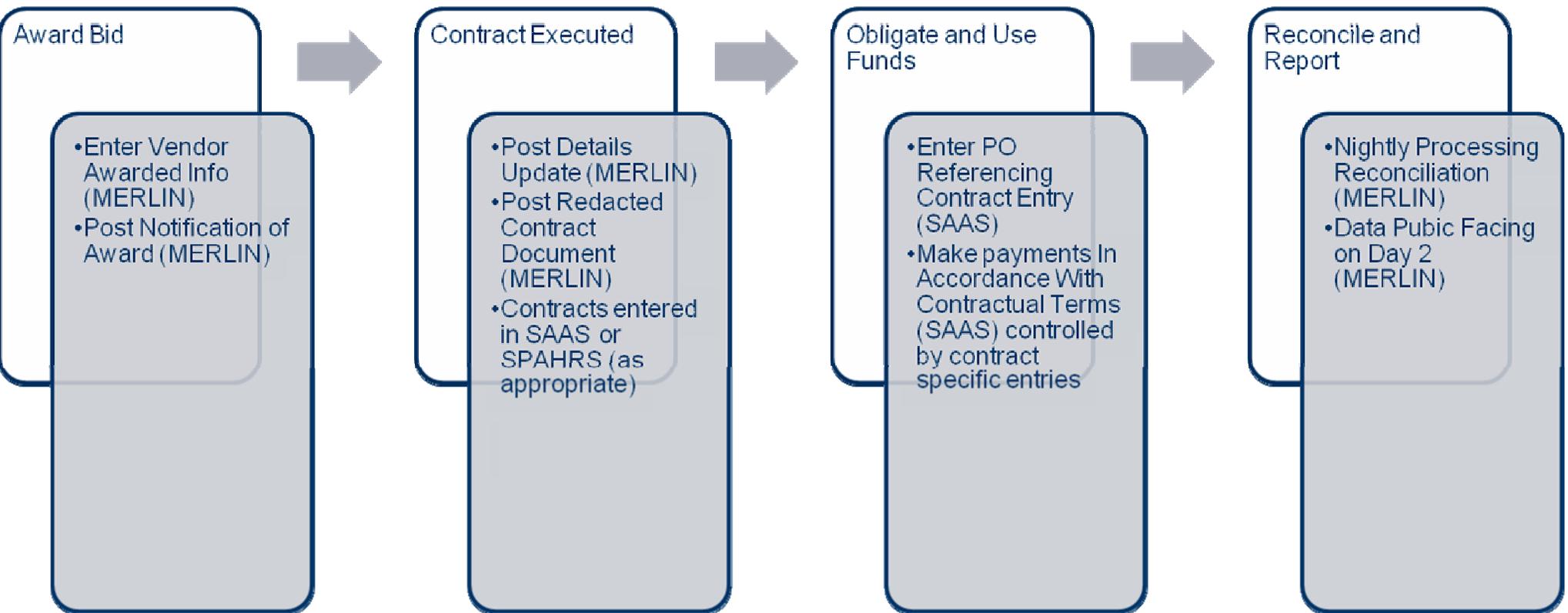


# Certifications



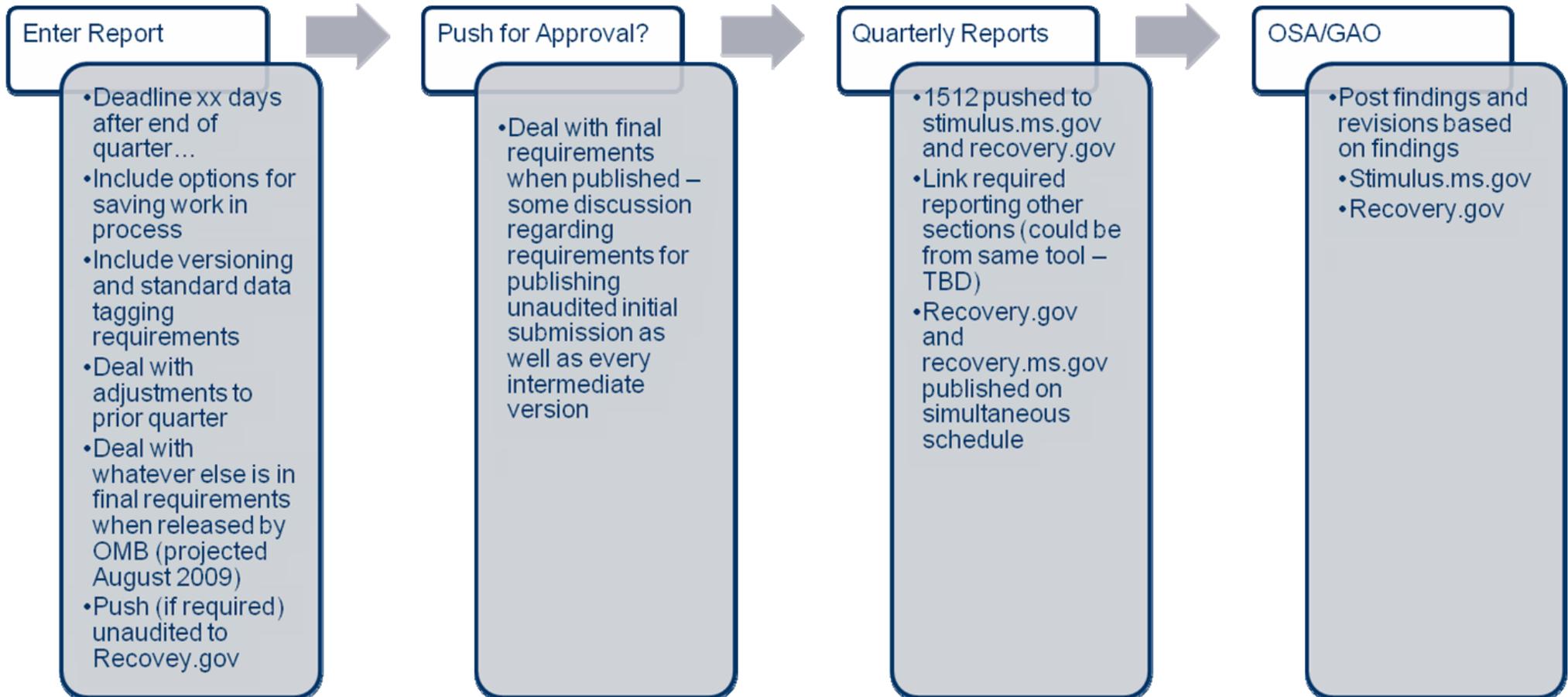
**Process in place today.  
Risks remain in issues related to governance  
structure – purview is not consistent!**

## SAAS Agencies – ARRA Contract Awards



**Expands MATA process**  
**Will meet SB2923 requirements**  
**TARGET: June 29**

## Section 1512 (And Other?) Reporting



**Many remaining unknowns!**



# So – What Do We Do?

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# Risky Business – What Do We Do?

- Plan, Revise Plan, Plan Some More.....
  - ▶ Risk management, like business continuity planning and disaster recovery planning, lives and breathes always!
- Internal Controls
  - ▶ Complete assessments
  - ▶ Live by them!
- Rules Based Processes
  - ▶ Mundane decisions become no brainers
  - ▶ Minimize allowable exceptions
  - ▶ Close gaps where controls “avoided”
  - ▶ Resources focus on higher risk issues
- New projects or changes in plan
  - ▶ First assess stand alone risks
  - ▶ Next evaluate risk profile changes to everything else you are doing

# Questions?



# Risky Business!

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