

Florida **PALM**

Planning, Accounting, and Ledger Management



EXECUTIVE STEERING COMMITTEE

DEPARTMENT OF REVENUE
BUILDING 2
JULY 25, 2018



FloridaPALM
Planning, Accounting, and Ledger Management

ROLL CALL AND OPENING REMARKS

FACILITATOR: RYAN WEST



REVIEW OF APRIL 25, 2018 MEETING MINUTES

FACILITATOR: MELISSA TURNER



FLORIDA PALM PROJECT UPDATE

FACILITATORS: MELISSA TURNER,
JULIAN GOTREAU, DUSTI KINCL



Florida PALM Project Update

Budget – FY 2017-2018 Spend Plan

FY 2017-2018 Spend Plan Summary As of June 30, 2018

Category	Projected	Incurred	Remaining Balance	% Remaining
Salaries and Benefits	\$3,033,104.88	\$2,985,790.67	\$47,314.21	2%
Special Category	\$2,569,384.03	\$2,361,096.10	\$208,287.93	8%
Risk Management Insurance	\$3,304.00	\$3,304.00	\$0.00	0%
DMS Transfer	\$16,770.00	\$16,770.00	\$0.00	0%
Total	\$5,622,562.91	\$5,366,960.77	\$255,602.14	5%



Florida PALM Project Update

Budget – FY 2017-2018 Spend Plan

FY 2017-2018 Appropriation Summary

Category	Appropriated	Released	Carry Forward	Preliminary Reversion
Salaries and Benefits	\$5,995,653	\$5,995,653	\$0.00	\$3,010,259.61
Special Category	\$21,852,548	\$3,779,349	\$482,744.25	\$19,191,002.58
Risk Management Insurance	\$3,304	\$3,304	\$0.00	\$0.00
DMS Transfer	\$16,770	\$16,770	\$0.00	\$0.00
Total	\$27,868,275	\$9,795,076	\$482,744.25	\$22,201,262.19



Florida PALM Project Update

Budget – FY 2018-2019 Spend Plan

Category	Released to Date	Projected for July	% Remaining	Projected for Fiscal Year
Salaries and Benefits	\$6,018,920.00	\$308,498.16	94.9%	\$5,203,888.92
Special Category	\$292,159.00	\$176,103.27	39.7%	\$23,316,517.82
Risk Management Insurance	\$3,304.00	\$3,304.00	0%	\$3,304.00
DMS Transfer	\$16,770.00	\$4,192.50	75.0%	\$16,770.00
Total	\$6,331,153.00	\$492,097.93	92.2%	\$28,540,480.74



Florida PALM Project Update

Risks and Issues

- ▶ Since the last ESC meeting, all Pre-DDI risks were closed as part of closeout
- ▶ The Project will conduct brainstorming sessions to identify risks for tracking
- ▶ Risks and issues with high probability and impact will continue to be shared via monthly status reports and discussed (if necessary or as requested) with the ESC



Florida PALM Project Update

Schedule

- ▶ June 15, 2018: Public meeting of negotiation team to make recommendation for award (*concluding negotiations*)
- ▶ June 19, 2018: Notice of intent to award posted to Vendor Bid System
- ▶ July 1, 2018: Interim schedule initiated
- ▶ July 20, 2018: Florida PALM Software and System Integrator contract executed



Florida PALM Project Update

Scope – Pre-DDI Phase Closeout

- ▶ The Project commenced on July 1, 2014
- ▶ Created a Project Charter, Project Management Plan, and formed the ESC in 2015
- ▶ Organized its structure into four critical dimensions: People, Process, Technology, and Project Management
- ▶ Staffed full-time equivalent state employees and contractors
- ▶ Created a story to message the State's financial transformation
- ▶ Prioritized collaboration and communication



Florida PALM Project Update

Scope – Pre-DDI Phase Closeout

- ▶ Key readiness activities included:
 - Business Requirements
 - Standardized Business Process Models
 - Data Management Plan
 - Florida PALM Story
 - Procurement



Florida PALM Project Update

Scope – Pre-DDI Phase Closeout

- ▶ The Project Charter established the Project scope. Specific outcomes were further identified and grouped into one of the following categories:
 - Project Start-up
 - Procurement
 - Project Management Process and Technology Readiness
 - People Readiness
 - Process and Product Requirements Readiness



Florida PALM Project Update

Scope – Pre-DDI Phase Closeout

- ▶ The Project committed to being good stewards of State funds appropriated, as demonstrated by only spending the amount needed each year for the Project

Appropriation Summary by Fiscal Year			
Fiscal Year	Appropriated	Release	Expenditures
2014-2015	\$9,003,645.00	\$6,879,737.00	\$2,793,253.05
2015-2016	\$11,328,570.00	\$8,441,680.00	\$7,557,984.84
2016-2017	\$8,807,423.00	\$7,798,369.00	\$5,705,914.58
2017-2018	\$27,868,275.00	\$9,795,076.00	\$5,194,701.92
Total	\$57,007,913.00	\$32,914,862.00	\$21,251,854.40

Expenditure Summary by Fiscal Year and Budgetary Category				
Fiscal Year	Salaries and Benefits	Special Category	Transfers	Total by Fiscal Year
2014-2015	\$824,450.60	\$1,961,135.45	\$7,667.00	\$2,793,253.05
2015-2016	\$1,980,456.00	\$5,568,828.84	\$8,700.00	\$7,557,984.84
2016-2017	\$2,486,770.18	\$3,207,253.40	\$11,891.00	\$5,705,914.58
2017-2018	\$2,985,790.67	\$2,188,837.25	\$20,074.00	\$5,194,701.92
Total by Category	\$8,277,467.45	\$12,927,055.90	\$48,332.00	\$21,251,854.40



Florida PALM Project Update

Scope – Pre-DDI Phase Closeout

- ▶ 158 risks logged and managed, either through mitigation or monitoring strategies
- ▶ 376 action items logged and managed
- ▶ 15 issues logged and managed to resolution
- ▶ 80 decisions logged and managed to resolution
- ▶ 149 lessons learned captured
- ▶ 185 deliverables developed, tracked, and reported on in monthly status reports



Florida PALM Project Update

Scope – Case for Change

- ▶ In previous ESC meetings, the Project has discussed the following OCM initiatives:
 - Case for Change including
 - What's In It For Me (WIIFM) Statements
 - Messaging, presentations, and other materials
 - Stakeholder Assessments



If the State of Florida was a private sector corporation, its **\$90 billion budget** would earn a spot in the **“Fortune 25.”**

If the State of Florida was a country, its Gross Domestic Product (GDP) would be among the **20 largest in the world.**

Florida PALM will enable you to use state-of-the-art tools as you work each day.

Embrace the Journey



Did you know, Florida...



Receives \$400M from investments each year



Creates nearly \$100B in payment transactions annually



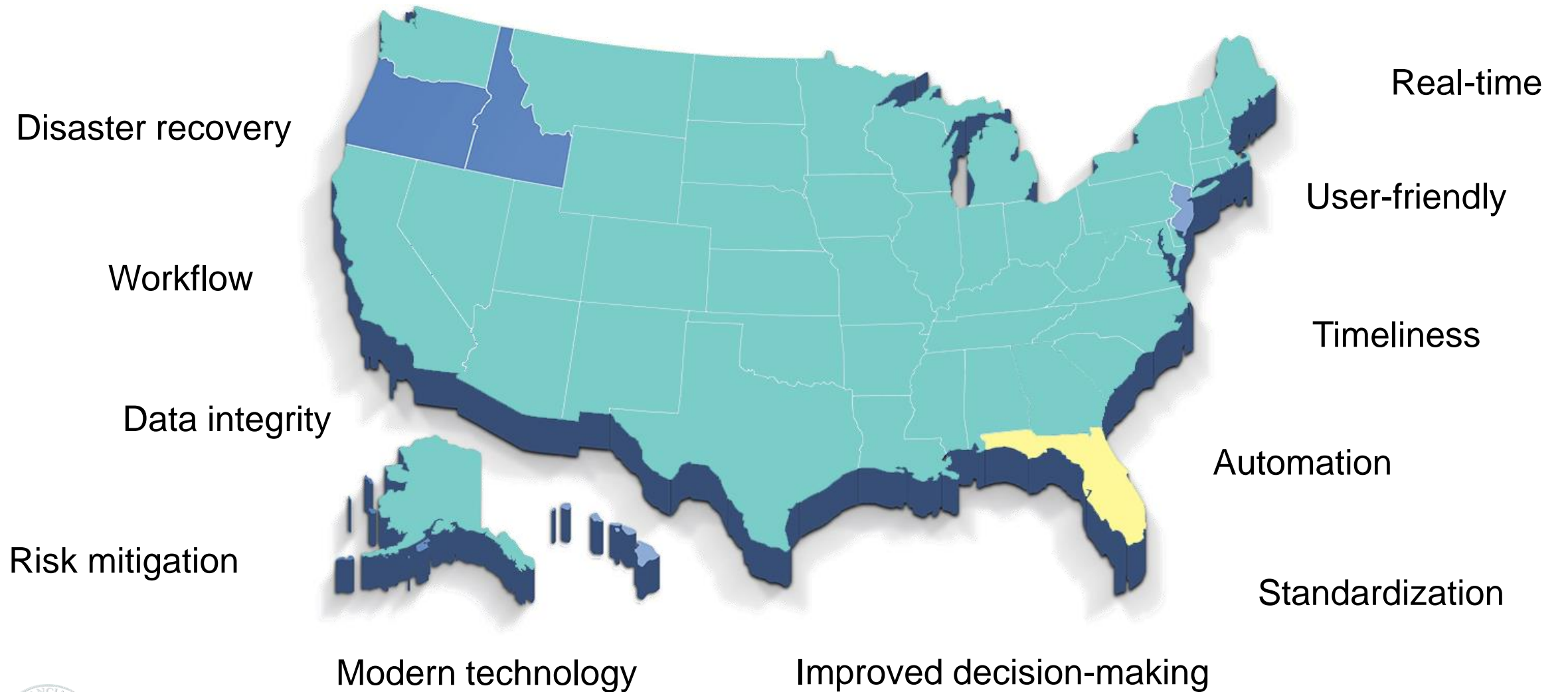
Disburses \$4.5B in Payroll per year



Conducts business with nearly 155,000 Vendors/Payees



Other state transformations & trends



Completed, or in the process of, FMS implementation 2000-2018

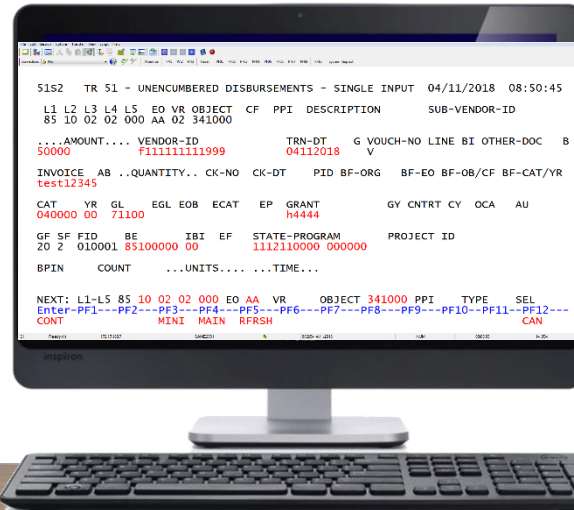
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Executive Steering Committee Meeting

07/25/2018

FLAIR and CMS limitations

- ▶ FLAIR/CMS have limited flexibility to meet Florida's needs
- ▶ Technical skills to support FLAIR/CMS are diminishing rapidly
- ▶ Agencies compensate by using over 400 unique agency systems
- ▶ FLAIR is nearly 40 years old



Change has begun

- ▶ Conducted a study to identify the best path for the State
- ▶ Gathered input from over 500 individuals
- ▶ Conducted over 100 workgroups, representing all agencies, to develop a future vision for the State
- ▶ Created over 3,500 business requirements for solution capabilities
- ▶ Released procurement to select an implementation partner



Goals of the Project

Reduce the State's risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability

Improve state and agency specific decision making by capturing a consistent and an expandable set of data

Improve the State's financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future

Improve staff productivity, reduce operational complexity and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies



Florida PALM solution will provide...

- ▶ A shared place for data
- ▶ Reduction in manual processes
- ▶ Fewer corrections and reconciliations
- ▶ Better system security, stability, and recoverability
- ▶ Adaptable technology platform



Florida PALM Team will provide...



- ▶ Implementation plans and timelines
- ▶ Frequent communication
- ▶ Avenues for two-way feedback
- ▶ Multiple training options
- ▶ Practice opportunities
- ▶ Support resources and documentation





Embrace the Journey

Florida PALM Project Update

Stakeholder Assessments Objective

- ▶ Gauge stakeholder awareness and understanding of the Florida PALM Project
- ▶ Identify stakeholder concerns and document input
- ▶ Determine stakeholders' preferred methods of engagement
- ▶ Gain a better understanding of ways to increase efficiency when conducting similar engagement activities



Florida PALM Project Update

Stakeholder Assessments Approach

- ▶ Planned for 1-on-1 meetings with technical and business process leadership
- ▶ Completed 24 meetings
- ▶ Used defined processes for:
 - Contacting Agencies
 - Inviting participants
 - Scheduling meetings
 - Soliciting feedback

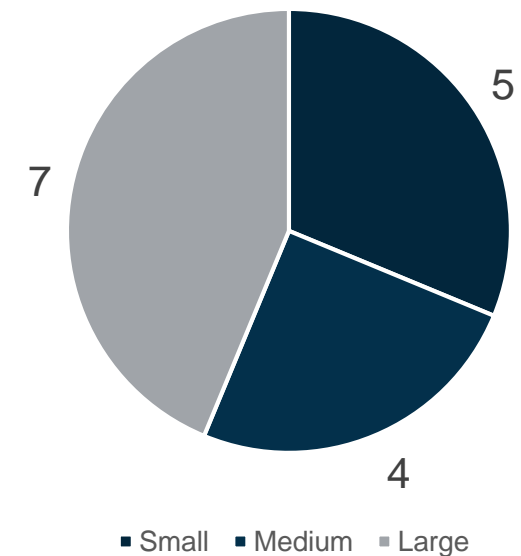


Florida PALM Project Update

Stakeholder Assessments Demographics

Agency	Agency Acronym	Size Categories*	Number of Participants	Number of Meetings
Department of Agriculture and Consumer Services	DACS	Large	4	1
Department of Business and Professional Regulation	DBPR	Medium	6	1
Department of Children and Families	DCF	Large	18	1
Department of Elder Affairs	DEA	Medium	4	1
Department of Environmental Protection	DEP	Large	7	1
Department of Financial Services	DFS	Large	10	3
Department of Legal Affairs (Attorney General)	DLA	Medium	7	2
Department of Military Affairs	DMA	Small	6	1
Department of Management Services	DMS	Medium	2	1
Division of Administrative Hearings	DOAH	Small	2	1
Department of Health	DOH	Large	3	2
Department of the Lottery	DOL	Small	2	1
Department of Revenue	DOR	Large	22	4
Department of State	DOS	Small	4	1
Department of Highway Safety and Motor Vehicles	HSMV	Large	11	2
Florida Public Service Commission	PSC	Small	5	1

Number of Participating Agencies Per Category

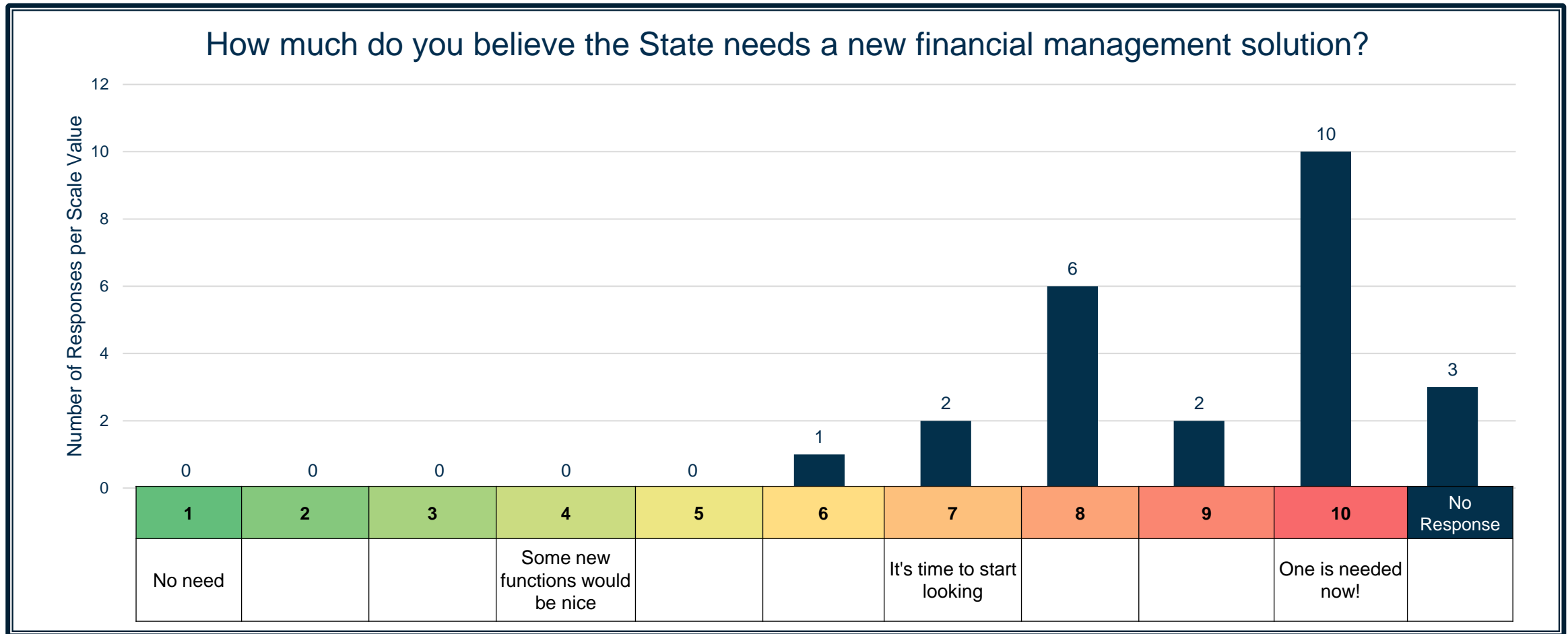


*Categories were determined based on annual budget, number of positions, number of FLAIR events, number of FLAIR transitions, and number of CMS deposits using 2015-2016 data



Florida PALM Project Update

Stakeholder Assessments Findings

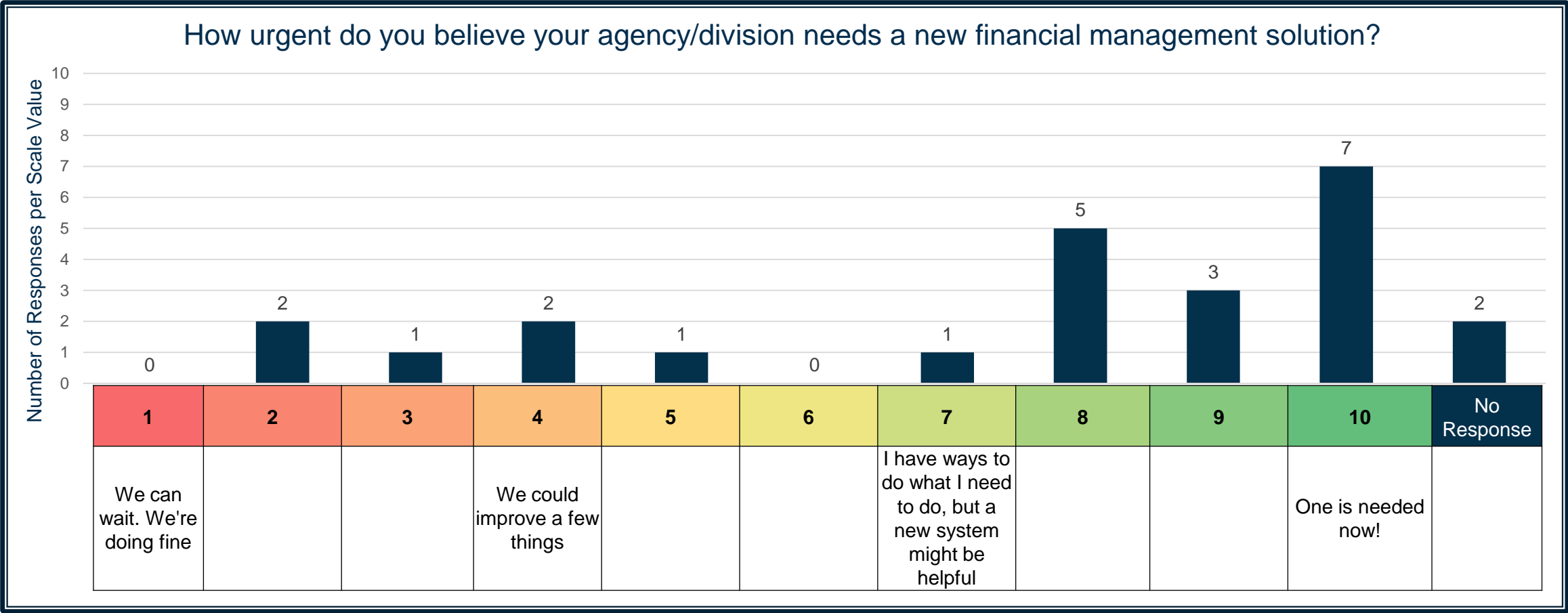


Average – 8.9



Florida PALM Project Update

Stakeholder Assessments Findings



Average - 7.5



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Stakeholder Assessments Findings

“We want to stay in the conversation.”

“We need to know about things as **early** as possible so we can prepare, rather than react.”

“**Regular** updates.”

“Get the right information to the appropriate individuals.”

“Be careful about letting us know when Florida PALM thinks we need to know.”

“I want to know as much as I can.”

“...Want to know everything!”

“Right now, not too much. As we get closer to implementation, I’ll want to know more.”

“Only things that **impact** me.”

“(we) like hearing what other agencies have to say.”

“I’d like to have a seat at the table.”



Florida PALM Project Update

Stakeholder Assessments Notable Concerns

- ▶ Potential negative impacts to their staff's ability to do their jobs
- ▶ Insufficient time or resources to make changes to their systems
- ▶ Little to no input regarding the design of the new financial management solution
- ▶ Staff resistance
- ▶ Timing of the rollout
- ▶ Staff knowledge and skillsets



Florida PALM Project Update

Stakeholder Assessments Contributors to Success

- ▶ Collaboration
- ▶ Communication
- ▶ Project Management
- ▶ Support and Training



Florida PALM Project Update

Stakeholder Assessments Notable Takeaways

- ▶ The overall opinion of Florida PALM is positive
- ▶ Participants want to be kept informed about Project activities
- ▶ There is strong interest in the implementation timeline
- ▶ A few agencies have already identified a point of contact or project manager
- ▶ There is interest in participating in a pilot
- ▶ Some participants do not understand why FLAIR and CMS need to be replaced
- ▶ Many participants could not assess potential impacts



INDEPENDENT VERIFICATION AND VALIDATION (IV&V)

FACILITATOR: NATHAN FREY,
MARK FAIRBANK



Independent Verification and Validation (IV&V)

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Purpose

- ▶ To help assure project success through identification and mitigation of risks and issues
 - **Independent**
 - Objective, impartial, constructive observations of project performance and quality
 - **Verification**
 - Examination of State and SSI work products and other evidence to assess whether execution adheres to project management standards meant to ensure quality and efficiency
 - **Validation**
 - Observation and analysis of project execution by State and SSI to assess whether results conform with requirements and align with the project's business transformation and technical goals



Independent Verification and Validation (IV&V)

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Purpose: Proactive Quality Control

► Audit

- **Retrospective** – what happened?
- **Passive** – not involved in activities leading to the subjects audited
- **Compliance Driven** – do things add up and were rules followed?
- **Findings** – are results right or wrong?

► IV&V

- **Prospective** – what's going on now and what needs to happen to improve future activities?
- **Engaged** – involved in the Project environment with a combination of independence and consultative input
- **Quality Driven** – do risks & issues jeopardize results or otherwise threaten Project goals?
- **Analyses** – fact-based analysis of deliverables and other subjects to produce actionable recommendations and help assure quality



Independent Verification and Validation (IV&V)

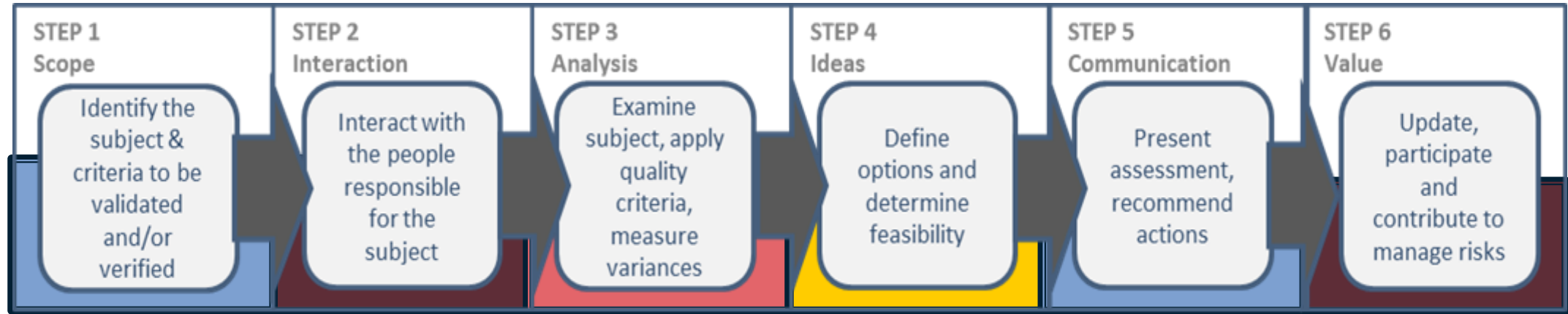
IV&V Team: Experience & Credibility

In addition to direct experience with the Florida PALM Project, members of the ISG IV&V Team bring **experience from ERP projects** in Alaska, Arizona, Arkansas, New Hampshire, Idaho, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Montana, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin.



Independent Verification and Validation (IV&V)

Approach - Assessment of Subjects



- ▶ The process requires:
 - Engagement with state and vendor project teams, project management, and stakeholders
 - Information gathered from documents, observations, and interactions
 - Examination of work products (e.g., deliverable reviews)
 - Objective analysis of risks/issues
 - Thoughtful and creative recommendations



Independent Verification and Validation (IV&V)

Approach: IV&V Monthly Assessment Reports



- Integration Management
 - Scope Management
 - Time Management
 - Cost Management
 - Quality Management
 - Human Resource Management
 - Communications Management
 - Risk Management
 - Procurement Management
 - Stakeholder Management
 - Change Management
 - System Capability Management
 - System and Acceptance Testing
 - Vendor Management
 - Training Management
- ▶ Each Project Area is assessed using a set of standardized questions and a 5-point rating scale to describe progress, quality, status, risks, and issues
 - ▶ Each reporting period, the ratings are used to calculate a score
 - ▶ The scores are translated to Green, or Yellow, or Red status to provide an executive summary in a dashboard format
 - ▶ Project Areas with ratings causes a Yell or Red status will be reported in detail with observations, recommendations and any mitigating factors
 - ▶ An inventory of IV&V subjects worked on during the moth will also be reported



5 4 3 2 1

Independent Verification and Validation (IV&V)

Approach: Assessment Criteria

- ▶ IV&V Project Areas ratings are used to answer some fundamental questions:
 - Are activities productive?
 - Are the correct stakeholders engaged?
 - Are results produced?
 - Is work completed on time?
 - Do deliverables meet quality standards, acceptance criteria, and align to goals of the project?
 - Is the project operating within financial expectations?
 - Will the system work?
 - Is the Project delivering its intended benefits?



Independent Verification and Validation (IV&V)

Reports: Interim Reporting of Issues and Risks

- ▶ Risks and issues identified between monthly reporting events will be logged using Florida PALM Project RAIDL processes already in place:
 - IV&V will confirm, clarify and discuss items with relevant Project Team members and PMO to develop input to the RAIDL process
 - The IV&V assessment ratings will be calculated and used to log and rate items using the existing Florida PALM impact and probability scales



UPCOMING ACTIVITIES

FACILITATOR: MELISSA TURNER



Florida PALM Project Update

Upcoming Activities

- ▶ Interim Activities including:
 - Knowledge Transfer Sessions to Project Team
 - Process Analysis Documents
 - Current State Key Performance Measures
 - Current State Information Warehouse Analysis
 - Current State Data Analysis
 - Current State Interface Research and Analysis
- ▶ DDI Planning and Execution



NEW BUSINESS

FACILITATOR: DAVID DiSALVO



NEXT MEETING

WEDNESDAY, AUGUST 22, 2018

BUILDING 2, ROOM 1250



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Planning, Accounting, and Ledger Management

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