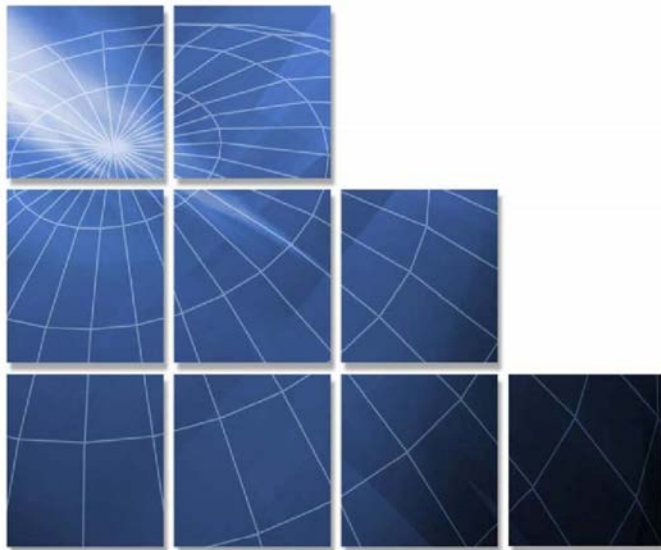


Business Case for Maintaining Agency Business Systems

Florida Department of Financial Services

November 1, 2016



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Revision History

Date	Owner, Organization	Change Reference
Oct 16, 2016	Richard Hetrick, CAI Thom Peer, CAI Tom Swider, CAI Carol Williams, CAI	Initial Draft
Oct 25, 2016	Richard Hetrick, CAI Thom Peer, CAI Tom Swider, CAI Carol Williams, CAI	Submitted Version
Oct 31, 2016	Richard Hetrick, CAI Thom Peer, CAI Tom Swider, CAI Carol Williams, CAI	Final Version Based on Review Feedback

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Executive Summary

The Department of Financial Services (the “Department”), Florida Planning, Accounting, and Ledger Management (PALM) Project (the “Project”) engaged Computer Aid, Inc. (CAI), in

compliance with Line 2317A of the 2016 General Appropriations Act (GAA) to complete the Business Case for maintaining any of the Agency Business Systems (“Systems”) identified in Attachment 2 of the March 31, 2014, Florida Department of Financial Services Florida Accounting and Information Resource (FLAIR) Study, Version 031, after the FLAIR subsystems and the Cash Management System (CMS) are replaced. CAI provided resources to form a CAI Business Case Team, including Business Process Consultants (BPC) (4), an Enterprise Resource Planning (ERP) Consultant, a Legal Consultant, and a Project Manager.

FLAIR Study

The Department, in accordance with a third party consulting firm, completed a Business Case study to recommend either replacement or remediation of FLAIR and CMS. The FLAIR Study included an assessment of options to enhance or replace FLAIR.

The FLAIR Study concluded in 2014 with a recommendation that the Department replace FLAIR and CMS with a commercial off-the-shelf ERP solution. This option was selected based on information collected from market conditions, trends, and an analysis of both qualitative and quantitative factors. The FLAIR Study also delivered “Attachment 2,” an inventory of systems interfacing with FLAIR.

Business Case Scope

Per Proviso language in Section 2317A of the 2016 GAA, the Department asked the CAI Business Case Team to consider the information associated with the Systems collected during the FLAIR Study and develop a Business Case that included:

- A detailed description of the functionality provided by the System;
- Confirmation that the System’s functionality is not planned to be included in the replacement of the FLAIR subsystem and the CMS; and
- Documentation, including Federal and State law, rule, or policy, which validates that the Agency is required to maintain the functionality currently provided by the System instead of modifying its business processes.

This Business Case includes an updated version of Attachment 2 which can be retrieved at the following URL:

- <https://www.myfloridacfo.com/floridapalm/resources/business-case/>

To increase contextual accuracy, the updated Attachment 2 also considered other systems performing financial management functions common to modern core financial management systems that were not included in the original Attachment 2 of the FLAIR Study.

This Business Case scope does not include:

- A determination of the feasibility to keep, replace, or remediate any System; or □ A recommendation to keep, replace, or remediate any System.

Summary of Findings

The FLAIR Study identified 424 Systems. The Updated Attachment 2 reflects 484 systems. See the section *Analysis of System Count*.

Florida PALM Inclusion

Of the 484 Systems analyzed, the CAI Business Case Team identified the following metrics:

- Functionality of 58 Systems was not analyzed due to their retirement since the FLAIR Study;
- Functionality of 171 Systems is not planned for inclusion in Florida PALM;
- Functionality of 151 Systems is planned for inclusion in Florida PALM;
- Partial functionality of 71 Systems is planned for inclusion in Florida PALM; and
- Functionality of 33 Systems was not provided or information was insufficient to conduct further analysis.

Legal Requirements for Systems

Of the Systems 484 analyzed, Agencies were asked to cite systems that have Federal laws, State laws, or Agency policies for maintaining functionality currently provided by the Systems. The CAI Business Case Team identified the following metrics related to the legal requirements for the systems:

- 186 Federal laws, State laws, or Agency policies references were confirmed;
- 1 Federal law, State law, or Agency policy reference was not confirmed; and
- 297 did not cite a Federal law, State law, or Agency policy.

Conclusions

1. This study benefited from a high participation rate of 97% of Florida State Agencies. Out of the 34 Agencies requested to participate, 33 Agencies were interviewed and submitted information for this study. The one Agency that did not participate indicated they were exempt. The participation rate is commendable, given that this inquiry occurred during Agency end of year activities. To ensure active and timely participation for future discovery, Agency schedules and resource availability must be factored in.
2. Some of the functionality provided by Systems are not part of standard ERP functionality. The Systems that provide such functionality are not candidates to be included in Florida PALM.
3. Some of the functionality provided by Systems are part of standard ERP functionality, but are currently out of Florida PALM scope. Examples of functional areas that are currently excluded are Travel Management and Inventory Management.
4. The Florida PALM Project Team should periodically review and update Attachment 2 as more is learned and understood about the Systems. Some areas to consider include:
 - a. Current retention of historical data is currently set to 3-5 years. This duration is not in alignment with the mandates required of many Agencies. Some Agencies are required to maintain 10+ years of historical data.
 - b. Continued changes to Systems to account for System addition, modification, or retirement.
5. Further analysis is needed to better understand:

- a. The interrelationship of the Systems within the Agency, across Agencies, and with the Florida Financial Management Information System (FFMIS). The result of this analysis can be used to evaluate both the proposed solution and what is implemented.
- b. Information regarding System size, transaction volume, and complexity. This is especially important when determining what components of Planned - Partial systems will be included.

Business Case Development Approach

Business Case development used a phased approach to collect data in a structured, objective manner. Attachment 2 was updated throughout all phase of Business Case development to keep the information current.

The following sections discuss each of the Business Case development phases, as illustrated in Figure 1 - Business Case Development Approach below.

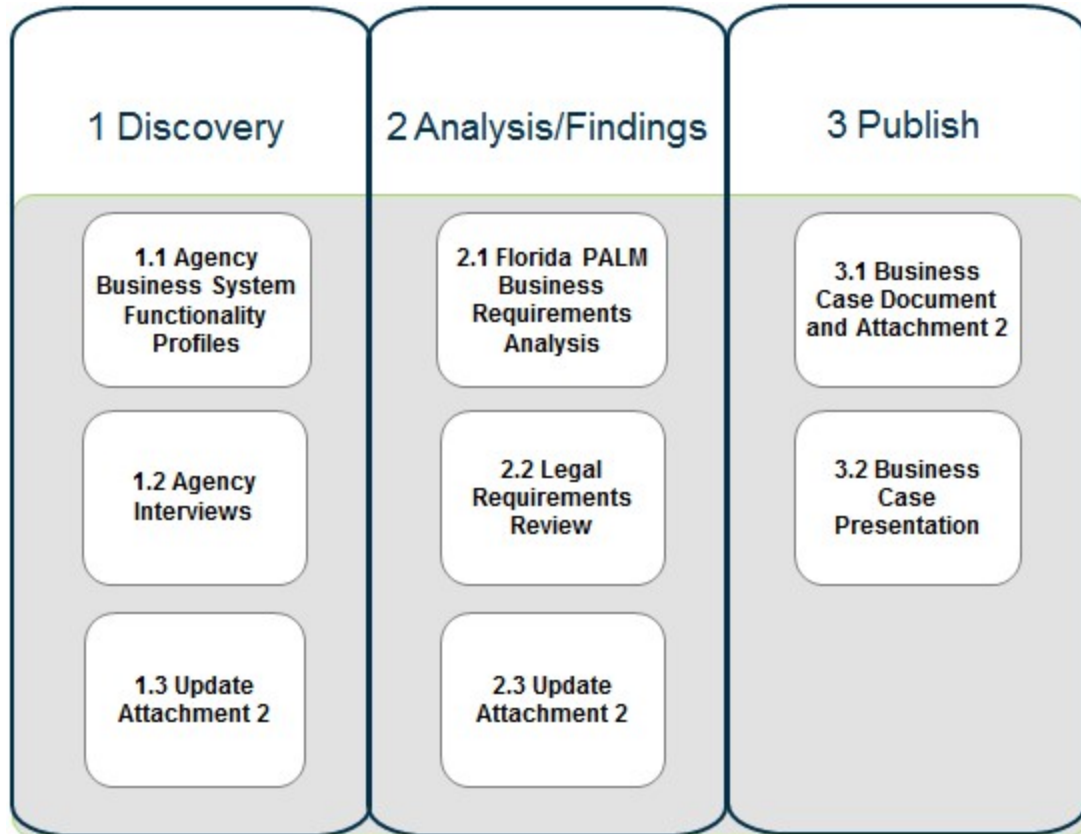


Figure 1 - Business Case Development Approach

1 Discovery

During this phase, the objective was to reaffirm information and collect additional information about Systems initially identified as part of the FLAIR Study. The Project defines Agency Business Systems as “A system owned and managed by an Agency that interfaces with FLAIR and/or assists State Agencies in the performance of business functions. Agencies maintain responsibility for supporting, updating, or deprecating Systems affected by implementation of Florida PALM.” When identifying Systems, the CAI Business Case Team included solutions that are a single

system, collections of integrated systems, as well as software support tools such as spreadsheets, databases, and email.

Information beyond what was gathered as part of the FLAIR Study was needed to create the Business Case. Discovery allowed for updating the CAI Business Case Team's understanding of the Systems and discovery of additional systems. New information about the FLAIR Study business systems was collected using Agency Business System Functionality Profiles ("Profile") and Agency Interviews.

1.1 Agency Business System Functionality Profiles

The Profile is a survey tool that was distributed to the Agencies for two purposes: (1) to reaffirm information gathered during the FLAIR Study; and (2) to ask new questions for further Business Case development. Each Profile contained a worksheet for each System and contained the following survey questions:

1. What is the name of the agency business system?
2. What acronym is used when referring to the agency business system?
3. What were the financial functions identified for the agency business system within the FLAIR Study?
4. What does the agency business system interface with?
5. Is the agency still using the agency business system? If no, there is no need to answer the remaining questions for this business system. If yes, please continue.
6. Are there plans to discontinue use of the agency business system?
7. Which Florida PALM Business Requirements Category(ies) best describe(s) the agency business system?
8. Which Florida PALM Business Requirements Sub-Category(ies) best describe(s) the agency business system?
9. Provide a detailed description of the agency business system (considering the following leading questions):
 - a. How would you describe this system to a new employee?
 - b. What business need is fulfilled by the agency business system?
10. Is there a Federal law, rule, or policy which states that the agency is required to maintain the functionality currently provided by the agency business system instead of modifying its business processes?
11. Is there a Florida State law, rule, or policy which states that the agency is required to maintain the functionality currently provided by the agency business system instead of modifying its business processes?
12. Is there a policy which states that the agency is required to maintain the functionality currently provided by the agency business system instead of modifying its business processes?
13. Is there any other information you would like to provide for the agency business system?

1.2 Agency Interviews

The information collected from the Profiles was used to prepare for and to execute the Agency Interviews. To effectively collect the new System information, the CAI Business Case Team

divided the work by using two execution tracks, each team consisting of two Business Process Consultants (BPCs).

The Agency Interviews were conducted during the second month of the Business Case initiative and provided the opportunity for the BPCs to ask clarifying questions about the Agency's response to the Agency Profile and provided the Agency staff the opportunity to provide additional detail in an interactive setting.

1.3 Update Attachment 2

After Agency interviews, data from the Profiles were used to augment the data collected from the FLAIR Study. Additional columns (itemized below) were appended so that data from Attachment 2 of the FLAIR Study remained intact:

1. Reference ID
2. Planned for Inclusion in Florida PALM
3. Updated Interfaces
4. Florida PALM Business Requirement Category
5. Florida PALM Business Requirement Sub-Category
6. Business System Detail Description
7. Federal Mandate
8. State Mandate
9. Agency Policy
10. Florida PALM / ERP Observations
11. Business System Observations
12. Legal Observations

Note: Items 2, 6, and 7-9 address the Business Case minimum acceptance criteria.

CAI BPCs reviewed Profile submissions during the interviews for completeness and accuracy. To clarify statements and resolve contradictions, the BPCs consulted with Agency participants, Florida PALM Business Process Standardization (BPS) Leads, and available web resources. The BPCs also coordinated additional questions from a dedicated ERP Consultant and a dedicated Legal Consultant, and ensured that any follow-up items identified during the interviews were completed. The BPCs distributed updated versions of the Profiles to the BPS Leads for their review. Follow-up questions resulted in modifications to both the Profiles and an updated Attachment 2. Finalized versions of the Profiles were shared with each Agency that participated.

2 Analysis and Findings

Upon completion of the Discovery Phase, the CAI Business Case Team performed two analyses, providing further updates to Attachment 2:

- An analysis to confirm that the System's functionality is not planned to be included in the replacement of the FLAIR subsystem and CMS, and
- An analysis to validate the Federal law, State law, rule, or Agency policy provided by the Agency during the Discovery Phase, which validates that the Agency is required to maintain the functionality currently provided by the System instead of modifying its business processes.

2.1 Florida PALM Business Requirements Analysis

The CAI Business Case Team performed an analysis of the information provided by the Agencies in response to questions in the Profile (see Section 1.1 *Agency Business System Functionality Profiles*). The goal of the analysis was to determine if the functionality being provided by the System is planned to be included in Florida PALM. It also verified the Agencies' selection of business and technical requirement categories for completeness and accuracy. The analysis was performed utilizing the Agency-provided information, the Florida PALM Business Requirements, and other Florida PALM Project resources.

Deliverable Representation

The results of the Agency Business System to Florida PALM Requirements Analysis are represented in the updated Attachment 2 as part of the final Business Case. The information is specifically listed in the column labeled "Planned for Inclusion in Florida PALM." There is also additional information in the column "Florida PALM / ERP Observations."

2.2 Legal Requirements Review

The CAI Business Case Team performed an analysis of the information provided by the Agencies in response to questions 10-12 in the Profile (see Section 1.2 *Agency Interviews*). The goal of the analysis was to determine if the information provided by the Agency is valid for 2016 based on rules, regulations, and statutes, including (but not limited to) the Florida Statutes and the Florida Administrative Code.

Deliverable Representation

The results of the Federal Law, State Law, Rule, or Policy Analysis are represented in the updated Attachment 2 as part of the final deliverable. The information is specifically listed in Attachment 2 in the columns labeled:

- *Federal Mandate*: Identifies any citations of Federal laws, rules, identified by the Agency, that establish the basis for the System;
- *State Mandate*: Identifies any citations of State laws, rules, identified by the Agency, that establish the basis for the System; and
- *Agency Policy*: Identifies any citations of Agency policies, identified by the Agency, that establish the basis for the System.

There is also additional information in the column “Legal Observations.”

2.3 Update Attachment 2

Additional updates were incorporated into the updated Attachment 2 based upon the Florida PALM Business Requirements Analysis and the Legal Requirements review. Further updates were also made based upon discussions amongst the BPS and BPC Team members, as well as clarifications from the Agencies.

3 Publish

In the Publish Phase, the CAI Business Case Team prepared and published the final deliverables. This finalizes Business Case development, resulting in official Project artifacts. It also serves to communicate the findings to stakeholders.

3.1 Business Case Document and Updated Attachment 2

This document was developed to explain our approach and analysis, providing summarized results compiled from the Profiles. The CAI Business Case Team created an updated Attachment 2 to reflect the Agency responses and observations during the Business Case initiative.

3.2 Business Case Presentation

Following the submission of the Business Case and updated Attachment 2, the CAI Business Case Team will prepare a presentation as supporting documentation and will be available to support the delivery of the Business Case observations as requested.

Business Case Analysis

This analysis describes what was learned about 484 Systems during Discovery and Analysis. The analysis below addresses guidance found in the Proviso:

- A detailed description of the functionality provided by the System;
- Confirmation that the System’s functionality is not planned to be included in the replacement of the FLAIR subsystem and CMS; and
- Documentation including Federal and State law, rule, or policy, which validates that the Agency is required to maintain the functionality currently provided by the System instead of modifying its business processes.

Analysis of System Count

Comparing counts provides one perspective regarding system and business process growth. The FLAIR Study listed 424 Systems. This Business Case initiative found that 484 Systems were relevant to the requested analysis. Since the FLAIR Study, the State of Florida Systems have changed as follows:

- FLAIR Study Systems 424
- Systems added 60
- Systems were retired 58
- Systems N/A..... 33
- Systems without Profiles 13 ○
- Insufficient data or not owned by the Agency systems 20 □
- Systems planned for inclusion in Florida PALM 151
- Systems planned for partial inclusion in Florida PALM 71
- Systems not planned for inclusion in Florida PALM 171

Newly Identified Systems

After reviewing the Profiles and data collected from the Agency interviews, it was discovered that 60 additional Systems were identified. The new Systems are across 19 Florida State Agencies. These were distributed evenly across the Agencies.

Analysis of Systems Planned for Inclusion in Florida PALM

The next part of the analysis was performed to determine whether the business process or functionality performed by the 484 Systems was planned for inclusion in Florida PALM. This analysis was completed using the approved Florida PALM Business Requirements (September 28, 2016).

This list summarizes the count of Systems based upon the following classifications:

- Not planned for inclusion in Florida PALM 171
- Planned for inclusion in Florida PALM 151
- Partial inclusion in Florida PALM 71

- Systems N/A..... 33

Not Planned - This classification identifies Systems that, based on the business processes that it performs, are not candidates to be included in Florida PALM. These are business systems not in scope for Florida PALM.

Planned – Full - This classification identifies Systems that, based on the business processes that it performs, are candidates to be included in Florida PALM.

Planned – Partial - This classification identifies Systems as possible candidates to be included in Florida PALM, based upon functionality. For example, a System that includes both financial and programmatic functionality could have the financial components included within a Florida PALM subsystem, provided it does not present continuity issues. The remaining components are program required by the Agency, though some components are not in scope for Florida PALM.

System N/A - This classification identifies Systems identified as either retired, Agency did not provide information, or it is a Federal or State business system. For example, some Agencies have business systems included in the FLAIR Study, but were exempt from this study. In either case, no analysis was performed for those systems.

Analysis of Legal Requirements for Systems

Of the 484 Systems analyzed, a total of 30 Agencies cited the Federal law, State law, or an Agency policy basis for 187 Systems. The information provided by the Agencies was reviewed to ensure that the statute, or rule cited, are valid, active statutes. Note that Agencies identified some systems as having both Federal laws or rules, State laws or rules, or Agency policies.

Analysis of Systems by Florida PALM Business Categories

A significant aspect of the discovery process included classifying the Systems based on the Florida PALM Business Requirements. These Business Requirements are a foundation to the Project as they conform well to general ERP requirements and will help in evaluating Systems under consideration for procurement.

The Florida PALM Project Team provided definitions for categories and sub-categories for both functional and technical Business Requirements. Functional requirements address capabilities for executing financial business processes. Technical requirements support the financial business processes with the capabilities of features and infrastructure needed for the system to function.

The most commonly cited Florida PALM functional requirement categories by System count are:

- Accounts Payable (97)
- Accounts Receivable and Billing (88)
- General Ledger (61)

The most commonly cited Florida PALM technical requirement categories by System count are:

- Data Management (71)

- Reporting (60)
- Transaction System (36)

Note: There may be overlap if a business system addresses multiple requirement categories.

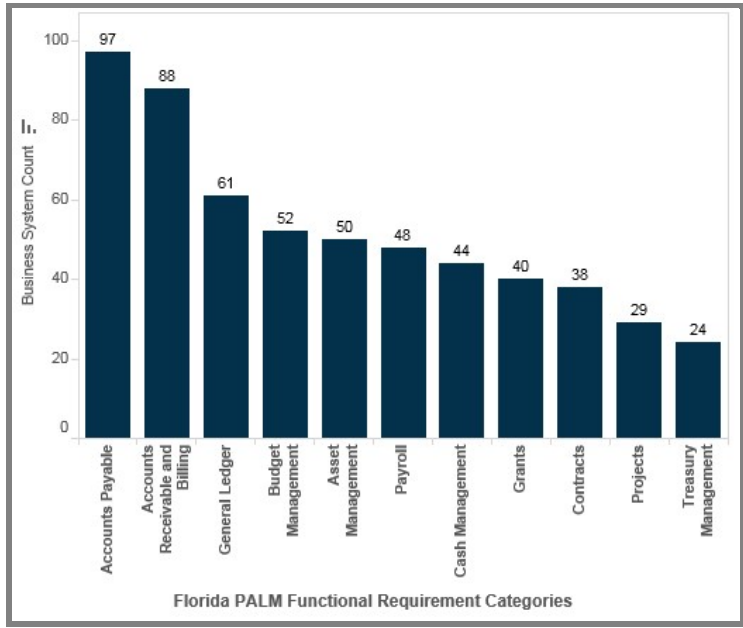


Figure 2 - Count of Systems by Florida PALM Functional Requirement Category

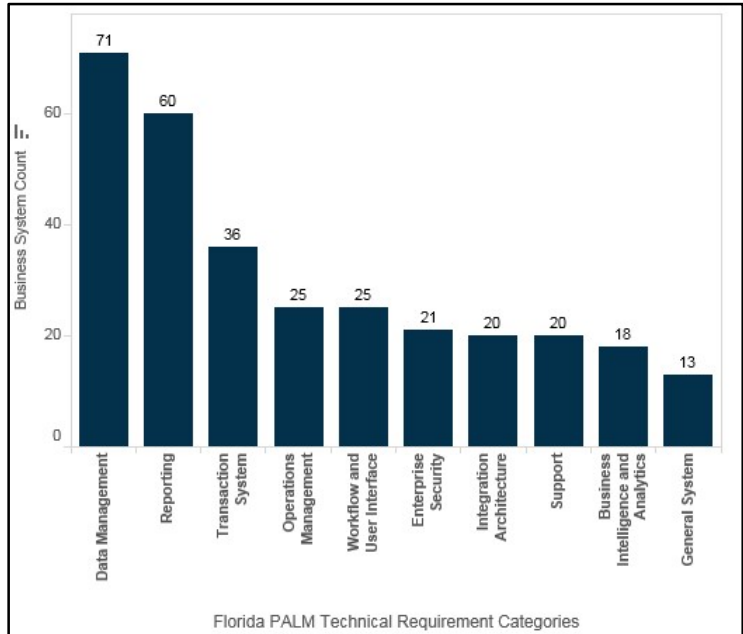


Figure 3 - Count of Systems by Florida PALM Technical Requirement Category

Florida PALM Project Resources

The following resources were consulted as part of the Florida PALM analysis and Business Case development. Readers may find these resources useful while reviewing the Business Case.

General Resources

- Initiative Website – General information about Business Case activities and frequently asked questions.
 - <https://www.myfloridacfo.com/floridapalm/resources/business-case/>
- Business Requirement Definitions – Used to classify System by their capabilities.
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-case/business-requirements-definitions.pdf?sfvrsn=4b3b8a7b_2Glossary
- Glossary
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/floridapalm-pre-ddi-glossary.pdf?Status=Temp&sfvrsn=a2e0737d_2

Florida PALM Analysis Resources

- FLAIR Study
 - <https://www.myfloridacfo.com/floridapalm/resources/flair-study/>
- Cycle 2 Business Requirements
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-2/br07_cycle2-0floridapalmbusinessrequirementswebversion.xlsx?sfvrsn=cd7c4be4_4
- Level 2 Standardized Business Process Models – Version 1
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-2/br09_bps13level2standardizedbusinessprocessmodels-version1-0.pdf?sfvrsn=cf0d2725_6
- Payroll Level 2 Process Model – Version 2.0
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-3-draft-payroll/br11_draftpayrolllevel2processmodel-version2-005-17-2016.pdf?sfvrsn=4546a3e0_4
- Payroll Level 2 Process Flows – Version 2.0
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-3-draft-payroll/br12_draftpayrolllevel2processflows-version2-005-17-2016.pdf?sfvrsn=36ae6fbd_4
- Budget Level 2 Process Model – Version 2.0
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-3-draft-budget/br15_draftbudgetlevel2processmodelversion2-006-24-2016.pdf?sfvrsn=ff0a31b3_4
- Budget Level 2 Process Flows – Version 2.0
 - https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-3-draft-budget/br16_draftbudgetlevel2processmapsversion2-006-24-2016.pdf?sfvrsn=75307e76_4

- Cycle 3 Payroll Requirements – Agency Review ○
https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-3-draft-payroll/br08_cycle3payrollrequirements-agencyreview.xlsx?sfvrsn=d8b56531_4
- Draft Cycle 3 Budget Business Requirements ○
https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-requirements/cycle-3-draft-budget/br14_cycle3budgetbusinessrequirements-agencyreview.xlsx?sfvrsn=d1f5ab6d_4
- Attachment 2 - Agency Business System Inventory Analysis - FLAIR Study ○
https://myfloridacfo.com/docs-sf/florida-palm-libraries/resources/business-case/attachment-2---agency-business-system-inventory-analysis.pdf?sfvrsn=bce7b914_2

Legal Review Resources

- Online Sunshine – Official Internet Site of the Florida Legislature ○
<http://www.leg.state.fl.us/Welcome/index.cfm?CFID=92997807&CFTOKEN=6f923a274479565-AC509595-B2AC-2DCC-25CF8787DEA88AE6>
- Florida Administrative Code & Florida Administrative Register ○
<https://www.flrules.org/>
- U.S. Government Publishing Office ○ <https://www.gpo.gov/>