FLAIR Study Project
Topics

- Review Project Scope
- Project Deliverables
- Inventory of agency systems
- Study Chapters
- Next Steps
Project Scope

1. Prepare an inventory of all agency systems interfacing with FLAIR.

2. Assess the advantages and disadvantages of enhancing FLAIR.

3. Assess the advantages and disadvantages of replacing:
   a. FLAIR;
   b. FLAIR and the Cash Management System (CMS);
   c. FLAIR, CMS, and the procurement (MyFloridaMarketPlace) and personnel information subsystems (PeopleFirst).

5. Identify any specific changes needed in the Florida Statutes and the state’s financial business practices to facilitate the recommended option.

6. Prepare a final report that adheres to the requirements set forth in the 2013 GAA Provisos and section 287.0571(4), F.S.
## Project Deliverables

<table>
<thead>
<tr>
<th>Deliverable Title</th>
<th>Draft Deliverable Due Date</th>
<th>DFS Review Completion Date</th>
<th>Final Deliverable Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 First draft of the FLAIR Study Report</td>
<td>November 18, 2013</td>
<td>December 9, 2013</td>
<td>January 24, 2014</td>
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<tr>
<td>3 Inventory of all agency systems interfacing with FLAIR</td>
<td>December 16, 2013</td>
<td>December 30, 2013</td>
<td>March 14, 2014</td>
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<tr>
<td>6 Consultation and Testimony</td>
<td>As requested</td>
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<td>May 31, 2014</td>
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</tbody>
</table>
Goal: Update inventory of agency business systems interfacing with FLAIR

- Number of agency systems identified during Aspire: 300
- Approximate number of agency systems identified during current inventory: 400+
- Agencies were cooperative and responsive
Inventory of Agency Systems - Status

- Inconsistent responses in three key fields
  - “Category”:
    - Business System (previously “core system”; clarified to: systems that perform a business function in addition to performing a financial function)
    - Financial System (clarified to: systems that only perform financial functions) *
    - Financial Reporting (clarified to: non-transaction systems; MS Access databases)
  - “Financial Functions” (provided definitions and used terms more familiar to agencies)
  - “Interfaces with” (clarified to mean a direct interface with an in-scope FFMIS subsystem, i.e., produces the files to be sent and processed by FFMIS subsystem and/or systems that read the files created by a FFMIS subsystem)
- Project team is more hands-on to foster consistency in reporting

* Note: The project team considers these systems to be the functionality that agencies do not currently receive from FLAIR
FLAIR Study Chapters *

- Chapter 1: Background
- Chapter 2: Options Analysis
  - Market Conditions and Trends
  - Technology and Operating Model Options
  - Option Advantages and Disadvantages
  - Cost Benefit Analysis
- Chapter 3: Recommendation
- Chapter 4: Procurement and Contract Management
- Chapter 5: Implementation Strategy

* Chapters align with requirements in section 287.0571(4), F.S.
Chapter 1: Background

- FLAIR Study Purpose, Scope and Approach
- FFMIS Overview
  - Act, Governance Structure, Description of Each FFMIS Subsystem, and Lessons from Project Aspire
- Current State Performance
  - Performance metrics don’t exist
  - FLAIR and CMS Statistics, e.g., Number of warrants printed, time to produce CAFR, Number of accounting transactions, Number of Deposits Processed
- Limitations with FLAIR today
  - A few examples: Unable to forecast cash at state level; accounting transactions are not captured at a consistent level of detail; limited ability to interface with modern subsystems; Central and Departmental do not reconcile; warrants cannot be charged to more than one account, etc.
- Solution Goals (elaborated on next slide)
- Summary of FFMIS-related Legal Citations
Vision and Goals

The Department translated the state’s needs into the following vision and key goals:

**Vision Statement**

Implement a statewide accounting system that enforces standardization, acts as a scalable foundation to evolve as business needs change, and positions Florida for future innovation as it considers a true enterprise-wide solution.

**Solution Goals**

1. Reduce the state’s risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability.
2. Improve state and agency specific decision making by capturing a consistent and an expandable set of data.
3. Improve the state’s financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future.
4. Improve staff productivity, reduce operational complexity and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies.
Chapter 2: Options Analysis

- **Market Conditions and Trends**
  - Trends in the Public Sector
  - Summary of Research with Other States
    - AL, GA, NY, OH, PA, TX, VA
    - Strong governance, business process re-engineering, phased implementation, Commercial-off-the-Shelf (COTS) systems, organizational change management, funding models

- **Technology and Operation Model Options**
  - Build or buy (including licensing models when buying)
  - Staffing: internal (state), external (contracted)
  - Funding models: direct appropriation or cost recovery
  - Governance considerations
Chapter 2: Options Analysis (Cont.)

- Advantages and Disadvantages of:
  - 1 - Enhancing FLAIR
  - 2 - Replacing FLAIR
  - 3 - Replacing FLAIR and CMS
  - 4 - Replacing FLAIR, CMS, MFMP, and PeopleFirst

- The risks, costs and benefits of each option were considered

- Each option was also assessed against a set of minimum capabilities
# Minimum Capabilities of a Solution

<table>
<thead>
<tr>
<th><strong>Solution Goals</strong></th>
<th><strong>Minimum Set of Capabilities Required</strong></th>
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</table>
| **Goal #1:** Reduce the state’s risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability. | ▪ Support for industry standard communication and system integration protocols  
▪ Use of modern programming languages and database technologies incorporating modularity and configurability  
▪ Multiple environments to support testing and migrations |
| **Goal #2:** Improve state and agency specific decision making by capturing a consistent and an expandable set of data. | ▪ Standardized data structure and definitions across all functions and agencies  
▪ Flexible database architecture  
▪ Ability to report on pre-defined sets of data  
▪ Storage of developed queries, views, and reports  
▪ Modern set of reporting tools  
  ▪ For self-service reporting  
  ▪ Export and analysis of data  
▪ Seamless data sharing between agency systems and DFS |
Minimum Capabilities of a Solution (Cont.)

<table>
<thead>
<tr>
<th>SOLUTION GOALS</th>
<th>MINIMUM SET OF CAPABILITIES REQUIRED</th>
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</table>
| Goal #3: Improve the state’s financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future | ▪ Single system of record for statewide financial transactions and cash balances  
▪ Real-time or near real-time transaction processing  
▪ General Ledger  
▪ Payroll Calculation, Verification, and Payment  
▪ Budget and Encumbrance Management  
▪ Accounts Payable  
▪ Basic Accounts Receivable Capabilities  
▪ Bank Reconciliation  
▪ Asset, Project, Contract and Grants Accounting  
▪ Effective dating of transactions |
| Goal #4: Improve staff productivity, reduce operational complexity and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies | ▪ Modern, user-friendly interface  
▪ Standardized system features for quick learning in different functional areas  
▪ Electronic workflow and routing  
▪ Warrants paid from multiple account combinations  
▪ Direct interface with productivity tools such as Microsoft Excel |
Chapter 3: Recommendation

- Option 3: Replace FLAIR and CMS with an ERP System
  - Based on the alignment with:
    - CFO's Mission, Project Vision, and Goals
    - Implementation Timeline
    - Management of Risk Factors
    - Cost

- Critical Success Factors
  - Governance
  - Business Process Reengineering
Chapter 4: Procurement & Contract Management

Note: The Department has not completed its review of this chapter.

Sections:

- Procurement Approach
- Procurement Strategy
- Performance Standards
- Procurement Timeline
- Contingency Plan for Contractor Non-Performance
- Addressing Public Records Policy and Persons with Disabilities Compliance
Chapter 5: Implementation Strategy

- Implementation Timeline and Activities

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<tr>
<th>Fiscal Years</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19</th>
<th>FY 19/20</th>
<th>FY 20/21</th>
<th>FY 21/22</th>
<th>FY 22/23</th>
<th>FY 23/24</th>
<th>FY 24/25</th>
<th>FY 25/26 – FY 29/30</th>
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<tr>
<td>Complete Pre-DDI and Procurement</td>
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<td>Phase 2 Implementation</td>
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<td>Ongoing Support and Maintenance</td>
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Notes:
* - Selected ERP package would allow FLAIR and CMS implementation activities to begin at the same time

- Pre-Design, Development, Implementation (DDI)
  - Planning and business process reengineering activities
- Procurement
- Phase 1: Core functionality
- Phase 2: Extended functionality
- Organizational Impacts
## Near-term Requests - Preliminary

<table>
<thead>
<tr>
<th>Fiscal Year of and Phase</th>
<th>FY 14-15 Ramp-up and Reengineering</th>
<th>FY 15-16 Reengineering and Procurement</th>
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<tbody>
<tr>
<td>Phase Start</td>
<td>July 1 2014</td>
<td>July 1 2015</td>
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</table>
| Activities performed during phase | • Planning  
• Business Process Reengineering  
• Establish Project Governance  
• Establish PMO and project logistics  
• Initiate Organizational Change Management | • Develop ITN  
• Issue ITN  
• Evaluation  
• Negotiation  
• Contract |
| Estimated Project Staffing Levels (each year incremental) | 16 - 22 state  
16 - 22 contracted | 4 – 10 state  
4 – 10 contracted |
| Ask: Funding  
Ask: FTEs | $9M  
~22 | $15M  
~10 |
Next Steps

- FLAIR Study Report (February - March)
  - Review the updated inventory data and update draft study accordingly
  - Finalize the cost benefit analysis
  - Finalize study recommendations
  - Update LBR
Questions?