## Table of Contents

- Opening Statement ........................................................................................................... 3
- Executive Summary ......................................................................................................... 3
- Business Problem Definition ......................................................................................... 4
- Project Objectives ........................................................................................................... 4
  - Success Defined: ........................................................................................................ 4
    - Process .................................................................................................................. 4
    - Technology ........................................................................................................... 5
  - Approach: .................................................................................................................. 5
    - Process .................................................................................................................. 5
    - Technology ........................................................................................................... 5
  - Risks and Risk Mitigation: ......................................................................................... 6
- Key Business Functional Foundations ........................................................................... 6
  - The County Administrator's Office ............................................................................... 6
  - The Department of Finance ......................................................................................... 7
  - The Department of Human Resources ......................................................................... 7
  - The Department of Public Works ............................................................................... 8
  - The Department of Information Services and Technology ......................................... 8
  - User Community ........................................................................................................ 8
- Next Steps ....................................................................................................................... 9
- Stakeholder Signatures: ................................................................................................. 10
Opening Statement

This business case for operational and systems changes at the County of Marin was collaboratively written from interviews with the following departments and is presented as a common vision for improving operations.

**County Administrator’s Office**  
**Department of Finance**  
**Department of Human Resources**  
**Department of Information Services and Technology**  
**Department of Public Works**

These departments intend to make this Business Case the first step in a multi-phase and multi-year project to examine and improve business processes for the County of Marin and to integrate information systems to support the business process improvement.

Executive Summary

The County of Marin faces an operational challenge in the wake of the SAP implementation. The County Administrator’s Office, Department of Finance, and Department of Human Resources all struggle to provide data and reporting to County departments at a sufficiently strategic level to allow for proactive financial and organizational planning.

The Business Process phase of the project will result in a set of new and enhanced business processes. In addition, this phase will foster improved collaboration practices that will contribute to the County of Marin’s strategic goal of being “Well Managed.”

The next phase of this project, Procurement and Implementation, will result in a new information system to replace SAP that will be better suited to local government’s unique business needs, more cost-effective, and more grounded in a foundation of generally accepted best business practices.

The future state of business processes will be focused on fully integrating administrative services\(^1\) to ensure that the reporting of data is effective, accurate, and enables strategic level thinking. The tools to support this will be adaptable to a modern workforce with the ability to grow with generationally changing employees. This project will be committed to developing in-house functional and technical expertise to ensure both short-term and long-term success of the business process improvements and systems integrations.

The approach for implementing the new system will be designed to generate trust and accountability with the County of Marin’s workforce to ensure success. Effective and timely two-way communications with stakeholders and the user community will be a key project critical success factor.

---

\(^1\) Administrative Services refers to those services provided by the County Administrator’s Office, Department of Finance, Information Services and Technology, and Human Resources.
Business Problem Definition

Today, the County's SAP system is not completely functional, and it has not been implemented in all areas originally planned. The results of this incomplete implementation are that the County does not have a fully functional ERP system, and individual departments continue to employ workarounds for those areas that were not completely implemented or not implemented at all. As of 2010, approximately 50% of the County's requirements were being met by SAP, 31% were being met by workarounds, and 17% were not being met at all. In August of 2010, the Board of Supervisors directed staff to look at sustainable alternatives to SAP that would support the administrative business needs.

The County has significant high-level gaps:
- The County Administrator's Office lacks the ability to automate Position Budgeting and Control and the ability to create "what-if" budget scenarios at department and County-wide levels
- The Department of Finance has identified major gaps in functionality in the design of the chart of accounts, the ability to produce state reporting, and the ability to close each fiscal period and year-end. The lack of internal financial controls on transactional data creates undue risk and causes the need for many manual and system workarounds
- Human Resources has identified major gaps in functionality in tracking "hire to retire", Position Control, Manager Self-Service (MSS) and Employee Self-Service (ESS), enabling annual open enrollment via the portal, "time in job", and integration with employee recruitment software.

Project Objectives

The primary business objective of this undertaking is organizational change directed at efficient and transparent operations of the administrative services functions of Marin County. The operational elements of Budgeting, Finance, Human Resources, Logistics and Payroll are the primary targets of this improvement effort. In addition, clear organizational roles and responsibilities will be defined and agreed upon as part of this project.

Success Defined:
Rational and universally understood and accepted business processes will be a key outcome for this countywide effort. Each functional area (Budgeting, Finance, Human Resources, Logistics and Payroll) will design their foundational business operations around a best business practices model and will engage in a redesign process that emphasizes 'the way it should be done' over 'the way it has always been done.'

Process
One of the key outcomes of this project will be organizational improvements made in the areas of communication, role clarity, and universal acceptance of clear benchmarks for business processes (i.e. – standard financial reporting, days to hire, onboarding/termination processes, succession plan guidelines, position control integrations to name a few). The ATOM Steering Committee⁴ will demonstrate leadership that clarifies or redefines organizational policies that simplify, standardize, or control financial, personnel, and logistics policies across all departments.

⁴ ATOM – Administrative Technologies of Marin – Steering Committee Charter storage location TBD
Technology
A successful outcome of the implementation phase will include an integrated system that provides a modernized interface for daily transactional use, standard reporting, and simple user-friendly ad-hoc reporting capability. A new system will include sophisticated access to employee data via Employee Self-Service (ESS) and Manager Self-Service (MSS) functions. This ability will decrease the burden on centralized staff for administration of transactional duties and reporting, and will allow them to be redirected and refocused on operational analysis, daily operations, and strategic goals. Self-service access to standard reporting and simplified construction of ad-hoc reporting are critical success factors for a new system.

Key to the success of this project will be effective two-way communications with the user community and project staffing that aligns skills and roles with the expected phases of the project. Included in this staff alignment will be an assessment of the post-implementation support needs. This will help to ensure that County of Marin commits to staffing levels in all areas of the organization that will ensure long term success and continued knowledge transfer as the organization changes over time.

Approach:
The project will be divided multiple and overlapping phases. The primary goal of the overall project design is to reduce risk and assure success.

Process
The first phase of the project will include an "AS-IS" assessment of our current business processes. This phase will include inventorying all technology tools used countywide that support departmental business functions and identify processes and policies that drive the current business state. The business process phase will include a "TO-BE" state to recommend changes to existing business processes.

Technology
The phase immediately following will include software selection and procurement. During this phase, the project management team will prepare a detailed staffing plan and project funding plan. The organizational structure of a project team and staff backfilling in preparation for implementation will begin.

The implementation phase will allow for parallel tracks to allow for staggered go-live dates for major functional areas (i.e. different go-live dates may be planned for combinations of Budgeting, Finance, Human Resources, Logistics, and Payroll).
Risks and Risk Mitigation:
This project has the potential to improve every employee’s interaction with administrative processes and technologies at the County of Marin. This will be a major undertaking and will come with considerable rewards and risks. Major risks and mitigations to note are listed, but not limited to:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited and/or unreceptive response by the end-user community</td>
<td>Consistent and clear communications of strategy, purpose, and vision from the ATOM Steering Committee to the user community</td>
</tr>
<tr>
<td>Fatigue from the user community as a result of the SAP installation and resulting process changes</td>
<td>Careful planning of phased approach to limit the demands on support staff</td>
</tr>
<tr>
<td>Public perception of high costs associated with a new systems implementation</td>
<td>Strive for transparent budgeting and project planning to minimize surprises. Consider all funding sources and plans to manage the investment to receive maximum return. Regular updates to the BOS Subcommittee on administrative information systems.</td>
</tr>
<tr>
<td>Key stakeholders de-prioritize project importance and/or lose collaborative spirit</td>
<td>Strong project governance and commitment to a project charter</td>
</tr>
<tr>
<td>Project staffing constraints (i.e. ability to staff the project and maintain operations)</td>
<td>Budget for backfilled/temporary staffing and engage temporary staff well in advance</td>
</tr>
<tr>
<td>Project viewed as driven solely by staff with no input from policy makers</td>
<td>Briefings with the Board of Supervisor subcommittee on cost, scope and schedule; involvement of senior leadership team to vet recommendations and advise CAO on countywide decisions.</td>
</tr>
</tbody>
</table>

Key Business Functional Foundations

This section summarizes interviews with key stakeholders and business owners of the administrative systems at the County of Marin. This information represents a best case view of the foundational business functions for successful operations, but it should not be viewed as the defined scope for business process change or a systems implementation project.

The project scope will draw from this information and will be represented in a Project Charter that describes the specific goals, scope, timeframes, milestones, and phases.

The County Administrator's Office defines their Functional Foundations as the following:

Position Control:
- Allows for historical reporting and reconciliation of position data with BOS actions and associated maintenance of position data by Human Resources staff
- Integrates with a workflow function for creation/retirement of County positions
- Ability to quickly create and report on 'what-if' scenarios to improve salary and benefit budget projections

Budgeting:
- Includes complex and integrated budget functions to include multiple concurrent budget versions, departmental self-service to request budget changes via workflow and the ability to distinguish between one-time and ongoing budget obligations
- Allows for sophisticated chart of accounts configuration options to account for any unique County budget needs and also allow for simplification where feasible

**Reporting:**
- Includes the ability to offer easy to use self-service standard reporting to the user community
- Includes the ability to quickly create ad-hoc reports by power users in the user community

**The Department of Finance defines their Functional Foundations in the following four pillars:**

**Sub-ledger transactional history:**
- Allows for approval of all cash receipts and disbursements
- Includes the ability to drill back to detail level transactions for operational reporting
- Supports annual audit request for supporting data of financial statements
- Supports best practices of GAAP historical reporting

**Controller Functions:**
- Allows for simple configuration of hard stops for financial transactions that are out of policy compliance
- Allows for clear monitoring and trend analysis to proactively predict pending financial problems
- Allows for departmental oversight of all cash movements for the organization

**Cost Accounting:**
- Correctly books revenue and cost transactions and allows for detailed Profit & Loss (P&L) statements that can compare actual expenditures to budget
- Creates a detailed ledger of all costing and revenue activity from all sources within County operations
- Support annual audits and is the system of record for all P&L related transactions

**Management Requests:**
- Provides reporting tools for self-service by departmental finance operations
- Allows for special report creation to support ad-hoc reporting requests
- Includes the ability to share reports with internal and external customers
- Calculates tax rates and apportions taxes in accordance with applicable tax law

**The Department of Human Resources defines their Functional Foundations with the following five business areas:**

**Human Capital Management**
- The ability to transition towards a workforce management strategy and away from a employee/transactional HR process
- Position controls to integrate organizational development with personnel budgeting
- Learning management strategies that support employee development in a partnership with succession planning, policy compliance, and professional certifications
- Business processes that allow for redesign and control of the class and compensation system
- Ability to track employee relationships, subgroups and union membership
- Employee/Manager self-service (ESS/MSS) and ad-hoc reporting

**Talent Acquisition**
- Robust hiring practices and technology that complies with civil service rules and regulations
- Includes the ability to track a contingent and volunteer workforce
Benefits Administration
- Enables timely and accurate enrollments into benefits programs with structured benefits plans and defined eligibility
- Includes the ability to configure and update automatic deductions for employee enrollments and account for the deductions to all key integration points

Time & Labor - Payroll
- Ability for employees to have easy access to enter their time; the payroll system is the most visible interface of the administrative services functions of County of Marin
- Ability to produce accurate, timely payrolls with a minimum of post-payroll corrections
- Ability to cost-effectively configure complicated pay structures resulting from labor negotiations
- Ability to track time in job for easy calculation of probationary period, seniority, and performance review deadlines

The Department of Public Works defines their Functional Foundations with the following two business areas:

Cost Accounting
- Integrated cost accounting and project costing functions with Payroll and Finance
- Support of indirect and direct cost allocations to County departments
- Support of unique reporting requirements (ie State Roads Reporting)

Procurements
- Supports the workflow from requisitions and contracts to purchase orders
- Ability to track and pay vendors in an accurate and timely manner
- Supports accurate and standard tracking of commodity codes.

The Department of Information Services and Technology defines their Foundation considerations as:

Legacy System Support
- Minimizes the support requirements for SAP during a multi-phase implementation of a new system
- Reduces license and support costs for SAP during the retirement phase

Future System Support
- System selection results in a choice that is mature, is low risk, and has wide adoption in the public sector
- System selected will fit into the technology plan and strategic plan for the County of Marin

User Community representative highlights of Functional Foundations:

Usability
- Provides a modern and intuitive user interface that minimizes training requirements
- Simplifies data entry tasks and provides robust and user friendly reporting capabilities
- Allows for data security controls that will limit access to data by department so that administrative functions can be more broadly shared with appropriate staff
- Empowers the user community with easy to use ESS and MSS business functions
Functionality

- System selected and business process redesign should prioritize online document storage and business transactions to reduce inefficient paper processing
- Allow for decentralized budget management to research and report on departmental budget information and submit requests for budget changes
- Provides robust “Procure to Pay” business functionality that is tightly integrated with financial reporting and workflow
- Includes cost accounting functions for all aspects of financial transactional data (labor, receivables, payables, assets, etc.)

Next Steps

The approval of this Business case represents a significant move forward for the County and puts the plan in motion for close examination of the County’s business processes and the implementation of those business processes through technology.
Stakeholder Signatures:

Name: Matthew Hymel  
Signature: [Signature]  
Title: County Administrative Officer  
Date: 7/14/11

Name: Gary Burroughs  
Signature: [Signature]  
Title: Interim Director of Finance  
Date: 7/15/11

Name: Dave Hill  
Signature: [Signature]  
Title: Director of IST  
Date: 7/19/11

Name: Farhad Mansourian  
Signature: [Signature]  
Title: Director of Public Works  
Date: 7/13/11

Name: Mona Miyasato  
Signature: [Signature]  
Title: Chief Assistant CAO  
Date: 7/14/11

Name: Joanne Peterson  
Signature: [Signature]  
Title: Director of Human Resources  
Date: 7/14/11