**Report on Recommendations for a**

**Central Business Systems Accountability**

**Structure**

November 2013

In Response to

Ordinance 17476, Section 62, Proviso 1

# Document Control

**Document information**

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# Document Purpose

This document responds to Ordinance 17476, Section 62, Proviso 1 establishing an accountability structure to guide the County in continuing the evolution of the County’s central business systems (Oracle EBS, PeopleSoft Human Resource and Payroll, and Hyperion Budgeting), implemented by the Accountable Business Transformation (ABT) Program.

Council also requested that the ordinance response identify a strategy to assess key measures of success for achieving the vision and a plan for annual performance reporting on the benefits achieved and their contributions to the County’s service excellence, financial stewardship and quality workforce goals. This work is in progress and will be transmitted by the Executive at the end of June to accompany the report on the status of stabilization for the countywide financial and budget systems as of the end of first quarter 2013.

# Background and Current Status

The ABT program established a single enterprise wide system for King County to manage its financial, human resource, payroll, time and labor and budget operations. The implementation of Oracle EBS, Hyperion Budgeting and PeopleSoft HR and Payroll moved all agencies to a shared and, for the first time, an integrated enterprise system (ERP). These systems enable the County to modernize and standardize its business practices and provide opportunities for continued business process improvements and efficiencies.

Following the implementation of the ERP systems on January 3, 2012, support and technical change management transitioned from ABT to the County’s Business Resource Center (BRC) located in the Department of Executive Services. The BRC is a competency center model comprised of functional and technical resources that support, stabilize and improve the applications based on direction recommended by central and agency business owners and approved by the current accountability organization.

The Executive concurs with the Council on the need to establish a new accountability structure to guide and support effective planning, tracking and continuous improvement of the County’s Central Business systems. The systems are operational and support the County’s daily business processes. However, much work remains to optimize these systems and the related business processes.

As the ERP systems stabilize and operational knowledge and experience grows and matures, the BRC, central business owners (Finance and Business Operations Division (FBOD), Human Resources Division (HRD), and the Office of Performance Strategy and Budget (PSB) and agency end users require a broader governance and accountability structure whose focus goes beyond technical changes and system operations to provide:

Long term vision, direction and roadmap for the enterprise business operations and supporting systems in alignment with the King County Strategic Plan;

Broader alignment and integration with overall strategic business goals and County human resource (HR) and financial policies;

Appropriate and systematic countywide engagement with business managers and user communities; and

Visibility to the overall work demand and prioritization of the work portfolio for scope, schedule, budget and resource management.

# Purpose of Accountability Organization

The purpose of the accountability organization is to:

1. Make recommendations to the Executive.
2. Coordinate work, set priorities and guide how technical and business process issues with the countywide systems are addressed to achieve the proper functioning and integration of the countywide policies, business processes and systems for human resources, payroll, finance and budget. Align and integrate work plans for allocation of resources and budget.
3. Create a structured process for regular end-user engagement, involvement, communication and training.
4. Promote continued business process improvements and standardization. Eliminate obstacles to adopting best practices.
5. Maximize benefits of the ERP systems through business process and system standardization, optimization and transformation. Monitor performance measurement and reporting including benefit realization.

These expectations require an accountability structure and processes at both the strategic and tactical level.

# Accountability Structure

A proposed accountability structure is illustrated in the following diagram:



* 1. King County Executive

The King County Executiveis ultimately accountable for the performance and success of the central business operations and supporting ERP systems. The Executive provides leadership, advocates commitment from other elected officials, directs the Executive departments’ compliance.

* 1. County Council

The Council has charter-based powers to establish policy and to provide oversight of the County. Council would exercise these charter based powers by appropriating and disappropriating funds and by providing its own independent oversight over ERP systems performance outcomes and benefits achieved by the ERP business operations and systems.

* 1. Central Business Systems Steering Committee

The central business systems steering committee ensures effective leadership and business stakeholder agreement. The group is accountable for the long term vision, direction and roadmap for the central business operations, supporting ERP systems, and the alignment and integration of these systems with overall strategic business goals, Executive policies and the King County Strategic Plan.

### Membership

Membership of the enterprise steering committee is comprised of:

|  |  |
| --- | --- |
| Deputy County Executive, or as designated by the County Executive | Sponsor |
| Assistant Deputy County Executive or as designated by the County Executive | Chair |
| County Administrative Officer | Vice-Chair |
| Director Office of Performance, Strategy and Budget |  |
| Chief Information Officer |  |

The steering committee will appoint one person accountable to report to Council for performance results and benefits achieved by the central business systems.

The following attend as participants and are accountable for work programs that support effective planning, tracking and continuous improvement of the County’s central business systems:

* Director of Human Resources
* Director Office of Labor Relations (OLR)
* Director of Finance and Business Operations
* BRC Director
* Representatives from both Executive agencies and separately elected organizations

### Sponsor

The Deputy County Executive is the sponsor for the long term vision, direction and roadmap for the enterprise systems.

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* 1. Central Business/Functional Process Owners

Under the accountability structure , central business owners become owners of functional process with responsibilities and accountability to:

* Define and establish standards, metrics and performance tracking for their functional processes;
* Develop strategy and operational improvements/change priorities; define business requirements, rules and procedures to support new and/or changed policies;
* Collaborate and partner with the BRC, individual Agency staff and other functional process owners to prioritize work at the enterprise level and across systems;
* Advocate for resources to support the strategy and change priorities; communicate, train and convene the user community.

The central business and functional process owners for the enterprise business operations and systems are:

| **Business Operation/Functional Process Areas** | **Business Owner** |
| --- | --- |
| Human Resources | Director of Human Resources |
| Benefits, Payroll, Time and Labor and Retirement Operations | Director of Finance and Business Operations |
| Financial Management, Procurement and Contract Services, Treasury | Director of Finance and Business Operations |
| Performance, Management, Budget | Director of Office of Performance, Strategy and Budget |
| Labor Contracts and Negotiations | Director Office of Labor Relations |
| ERP Systems and supporting technology | Director Business Resource Center |

### Collaboration with Agencies and BRC

Business owners engage, consult and communicate with both BRC and agency customers on a regular basis and:

* Develop standard methods and processes for agency outreach, consultation and communication.
* Convene and leverage existing BRC/FBOD/HRD/PSB/OLR operational meetings and meetings with Agencies to share work plans, prioritize work, resolve cross business operational issues and/or review business process improvements and change proposals from an enterprise perspective.
* Work across business organizational boundaries with agency staff to share work plans and prioritize system defects and change requests for change management boards.
* Share information, including review and status of ERP system roadmap plans and progress and review of performance outcomes and results across all three central business operations and ERP systems.
  1. Agencies

Agencies is the term used to refer to agency Executive departments, separately elected organizations and special districts. The agency customer community of the ERP business systems must comply with standards and policies, identify and communicate opportunities for improvement, engage in prioritization of change requests and support implementation of changes to policies, standards and systems. Agencies also have a monitoring and review function for their own business processes and controls, must assure compliance of the side systems with the business and data rules of the enterprise systems and ensure integrity of interfaced data.

### Participation in Central Business Systems Steering Committee

Agency representatives attend steering committee meetings to represent the interests of both Executive agencies and separately elected organizations, review challenges, report on performance results, progress/roadblocks on benefits achieved.

In addition, representatives will attend to review/resolve specific issues and/or to escalate issues if unable to resolve with central business/functional process owner, or change management board.

### Collaboration with Central Business Owners

Agency representatives collaborate and participate in sessions with central business/functional process owners to prioritize process improvements, system defects and change requests, including work for review at change management boards – see 5.4.1 above..

* 1. Business Resource Center

The BRC is accountable for managing day to day system operations and for functional and technical support of the ERP systems. Note that BRC has shared responsibility with PSB for support of the Hyperion budgeting system. System changes are prioritized with central business owners, agency end customers, KCIT and, pending type of change (see criteria in 5.7 below) ay also require approval by change management board and/or steering committee. The BRC collaborates and shares work plans and priorities with central business/functional process owners.

* 1. Change Management Boards

Change Management Boards(CMB) are the initial stage of review for proposed business process and/or system changes requested by a business owner, a functional process owner and/or agency end customer.Change boards are pecific to the following functional process/business operations areas and enabling systems:

|  |  |
| --- | --- |
| **Business Operations/ Functional Process Areas** | **Enabling System** |
| HR, Payroll, Employee Benefits, Retirement | PeopleSoft |
| Finance, Procurement | Oracle EBS |
| Performance Management, Budget | Oracle Hyperion |

### Criteria for CMB Review:

Not all changes proceed to CMB review. The following criteria is applied:

* Business process changes/policy changes that have a County wide system impact or is not in keeping with established business processes;
* Request requires funding;
* Request has impact on labor contract(s);
* Request introduces a new service or requires new system functionality;
* Request requires significant resource effort and/or impacts existing work priorities;
* Request has merit but cannot be satisfied by available resources;
* Request requires KCIT resource effort;
* Request services or addresses a litigation or regulatory issue with high effort or high impact;

### Post CMB Review

After CMB approval, work is prioritized in the queue based on expected customer delivery dates. Items will get escalated to the steering committee when:

* Escalation is requested by the change initiator
* Request could not achieve consensus at CMB;
* CMB could not come to a resolution regarding request approval, scope or priority and escalates based on scope, complexity or funding issues;
* Request requires significant funding and/or PRB oversight.

### Membership

Each change board will have appropriate business, functional and system expertise represented. The chair will also ensure appropriate cross business, cross functional and/or agency representation and participation when needed.

|  |  |  |
| --- | --- | --- |
| **HR, Payroll, Employee Benefits, Retirement and PeopleSoft CMB** | **Finance, Procurement and Oracle EBS CMB** | **Budget and Oracle Hyperion CMB** |
| Deputy Director- HRD | Deputy Director, FBOD | Deputy Director, PSB |
| Deputy Director- FBOD | BRC Director (Chair) | BRC Director (Chair) |
| OLR delegated by OLR Director |  |  |
| BRC Director (Chair) |  |  |
| **Non-Voting Attendees** | | |
| HRD and/or FBOD Representative(s) | FBOD Representative(s) | PSB Representative(s) |
| Agency Representative(s) | Agency Representative(s) | Agency Representative(s) |
| PS System Mgr | EBS System Mgr | Hyperion System Mgr |
| PSB Representative if required | PSB Representative if required | PSB Representative if required |
| BRC Shared Services Mgr | BRC Shared Services Mgr | BRC Shared Services Mgr |
| DES IT SDM | DES IT SDM | DES IT SDM |
| PSB Budget Manager | PSB Budget Manager | PSB Budget Manager |
| PS Functional & Technical Leads | EBS Functional & Technical Leads | Budget System Functional & Technical Leads |
| ***Other attendees – Issue Specific, non-voting*** | | |
| * Change Requestor/Sponsor * IT SDM & HR SDM * OLR Representative * BRC Technical and/or Functional analyst | * Change Requestor /Sponsor * IT SDM * OLR Representative * BRC Technical and/or Functional analyst * EBS Reporting Lead | * Change Requestor /Sponsor * IT SDM * OLR Representative * Hyperion Technical and/or Functional analyst |

### Escalation Path

Agencies may escalate issues to the steering committee if they are unable to resolve issues with central business/functional process owners or their request is not addressed by the change board.

* 1. Accountability Structure - Functions

The functions for each level of accountability are structured to align with the organizational purposes described in section 4 above.

### Make Recommendations to the Executive

| **Steering Committee** | **Business/Functional Process Owners** | **Agencies** | **BRC** | **KCIT** | **Change Mgt Board** |
| --- | --- | --- | --- | --- | --- |
| Sponsor and submit funding/appropriation requests in support of ERP business operations and/or system initiatives.  Support policy changes.  Support Council deliberation of policy changes and appropriation requests. | Sponsor and prioritize business process improvements, changes and/or changes to the ERP systems maintained by the BRC. | Submit and represent agency request(s) to appropriate business owner, ERP Change Management Board and/or Steering Committee. | Sponsor and prioritize system upgrades, improvements and/or changes to the ERP systems. | Provide guidance and oversight related to conceptual review and PRB review board processes. | Make recommendations to Enterprise Steering Committee with members attending meetings when appropriate. |

### Set priorities that guide how technical and business process issues with the ccountywide systems are addressed

| **Steering Committee** | **Business/Functional Process Owners** | **Agencies** | **BRC** | **KCIT** | **Change Mgt Board** |
| --- | --- | --- | --- | --- | --- |
| Update ABT vision, guiding principles and policies. | Apply the vision, guiding principles and policies to work prioritization and decision making processes. | Adopt and support the vision, guiding principles and policies. | Apply the vision, guiding principles and policies to work prioritization and decision making processes. | Support the vision, guiding principles and policies. | Apply the vision, guiding principles and policies to work prioritization and decision making processes. |
| . | Establish criteria to prioritize work requests.  Work with BRC analysts and/or appropriate Agency experts to obtain formal work estimates. | Work with central business owners to apply established criteria and develop work estimates. | Apply established criteria to prioritize work requests.  Agree on priorities and schedule for system changes. |  | Apply established criteria to prioritize work requests.  Agree on priorities and schedule for system changes. |
| Ensure ERP business operations and systems are aligned and prioritized in support of strategic operational initiatives; King County Strategic Plan; Strategic Technology Plan. | Advise the Change Management board and/or enterprise Steering Committee of the details and impacts of proposed changes.  Partner with agency customers to review change requests for consistency with agency business processes; alignment with other agency requests, and identification of potential impacts to other non-requesting agencies. | Partner with business owners and other agency customers to review change requests for consistency with agency business processes; alignment with other agency requests, and identification of potential impacts to other non-requesting agencies.  Escalate issues that cannot be agreed upon with business owners or at change management boards to steering committee. | Collaborate with business owners and customers to prioritize requests for system changes and to assess impacts.  Assess proposed business process changes and advise business owners on whether the changes can be supported in the current environment.  Collaborate with KCIT to determine impacts on existing infrastructure.  Identify issues and make recommendations for solutions.  Align projects with KCIT technology standards, enterprise architecture principles and Project Review Board processes.  Escalate competing demands for resource/ budget to steering committee. | Provide guidance and oversight related to the Strategic Technology Plan, KCIT technology standards and best practices. | Provide a preliminary review of all proposals.  If preliminary review is accepted in concept, the CMB will return the proposals for a more highly defined order of magnitude analysis.  Ensure compliance with IT governance structures, such as Enterprise Architecture principles and Project Review Board processes appropriate.  Escalate issues which either cannot be agreed upon or are beyond the authority of the change management board to the steering committee. |

### Use a structured process for regular customer engagement, involvement, communication and training

| **Steering Committee** | **Business/Functional Process Owners** | **Agencies** | **BRC** | **KCIT** | **Change Board** |
| --- | --- | --- | --- | --- | --- |
| Ensure that the Business owners engage and convene Agency customer community. | Develop standard methods and processes for Agency outreach and meet with Agency customers on a regular basis to:   * Review work plans * Prioritize business process and/or system improvements; non-emergency work and defects * Communicate roadblocks and/or success stories to steering committee and Agencies * Work with BRC to Identify changes that need to go to CMB   Sponsor user groups, forums and issue specific work sessions.  Collaborate with BRC to provide end user training and communication. | Participate and ensure agency representation and engagement in business process and/or system change prioritization with business owners and change management review boards  Participate in user groups, forums, issue specific work sessions and end user training.  Communicate roadblocks and/or success stories to business owners. | Assess proposed business process changes and advise business owners and customers on whether the changes can be supported in the current environment  Identify issues and make recommendations for solutions.  Participate in user groups, forums and issue specific work sessions when appropriate.  Collaborate with business owners to provide end user training and communication. | Assess impact of changes on the infrastructure. | Ensure appropriate representation for work review process.  Facilitate prioritization of work and escalation of issues. |
| Make recommendations to improve accountability structure to Council. | Make recommendations to improve accountability structure. | Make recommendations to improve accountability structure. | Make recommendations to improve accountability structure. | Make recommendations to improve accountability structure. | Make recommendations to improve accountability structure. |

### Promote continued business process improvements and business rule standardizations

| **Steering Committee** | **Business/Functional Process Owners** | **Agencies** | **BRC** | **KCIT** | **Change Mgt Board** |
| --- | --- | --- | --- | --- | --- |
| Provide policy direction and oversight related to the human resource, payroll, time and labor, finance and budget business operations and systems.  Work with central business owners, Executive and separately elected agencies to eliminate roadblocks to adopting standard work/best practices. | Standardize and streamline operations and business processes to adopt best practices.  Document and communicate operational standards and policies. | Ensure Agency staff follows standards and processes when using the system(s).  Identify and communicate business needs when standards do not work or could work better. | Apply best practice in systems management to optimize and leverage the County’s investment in the ERP systems (Oracle Financials, PeopleSoft and Hyperion).  Comply with KCIT standards and best practices. | Set technology standards, and policies. | Ensure compliance with systems management and KCIT standards and best practices. |
| Assign sub teams as appropriate to assess and/or develop policy, major business process or operational changes.  Assign business owners to sponsor strategic initiatives. | Sponsor initiatives necessary to standardize, optimize, and transform the core enterprise system, address any business issues / gaps in service delivery and/or improve system operations as reflected by metrics.  Secure resources for these initiatives. | Support implementation of new and/or updated policies, processes, system changes.  Secure resources for these initiatives. | Support implementation of new and/or updated policies, processes, system changes.  Secure resources for these initiatives. | Support implementation of new and/or updated policies, processes, system changes. | Prioritize work requests. |

### Monitor performance measurement and reporting including benefit realization

| **Steering Committee** | **Business/Functional Process Owners** | **Agencies** | **BRC** | **KCIT** | **Change Mgt Board** |
| --- | --- | --- | --- | --- | --- |
| Ensure HRD, FBOD, PSB and BRC business plans, to be transmitted with the Executive proposed budget, include the specific actions post stabilization to achieve Countywide benefits from the systems. | Provide business case that defines the business problem, quantifies the cost of poor quality/sub-optimization; identifies the business benefits for requested changes, target goal and estimated timeline for realizing the value. | Provide business case that defines the business problem, quantifies the cost of poor quality/sub-optimization; identifies the business benefits for requested changes, target goal and estimated timeline for realizing the value. Defines how the change will ensure standardization and alignment with Executive policies and procedures. | Partner with business owners to develop business case and benefits for change management board and/or PRB review. |  | Ensure that proposed change aligns with customer needs and provides the business case that defines the business problem, quantifies the cost of poor quality/sub-optimization; identifies the business benefits for requested changes, target goal and estimated timeline for realizing the value.  Ensure work proposals define the business benefit and value to be delivered and estimated timeline for realizing the value.  Escalate issues to the steering committee. |
| Assess results and progress on achieving benefits from the ERP business operations and systems.  Agree appropriate actions and/or mitigation for functional process owners to progress achievement of expected benefits.  Approve annual report on the benefits achieved by the ERP business operations and systems to the Council. | Provide status updates to Steering Committee with progress/results including assessment of value and benefits delivered and/or in progress  Identify barriers to achieving/realizing benefits from the systems and develop countermeasures.  Establish performance metrics for key services.  Perform central auditing functions to maintain process, data and transaction integrity. | Support and advocate for process, data and transaction integrity through localized auditing functions.  Identify barriers to lachieving/realizing benefits from the systems and develop countermeasures. | Report project progress and/or results to the Enterprise Steering Committee including assessment of value and benefits delivered and/or in progress.  Develop schedule for system changes and provide to Enterprise Steering Committee. |  | Report progress and/or results to the steering committee. |