Succeeding at Transformation
LEVERAGING BUSINESS VALUE TO MAKE YOUR ORGANIZATION EMBRACE FUNDAMENTAL CHANGE

NASC ANNUAL CONFERENCE
MARCH 17, 2020
SPEAKERS:

STATE OF FLORIDA

Jennifer Reeves, Business Process Standardization Team Manager
Florida Planning, Accounting and Ledger Management (Palm) Project

ACCENTURE

Yesenia Reyes, Managing Director
Accenture Health & Public Sector and
Florida PALM Organizational Change Management Lead
ORGANIZATIONS MUST REMAIN LASER FOCUSED ON ACHIEVING BUSINESS VALUE WHEN MODERNIZING TECHNOLOGY AND CHANGE MANAGEMENT SHOULD BE AT THE CENTER OF THIS BUSINESS FOCUSED AGENDA
FLORIDA PALM PROJECT
FLORIDA PALM PROJECT

Mobilize

Analyse and Standardize

Phase 1

CMS Replacement Wave
Design-Build-Test
Sup

Central FLAIR Replacement Wave
Design-Build-Test
Post-Impln Support

Payroll FLAIR Replacement Wave
Design-Build-Test
Sup

Departmental FLAIR Replacement Wave
Design-Build-Test
Post-Impln Support

Phase 2

Production Support

Fiscal Year

2018/2019
2019/2020
2020/2021
2021/2022
2022/2023
2023/2024
2024/2025
2025/2026
2026/2027

92 Months
21 Months
30 Months
13 Months
6 Months
21 Months
12 Months
42 Months
20 Months
6 Months
18 Months
72 Months

Go-live

LBR for 21/22
LBR for 22/23
LBR for 23/24
LBR for 24/25
LBR for 25/26
**DEFINING THE FINANCE FUNCTION: ORGANIZATIONAL VIEW**

Some public sector organizations think and define the finance function in organizational terms. There is no single standard organizational structure and the complexity is one way public sector finance is unique from other industries. Typical and representative approaches are as follows

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHIEF FINANCIAL OFFICER</strong></td>
<td>Cabinet level officer reporting to the head of government. Typically several leaders of finance functional areas report to this person. Also known as:</td>
</tr>
<tr>
<td></td>
<td>• Secretary of Finance and Administration</td>
</tr>
<tr>
<td></td>
<td>• Minister of Finance</td>
</tr>
<tr>
<td><strong>CHIEF BUDGET OFFICER</strong></td>
<td>Typically this role reports to the CFO role above</td>
</tr>
<tr>
<td><strong>CHIEF ACCOUNTING OFFICER</strong></td>
<td>Authority over accounting and financial reporting. Sometimes this role is elected or appointed to be independent, other times this role reports to the CFO. Also known as:</td>
</tr>
<tr>
<td></td>
<td>• Comptroller</td>
</tr>
<tr>
<td></td>
<td>• Chief Accounting Officer</td>
</tr>
<tr>
<td><strong>AUDITOR</strong></td>
<td>Authority over financial, compliance, and performance audits and risk management. Sometimes this role is elected or appointed to be independent, other times this role reports to the CFO.</td>
</tr>
<tr>
<td><strong>TREASURER</strong></td>
<td>Authority over managing banking relationships and cash, investments, and debt. Sometimes this role is elected or appointed to be independent, other times this role reports to the CFO.</td>
</tr>
</tbody>
</table>
FINANCE OPTIMIZATION IS POSSIBLE WITH CURRENT FINANCE TECHNOLOGY OR IN CONJUNCTION WITH NEW TECHNOLOGY

Some organizations achieve Finance Optimization in conjunction with implementing new technology, for example:

- Enterprise Resource Planning (ERP) systems with software such as Oracle, SAP, or Workday
- Specialized Line of Business (LOB) applications, such as grant management, treasury management, etc.
- Analytics and Business Intelligence (BI) systems, with software such as Tableau

Accenture provides the tools and techniques for Finance Optimization in conjunction with a technology project in the Accenture Enterprise Services for Government (AESG) platform:

- The AESG platform combines management consulting and systems integration in a unified and comprehensive manner.

However, significant benefits can also be achieved while working with the functionality of the client’s existing technology, for example:

- Streamlining existing workflows and business processes
- Adopting best practices
- Reorganizing to a shared services operating model

Accenture provides the tools and techniques for Finance Optimization as a “stand alone” project; many of these tools are bundled in the Accenture Government Business transformation Toolkit (AGBTT):

- The tools in AGBTT can be deployed in a manner that complements all different technologies and software products.
THE ACCENTURE GOVERNMENT BUSINESS TRANSFORMATION TOOLKIT

SIX STEPS TO BACK OFFICE EXCELLENCE

1. SET THE STRATEGY
   What is the best strategy for designing a back office that effectively delivers services to its citizens for the next generation?

2. QUANTIFY THE VALUE
   What concrete business value will accrue to the organization through back-office transformation?

3. APPLY ANALYTICS
   How can the organization use analytics to continuously improve the back office and citizen services?

4. ASSESS BACK-OFFICE PROCESS
   Which business process areas will provide the most payback on an investment in transformation and change?

5. EVALUATE ORGANIZATIONAL READINESS FOR CHANGE
   What resources will be necessary to support effective change management?

6. IDENTIFY BEST PRACTICES
   What best practices are available to the organization to enable back-office transformation?
USE THE “VALUE TREE” TO GUIDE YOUR PROJECT

- Reduce cycle times
- Reduce error rates
- Reduce current costs
- Increase current revenues
- Avoid future costs
- Increase process efficiencies
- Improve information for decision making
- Reduce risk
- Improve worker experience / productivity
- Increase customer / constituent satisfaction

Hard Dollar Benefits

Soft Dollar Benefits

Value Generated by Back-Office
**STEP 2: VALUE TARGETING**

**EXAMPLES BASED ON CLIENT DATA**

### PROJECTED BENEFITS

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>OPPORTUNITY</th>
<th>LOW VALUE</th>
<th>MEDIUM VALUE</th>
<th>HIGH VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>Maximize Supplier Payment Discount</td>
<td>$135,253</td>
<td>$183,669</td>
<td>$232,085</td>
</tr>
<tr>
<td>Procurement</td>
<td>Optimize Strategic Sourcing</td>
<td>$164,313</td>
<td>$164,313</td>
<td>$164,313</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Enhance Workforce Management</td>
<td>$47,971</td>
<td>$57,572</td>
<td>$67,622</td>
</tr>
<tr>
<td>Finance</td>
<td>Centralize Finance Functions</td>
<td>$21,493</td>
<td>$33,454</td>
<td>$39,428</td>
</tr>
<tr>
<td>Finance</td>
<td>Assess Costs Across Funds</td>
<td>$12,766</td>
<td>$12,766</td>
<td>$12,766</td>
</tr>
<tr>
<td>Procurement</td>
<td>Maximize P-Card Rebates</td>
<td>$3,588</td>
<td>$7,173</td>
<td>$10,761</td>
</tr>
<tr>
<td>Finance</td>
<td>Replace Checks with ACH</td>
<td>$693</td>
<td>$918</td>
<td>$1,152</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Reduce Errors and Corrections</td>
<td>$466</td>
<td>$779</td>
<td>$1,093</td>
</tr>
<tr>
<td><strong>Total Value</strong></td>
<td></td>
<td><strong>$386,543</strong></td>
<td><strong>$460,644</strong></td>
<td><strong>$529,220</strong></td>
</tr>
</tbody>
</table>

*Benefit figures account for professional service and technology implementation costs*

---

**VALUE & EFFORT MATRIX**

**FUNCTION**

- **Procurement**
- **Finance**
- **Human Resources**

**DEGREE OF VALUE**

- **LOW VALUE**, **HIGHER EFFORT**
  - Maximize Supplier Payment Discount
  - Optimize Strategic Sourcing
  - Enhance Workforce Management
  - Centralize Finance Functions
- **HIGHER VALUE**, **HIGHER EFFORT**
  - Assess Costs Across Funds
  - Maximize P-Card Rebates
  - Replace Checks with ACH
  - Reduce Errors and Corrections

**DEGREE OF EFFORT**

- **Higher Effort**
  - Finance
  - Procurement
  - Human Resources
- **Lower Effort**

*Copyright © 2020 Accenture. All rights reserved.*
BUSINESS PROCESS REDESIGN
ACCENTURE’S APPROACH IS BASED ON THE PRINCIPLES OF LEAN SIX SIGMA

EXAMPLE OF CURRENT STATE PROCESS MAP

OUTCOMES - Assigned solution owners; high-level action plan to navigate vision and roadmap toward future state

**Approach**
- Charter
- Create Macro-level scoping document

**Develop Scope**
- Create “as-is” process map to baseline current state
- Rework loops identified

**Create Current State Map**
- Identify issues during mapping of current state
- Prioritize issues for further analysis

**Identify Issues/Opportunities**
- Identify solutions during brainstorming sessions by linking issues to root causes
- Prioritize solutions into quick wins and longer-term

**Develop Solutions**
- Develop action plan for quick win solutions
- Develop action plan for medium to long term solutions

**Create Action Plans**
- Develop “to-be” process map to lay out vision and roadmap after quick wins and long terms solutions have been implemented

**Create Future State Map**
STEP 6: BEST PRACTICE WORKSHOPS
WHAT BEST PRACTICES ARE AVAILABLE TO THE ORGANIZATION TO ENABLE BACK OFFICE TRANSFORMATION?

APPROACH:

- Operation leads review proven leading practices in detail in a workshop setting for selected business process areas, led by subject matter experts.
- Risks and impacts are detected. Benefits are quantified that will result from moving to leading practices.

OUTCOMES:

- The result of each workshop is an informed decision on which leading practices will be adopted and a high level roadmap of next steps for successful back office transformation.
STEP 5: ORGANIZATIONAL READINESS ASSESSMENT

DESCRIPTION OF THE ASSESSMENT

Accenture survey administered to end users collects responses to questions on the dimensions:
- Culture
- People
- Process
- Technology

This data is used to assess the client’s degree of readiness to “take the transformational journey” and answer the question “How much change management should we plan and budget?”

CLIENT EXAMPLE OF OVERALL READINESS FOR CHANGE

<table>
<thead>
<tr>
<th>Overall Organizational Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for additional support to strengthen change resilience and manage potential change resistance</td>
</tr>
<tr>
<td>Stakeholders may benefit from communication of City’s long-term vision as it relates to FSP</td>
</tr>
<tr>
<td>May consider increasing involvement of staff in organizational decision-making</td>
</tr>
<tr>
<td>Opportunities to improve process and technology documentation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cultural Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belief that financial system change is needed</td>
</tr>
<tr>
<td>Greater confidence in departments’ ability to manage change resistance than managing at the City level</td>
</tr>
<tr>
<td>Desire to increase engagement of staff in organizational decision-making</td>
</tr>
<tr>
<td>Opportunities for staff to expand trust in leaders</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belief that City and departments lack adequate change support staff</td>
</tr>
<tr>
<td>Confidence in department communicative and collaborative abilities, but need for clearer communication of change vision from City</td>
</tr>
<tr>
<td>Desire for SMEs to be assigned at both City and department level</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Process Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desire for documentation of processes that will be impacted by new financial system (e.g. process maps)</td>
</tr>
<tr>
<td>Desire for departments to assign process SMEs to facilitate change</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technology Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desire for departments to assign technical SMEs to facilitate change</td>
</tr>
<tr>
<td>Belief that department’s lack adequate data for immediate change</td>
</tr>
<tr>
<td>Mixed confidence in departmental documentation of technology, indicating room for improvement</td>
</tr>
</tbody>
</table>

Legend:
- Ready for change: standard amount of Change Management activities is required (15% of total project budget)
- Somewhat limited readiness for change, slightly more than standard amount of Change Management required (15.75% of total project budget)
- Limited readiness for change, more than standard amount of Change Management required (16.5% of total project budget)
- Limited readiness to not ready for change, substantially more than standard amount of Change Management required (17.25% of total project budget)
- Not ready for change, significant amount of Change Management required (18.75% of total project budget)
WE ENABLE TRANSFORMATION THROUGH
TAILORED & EXPERIENCE ANCHORED JOURNEYS

DEFINE YOUR PATH

ALIGN YOUR ORG

ACCELERATE YOUR TEAM

Copyright © 2020 Accenture. All rights reserved.
FINANCIAL TRANSFORMATION OCM COMPONENTS

DRIVING READINESS BY FOCUSING ON FIVE CORE OCM COMPONENTS: COMMUNICATIONS, LEADERSHIP & ENGAGEMENT, TRAINING, ROLE READINESS, AND MEASUREMENT

**Communication**
Convey the right information to the right people at the right time using the right channels, in an orchestrated manner.

**Role Readiness**
Ensure roles are defined and aligned to new organization and operations and provide integration with FIN.

**Sponsorship & Stakeholder Management**
 Equip leaders with the information and tools to lead, own and sustain initiative outcomes.

**Training**
Prepare associates with relevant skills, knowledge and capabilities to operate in the future state.

**Measurement**
Establish success measures to track expected outcomes and to integrate OCM efforts with overall initiative implementation plan and KPIs.
TRANFORMATION GPS TAKES THE GUESSWORK OUT OF PLANNING AND NAVIGATING MAJOR TRANSFORMATION

- 20 years of research
- 650 change initiatives
- 280 organizations
- 50 industries
- 25 countries
- 1.2 million employees
WE PLACE YOUR ORGANIZATION ON A 3-D PERFORMANCE MAP VIA PATTERN-MATCHING TO OUR DATABASE OF CHANGE JOURNEYS.

Our multi-dimensional Transformation Map based on 33 billion calculations helps visualize exactly where all critical stakeholder groups are and what issues and dynamics need to be addressed so you can take targeted, surgical intervention.

**High Performance**
Peak Performance improvement and high transformation driver strength.

**On Track**
Improved Business Performance and above the norm driver strength.

**Unsustainable**
Improved Business Performance but below the norm driver strength

**Off Track**
Declining Business Performance and well below the norm driver strength.

Copyright © 2020 Accenture. All rights reserved.
PATTERN MATCHING IS BASED ON AN EMPIRICALLY DERIVED MODEL OF CHANGE WITH 14 ELEMENTS.

Our statistically validated transformation model and survey enable you to take a robust, evidence-based approach to drive successful transformation.
Incremental change rarely leads to long-term success. That’s why Accenture provides the high-powered analytics needed to make bold, ground-breaking moves.

View the demo or find more information on the accenture.com Transformation GPS page

For further inquiries, please contact: OrgAnalytics@accenture.com

Accenture Organizational Analytics