OPENING REMARKS AND TODAY’S SPEAKERS

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Speaker
Auditor of the Commonwealth (MA)

Ron Arigo
Speaker
Chief Human Resource Officer (MA)

Dawn McCauley
Speaker
Executive Director of the STAR Program Office (WI)

John Hogan
Speaker
Assistant Deputy Secretary (WI)

MARK HOWARD
ACCENTURE
WHAT ENABLES BACK OFFICE EXCELLENCE?
THINKING FROM THE OUTSIDE IN, DEVELOPING A STRONG STRATEGY, MEASURING SUCCESS BY THE QUALITY OF CITIZEN SERVICES—AND CONCRETE OUTCOMES ACHIEVED.

FOR GOVERNMENT BACK-OFFICE LEADERS, THE CHALLENGES ARE COMPLEX AND PARADOXICAL.
WHAT PATH WILL ENABLE SUCCESSFUL TRANSFORMATION: DO MORE, AT QUALITY AND SPEED, WITH LESS?

IMPLEMENTING ANALYTICS IS A JOURNEY: WHERE IS YOUR ORGANIZATION IN THAT JOURNEY?
Using data to make government work better
Advanced Analytics Platform Motivation

- More Productive
- More Efficient
- Detects the most vulnerable areas
- More quickly targets areas of interest
- Makes government work better

Data Analytics Gives You Superpowers

Data Analytics Tools

- Off The Shelf
  - Excel
  - ACL
- Built In-House
  - Rules Based Risk Engine
  - Advanced Analytics Platform - Effective 2017
  - Risk Distribution Center - Effective 2017
Data Analytics 1.0
- Small group of SMEs
- Blocks or sets of enhanced data are delivered to the audit team
- Feedback from the audit and investigative teams is used to improve algorithms/rules
- Algorithms/rules are stored in a library for reuse

Review of MassHealth Claims for Drug Screening
- $7.8M in lost savings
- $4.5M lost as a result of undetected deceptive billing practices
- Paid for 16,441 duplicative tests
- MassHealth not following federal Substance Abuse and Mental Health Services Administration guidelines
- Analyzed data using ACL

MassHealth Claims for Unbundled Drug Screenings
**Data Analytics 2.0**

- Data analytics toolsets are more fully developed
- Expanded group of users is trained to use the data analytics tools
- Algorithms & Rules are used to create packets to be used in standard audit testing and investigative processes
- Addition of several data sources

**Rules Based Risk Engine**

- Identify and prioritize risky transactions
- Aggregate data from multiple databases
- Create connections to agency databases that enables us to monitor data continuously

**Advanced Analytics Platform**

- AAP Predictive Modeling
  - Analyze historic data to predict future behavior
  - Classification Algorithms - SVM, Decision Tree, KNN, Naive Bayes, and Random Forest
- AAP Risk Scoring
  - Multiple attributes are used to create an overall risk score
  - Outliers are identified for each of the individual attributes
- Link Analysis or Social Mapping
  - Helps identify unusual or hidden relationships
  - Combination of interactive charts and time line analysis
- Time Series Analysis
  - Trend analysis
  - Identify significant changes in metrics over time
- Clustering and Association
  - Associate entities into like groups
  - Find associations between entities
Excel User Dashboards

- Dashboards can process over 600 M records
- 5 Commonwealth Information Warehouse Dashboards
- 2 Uniform Financial Reporting Dashboards
- 30 Medicaid Claim Dashboards

Risk Distribution Center

- Aggregates risk scores for audit planning

Review of MassHealth Managed Care Organizations

- Combined disparate databases
  - MassHealth encounter data
  - MassHealth claims data
  - 5 procedure code databases from MCOs
- Tested over 25 million Medicaid fee-for-service claims
- Identified approximately $500 million in improper or unnecessary payments
Data Analytics 3.0

- Data Analytic tools are fully deployed across the OSA (visualization tools)
- Group of up to 30-40 power users trained and given access to the data analytics toolsets
- Optimization
- Addition of several data sources

Phase 3

- Full deployment
- Audit transformation
- Reflections
INTRODUCTION TO HUMAN RESOURCES IN THE COMMONWEALTH

• The Commonwealth of Massachusetts is one of the largest employers in the state with an Executive Branch workforce of 43,000.
• The Commonwealth requires a high performing workforce to deliver high quality and efficient services to 6.8 million Massachusetts residents.
• The Human Resources Division (HRD) is responsible for building and developing the state workforce; HRD provides HR leadership, guidance, and operational support to all executive department employees and political subdivisions.
• The Commonwealth’s current HR service delivery model includes a mix of centralized and transactional functions, which are delivered via an Employee Shared Services Center and higher touch services delivered through 77 different agencies, organized by 8 Secretariats.
• The Commonwealth recently embarked on a major HR transformation initiative.

PROJECT CONTEXT: WHY HR ANALYTICS?

Governor’s mandate to reshape the workforce

Need to do more with less!

Performance focused, data driven Governor

• Build workforce with modern competencies – problem solving, tech skills, project management
• Reshape a younger, more diverse workforce
• Fiscal environment in the state continues to be a challenge
• Right sizing spend on transactional work to invest in HR "moments that matter"
• Wants improved productivity
• Leadership lacks basic information about HR/workforce to make critical evidence-based decisions
• Current HR data set lacks integrity and cohesive business processes
• Fiscal environment in the state continues to be a challenge
• Rightsizing spend on transactional work to invest in HR "moments that matter"

Performance focused, data driven Governor

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Composition of US Workforce

<table>
<thead>
<tr>
<th>Generation</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Gen X</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Silent</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Traditional</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Performance focused, data driven Governor

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Governor’s mandate to reshape the workforce

Need to do more with less!

Performance focused, data driven Governor

A highly IT focused process to get HR information via queries:
HR ANALYTICS SUBJECT AREAS

- **Workforce**
  - Provides a core data foundation for HR reporting and analysis for headcount, demographics, headcount movement, etc.
  - What is the profile of my workforce and how is it changing over time?

- **Absence**
  - Displays multiple views of absenteeism, enabling HR reporting and analysis on patterns of sick leave, vacation usage, and lost productivity at an organizational and employee level.
  - Are there patterns to absenteeism that need to be addressed?

- **Recruitment**
  - Provides multiple views of recruitment metrics to measure the efficiency and effectiveness of the recruitment lifecycle.
  - Are the characteristics of the people we are recruiting changing over time?

- **Retention**
  - Provides insight into patterns of attrition and turnover among employees, job functions, and organizations, enabling targeted workforce planning.
  - Can I do smarter workforce planning by better understanding patterns of attrition and new entrants?

- **Compensation**
  - Provides a core data foundation for HR reporting and analysis related to salaries/payroll, overtime, funding, budgeting, and absence liability.
  - Can I understand how the use of overtime compares across agencies?

REVIEW OF AGING WORKFORCE

- The average retirement rate for the Commonwealth of Massachusetts is between 3% to 4% annually.
- Currently there are 25.9% employees that have more than 20 years of service.
- From State Retirement Board data the average age and years of service of retirees is age 60 and 25 years of service.
- The potential percentage of employee to retire within the next 5 years is 13.7%.

...TO THIS!
DAWN MCCAAULEY  
JOHN HOGAN  
STATE OF WISCONSIN

Above: WI Capitol Building in Madison, Wisconsin.  
35,000+ Employees  
58+ State Agencies/Boards/Commissions  
72 counties

John Hogan  
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**INTRODUCTION**

**The STAR Project**

**ERP FOR MORE THAN 50 AGENCIES IN 30 MONTHS**

**AGENDA**

- STAR Project Overview
- Major Accomplishments
- Key Success Factors
- Opportunities Going Forward

**STAR PROJECT**

**OVERVIEW**

STAR Project
Background, Scope/Timeline and Governance Structure
STAR PROJECT BACKGROUND

- IBIS Project began in 2005
- 6,600 statewide requirements gathered
- PeopleSoft was selected in 2006
- IBIS project was put on hold in 2008
- STAR Project was launched in 2014

(State Transforming Agency Resources)

STAR PROJECT SCOPE

- Finance
- Procurement
- HR/Payroll and Benefits
- Business Intelligence

STAR PROJECT ESTIMATED TIMELINE

- Release 1 - Finance and Procurement
- Release 2 - Human Resources/Payroll and Benefits

(Anticipated Timeline for Implementing ERP based on IEO Possibility Study)
Decisions were brought forward throughout the entire implementation...

Executive Sponsor
Secretary Neitzel
STAR Project Director
Dawn McCauley
ITESC Steering Committee
Deputy Secretaries
John Hogan (DOA)
Sandy Chalmers (DATCP)
Ron Hunt (DCF)
Deirdre Morgan (DOC)
Tom Engels (DHS)
Kurt Thiede (DNR)
Jack Jablonski (DOR)
Paul Hammer (DOT)
David Anderson (DWD)
David Cagigal (DOA/CIO)
Deputy Secretaries (DOA)
Finance
Jeff Anderson
Budget
Jana Steinmetz
HR/Payroll
Stacey Rolston
Business Intelligence
Dana Burmaster
Business Process Analysis
Scott Thornton
Change Management
David Wirth
Agency Readiness
Nikki Zaug
Infrastructure
Gordy Klindt
Development
Kyle Beck
STAR Project Sponsor
John Hogan
STAR Project Governance
STAR Project Leads and Agency Representatives
Dawn McCauley (DOA)
Scott Thornton (DOA)
Stacey Rolston (DOA)
Sara Redford (DOA)
Jana Steinmetz (DOA)
Tim LeFave (DOC)
Cheryl Johnson (DHS)
Jason Gherke (DATCP)
Bob Nikolay (DCF)
Michelle Young (DNR)
Jon Reneau (DOR)
Kathleen Reed (DWD)
Denise Solie (DOT)
MAJOR ACCOMPLISHMENTS

STAR PROJECT REVISED TIMELINE

• Release 1:
  – Finance and Procurement
  – Business Intelligence for Finance and Procurement

• Release 2:
  – HCM: HR/Payroll and Benefits; “Self-Service” Functions
  – Business Intelligence for HR

FUNCTIONAL STRATEGIES -- FINANCE

<table>
<thead>
<tr>
<th>Modules to be Deployed:</th>
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<tbody>
<tr>
<td>General Ledger</td>
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<tr>
<td>Accounts Receivable</td>
</tr>
<tr>
<td>Billing</td>
</tr>
<tr>
<td>Asset Management</td>
</tr>
<tr>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Cash Management</td>
</tr>
<tr>
<td>Projects</td>
</tr>
<tr>
<td>Contracts</td>
</tr>
<tr>
<td>Grants</td>
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<tr>
<td>Expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Finance Key Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A new chart of accounts will be used statewide</td>
</tr>
<tr>
<td>2. Real-time access to budget checks ensure proper transaction processing</td>
</tr>
<tr>
<td>3. Management of projects and grants will be standardized</td>
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<tr>
<td>4. Centrally managed statewide vendor and customer files will be implemented</td>
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<tr>
<td>5. Vendor payments will be consolidated and standardized</td>
</tr>
<tr>
<td>6. Check writing processes will be centralized in PeopleSoft</td>
</tr>
<tr>
<td>7. The interagency payments process will be systematically processed</td>
</tr>
</tbody>
</table>
**FUNCTIONAL STRATEGIES -- PROCUREMENT**

**Procurement -- Key Impacts**

1. The Purchase Requisition process will be standardized.
2. Requisitions will have a standardized, electronic approval process.
3. Users will be able to “punch-out” from an requisition to WinBUY and pull the items into the requisition for processing and source to a PO.
4. Agency contract numbers will become standardized.
5. Contract documents will be created electronically.
6. Contract document templates can be standardized among agencies to support efficient document creation.
7. P-Card transactions will be reconciled within the system.
8. Receipt of goods and services will be entered and tracked within the system.
9. Sourcing process will be managed electronically.

**Modules to be Deployed:**

- Purchasing
- eProcurement
- GL/AR
- Connection
- Inventory

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**FUNCTIONAL STRATEGIES -- HCM**

**HCM -- Key Impacts**

1. Executive Branch Agencies will operate under a single FESN.
2. Employee Identification Numbers will be assigned via PeopleSoft.
3. Supervisor relationships will be assigned and maintained in PeopleSoft.
4. Employee movement between agencies will be treated as a transfer.
5. Employees will update personal information through the self-service portal.
6. Direct deposit will become mandatory for Executive Branch employees (will be required).
7. Executive Branch will be required to enter time and supervisions will be required to approve time.
8. Benefit deductions will be taken equally out of both the A and B checks.

**Modules to be Deployed:**

- HR
- Benefits
- Payroll
- Workday
- Benefits Admin
- Time & Labor
- Absence Mgmt
- Performance
- FLSA Mgmt

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**STAR PROJECT CHANGE NETWORK**

The STAR Project Change Network consists of the following:

- **Agency Team**
  - Change Agent
  - Technical Writer
  - Technical Trainer
  - Help Desk
  - Training Manager
  - Training Coordinator

- **End Users**
  - Training User
  - End User

- **Project Team**
  - Program Manager
  - Change Management
  - Technical and Functional

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**Collaboration between the Agency Teams and the STAR Project ensures success**
STAR PROJECT MAJOR ACCOMPLISHMENTS

- 130+ Conference Room Pilot sessions
- 200+ Functional/Technical designs
- 150+ Conversions/Interfaces developed
- 500+ Reports/Queries delivered
- 40+ Computer-based/Instructor-led training courses
- 500+ Instructor-led training sessions
- 35,000+ State employees received training

KEY SUCCESS FACTORS

- STAR Governance Structure
- Cross-agency Leadership Engagement
- STAR Change Network
- Systems Integrator with PeopleSoft expertise
- Dedicated Subject Matter Experts (SMEs)
- Lessons Learned from previous State Implementations
- End-to-End User Acceptance Testing Approach
- Minimal Customizations Approach
ORACLE EXCELLENCE AWARD

The State of Wisconsin has received the 2016 Public Sector Architecture Excellence Award from Oracle for the STAR Project.

OPPORTUNITIES GOING FORWARD

REPORT SEARCH ENGINE

★ STAR Online Report Search Engine ★

- The STAR Report Inventory has over 2,000+ Reports/Queries
  - Existing PeopleSoft Reports/Queries
  - New PeopleSoft Reports/Queries Developed by STAR
  - Existing OBIEE/ODA Reports/Dashboards
ORACLE BI APPLICATIONS

- Financial Analytics
- Procurement and Spend Analytics
- HR Analytics
- Project Analytics

STAR BENEFITS REALIZATION

- System Decommissioning
- Strategic Sourcing Initiatives
- Process Improvements
  - Performance Metrics and Scorecards
  - Lean Government Initiatives
- Shared Services Opportunities

THANK YOU!
IN CLOSING AND Q&A

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