SCEIS
South Carolina Enterprise Information System

Agency Implementation Guide

1.0   Executive Overview

In 2003, through a legislatively-directed Business Case Study, the State of South Carolina identified the need for an enterprise resource planning (ERP) system to reduce redundant data entry, increase efficiency and provide a more accessible and responsive system for performing the "back office" administrative functions of state government. In 2005, the legislature authorized the SCEIS investment. This endeavor established a multi-agency initiative, and chartered as the SC Enterprise Information System (SCEIS) Project. As such, this Project has engaged resources from all state agencies to be involved in the collaborative planning, blueprinting and development of this enterprise system. This Project has also been funded in a cooperative manner both by agencies (based on size and usage), and by the legislature, with funds provided directly to the Project. This endeavor offers the State an opportunity to maximize the use of its technology resources, and allows agencies to benefit from the sharing of these resources to standardize business processes, improve operational efficiencies, and have better information for decision making.

The creation of this Agency Implementation Guide is mandated by Proviso 80A.57 ratified by the legislature in May 2008:

> *80A.57. (BCB: SCEIS Agency Implementation Guide) The Budget and Control Board shall have prepared by January 23, 2009, an Agency Implementation Guide for agencies required to participate in the South Carolina Enterprise Information System (SCEIS). The Agency Implementation Guide should provide agencies guidance for implementation of SCEIS and guidance to potential savings identified in the updated business case study performed pursuant to other provisions in this Act. This guide will serve as a basis to agencies as they report their savings from the SCEIS implementation to the Senate Finance Committee and House Ways and Means Committee, so that the committees may take into account those savings as they develop the annual budget.*

The Business Case Study identifies areas where "target" activities are necessary to achieve those savings and efficiencies. The Agency Implementation Guide provides instructions and forms that can be used to capture these benefits systematically. It should be noted that each agency's situation is unique. Therefore, each agency must determine where savings and efficiencies are possible. Depending on size, volume of transactions and staffing levels, agencies may realize no savings and/or efficiencies in some areas. There may also be additional areas where the agency may realize significant benefits not identified in the Guide.

The agency should realize efficiencies through improvements in business processes. Changes in business processes are inherent in SAP, and the extent to which an agency adopts these changes will determine the level of efficiencies that can be achieved. For example, some areas where changes in business process occur are as follows:

- Paper documents can be imaged and linked to transactions within SAP
- Documents such as purchase requisitions are created at the source, thereby eliminating forms and re-entry of data
- Transactions are electronically routed to approving authorities through workflow
- Approvals are conducted electronically

- Information is available online to authorized end users in real time

Realistically, agencies will be in a position to evaluate cost efficiencies in their agencies within six months to a year of implementation. During that initial period, internal processes will be evaluated and adjusted to maximize system efficiencies, and employee knowledge and expertise will continue to grow.

Until that knowledge and expertise grow, however, it is not uncommon for such a significant change to produce a dip in productivity. This decrease occurs after the change is implemented and before sufficient time has passed for those affected to recover from the jolt that change inevitably brings.

The Change Journey
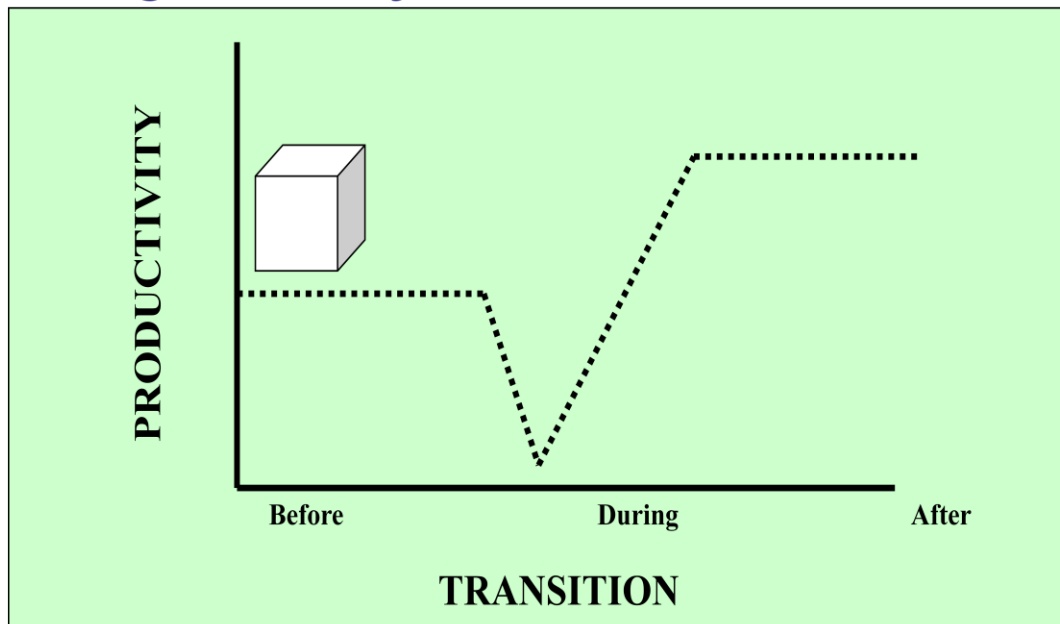
No matter how well change is planned and implemented,

employee productivity is bound to drop before it increases.

The goal is to minimize the dip.

The first sections of this Guide address the preparatory steps for the deployment of SAP. To measure this transition accurately, Section 2.0 outlines how agencies will establish individual baselines of their operations across the applicable SAP processes using either data derived from the 2008 Business Case Study or other appropriate self-generated performance measures. From these baselines, a series of repeatable efficiencies and savings can be monitored and reported on a monthly or quarterly basis for applicable SAP processes as outlined in this Guide. These processes include:

- CAFR
- Reconciliations
- Staff Accounts Payable
- Purchase Orders
- Vendor Files
- Payroll
- Travel
- Leave Administration
- Employee Records and Benefits Administration
- Document Management

Additionally, agencies will identify and report one-time efficiencies and savings including infrastructure and supply chain inventory right-sizing during the first year of implementation.

Section 3.0 outlines the recommended approach for SAP implementation by agencies. Certain tasks requiring the attention of agency management will be monitored using checklists and progress reports. The progress report tasks will closely reflect the checklist content for that month.

Section 4.0 suggests areas on which an agency might focus for optimal cost efficiency assessment.

2.0   Cost Efficiency Measurement Toolkit

The Agency Implementation Guide cost efficiency measurement toolkit provides a method for the agencies to assess, monitor and document the operational efficiencies, savings and benefits available through the SCEIS Project. It is imperative that agencies be positioned to evaluate the benefits of consolidating services and transitioning to this shared environment.

SCEIS provides agencies with the opportunity to realize both actual (real dollar) and process (soft) savings in the areas of financial and general accounting, procurement and inventory, human resources and payroll, infrastructure, and document management. Actual savings can be achieved by an agency through the reduction or avoidance of certain operating costs. The tools in this section should assist each agency in identifying and capturing these savings and utilizing them to pay its costs to implement SCEIS or for such other purposes as it determines appropriate. An agency can also achieve significant efficiencies by making changes to its business processes as recommended by the SCEIS Project. These changes involve the adoption of "industry best practices" that are allowed by the implementation of an enterprise resources planning system. In general, these changes will reduce the time and/or resources required to perform work activities.

The graphic below depicts the business areas where savings resulting from SCEIS may occur.

Benefit Savings Distribution as a % of Total
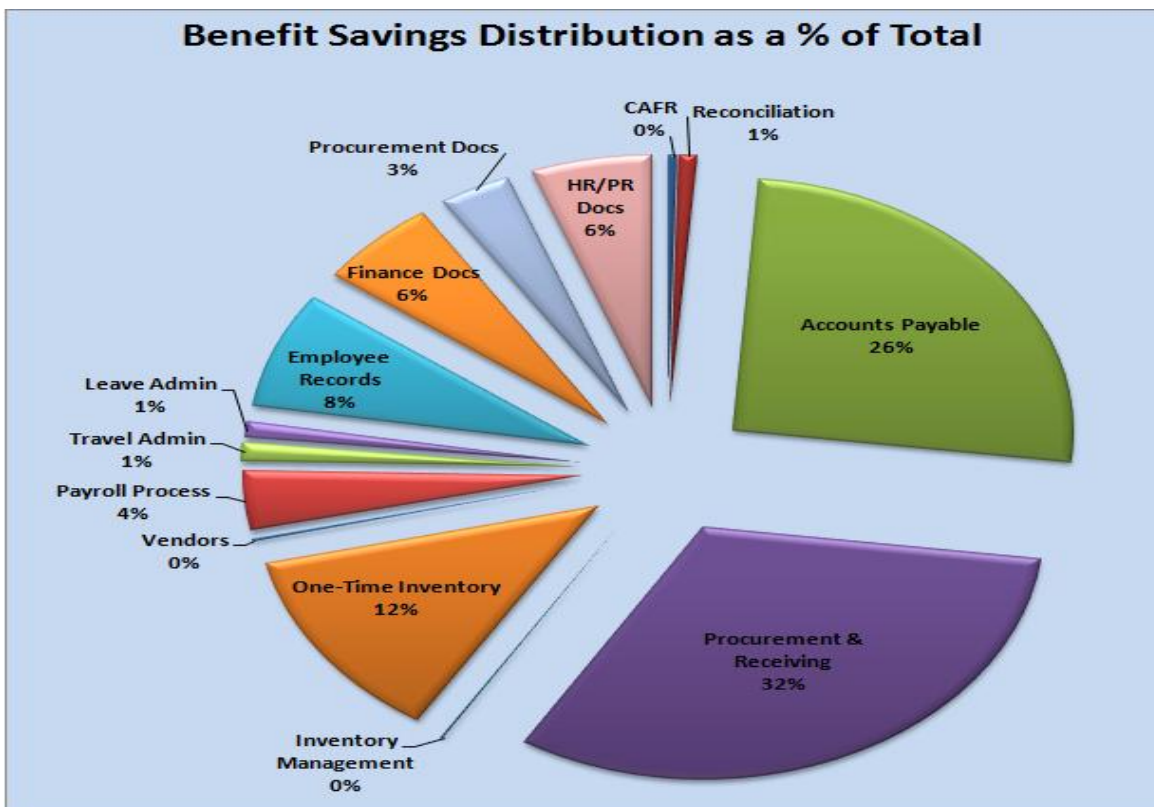
2.1 Cost Efficiency Measurement Methodology

It is easy to forget that successful Enterprise Resource Planning (ERP) implementations do not end at go-live. If anything, it is after the system is implemented that makes or breaks the success of the system. However, most agencies fail to conduct a post-implementation audit to determine how their business has adapted to the statewide ERP. Inevitably, there will be ongoing changes and adjustments to optimize the way the system is operating and to improve the way it supports business. Therefore, conducting a post-go-live audit is very important. The Cost Efficiency Measurement Toolkit guides agencies through these critical audits by providing templates and formulas to complete the annual savings analysis:

1. A baseline with specific benchmarks should be established prior to an agency go-live, based on the data captured from several months before implementation. Baseline benchmarks provide a basis for comparison to calculate agency savings. Each potential savings area as identified by the updated 2008 Business Case Study is analyzed in a pre-calculated spreadsheet to establish baseline benchmarks. The updated 2008 Business Case Study can be found at the SCEIS website under Background information: http://www.sceis.sc.gov/. Survey data collected during the 2008 update process can be provided to agencies to assist with establishing an agency baseline. Data collected in the future will be based on fiscal years.

2. Spreadsheets with automated calculations will provide a template for measuring savings in the areas of Finance and General Accounting, Procurement and Inventory, Human Resources and Payroll, Document Management and one-time savings from disposing of agency legacy systems. These measurements will be calculated on an annual basis beginning one year post-implementation and measured each fiscal year for five years.

3. A total savings calculation spreadsheet is provided to show cumulative savings in the categories listed in Step 2.

The tools in this section provide an introduction to the business processes being measured along with key definitions and explanations. Each process savings measurement tool is pre-populated with formulas for a baseline and post-go-live annual measurements for the next five years. A five year cumulative saving for each process listed above will be calculated at the conclusion of the 5th year of implementation using the cumulative savings tool provided.

Agency Support Team lead meetings will be used to review the formulas and execution of calculating cost savings as measured against the pre-go-live baselines. The Enterprise Change and Communications Team will be available to answer questions and provide assistance as agencies complete the baseline benchmarks and year one post-implementation cost savings.

The toolkit enables agencies to understand the level of ERP business benefits by measuring performance of processes before and after go-live. It is important to establish baseline performance levels, then to compare those to the performance levels after go-live. This will help identify areas of under-performance and opportunities for ongoing improvement. The above steps are important to ERP benefits realization and part of an ongoing organizational change

management program. The goal is to leverage the investment the State has made in ERP technology to realize a strong return on investment.

The table below is a list of the tabs on the downloadable version of the Cost Efficiency Measurement Toolkit. Click the link below to open the toolkit spreadsheet. You can also click on one of the cells on the table to take you to the examples within the Guidebook.

Download: Cost Efficiency Measurement Toolkit (Only download once)

Agency Compensation Calculator	Tab 1
Total	Tab 2
1. CAFR	Tab 3
2. Monthly Reconciliation	Tab 4
3. Accounts Payable	Tab 5
4. MM Purchase Orders	Tab 6
5. Vendor File Management	Tab 8
6. Payroll Processing	Tab 9
7. Travel Reimbursement	Tab 10
8. Leave Administration	Tab 11
9. Employee Records	Tab 12

Download: One-Time Cost Savings Toolkit (Only download once)

Total Document Management Monthly Savings	Tab 1
1. Paper Stock	Tab 2
2. On-Site Filing Floor Space	Tab 3
3. Off-Site Archival	Tab 4
4. Printer Copier Hardware and Maintenance	Tab 5
5. Staff cost of filing, Retrieving and Managing Paper Files	Tab 6
6. One Time Infrastructure Cost Savings	Tab 7
7. Inventory Management	Tab 8

2.2 Average Compensation Calculator

Many of the calculations found in the toolkit are based on an agency's average per-hour salary, a figure which will be used frequently in calculations in this toolkit. The average per-hour salary at an agency can be calculated using the average compensation calculator as shown below. The average per hour salary will be used frequently in calculations in the toolkit. The 2008 Business Case Study calculated the Average Annual Salary cost per hour on a state-wide scope to be $23.18. Agencies may use the state average or use the calculator to derive a more customized per hour salary. Developing a customized average salary rate will provide a more accurate assessment of cost efficiencies within the agency. In addition, the agency may want to consider using an average salary of "core" business users so that the average includes salaries of those directly impacted by SCEIS. A core business end-user is any employee who will access SCEIS on a routine or daily basis to perform tasks and work associated with business functions and responsibilities of his or her job.

Average employee cost per hour includes average annual salary, fringe benefits, and hours worked per year. (Reference Business Case)

The following is an example of the average compensation calculator:

Average Annual Salary as of June 30, 2008: $ 36,795

insert salary in above space

	Single Coverage Value	Full Family Coverage
Leave & Holidays Benefits for State Employees:		
15 Days Annual Leave	$2,122.79	$2,122.79
15 Days Sick Leave	$2,122.79	$2,122.79
Holidays	$1,698.23	$1,698.23
Cash Benefits:		
Health, Life, Disability and Dental Insurance	$3,047.16	$6,738.96
Retirement Match	$3,333.63	$3,333.63
Social Security Match	$2,814.82	$2,814.82
Workers' Compensation	$367.95	$367.95
Total Dollar Value of Fringe Benefits	$9,563.55	$13,255.35
Annual Salary	**$36,795.00**	**$36,795.00**
Total Compensation Package	**$46,358.55**	**$50,050.35**
Value of Benefits as a Percentage of Annual Salary	**25.99%**	**36.02%**
Average Fringes between Single & Family	**31.01%**	
	Hourly rate	**$23.18**

$48,204.455

[Return to Cost Efficiency Chart](#)

2.3 Financial and General Accounting

Annual CAFR Baseline and Annual Process Savings Measurement Tool

The Comptroller General is responsible for preparing the State's Comprehensive Annual Financial Report (CAFR). To develop the CAFR, the Comptroller collects financial information from all state agencies, boards, commissions and universities, either through a series of detailed closing packages or via independent agency financial statements.

Currently, agency personnel collect the requested financial data from a number of disparate and non-integrated systems and manually-maintained records. The CG's office consolidates all data received and prepares the Statewide Comprehensive Annual Financial Report including preparation of all supporting documentation.

A single statewide financial management system with integral audit and controls capabilities will result in fewer errors and will provide a clear audit trail for Office of State Audits year-end reviews. Agencies that have implemented the SCEIS Finance module report that they have realized savings ranging from 20 percent to 75 percent. Since SCEIS will not become the Book of Record until the summer of 2009, the CAFR will not be produced out of SAP until FY 2010. Therefore, CAFR savings will not be realized until FY 2010 for 58% of the agencies and FY 2011 for all agencies on SCEIS.

A **baseline** for preparing the CAFR should be established the fiscal year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for preparing the State CAFR:

- **Agency time** for preparing the CAFR will be measured in **Average Person-days** needed to prepare, review, correct and submit completed closing packages and other related year-end information required by the Comptroller General.

- **Average Person-days** will be converted to **Average Person-hours** by multiplying person days by 7.5.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8 or using the State Average of $23.18), to calculate annual costs for preparing and submitting the State CAFR.

Sample Agency Individual CAFR Preparation Savings

Baseline-Pre-Go-Live	Hours	Cost Per Hour	Total Annual Cost
Agency Time	**337.5**	**$23.18**	**$7,823**

Agency Time	Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
Baseline	337.5	$23.18	$7,823		
Year 1	90.0	$23.18	$2,086	$5,737	$5,737
Year 2	0.0	$23.18	$0	$0	$5,737
Year 3	0.0	$23.18	$0	$0	$5,737
Year 4	0.0	$23.18	$0	$0	$5,737
Year 5	0.0	$23.18	$0	$0	$5,737
TOTAL	90.0		$2,086		$5,737

Total is linked to cumulative data in Section 2.8.

Annual CAFR Preparation Year 1 - Year 5

Dollars
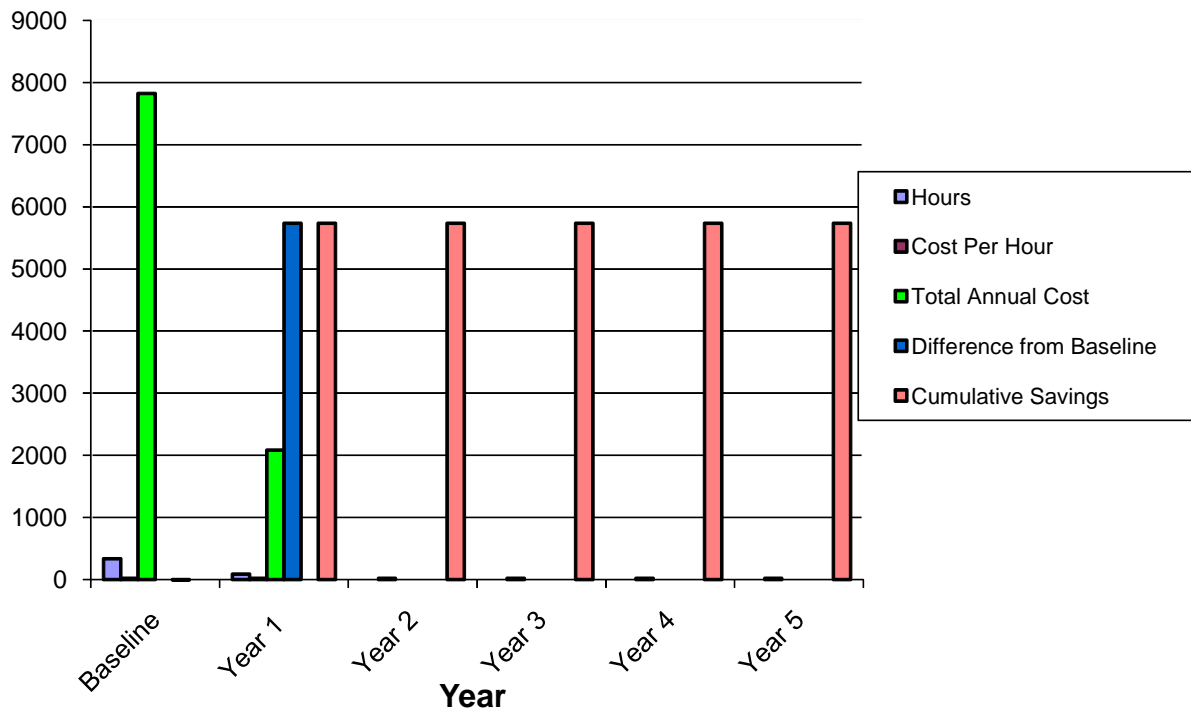
[Return to Cost Efficiency Chart](#)

Monthly Reconciliations Baseline and Annual Process Savings Measurement Tool

Each month, agency, board and commission financial staffs compare recent financial transactions recorded in their own general ledger records with corresponding entries in the Statewide Accounting and Reporting System (STARS) general ledger accounts. The purpose is to identify, analyze and resolve exceptions or discrepancies between the two sets of records throughout the year rather than waiting until the end of the FY. Reconciliation exceptions most commonly result from one of three situations:

- Timing differences in posting a disbursement (that is, between transactions posted in STARS and in agency records)
- Errors made when disbursements or receipts are posted to the wrong object or ledger code
- Missing transactions

Large state agencies have developed automated programs to help identify exceptions between agency systems and STARS. Most agency financial staffs must manually reconcile their respective records for federal grants/program funds, cash and appropriations to the official Comptroller records.

Using SCEIS, state agencies and the Comptroller General will all be working on the same general ledger and the same data. Consequently, most timing differences and reconciliations are eliminated. Also, the system will be configured to alert or preclude users from posting a transaction to an incorrect or invalid cost center or ledger code. While coding errors and missing entries may still occur, these issues will typically be identified and resolved during the accounts payable and other posting processes.

Eliminating reconciliation requirements, the State can eliminate most agency resource costs currently dedicated to identifying, analyzing and resolving exceptions in federal grants/program funds, cash and appropriations. Agencies that have implemented the SCEIS Finance module indicate that they have realized savings ranging from 27 percent to 100 percent.

A **baseline** for monthly reconciliations should be established the year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the three areas comprising the total monthly reconciliation processing time:

1. Federal Grants and Programs - sources of revenue in the form of grants received directly from the federal government to support state programs
2. Cash Balances - the cash position of the agency at the end of each month
3. Appropriations - money set aside (as by a legislature) for a specific purpose

- **Agency time** for preparing the federal grants/programs, cash balances and appropriations will be measured in **Average Person-days** needed to reconcile accounts in these three areas.

- **Average Person-days** will be converted to **Average Person-hours** by multiplying person days by 7.5 in each category.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8 or using the State Average of $23.18) to calculate annual costs for monthly reconciliations in the areas of federal grant/programs, cash balances and appropriations. The total cost will be calculated for the sum of the three areas where reconciliations occur.

Sample Monthly Reconciliation Savings

Monthly Reconciliation Savings

Baseline-Pre-Go-Live Agency Time	Reconciliation Area	Annual Hours	Cost Per Hour	Total Annual Cost
	Federal Grants/Programs	**22.5**	**$23.18**	**$522**
	Cash Balances	**22.5**	**$23.18**	**$522**
	Appropriations	**22.5**	**$23.18**	**$522**
	TOTAL	**67.5**		**$1,565**

Implementation Agency Time		Annual Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
	Federal Grants/Programs	15.0	$23.18	$348		
	Cash Balances	22.5	$23.18	$522		
	Appropriations	22.5	$23.18	$522		
Year 1		60.0		$1,391	$174	$174
	Federal Grants/Programs	0.0	$23.18	$0		
	Cash Balances	0.0	$23.18	$0		
	Appropriations	0.0	$23.18	$0		
Year 2		0.0		$0	$0	$174
	Federal Grants/Programs	0.0	$23.18	$0		
	Cash Balances	0.0	$23.18	$0		
	Appropriations	0.0	$23.18	$0		
Year 3		0.0		$0	$0	$174
	Federal Grants/Programs	0.0	$23.18	$0		
	Cash Balances	0.0	$23.18	$0		
	Appropriations	0.0	$23.18	$0		
Year 4		0.0		$0	$0	$174
	Federal Grants/Programs	0.0	$23.18	$0		
	Cash Balances	0.0	$23.18	$0		
	Appropriations	0.0	$23.18	$0		
Year 5		0.0		$0	$0	$174

Monthly Reconciliation Savings Year 1 - Year 5

Return to Cost Efficiency Chart

Agency Staff Accounts Payable Baseline and Annual Process Savings Measurement Tool

SCEIS can help the State reduce its current annual cost of processing vendor invoices by enabling the following process improvements:

1. Automate the three-way match of vendor invoices with purchase orders and receipts
2. Automate and expedite the process of gaining internal agency approval to pay invoices
3. Eliminate duplicate entry of invoice and disbursement voucher details (by the accounts payable staff in the Comptroller General's Office and in each agency)
4. Automate and expedite the process of authorizing payment approval by the Comptroller General and payment check issuance by the State Treasurer
5. Simplify the audit function of agency entries, currently conducted by the Comptroller General
6. Eliminate paper forms and automate filing and recordkeeping

Organizations that have implemented the SAP Finance module indicate that they have realized 50 to 87 percent reduction for accounts payable processing time, averaging a 67 percent reduction. Without SCEIS, some agencies report that they already process vendor invoices at rates that exceed SCEIS efficiencies. Therefore, the following schedule of target process time reductions were applied to the respective agencies.

A **baseline** for processing accounts payable should be established the year prior to SCEIS go-live or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the three areas comprising the total accounts payable processing time:

*   **Agency time** for Accounts Payable processing will be measured in **Average Person-days** needed to process accounts payable.

*   **Average person-days** will be converted to **Average Person-hours** by multiplying person days by 7.5.

*   **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8) to calculate annual costs for processing accounts payable. (Or use the State Average of $23.18).

Sample Agency Staff Accounts Payable Processing

Baseline-Pre-Go-Live

Agency Time	Hours	Cost Per Hour	Total Annual Cost
Baseline	**8,875**	**$23.18**	**$205,723**

Implementation Agency Time	Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
Year 1	110	$23.18	$2,550	$203,173	$203,173
Year 2	0	$23.18	$0	$0	$203,173
Year 3	0	$23.18	$0	$0	$203,173
Year 4	0	$23.18	$0	$0	$203,173
Year 5	0	$23.18	$0	$0	$203,173
TOTAL	110		$2,550		$203,173

Annual Agency Staff Accounts Payable Processing Year 1 - Year 5

Return to Cost Efficiency Chart

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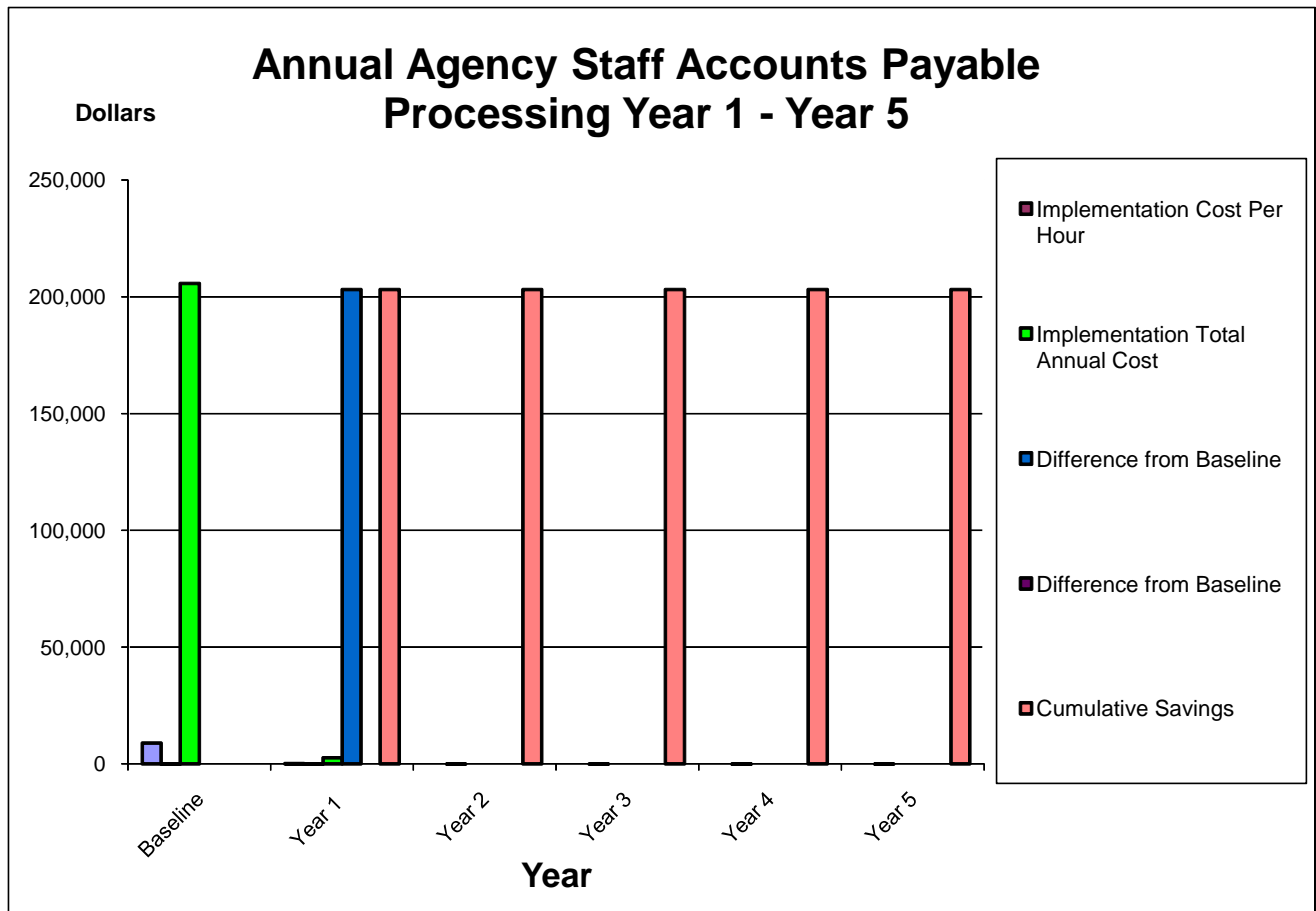
2.4 Procurement and Inventory Management

Processing a purchase order process efficiency measurement tool

One of the largest areas of potential savings is in the procurement process; however, this is one of the most labor-intensive processes in SCEIS and also one of the most difficult to learn and to utilize effectively. It should be noted and understood that in general practice, this will be the application that will be subject to the biggest learning curve.

State agencies use purchase orders (POs) to acquire products and services from a designated vendor. Agencies issue POs for a single procurement or against statewide contracts issued by MMO for multiple procurements from the same vendor. The current process for creating and issuing a PO includes the following common steps:

3.0   Create a requisition (a document identifying product or service specifications or requirements)

4.0   Check agency and departmental budgets to confirm that funding is available

5.0   Determine whether required products or services are included in existing term contracts; or alternatively, if PO value is sufficiently large, solicit and evaluate quotes from known vendors. MMO typically does solicitations for all new procurement where the total value of the procurement exceeds $50,000. Agencies may procure up to $50,000, but must execute a solicitation for any procurement between $10,000 and $49,999.

6.0   Create the PO (some agencies currently use a combined requisition/PO form)

7.0   Circulate the completed requisition and/or PO for internal agency review and approval

8.0   Send the approved PO to the vendor, requesting delivery and invoicing of the required product or service

9.0   Enter or re-enter the requisition or PO data, typically from paper forms to automated purchasing systems that may be later used during receiving and invoicing. In some agencies, this step is not done because POs remain on paper until invoiced.

10.0   Copy and file requisitions, quotes, POs, and other supporting documents

According to the 2008 Business Case Study estimates, state agencies generate approximately two hundred sixty-seven thousand PO's and spend an average 5.64 hours per PO for a total 1.5 million hours to process POs annually. The estimated annual cost to prepare PO's totals $34.9 million annually in agency staff time.

Using SCEIS, agencies can cut their current annual cost of preparing and issuing purchase orders significantly by enabling the following process improvements:

1. By using SAP's Supplier Relationship Management system (SRM), agencies can create an electronic requisition document, add vendors and items, and route as appropriate for approval.

2. Using SAP-provided templates, users can set up commonly-used requisitions to speed the process further.

3. During the requisition process, SCEIS performs an automated check to confirm purchasing authority and budget availability at the time the requisition is created. A similar check is performed when the requisition is converted to a PO. In the interim, budget funds are automatically earmarked to support the requisition transaction.

4. Routing requisitions electronically for internal agency review and approval

5. Creating electronic POs from requisitions, pre-populated with data such as vendor term contract prices and delivery details

6. Issuing the PO to vendors via e-mail

7. Automatically filing requisition/PO information electronically pending receipt and invoice processing, thereby eliminating the need for additional copies during or after the process is completed.

A **baseline** for processing purchase orders should be established for the fiscal year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the three areas comprising the total monthly purchase order processing time:

- **Agency time** for purchase order processing will be measured in **Average Person-days** needed to process purchase orders, which includes performing all steps listed on the previous page.

- **Average Person-days** will be converted to **Average Person-hours** by multiplying person-days by 7.5.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8) to calculate annual costs for processing purchase orders. (Or use the State Average of $23.18).

Sample Purchase Order Cost Efficiency Measurement Tool

Baseline-Pre-Go-Live	Hours Per Year	Cost Per Hour	Total Annual Cost
	900	**$23.18**	**$20,862**

Agency Implementation Timeline

	Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
Baseline	**900**	**$23.18**	**$20,862**	**$0**	**$0**
Year 1	60	$0.00	$0	$20,862	$20,862
Year 2	0	$0.00	$0	$0	$20,862
Year 3	0	$0.00	$0	$0	$20,862
Year 4	0	$0.00	$0	$0	$20,862
Year 5	0	$0.00	$0	$0	$20,862
TOTAL	60		$0		$20,862

Annual Agency Purchase Orders Year 1 - Year 5

[Return to Cost Efficiency Chart](#)

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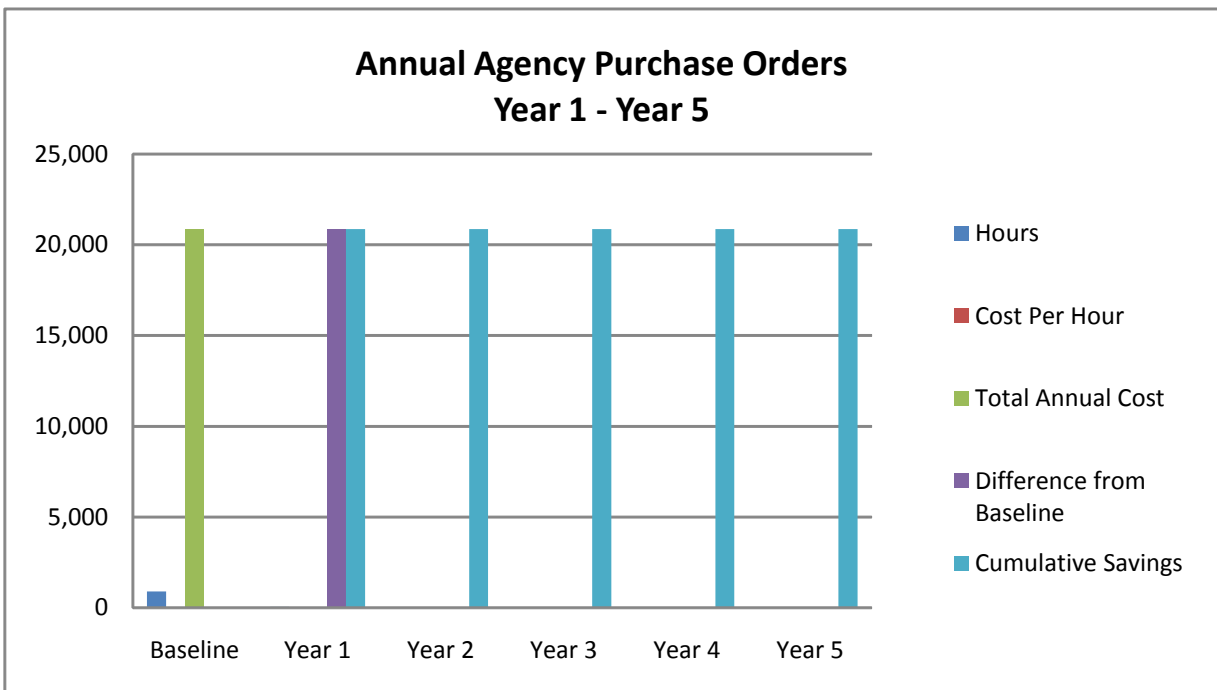
Inventory Management Sample Tool

SAP improves management of supply chain processes with real-time inventory management and automated reorder points. Higher levels of inventory control and reordering allow agencies gradually to right-size holdings down to optimum required levels by leveraging just-in-time ordering and resupply of holdings.

As noted in the 2008 Business Case Study, eighteen agencies surveyed reported holding a combined inventory of $117.2 million, including obsolete or damaged inventory estimated at $2.3 million. This analysis assumes that a one-time sale of obsolete or damaged inventory at 40% of inventory cost can net an estimated $919,579 in one-time cash income as summarized in the figure below.

Note that the 1.96% obsolescence factor is an industry standard and is used, as well, in the sample tool included in this section.

Annual Obsolete Inventory Sales One-Time Savings

	Current Inventory Value	Obsolescence Factor	Obsolete Cost	Value Factor	Net Value
Obsolete Inventory	$ 117,293,207	1.96%	$ 2,296,992	40%	$ 918,797

In determining an inventory baseline, agencies should focus on two aspects:
- Obsolete inventory – items that are damaged or have deteriorated to a degree that they are no longer of value
- Inventory turns - how many times the inventory is consumed and replaced during the year

With inventory turns, a low number is a sign of inefficiency since inventory usually has a rate of return of zero. For instance, if an agency consumes $10 million in inventory but averages 5 million in stock on hand, the inventory turn rate would be 10 million / 5 million = 2. This number indicates that there would be 2 inventory turns per year, meaning that it would take 6 months to consume the entire inventory.

In determining a baseline number of turns, agencies should complete this basic formula:

Basic inventory Turns = Value of Actual Material Consumed / Value of the Basic Inventory

To determine the value of basic inventory, take the average of the values of the inventory at the beginning, middle and end of the month.

To determine the Value of Actual Material Consumed, estimate the inventory value consumed for a month and multiply that number by 12.

Agencies should experience a one-time return on the sale of overages, obsolete or damaged inventory in the first step towards right-sizing inventory.

The following information describes the fields in the sample calculation tool at the end of this section:

Estimated Obsolete Inventory Sales One-Time Savings

- **Current Inventory Value:** The value of inventory on hand at baseline in dollars
- **Obsolescence Factor:** The estimated percentage of non-moving items (overages, damaged, obsolete, etc.) in inventory at baseline
- **Obsolete Cost:** The estimated value of overages in dollars
- **Value Factor:** The estimated percentage of achievable returns on sales of overages
- **Net Value:** The estimated achievable returns in sales of overages in dollars

Actual Obsolete Inventory Sales One-time Savings

- **Current Monthly Value**: The value of inventory on hand that month
- **Value of Obsolete Items**: The estimated value of targeted inventory for non-moving items (overages, damaged, obsolete, etc.) on hand that month
- **Sales of Obsolete Items**: Actual sales
- **Actual Net Value**: Percentage of actual sales over value of obsolete items

Annual Inventory Turnover – Overall
- **Inventory Value:** Value of inventory on hand that month. This number should gradually decrease as on-hand inventory is reduced.
- **Material Consumed Month:** Total materials consumed for the month
- **Current Number of Turns:** This number should gradually increase as overall stock levels go down based on right-sizing.
- **Total Annual Inventory Consumption:** This number should reflect total material consumption for the year

Sample One Time Inventory Adjustments Tool

Estimated Obsolete Inventory Sales One-Time Savings

	Baseline Estimate
Current Inventory Value	$100,000
Obsolescence Factor	1.96%
Obsolete Cost	$1,960.00
Value Factor	40%
Net Value	$784.00

	Month 1	Month 2	Month 3	Month 4	Month 5
Actual Obsolete Inventory Sales One Time Savings					
Current Inventory Value	$100,000	$0	$0	$0	$0
Value of Obsolete Items	$2,000	$1	$1	$1	$1
Sales of Obsolete Items	$500	$0	$0	$0	$0
Net Value Realized (%)	25.00%	0.00%	0.00%	0.00%	0.00%
Annual Overall Inventory Turnover Overall					
Inventory Value - Overall	$100,000	$0	$0	$0	$0
Material Consumed Month	$242,000	$0	$0	$0	$0
Current Number of Turns	2.42	2.42	2.42	2.42	2.42
Total Annual Inventory Consumption	$242,000	$242,000	$242,000	$242,000	$242,000

Return to One-Time Savings Chart

Maintaining Vendor Files Process Savings Measurement Tool

South Carolina state agencies maintain their own respective vendor files, which either duplicate records maintained by the MMO and the Comptroller General, or contain information that is not easily shared.

Maintaining current and accurate vendor files is crucial to efficient and effective procurement and payment processes. Government organizations commonly maintain selected records on past and prospective vendors—information required by staff to solicit bids, prepare purchase orders and pay invoices. These vendor information files typically include:

- Company name and business address
- Business type (Corp, LLP, or LLC)
- Product / services and descriptions
- References to existing state contracts
- MBE/DBE/WBE designation/status

- Name and title of contact person
- Vendor quality or suspension
- Telephone, fax and e-mail address
- Pricing, ordering, delivery data
- Federal Tax ID Number or SSN

With SCEIS, vendor files are consolidated into one database to support all agencies, MMO and the CG's accounts payable functions. Benefits of this approach include:

- More accurate and current vendor records and contract information
- More effective sharing of vendor records among all South Carolina state agencies
- Significant reduction in staff time in maintaining vendor information files

State agencies reported that they maintain 53 different vendor files and it takes them 8,800 person-hours to maintain these files. Governmental organizations that have implemented SAP Material Management report they have realized 75 to 92 percent reduction in time spent managing vendor files.

A **baseline** for maintaining vendor files should be established for the fiscal year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the three areas comprising the total monthly processing time for maintaining vendor files:

- **Agency time** for maintaining vendor files will be measured in **Average Person-days** needed to maintain files.

- **Average person-days** will be converted to **Average Person-hours** by multiplying person-days by 7.5.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8) to calculate annual costs for maintaining vendor files. (Or use the State Average of $23.18).

Sample Maintaining Vendor Files Cost Measurement Tool

Baseline-Pre-Go-Live	Hours	Cost Per Hour	Total Annual Cost
Baseline	**120**	**$23.18**	**$2,782**

Agency

Timeline	Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
Baseline	**120**	**$23.18**	**$2,782**		
Year 1	30	$23.18	$695	$2,086	$2,086
Year 2	0	$23.18	$0	$0	$2,086
Year 3	0	$23.18	$0	$0	$2,086
Year 4	0	$23.18	$0	$0	$2,086
Year 5	0	$23.18	$0	$0	$2,086
TOTAL	30		$695		$2,086

Annual Agency Vendor Management Year 1 - Year 5

[Return to Cost Efficiency Chart](#)

2.5 Human Resources and Payroll

Processing Payroll Savings Measurement Tool

State employees are paid twice each month. The procedures and systems used by each agency to conduct this recurring process vary somewhat, but include the basic activities and workflow presented below.

Workflow for Processing Employee Payroll

State Agency				
START Employee prepares time report	**Department supervisor reviews and approves employee time reports**	**Payroll staff reviews and edits payroll file**		**END** Employee receives paycheck or direct deposit stub
	Payroll staff batches reports and creates agency payroll file (gross pay only)	**Payroll supervisor certifies payroll and sends file to Comptroller General**		**Agency Payroll staff distributes checks and direct deposit stubs**

Comptroller General (CG)

- CG Payroll staff processes agency payroll for mandatory deductions and taxes
- CG Accounting staff enters payroll transaction data into STARS
- CG Payroll creates warrant authorizing Treasurer to issue employee payroll payment
- CG Payroll prepares disbursement voucher for payroll withholding

Treasurer

- Treasurer enters payroll transaction data into STARS
- Treasurer prints paychecks and direct deposit stubs

It is estimated that processing payroll costs $6.42 million annually. With the planned rollout of Payroll to participating agencies, and implementation of Employee Self Service (ESS) for most employees, each agency should require no more than one payroll administrator per 750 employees to administer the Payroll and Human Resource activities.

A **baseline** for processing payroll should be established for the fiscal year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the three areas comprising the total monthly payroll processing time:

- **Agency time** for processing payroll will be measured in **Average Person-days** needed to process payroll.

- **Average Person-days** will be converted to **Average Person-hours** by multiplying person days by 7.5.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8) to calculate annual costs for processing payroll. (Or use the State Average of $23.18).
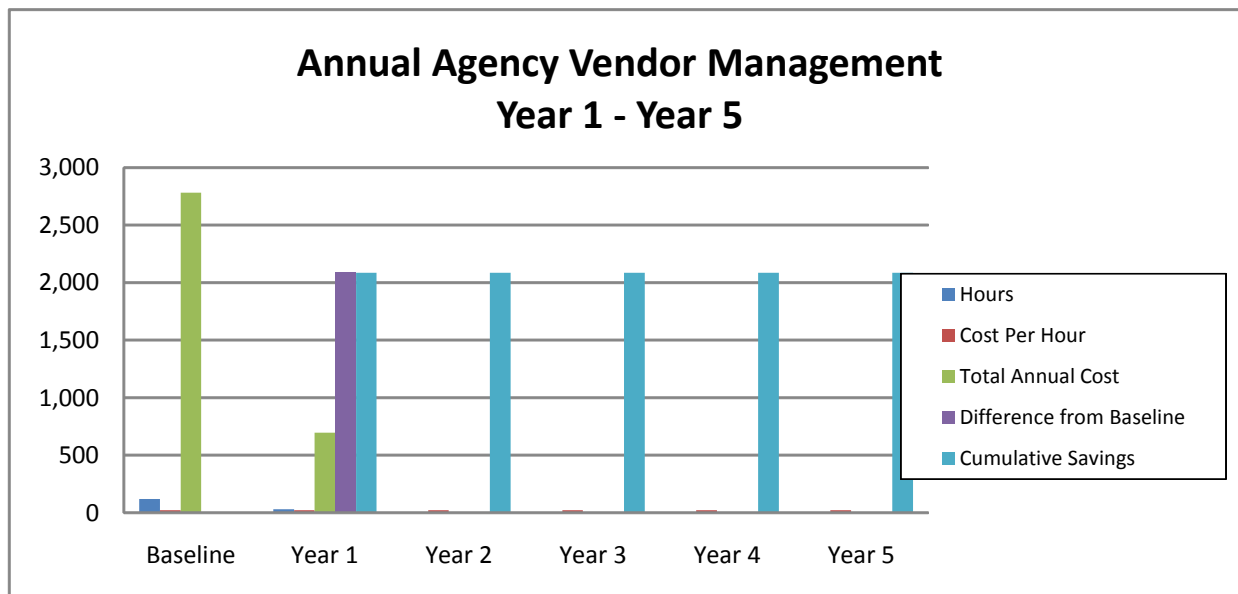
Sample Payroll Cost Efficiency Measurement Tool

Human Resource and Payroll
Payroll Processing

Baseline Pre-Go-Live Agency Time	Payroll Process Function	(no survey data, estimates only)		
		Annual Hours	Cost Per Hour	Total Annual Cost
	Intra-Agency	**2,520**	**$23.18**	**$58,414**

Agency Implementation Timeline		Annual Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
Year 1	Intra-Agency	1,160	$23.18	$26,889	$31,525	$31,525
Year 2	Intra-Agency	0	$23.18	$0	$0	$31,525
Year 3	Intra-Agency	0	$23.18	$0	$0	$31,525
Year 4	Intra-Agency	0	$23.18	$0	$0	$31,525
Year 5	Intra-Agency	0	$23.18	$0	$0	$31,525

Annual Agency Payroll Processing
Year 1 - Year 5
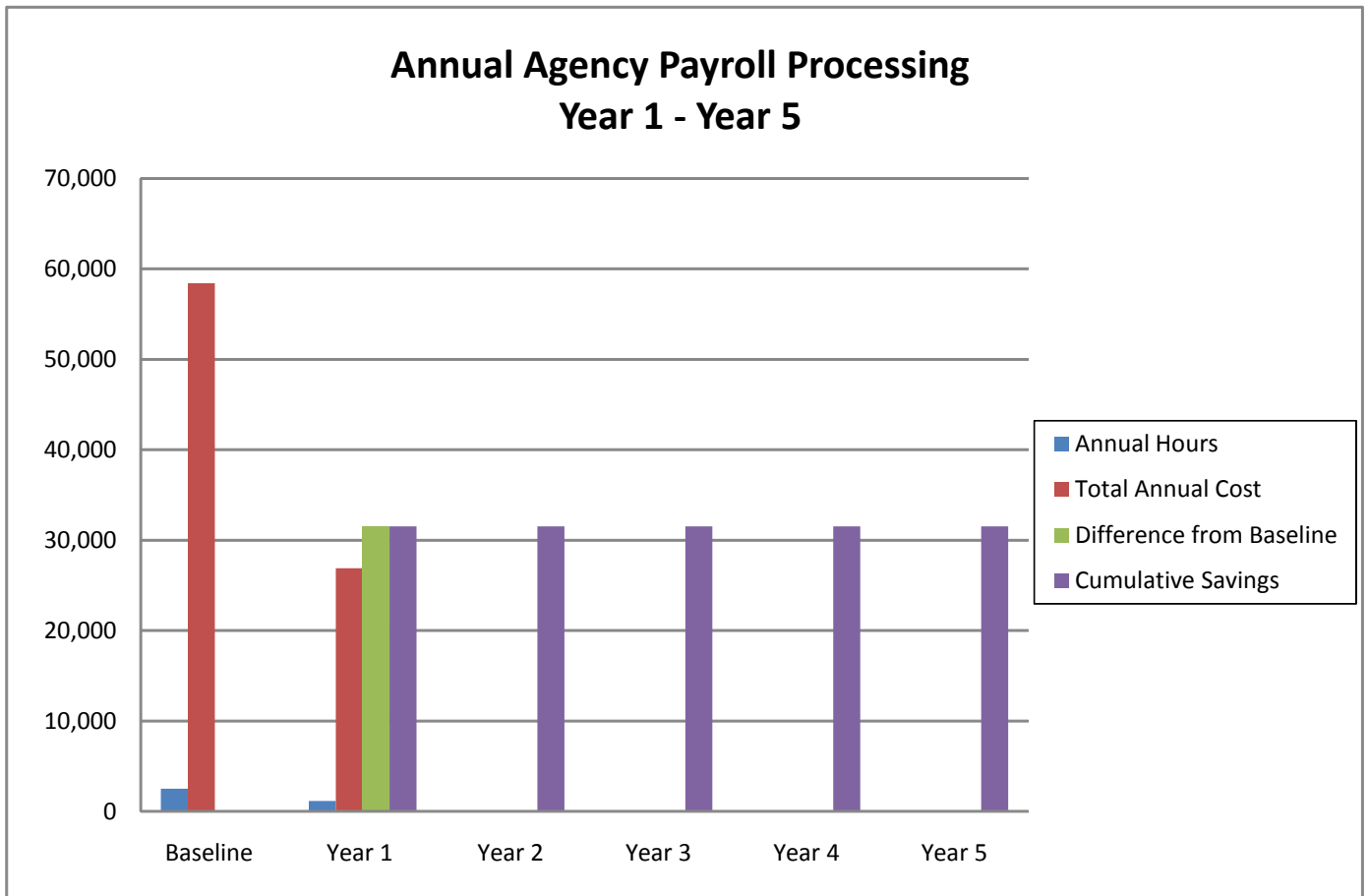
Return to Cost Efficiency Chart

Processing Travel Process Cost Efficiency Measurement Tool

The State reimburses its employees for business travel expenses. To collect reimbursement, state employees spend an estimated 20 minutes to complete and submit a Travel Support Document (STARS Form No. 62), which itemizes meals, travel, lodging and other expenses. Agency accounting staff use information entered on this form and another 15 minutes to complete a Disbursement Voucher for Reimbursement for Travel.

In FY 2008, state agencies issued 165,533 employee travel reimbursement vouchers. Each voucher takes, on the average, 45 minutes of employee time to process. It is estimated that 124,150 person-hours are required to process travel reimbursements. The total annual costs are estimated at $2.88 million.

By using SCEIS ESS, the State can automate the process of creating, reviewing and routing disbursement vouchers of this type and related support documents as well as minimize calculation and submission errors encountered in a form-driven system.

A **baseline** for processing travel should be established for the fiscal year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the three areas comprising the total monthly travel processing time:

- **Agency time** for processing travel will be measured in **Average Person-days** needed to process travel.

- **Average Person-days** will be converted to **Average Person-hours** by multiplying person-days by 7.5.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8) to calculate annual costs for processing travel. (Or use the State Average of $23.18).

Sample Processing Travel Process Cost Efficiency Measurement Tool

Baseline Pre-Go-Live Agency Time	Travel Requests	(no survey data, estimates only)		
		Annual Hours	Cost Per Hour	Total Annual Cost
	Entry Time	**675**	**$23.18**	**$15,647**
	Rev/Apprv	**525**	**$23.18**	**$12,170**
	TOTAL	**1,200**		**$27,816**

Agency Implementation Timeline		Annual Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
	Entry Time	500	$23.18	$11,590		
	Rev/Apprv	330	$23.18	$7,649		
Year 1		830		$19,239	$8,577	$8,577
	Entry Time	0	$23.18	$0		
	Rev/Apprv	0	$23.18	$0		
Year 2		0		$0	$0	$8,577
	Entry Time	0	$23.18	$0		
	Rev/Apprv	0	$23.18	$0		
Year 3		0		$0	$0	$8,577
	Entry Time	0	$23.18	$0		
	Rev/Apprv	0	$23.18	$0		
Year 4		0		$0	$0	$8,577
	Entry Time	0	$23.18	$0		
	Rev/Apprv	0	$23.18	$0		
Year 5		0		$0	$0	$8,577
TOTAL		830		$19,239		$8,577

Annual Agency Travel Processing
Year 1 - Year 5

Legend:
- Hours
- Total Annual Cost
- Difference from Baseline
- Cumulative Savings

Categories: Baseline, Year 1, Year 2, Year 3, Year 4, Year 5
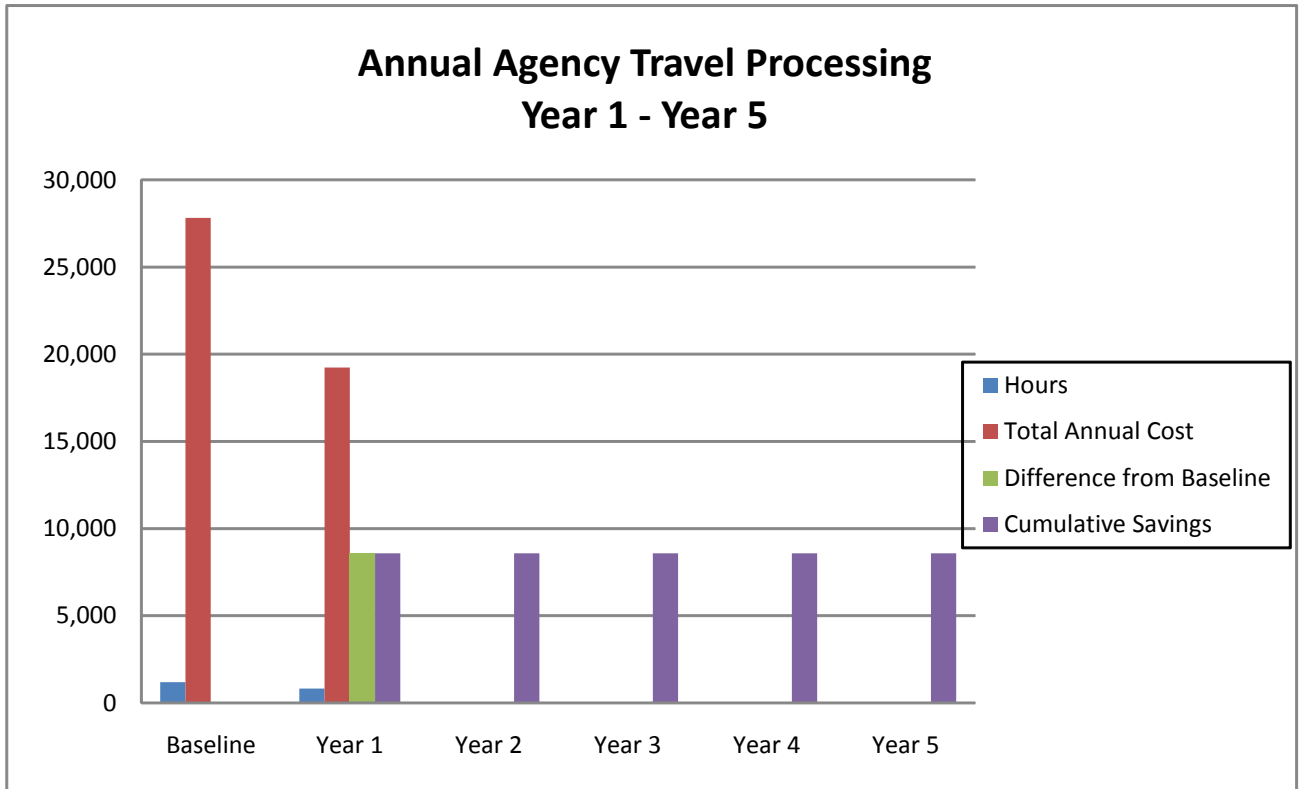
Return to Cost Efficiency Chart

Leave Administration Process Efficiency Measurement Tool

State employees accrue annual leave (i.e., vacation or personal time) and sick leave benefits throughout the year. To use these leave hours, employees complete leave request forms, which they submit for supervisor approval. Approved leave forms are typically filed and maintained with an employee's annual and sick leave records, and include the following required information:

1. Number of hours earned and used during the current calendar year
2. Number of hours carried forward from the previous calendar year (or maximum authorized accrual totals)
3. Number of hours in the employee's work week and work day
4. Leave accrual rates

State human resources regulations require annual reviews or written reports of leave record totals and usages for each employee. The State has no standard leave form or common system for maintaining records of leave balances, accrual rates and leave hours used by each employee. Some agencies have automated their leave record administration activities using custom desktop applications or central systems. However, for most agencies, it remains a paper-intensive process.

In the 2008 Business Case Study update, State agencies reported that more than 54,429 person-hours were consumed performing leave administrative duties such as requesting leave, approving employee leave requests, and maintaining and reporting records of employee leave balances and usage. SCEIS will provide the means for state agencies to automate leave request and records administration activities by integrating these tasks with employee time entry and payroll functions.

A **baseline** for leave administration should be established for the fiscal year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the three areas comprising the total monthly travel processing time:

- **Agency time** for leave administration will be measured in **Average Person-days** needed to administer leave.

- **Average Person-days** will be converted to **Average Person-hours** by multiplying person-days by 7.5.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8) to calculate annual costs for processing leave. (Or use the State Average of $23.18).

Sample Leave Administration Process Efficiency Measurement Tool

Baseline Pre-Go-Live Agency Time	**Leave Admin Function**	**(no survey data, estimates only)**				
		Annual Hours	Cost Per Hour	Total Annual Cost		
	Lv Form Prep	**310**	**$23.18**	**$7,186**		
	Leave Admin	**240**	**$23.18**	**$5,563**		
	TOTAL	**550**	**$23.18**	**$12,749**		

Agency Implementation Timeline		Annual Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
	Lv Form Prep	100	$23.18	$2,318		
	Leave Admin	90	$23.18	$2,086		
Year 1		190	$23.18	$4,404	$8,345	$8,345
	Lv Form Prep	0	$23.18	$0		
	Leave Admin	0	$23.18	$0		
Year 2		0	$23.18	$0	$0	$8,345
	Lv Form Prep	0	$23.18	$0		
	Leave Admin	0	$23.18	$0		
Year 3		0	$23.18	$0	$0	$8,345
	Lv Form Prep	0	$23.18	$0		
	Leave Admin	0	$23.18	$0		
Year 4		0	$23.18	$0	$0	$8,345
	Lv Form Prep	0	$23.18	$0		
	Leave Admin	0	$23.18	$0		
Year 5		0	$23.18	$0	$0	$8,345
TOTAL				$4,404		$8,345

[Return to Cost Efficiency Chart](#)

Maintaining Employee Records and Benefits Administration Process Efficiency Measurement Tool

State agencies must maintain complete and accurate records for each of their employees, including common personnel information outlined below. It is crucial that this information be securely maintained. It is also vital that the employer and employee be able to review this information periodically and make updates as changes are warranted (such as name change, address or phone change, promotion, etc).

Typical Employee Personnel Records

General Employee Information	State Employment Work History	Other Miscellaneous Information
Employee name	Initial hire date	Ethnicity
Employee address	Agency/agencies where employee has worked	Education
Employee phone number	Titles and positions held (current and past)	Military experience and status
Employee social security number	Years of continuous service (including dates of any interim separations)	Certification and license information
Emergency contact information (name and phone number for designated contact persons)	Pay grade (current and past)	Disciplinary records (if any)
	Retirement eligibility date	Criminal history

Another major human resource management function is benefits administration. State agencies are obligated to provide cost and coverage information about mandatory and elective benefits to new and to current employees. This information includes details about the following common plans and programs:

- Health insurance
- Dental insurance
- Life insurance
- Long-term disability
- Tuition assistance

- Pension/retirement
- Deferred compensation
- Workers' compensation
- Dependent care
- Medical spending

The State must also process employee enrollments in these plans and programs, maintain current and accurate records of employee benefit elections, and make periodic changes in an

employee's benefit status or record. This includes such details as name or address changes, additional or dropped beneficiaries and physicians.

Each agency's human resources management staff or other administrative personnel perform these duties. The State has no central system for administering these functions or maintaining related employee records.

According to the 2008 Business Case Study, the total annual cost for the State to maintain employee personnel records and provide benefits administration functions is more than $21.7 million

Using SCEIS, state agencies will be able to manage employee personnel records and benefits administration activities using a common system and database. The State will significantly reduce its current HR management workload and associated costs using the online employee self-service (ESS) functions. Using ESS, state government workers can view, create and maintain their own personnel records and evaluate and make benefit selections themselves.

Common tasks that employees can perform directly using ESS include:
- Viewing and making changes in an employee's name, address and phone number
- Viewing and making changes in an employee's emergency contact information
- Enrolling in direct deposit, or changing or updating direct deposit information
- Reviewing, evaluating and selecting employee benefits online
- Designating physicians and other preferred providers
- Adding or deleting beneficiaries or dependents from existing insurance policies
- Reviewing pay stubs and the past years' W-2 forms
- Completing state and federal withholding forms (W-4s) online
- Downloading copies of common forms

A **baseline** for maintaining employee records and benefits administration should be established for the fiscal year prior to SCEIS go-live, or agency figures should be used from the 2008 Business Case Study. This information will be provided to agencies individually.

The following definitions should be used when calculating process savings for the total monthly processing time for maintaining employee records and benefits administration:

- **Agency time** for maintaining employee records and benefits administration will be measured in **Average Person-days** needed to maintain records and administer benefits.

- **Average Person-days** will be converted to **Average Person-hours** by multiplying person-days by 7.5.

- **Average Person-hours** will be multiplied by the **Average Agency Salary per Hour** (derived from the compensation calculator on page 8) to calculate annual costs for maintaining employee records and benefits administration. (Or use the State Average of $23.18).

Sample Employee Records and Benefits Administration Process Efficiency Measurement Tool

Baseline Pre-Go-Live Agency Time — **(no survey data, estimates only)**

Records Admin Function	Annual Hours	Cost Per Hour	Total Annual Cost
Benefits Admin	**5,000**	**$23.18**	**$115,900**
Emply Records	**4,364**	**$23.18**	**$101,158**
TOTAL	**9,364**		**$217,058**

Agency Implementation Timeline

	Annual Hours	Cost Per Hour	Total Annual Cost	Difference from Baseline	Cumulative Savings
Benefits Admin	3,500	$23.18	$81,130		
Emply Records	3,200	$23.18	$74,176		
Year 1	6,700		$155,306	$61,752	$61,752
Benefits Admin	0	$23.18	$0		
Emply Records	0	$23.18	$0		
Year 2	0		$0	$0	$61,752
Benefits Admin	0	$23.18	$0		
Emply Records	0	$23.18	$0		
Year 3	0		$0	$0	$61,752
Benefits Admin	0	$23.18	$0		
Emply Records	0	$23.18	$0		
Year 4	0		$0	$0	$61,752
Benefits Admin	0	$23.18	$0		
Emply Records	0	$23.18	$0		
Year 5	0		$0	$0	$61,752
TOTAL	6,700		$155,306		$61,752

[Return to Cost Efficiency Chart](#)

**Agency Annual Records and Benefits Admin Savings
Year 1 - Year 5**
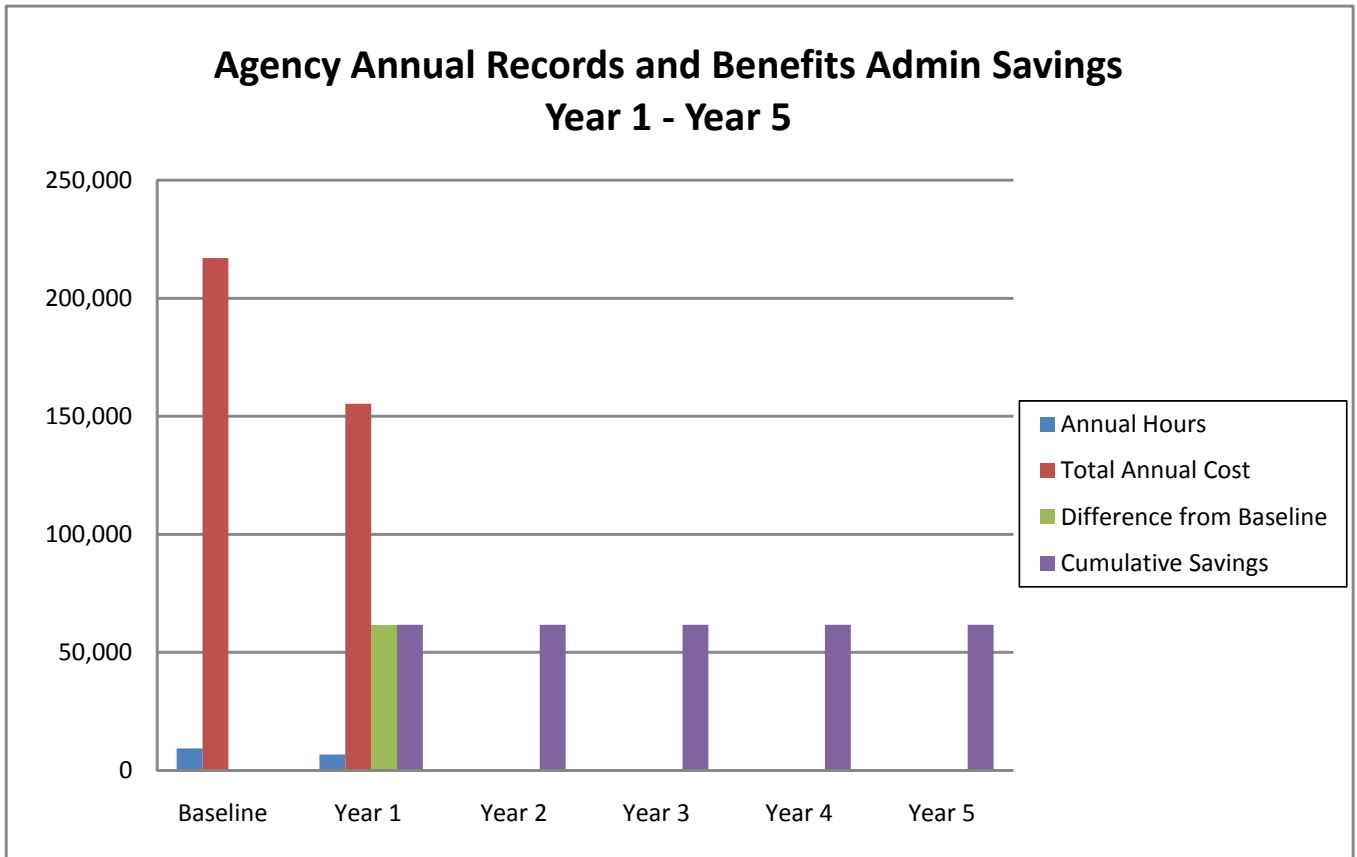
2.6 Document Management

The benefits of electronic document management fall in both actual savings and in efficiencies for an agency. Actual savings are the result of tangible and identifiable reductions in expenses, for example, reductions in printers, copiers, paper stock, floor space, archival expenses, postal mail and personnel time associated with organizing/storing/retrieving/managing paper files. Efficiencies include benefits for which hard dollar reductions are not as easily verifiable, such as faster retrieval, faster movement of information, improved internal communications, reduced data entry, fewer errors, improved staff productivity and better internal controls for legal mandates and regulatory compliance.

Actual (Real Dollar) Cost Saving
Actual savings achievable by electronic document management can be identified and tracked by an agency in the following categories:
- Paper stock
- On-site filing floor space
- Off-site archival costs
- Printer hardware and maintenance
- Copier hardware and maintenance
- Staff cost of filing, retrieving and managing paper files

Actual savings will be incurred in 2 ways:

Actual Savings = Cost reductions + Cost avoidance

Paper stock will incur immediate cost reductions. The other categories will incur immediate cost avoidance on day-forward work, with actual cost reductions coming over a period of time. For example, more file cabinets, additional archival costs, printer/copier purchases and staff time are avoided on day-forward work as a result of SCEIS. However, existing equipment, filing floor space and staff will not be reduced immediately. Actual cost reductions will be incurred when retention periods expire for current files, when printers and copiers are off the books and when staff is reduced.

Framework

The general idea behind calculating cost savings is as follows:

Cost before = Cost of paper-based document management before SCEIS
Volume before = Transaction volume before SCEIS
Volume after = Transaction volume after SCEIS.
Growth factor = (Volume after) / (Volume before)
Cost savings = (Cost before) x (Growth factor)

Why use 'growth factor' instead of actual future costs? The answer is that this method measures cost avoidance during the transition to actual cost reductions.

Total Document Management Monthly Savings

Document Management
Monthly Summary of Cost Savings
(Values below are being automatically totaled from the additional tabs in this spreadsheet.)

Month	Paper Stock	On-site Filing	Off-line Archival	Printers and Copiers	Staff	Month Total
1	-	-	-	-	-	$ -
2	-	-	-	-	-	$ -
3	-	-	-	-	-	$ -
4	-	-	-	-	-	$ -
5	-	-	-	-	-	$ -
6	-	-	-	-	-	$ -
7	-	-	-	-	-	$ -
8	-	-	-	-	-	$ -
9	-	-	-	-	-	$ -
10	-	-	-	-	-	$ -
11	-	-	-	-	-	$ -
12	-	-	-	-	-	$ -
Total To-Date	$ -	$ -	$ -	$ -	$ -	$ -

Return to One-Time Savings Chart

Worksheets

Paper Stock
Paper is usually purchased under general office supplies; therefore, actual costs cannot be isolated. They must be calculated.

Note: The calculations recommended here will not be as viable an indicator of cost savings for some agencies if invoices and journal vouchers are not the main document management volume. SCEIS will work with agencies to create meaningful metrics.

Cost Before: Paper Stock (calculated once)

		# of filing drawers used for 1 year's filing of finance and procurement documents
x	9000	Pages per 3-foot-deep file drawer (estimate)
=		Pages filed per year
/	12	Months per year
=		**Pages filed at agency per month**
		Average # of invoices and journal vouchers sent to CG Audit per month
x		Average # of pages per invoice and journal vouchers sent to CG Audit
=		**Pages sent to CG per month**
		Other financial-related paper (as applicable)
+		Other procurement-related paper (as applicable)
=		**Other paper**
		Pages filed at an agency per month (from above)
+		Pages sent to CG per month (from above)
+		Other paper (from above)
=		**Pages printed or copied per month**
/	500	Pages per ream of paper
=		Reams per month
x	$	Current cost per ream
=	**$**	**Cost of paper stock per month**

Volume Before: Paper Stock (Calculated once)

=		Pages printed or copied per month (from above)

Volume After: Paper Stock
(Calculated each month after SCEIS migration)

		Actual # of invoices for current month
+		Actual # of journal entries for current month
=		**Transaction volume for current month**

Growth Factor: Paper Stock (Calculated each month after SCEIS migration)

		Volume After (from above)
/		Volume Before (from above)
=		**Growth factor**

Cost Savings: Paper Stock (Calculated each month after SCEIS migration)

		Cost Before (from above)
x		Growth Factor (from above)
=	**$**	**Cost savings this month – Paper stock**

Return to One-Time Savings Chart

On-site Filing Floor Space

Cost Before: On-site Filing Floor Space (Calculated once)

		# of file cabinets for finance and procurement functions
x	21	Sq ft per file cabinet
=		Floor space square footage for file cabinets
x	$	Agency cost per sq ft floor space per month
=	**$**	**Cost of file floor space per month**

Cost Savings: On-Site Filing Floor Space (Calculated each month after SCEIS migration)

		Cost Before (from above)
x		Growth Factor (from Paper Stock calculations)
=	**$**	**Cost savings this month – file floor space**

Return to One-Time Savings Chart

Off-site Archival

Cost Before: Archival (Calculated once)

	$	Fees to SCDAH for archival per month
+	$	Fees and material cost for microfilm and other media per month
=		Archival fees per month
/	%	Portion of documents related to financial and procurement
=	**$**	**Cost of archival per month**

Cost Savings: Archival (Calculated each month after SCEIS migration)

		Cost Before (from above)
X		Growth Factor (from Paper Stock calculations)
=	**$**	**Cost savings this month – archival**

Return to One-Time Savings Chart

Printer and Copier Hardware and Maintenance

Cost Before: Printers and Copiers (Calculated once)

	$	Purchase cost of printers and copiers in use for finance and procurement functions
/	36 or 50	Months of useful life
=		Cost per month of printers and copiers
+		Monthly maintenance and supplies
=	**$**	**Cost of printers and copiers per month**

Cost Savings: Printers and Copiers (Calculated each month after SCEIS migration)

		Cost Before (from above)
x		Growth Factor (from Paper Stock calculations)
=	**$**	**Cost savings this month – Printers and copiers**

Return to One-Time Savings Chart

Staff cost of filing, Retrieving and Managing Paper Files

Cost Before: Staff Cost (Calculated once)

		# of "paper-intensive" staff (admin, clerks, etc.)
x	$	Monthly salary
=		Monthly staff costs
x	20%	% of time related to filing, retrieving, correcting, managing paper
=	**$**	**Cost of staff per month**

Cost Savings: Staff Cost (Calculated each month after SCEIS migration)

		Cost Before (from above)
x		Growth Factor (from Paper Stock calculations)
=	**$**	**Cost savings this month – Staff**

Return to One-Time Savings Chart

2.7 One-Time Infrastructure Cost Savings

One of the key benefits of the SCEIS implementation is that the elimination of infrastructure costs should show actual savings/cost avoidance to the agency. This is a cost savings that, while not immediate upon go-live, should still be realized by agencies as they decommission their legacy systems.

The recurring costs savings identified in the Finance and General Accounting, Procurement and Inventory, Human Resources and Payroll, and document management areas will become more evident as processes become more streamlined and personnel become more efficient with the software. Unlike these costs, the infrastructure savings are more tangible, structured, and more easily identified and tracked. The concrete, repetitive and predictable nature of these expenses more easily yields an initial cost savings as IT managers assess the following:

- **Hosting Fees** – Fees paid to third parties to maintain and operate hardware and software for agency's finance and/or materials management system/subsystems replaced by SAP. For example, the Division of State Information Technology provides hosting services for many agencies. If not a fixed amount this should be an average of these costs for the past 12 months.

- **Maintenance Fees** (Software) – Annual software license fees and/or fees paid to a third party for maintenance contracts for software being replaced by SAP. For example, an agency utilizing BARS software pays an annual software maintenance fee to the University of South Carolina.

- **Maintenance Fees** (Hardware) – Annual license fees and fees paid to a third party for maintenance contracts on hardware that is no longer needed after the implementation of SAP. For example, a legacy accounting system resides on an AS400 and maintenance on the hardware is no longer needed once SAP is implemented.

- **Programming Fees** – Fees paid to a third party for making modifications, changes, updates, and applying patches to an agency's finance and procurement systems being replaced by SAP. This may need to be entered as an average amount since these costs probably vary from year to year. It is suggested that a twenty-four month average be used.

- **Internal Staff** – This includes the salary, fringe benefits and operating costs for any individuals assigned to maintain the legacy finance and procurement systems being replaced by SAP.

The following table provides a mechanism for capturing and calculating these savings.

One Time Infrastructure Cost Savings

One Time Infrastructure Cost Savings

(Manually enter the values in the fields on tab)

MONTH	HOSTING FEES	MAINTENANCE FEES	PROGRAMMING FEES	INTERNAL STAFF	TOTAL
1					$ -
2					$ -
3					$ -
4					$ -
5					$ -
6					$ -
7					$ -
8					$ -
9					$ -
10					$ -
11					$ -
12					$ -
Grand Total	$ -	$ -	$ -	$ -	$ -

Return to One-Time Savings Chart

Since the legacy systems will not be terminated until full implementation of SCEIS in July 2010, the legacy cost estimates must be included to reflect accurately the total costs and benefits. In summary, the baseline costs for the investment lifecycle are estimated to total $49.2 million through SCEIS investment deployment as reflected in Figure 1:

Figure 1: Baseline or Legacy Cost Estimates ($000)

	2005	2006	2007	2008	2009	2010	2011	Subtotal	2012-2019	Total
Agency Application										
SABAR	1,182	1,182	1,182	1,182	1,182	1,182	0	7,090	0	7,090
BARS	566	566	566	566	566	566	0	3,396	0	3,396
GAFRS	399	399	399	399	399	399	0	2,395	0	2,395
Custom	3,097	3,097	3,097	3,097	3,097	3,097	0	18,583	0	18,583
Central Application										
CG (STARS)	1,422	1,422	1,422	1,422	1,422	1,422	0	8,530	0	8,530
B&CB (Various)	859	859	859	859	859	859	0	5,155	0	5,155
Treasurer (STARS)	677	677	677	677	677	677	0	4,064	0	4,064
Total	**$8,202**	**$8,202**	**$8,202**	**$8,202**	**$8,202**	**$8,202**	**$0**	**$49,214**	**$0**	**$49,214**

Determining When Legacy Systems Can Be Decommissioned

Considering the following questions will assist agencies in determining a reasonable timeframe in which their legacy systems can be decommissioned, if at all:

- Are you using your legacy system to archive historical data, such as assets, financial transactions, purchasing?
- Does your legacy system interface with any other applications?
- Do you have any other platform to which you could move your historical data?
- Do you house any other data on your legacy system, for example, HR Payroll?
- Is your legacy system software still supported by a vendor maintenance agreement and is there a fee structure already in place?

2.8 Cumulative SCEIS Annual Savings

TOTAL SCEIS SAVINGS

	Financial and General Accounting	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**TOTAL**
1	Annual CAFR	$0	$0	$0	$0	$0	**$0**
2	Monthly Reconciliations	$0	$0	$0	$0	$0	**$0**
3	Agency Staff Accounts Payable	$0	$0	$0	$0	$0	**$0**

	Procurement						**$0**
4	Annual Purchase Order Processing	$0	$0	$0	$0	$0	**$0**
5	Maintaining Vendor Files	$0	$0	$0	$0	$0	**$0**

	Human Resources and Payroll						
6	Processing Payroll	$0	$0	$0	$0	$0	**$0**
7	Processing Travel	$0	$0	$0	$0	$0	**$0**
8	Leave Administration	$0	$0	$0	$0	$0	**$0**
9	Maintaining Employee Records	$0	$0	$0	$0	$0	**$0**

	One Time Document Management	*(please refer to the One-Time Doc Mngt Toolkit)*					**$0**
	Paper Stock	$0					**$0**
	On-site Filing	$0					**$0**
10	Off-line Archival	$0					**$0**
	Printers and Copiers	$0					**$0**
	Staff	$0					**$0**

	One Time Infrastructure Savings	*(please refer to the One-Time Doc Mngt Toolkit)*					
	Hosting Fees	$0					**$0**
11	Maintenance Fees	$0					**$0**
	Programming Fees	$0					**$0**
	Internal Staff	$0					**$0**

	One Time Inventory Adjustments	*(please refer to the One-Time Doc Mngt Toolkit)*					
12	Total Annual Inventory Consumption	$0					**$0**

	TOTAL	**$0**					**$0**

[Return to Cost Efficiency Chart](#)

Monthly SCEIS Savings Inputs – Baseline – Pre Go Live

	Baseline (Estimate Jul 08 - Jun 09, **USE ACTUAL NUMBERS IF AVAILABLE**)											
	Monthly Employee Hours											
	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09

Financial and General Accounting

1 CAFR Hours

2 Monthly Reconciliations Hours
    Fed Grants/Pgms
    Cash Balances
    Appropriations
    TOTAL

3 Agency Staff Accounts Payable Hours

Procurement and Inventory Management

4 Annual Purchase Order Processing Hours

5 Maintaining Vendor Files Hours

Human Resources and Payroll

6 Processing Payroll Hours

7 Processing Travel Hours
    Entry Time
    Rev/Apprv
    TOTAL

8 Leave Administration Hours
    Lv Form Prep
    Leave Admin
    TOTAL

9 Maintaining Employee Records Hours
    Benefits Admin
    Emply Records
    TOTAL

Monthly SCEIS Savings Inputs – Year Post Go Live

			Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Financial and General Accounting										
1	CAFR Hours									
	0		0	0	0	0	0	0	0	0
2	Monthly Reconciliations Hours									
Fed Grants/Pgms	0		0	0	0	0	0	0	0	0
Cash Balances	0		0	0	0	0	0	0	0	0
Appropriations	0		0	0	0	0	0	0	0	0
TOTAL	0		0	0	0	0	0	0	0	0
3	Agency Staff Accounts Payable Hours									
	0		0	0	0	0	0	0	0	0
Procurement and Inventory Management										
4	Annual Purchase Order Processing Hours									
	0		0	0	0	0	0	0	0	0
5	Maintaining Vendor Files Hours									
	0		0	0	0	0	0	0	0	0
Human Resources and Payroll										
6	Processing Payroll Hours									
	0		0	0	0	0	0	0	0	0
7	Processing Travel Hours									
Entry Time	0		0	0	0	0	0	0	0	0
Rev/Apprv	0		0	0	0	0	0	0	0	0
TOTAL	0		0	0	0	0	0	0	0	0
8	Leave Administration Hours									
Lv Form Prep	0		0	0	0	0	0	0	0	0
Leave Admin	0		0	0	0	0	0	0	0	0
TOTAL	0		0	0	0	0	0	0	0	0
9	Maintaining Employee Records Hours									
Benefits Admin	0		0	0	0	0	0	0	0	0
Emply Records	0		0	0	0	0	0	0	0	0
TOTAL	0		0	0	0	0	0	0	0	0

Monthly SCEIS Savings Inputs – Subsequent Year Post Go Live

		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Financial and General Accounting													
1	CAFR Hours												
	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Monthly Reconciliations Hours												
Fed Grants/Pgms	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Balances	0	0	0	0	0	0	0	0	0	0	0	0	0
Appropriations	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Agency Staff Accounts Payable Hours												
	0	0	0	0	0	0	0	0	0	0	0	0	0
Procurement and Inventory Management													
4	Annual Purchase Order Processing Hours												
	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Maintaining Vendor Files Hours												
	0	0	0	0	0	0	0	0	0	0	0	0	0
Human Resources and Payroll													
6	Processing Payroll Hours												
	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Processing Travel Hours												
Entry Time	0	0	0	0	0	0	0	0	0	0	0	0	0
Rev/Apprv	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Leave Administration Hours												
Lv Form Prep	0	0	0	0	0	0	0	0	0	0	0	0	0
Leave Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Maintaining Employee Records Hours												
Benefits Admin	0	0	0	0	0	0	0	0	0	0	0	0	0
Emply Records	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0

3.0 Agency Readiness Checklist and Progress Report

Certain tasks requiring the attention of Agency management will be monitored using SCEIS Project tools. These tools are currently in development and will be used throughout the Project to track critical Agency performed tasks.

Tasks on each Agency activity list that will be monitored include, but are not limited to, items in the following areas:

- Attendance at AST Lead Meetings, SCEIS workshops, and answering Data Requests
- Preparing users
- Data migration and conversion
- Interface development
- SCEIS user training

These factors are critical to the successful implementation of SCEIS and must receive attention and support on a managerial level.

Tracking tools will be used in conjunction with regular updates through status reports. A process will be implemented to obtain frequent updates to the completion percentages and any date changes related to the tasks in the project plan. SCEIS has resources assigned to assist each agency in the monitoring and completion of activities. It is in the best interest of both the agencies and SCEIS to know of any delays in implementation activities as soon as they are identified. This is important so that a revised plan may be developed to meet the ultimate goal of implementation according to the established dates for each agency.

The checklists included in this section represent those activities an agency can expect to complete in preparation for the Finance and Material Management and the Human Resources and Payroll portions of the SCEIS implementation. The name and description of the key activities are included in the checklists that follow. More detailed checklists by agency groupings are included in the appendices.

Depending on the activity, the Finance areas that could be involved include accounts payable, accounts receivable, general ledger, grants, assets or budget/funds management. The Materials Management areas that could be involved include procurement and/or purchasing, submitting a requisition, knowledge of the Procurement Code, understanding the MMO Compendium, familiarity with State contracts and NIGP codes, and creating goods receipts.

For Human Resources, areas that could be involved include classification/pay, hiring, separations, employee performance evaluation, leave administration, organizational management, grievance and HR programs. Payroll areas may include payroll processing, travel management/reimbursement, and time management.

Agency Readiness Checklist – Finance and Procurement

#	Activity	Description
8 to 13 months prior to go-live		
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Attend master data meetings	Agency Subject Matter Experts (SMEs) attend sessions with SCEIS Finance team members to discuss master data elements such as Fund, Functional Area, and Cost Center
3	Complete agency current process worksheet	Agency completes Excel spreadsheet by answering questions about current processes and positions completing those processes
4	Complete computer skills survey	Agency core users in Finance, Materials Management and Human Resources complete electronic survey that assesses basic computer skills and access.
5	Complete interface requirements	Agency outlines legacy systems that require an interface to SCEIS; a full analysis must be completed to avoid the accidental omission of key interfaces requiring modifications
6	Discuss current requisition approval process and begin to identify Supplier Relationship Management (SRM) workflow requirements	Agency attends scheduled meetings to discuss electronic routing of shopping cart to appropriate staff
7	Begin Agency Training Coordinator activities	Agency training coordinator is provided a list of agency training activities to support SCEIS training efforts
8	Begin data cleansing	Data cleansing includes eliminating unnecessary data records and identifying and correcting inaccurate data such as property (asset) records, inventory management, purchase orders, contracts, grants, accounts receivable, uncollectibles, inactive funds, etc.
9	Participate in Finance process workshops	Agency FI SMEs attend appropriate workshops to discuss FI processes for SCEIS

Agency Readiness Checklist – Finance and Procurement

#	Activity	Description
7 to 12 months prior to go-live		
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Continue to identify workflow requirements and gather data for workflow development in SCEIS	Agency subject matter experts attend meetings to discuss workflow processes and authorizations
3	Continue master data collection	Agency works with SCEIS to provide master data elements such as Fund, Functional Area, and Cost Center
4	Begin legacy application modifications for interface to SCEIS	Agencies begin to prepare legacy systems for interface to and/or from SCEIS
5	Assess impact of SCEIS on agency processes and people	Assess how employees may be impacted by process changes, new/ changed roles/ responsibilities or organizational changes
6	Continue data cleansing activities	Data cleansing includes eliminating unnecessary data records and identifying and correcting inaccurate data such as property (asset) records, inventory management, purchase orders, contracts, grants, accounts receivable, uncollectibles, inactive funds, etc
7	Initiate assignment of SCEIS roles to employees	Agency's AST Workforce Transition Lead works with SMEs to assign SCEIS security roles to employees
8	Complete technical readiness checklist and perform connectivity tests; make updates to infrastructure as needed	Agency has assessed infrastructure requirements for workstations, network connectivity, etc
9	Gather employee names to create Active Directory accounts	Having an Active Directory account is necessary to access SAP applications
10	Participate in knowledge transfer or feedback sessions	Attend organized sessions to obtain knowledge of SCEIS functions or to provide feedback on new functionality

Agency Readiness Checklist – Finance and Procurement

6 to 11 months prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Continue to identify workflow requirements & gather data for workflow development in SCEIS	Determine levels of authorization and routing of data to appropriate people within the agency
3	Continue legacy application modifications for interface to SCEIS	Agencies continue to prepare legacy systems for interface to and/or from SCEIS
4	Continue data cleansing activities	Data cleansing includes eliminating unnecessary data records and identifying and correcting inaccurate data such as property (asset) records, inventory management, purchase orders, contracts, grants, accounts receivable, uncollectibles, inactive funds, etc.
5	Complete assignment of SCEIS roles to employees	SCEIS roles determine access to SAP transactions and the training courses assigned to individuals. Effective role mapping will ensure proper training and proper security access for agency SCEIS users
6	Identify skill gaps	Agency helps to identify knowledge, skills, and abilities that are needed for employees to work effectively in SCEIS
7	Identify agency-specific training requirements & conduct training activities, as needed	Agencies may require unique training to prepare users adequately for SCEIS training and to address agency-specific needs accurately. In these situations, it is the agency's responsibility to assess specific training needs and determine the training curriculum and support required
8	Participate in knowledge transfer or feedback sessions	Attend organized sessions to obtain knowledge of SCEIS functions or to provide feedback on new functionality

Agency Readiness Checklist – Finance and Procurement

#	Activity	Description
	**5 to 10 months prior to go-live***	
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Provide master data, including Inventory Management data as appropriate	Agency Subject Matter Experts (SMEs) provide data elements such as Fund, Functional Area and Cost Center
3	Continue legacy application modifications for interface to SCEIS	Agencies continues to prepare legacy systems for interface to and/or from SCEIS
4	Provide data for integration testing	As needed, agencies provide data and test scenarios to use during integration testing
5	Complete Finance and Procurement data cleansing	Data cleansing includes eliminating unnecessary data records and identifying and correcting inaccurate data
6	Review and implement Workforce Transition recommendations	Based on analysis of agency workforce impact assessment and role mapping, a list of actions to help prepare users will be provided to the agency
7	Participate in knowledge transfer or feedback sessions	Attend organized sessions to obtain knowledge of SCEIS functions or to provide feedback on new functionality

Note: Due to the size and complexity of Phase 4 agencies, these organizations will continue activities outlined in months 10-13 until 4 months before go-live

#	Activity	Description
	**4 months prior to go-live**	
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Continue legacy application modifications for interface to SCEIS	Agencies continue to prepare legacy systems for interface to and/or from SCEIS
3	Conduct manager/supervisor preparation sessions	Briefing sessions will be held with agency leaders to provide tools to communicate process changes, transition to new roles, and upcoming training activities
4	Conduct agency staff briefings	Agency leaders brief their staffs on upcoming SCEIS activities to prepare users. Include one-on-one sessions (if applicable), role assignments, and training activities
5	Validate agency role mapping	Prior to beginning training registration, appropriate agency staff must validate that all SCEIS users are mapped to the appropriate SCEIS role or roles
6	Participate in knowledge transfer or feedback sessions	Attend organized sessions to obtain knowledge of SCEIS functions or to provide feedback on new functionality
7	Begin to register for training	Core users enroll in SCEIS training through GeoLearning Learning Management System based on learning plans developed from role assignments

Agency Readiness Checklist – Finance and Procurement

3 months prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Continue legacy application modifications for interface to SCEIS	Agencies continue to prepare legacy systems for interface to and/or from SCEIS
2	Validate technical readiness/user connectivity	Agency confirms that infrastructure requirements are met, including printing capabilities
3	Complete employee one-on-one discussions	Agency managers and supervisors meet individually with core users to discuss roles assigned and upcoming SCEIS activities
4	Complete training registration	Core users enroll in SCEIS training through GeoLearning Learning Management System based on learning plans developed from role assignments
5	Participate in knowledge transfer or feedback sessions	Attend organized sessions to obtain knowledge of SCEIS functions or to provide feedback on new functionality

2 months prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Attend SCEIS training	Agency core users attend assigned SCEIS training
3	Complete organizational readiness checklist	Assess the progress toward completion of certain readiness activities including communication of role assignments, training registration, and training attendance
4	Provide transactional data	Finance and Procurement "open" data such as general ledger balances and open purchase orders that need to be loaded into SCEIS prior to go-live
5	Participate in organizational readiness activities	Provide information to users regarding how to access SCEIS, how to get help, etc

Agency Readiness Checklist – Finance and Procurement

1 month prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change & Communications sponsored meeting to discuss upcoming agency activities
2	Provide transactional data	Finance and Procurement "open" data such as general ledger balances and open purchase orders that need to be loaded into SCEIS prior to go-live
3	Validate converted data	Agency SMEs confirm that account balances and other data are accurate in SCEIS, based on legacy data provided by agency
4	Complete training	Agency core users attend and complete assigned SCEIS training
5	Support "freeze" period	Agency SMEs confirm that general ledger balances in SCEIS are accurate
6	Participate in organizational readiness activities	Provide information to users regarding how to access SCEIS, how to get help, etc
7	Complete agency cutover activities	Agencies are responsible for executing cutover activities during the appropriate timeframes identified by the Cutover Plan

Post Go-Live		
#	**Activity**	**Description**
1	Contact SCEIS Service Center for technical issues	Call the SCEIS Service Center to resolve issues such as difficulties accessing SCEIS
2	Schedule organizational reviews with agencies	SCEIS Enterprise Change & Communications team members to meet periodically with agencies to assess transition to SCEIS
3	Support learning labs as needed	SCEIS team members work with agency subject matter experts to support core users entering transactions into SAP

Agency Readiness Checklist – Human Resources (HR) and Payroll

#	Activity	Description
9 to 15 months prior to go-live		
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change and Communications sponsored meeting to discuss upcoming agency activities and to view demonstration of Human Resources/Payroll system functionality
2	Complete computer skills survey	Electronic survey that assesses basic computer skills of core users for Human Resources and Payroll
3	Dissemination of core users' marketing information	Marketing materials to increase awareness and support for the Human Resources/Payroll project among prospective core users
4	Begin identifying employee work schedules / work weeks	Each employee must have an assigned work schedule and work week in the SCEIS system
5	Begin agency training coordinator activities	Agency training coordinator is provided a list of agency training activities to support SCEIS training efforts
6	Begin data cleansing	Data cleansing includes eliminating unnecessary data records and identifying and correcting inaccurate data within HRIS (Human Resource Information System) and Central Payroll systems
7	Finalize previously identified Human Resources/Payroll interface requirements	Confirm Human Resources/Payroll interface requirements from Blueprint process
8	Complete Agency Readiness Survey	Agency completes questions about the readiness of the agency to implement Human Resources/Payroll

#	Activity	Description
8 to 14 months prior to go-live		
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change and Communications sponsored meeting to discuss upcoming agency activities and to view demonstration of Human Resources/Payroll system functionality
2	Complete Human Resources/Payroll data cleansing activities	Data cleansing includes eliminating unnecessary data records and identifying and correcting inaccurate data within HRIS (Human Resource Information System) and Central Payroll systems
3	Begin and complete Human Resources/Payroll data collection requests	All requested data collection activities will be completed by the agencies
4	Complete current process worksheet	Agency completes Excel spreadsheet by answering questions about current processes and positions completing those processes
5	Begin distribution of general Employee Self-Service/Manager Self-Service information	Distribute first wave of information to agencies for general employee information on Employee Self-Service/Manager Self-Service functionality and features

Agency Readiness Checklist – Human Resources (HR) and Payroll

7 to 13 months prior to go-live		
#	Activity	Description
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change and Communications sponsored meeting to discuss upcoming agency activities and to view demonstration of Human Resources/Payroll system functionality
2	Continue distribution of general Employee Self-Service/Manager Self-Service information to employees	Distribute information to general employees on Employee Self-Service/Manager Self-Service functionality and features
3	Identify agency-specific training requirements and conduct training activities, as needed	Agencies may require unique training to prepare users adequately for SCEIS training and to address agency-specific needs accurately. In these situations, it is the agency's responsibility to assess specific training needs and determine the training curriculum and support required.

6 to 12 months prior to go-live*		
#	Activity	Description
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change and Communications sponsored meeting to discuss upcoming agency activities and to view demonstration of Human Resources/Payroll system functionality
2	Participate in integration testing	Activities to test the integration points within SCEIS among various Human Resources and Payroll functions
3	Assign SCEIS roles to employees	Through the role mapping process, employees will be mapped to specific user roles in the system based on their duties in the agencies and the tasks in the system to perform those duties
Note: Due to the size and complexity of Phase 4 agencies, these organizations will continue activities outlined in months 12-15 until 5 months before go-live		

Agency Readiness Checklist – Human Resources (HR) and Payroll

5 months prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change and Communications sponsored meeting to discuss upcoming agency activities and to view demonstration of Human Resources/Payroll system functionality
2	Participate in integration testing	Activities to test the integration points within SCEIS among various Human Resources and Payroll functions
3	Participate in Manager / Supervisor preparation sessions	These sessions will prepare managers and supervisors for the conversations they will have with their employees regarding role changes after go-live
4	Register for training courses	Agency employees will need to be registered for the appropriate training courses based on their newly identified roles in the system
5	Begin general Employee Self-Service/Manager Self-Service training	Agency employees will need to complete training classes to familiarize themselves with the functions and features in Employee Self-Service and Manager Self-Service

4 months prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in Enterprise Change and Communications sponsored meeting to discuss upcoming agency activities and to view demonstration of Human Resources/Payroll system functionality
2	Begin employee one-on-one discussions	Employee conversations with managers / supervisors regarding role changes and new duties
3	Assist in data migration / configuration	Provide Human Resources/Payroll data that needs to be loaded into SCEIS prior to go-live and review final configuration within the SCEIS system
4	Attend Human Resources/ Payroll training	Users attend assigned training courses

3 months prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead meeting	Attend and participate in sponsored meeting to discuss upcoming agency activities
2	Complete data clean-up	Complete data clean-up activities completed by the agencies for loading into the system
3	Complete employee one-on-one discussions	Employee conversations with managers / supervisors regarding role changes and new duties
4	Attend Human Resources/ Payroll training	Users at agencies complete finaltend assigned training courses

Agency Readiness Checklist – Human Resources (HR) and Payroll

2 months prior to go-live		
#	**Activity**	**Description**
1	Attend monthly AST Lead	Attend and participate in Enterprise Change and

	meeting	Communications sponsored meeting to discuss upcoming agency activities
2	Validate agency role mapping	Revisit mapped roles to validate accuracy and relevance before go-live
3	Complete interface development	Finalize development for all external interfaces
4	Validate payroll comparison testing results	Payroll tests will be run on data in the new system to compare results with Comptroller General payroll to verify accuracy
5	Attend Human Resources/ Payroll training	Users attend assigned training courses

1 month prior to go-live		
#	Activity	Description
1	Complete and validate converted data	Validate accuracy of converted data in the system before go-live
2	Complete agency cutover activities	Agencies are responsible for executing cutover activities during the appropriate timeframes identified by the Cutover Plan
3	Complete Human Resources/Payroll training	Users attend assigned training courses
4	Support "freeze" period for legacy applications	Agency Subject Matter Experts support SCEIS to ensure data from legacy applications is accurate
5	Prepare for implementation	Provide information to users regarding how to access SCEIS, how to get help, etc.

Post Go-live		
#	Activity	Description
1	Use new processes and systems within agencies	Use SCEIS Human Resources/Payroll functionality to complete daily work tasks
2	Use agency Subject Matter Experts and SCEIS Service Center to resolve questions and issues	Call the SCEIS Service Center to resolve issues such as accessing SCEIS
3	Attend go-live support sessions	SCEIS team members work with agency Subject Matter Experts to support core users entering transactions into SAP

In addition to checklists, readiness reports and other monitoring tools will be available to assist agencies in ensuring their tasks are being completed.

Individual tasks will be monitored monthly by each agency's assigned SCEIS Agency Advocate. Tasks will be entered into the Share Point tracking tool. Tasks that have not been completed will show "red." Those that have been completed will show "green."

An agency readiness report will be produced monthly and forwarded to the AST Leads for review. After the AST Lead has had one week to review and respond, the report will be forwarded to the Agency Sponsor.

The readiness report will include a *Comprehensive Status*, a *Monthly Status*, and a *Meetings Attended in (month)* section. The *Comprehensive Status* will be based on calculations of percents complete for tasks for the current and preceding months. As such, a "Partially Complete" yellow indicator is possible for the *Comprehensive Status*. The *Monthly Status* section will show an overall status of red or green, depending on the number of tasks that have been successfully completed for that month. The *Meetings Attended in (month)* section is not factored into any of the calculations and is intended as information only.

This information will assist both the agencies and SCEIS in knowing of any delays in Agency Readiness activities as soon as they are identified. This is important so that a revised plan may be developed to meet the ultimate goal of implementation according to the established dates.

Sample Agency Readiness Report

Agency Readiness Report

for

Agency

Comprehensive Status

Complete = 🟢	Partially Complete = 🟡	Not Complete = 🔴
Cumulative Status		**February 2009 Status**
🟡		🔴

Monthly Status

Tasks: Complete = ✓ Not Complete = ✗	Item Status:
Agency provided names of AST members	✗
Agency Provided number of FTEs and SAP core users	✗
Agency signed the memorandum of understanding	✗
Agency completed the Change Readiness Survey	✗

Meetings Attended in February

Tasks: Complete = ✓ Not Complete = ✗	Item Status:
Sponsor Attended January AST Lead and Sponsor Meeting	✗
Team Lead Attended January AST Lead and Sponsor Meeting	✗

Comments:
No Comments

4.0 Conclusion

To maximize cost efficiency measurement efforts, agencies should focus on the Procurement and Accounts Payable areas as well as the potential for staff re-alignment and the need to determine baseline costs.

Procurement and Accounts Payable are the largest areas of potential savings. Agencies should verify accounts payable invoice and procurement processing costs to ensure and validate cost efficiency results. Reassessment of those areas should occur annually after implementation.

Once sufficient time and exposure to the new processes inherent in SCEIS have occurred, agencies should be in a better position to assess any need for re-engineering and/or staff re-alignment. Many potential savings will be realized only if processes are re-engineered and /or staff reassignments occur. Many of the FTE re-alignments may have already been realized due to recent budget cuts verses the end of June personnel and costs used for these projections.

Post-implementation efficiency data obtained after six to twelve months on the SCEIS system, for comparison to the baseline data, will ensure a viable cost-efficiency measurement.

Additionally, appendices are included in this document which supply supporting information for tasks and roles mentioned in prior sections. More detailed checklists are provided in these appendices that include the activities an agency needs to complete throughout its implementation efforts. These activities will be discussed on a monthly basis with Agency Support Team Leads and are subject to change based on SCEIS project planning activities. These appendices will be updated and new ones added as appropriate.