CR_6894 - Enterprise Systems Transformation Program
Presentation

Financial & Corporate Services
City of Edmonton

June 2019

Edmonton

Agenda
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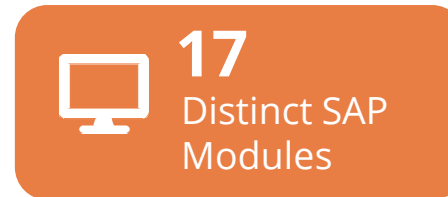# Delivering Services
From Systems to Services

Enterprise Systems are Foundational to our Municipal Operations

Without enterprise systems, we would fail to deliver resident services in today's world of technology advancement.

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Enterprise Systems
Current State by the Numbers

5,500
SAP Users

>1.1 M
Annual SAP Transactions

17
Distinct SAP Modules

380,000
Annual Payroll Transactions

10,900
External POSSE Users

3,200
Internal POSSE Users

Our Enterprise Resource Program Facilitates:

$3 Billion Annual Operating Budget
$1 Billion Annual Capital Budget
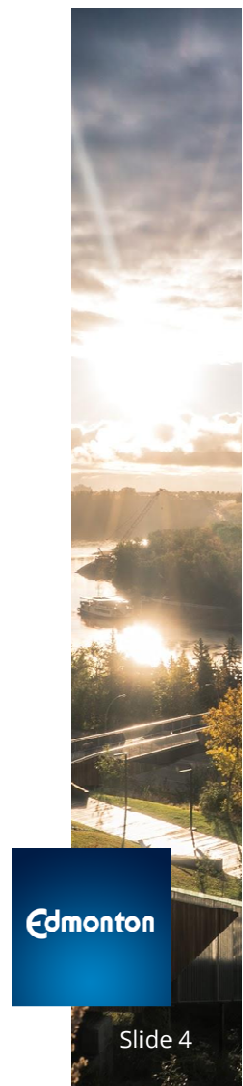
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Enterprise Systems
Current State Challenges

- Isolated Systems
- Costly Customizations
- Fragmented Data
- Complex Technical Environments
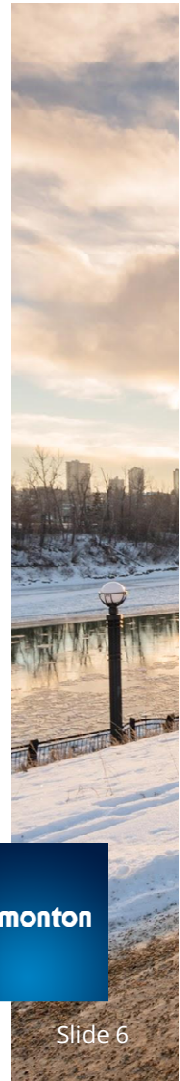- Increased Security Risks

Enterprise Systems
Our Evolving Digital World

Traditional Technology

Modern Technology
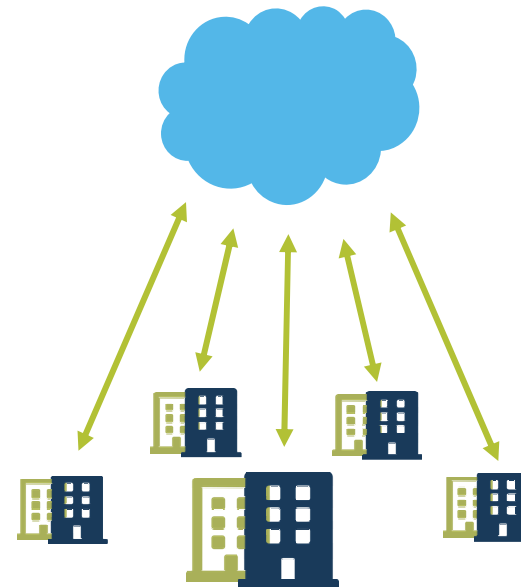
Technology Funding
Historical Realities

Prior focus was on maintaining current technologies

Limited investment in new digital technologies occurred

Repeated reduction in technology investment to accommodate corporate financial constraints and prioritization

End Result: **Many technology assets have been stretched beyond their planned useful life resulting in increased operational risks.**

Enterprise Systems
Organizational Maturity

Focus

External

Internal

Transform — Increasing Maturity of Organization

Differentiate

Contribute

Today

Enable

Function

Transactional — Transformational

Impact
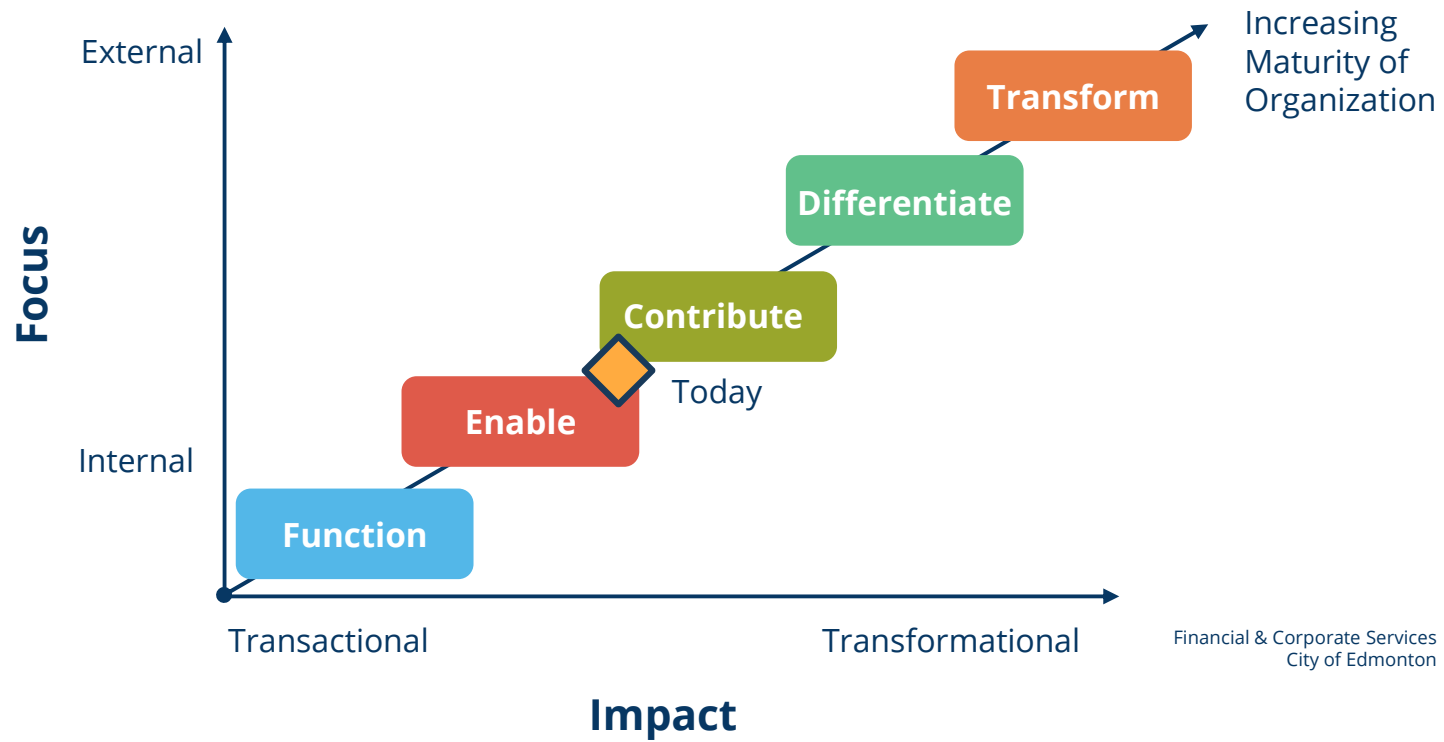
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Case for Change
ConnectEdmonton

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Enterprise Systems
Jurisdictional Scan

> *"By 2023, more than **80% of the government's digital implementations** that do not build on a technology platform **will fail to meet objectives**. Governments must **address their decaying technology** infrastructure."*
>
> ~ **Gartner** | **World Leader in Technology Research**

Jurisdictions Undergoing Enterprise Systems Transformation Programs:

Alberta · Barrie · Cambridge Canada · Halifax Regional Municipality

Nova Scotia · Ottawa · Société de l'assurance automobile Québec · City of Saskatoon

Strathcona County · University of Toronto · Treasury Board of Canada Secretariat · TTC

Case for Change
Program Example

Case Study: Imagine Oliver, a City employee, who is processing registrations for programs.

1999: Oliver has to review a **paper form**, accept payment in **cash** and **manually** update the resident's information.

2019: Oliver receives an **electronic** notification that a resident has completed an **online form** and made **payment electronically**.

2025: Oliver will use **data and analytics** to **predict** registration volumes for various programs and **make recommendations** for new program planning.

Our systems need to meet future resident needs.

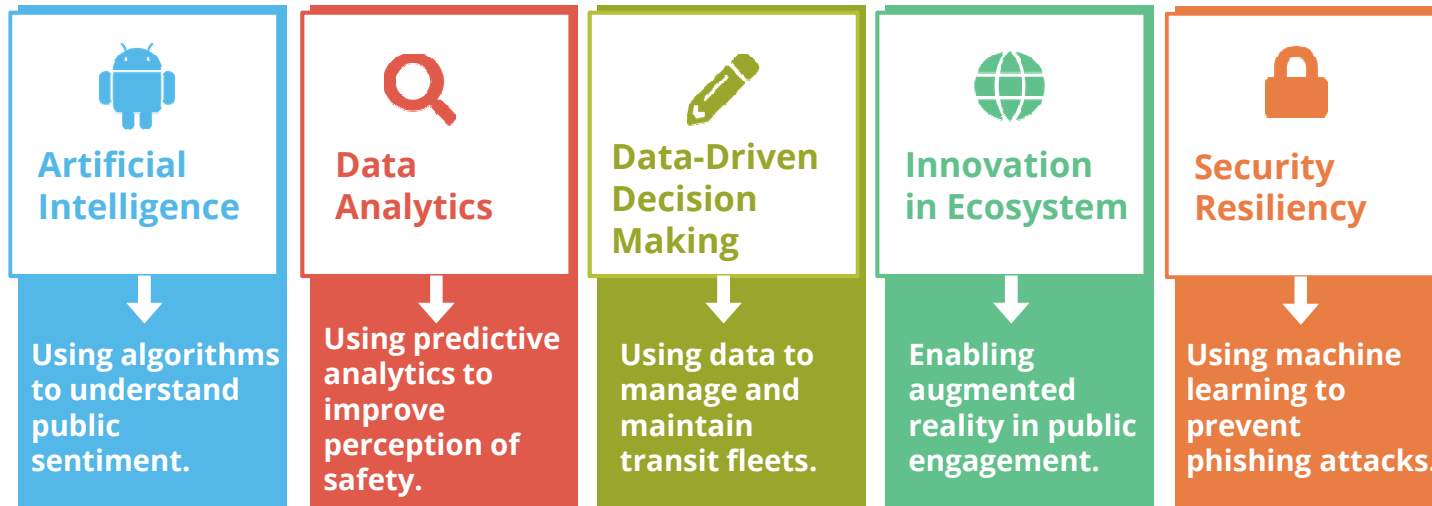Financial & Corporate Services
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Case for Change
Smart City Edmonton

Smart City Edmonton

Artificial Intelligence

Using algorithms to understand public sentiment.

Data Analytics

Using predictive analytics to improve perception of safety.

Data-Driven Decision Making

Using data to manage and maintain transit fleets.

Innovation in Ecosystem

Enabling augmented reality in public engagement.

Security Resiliency
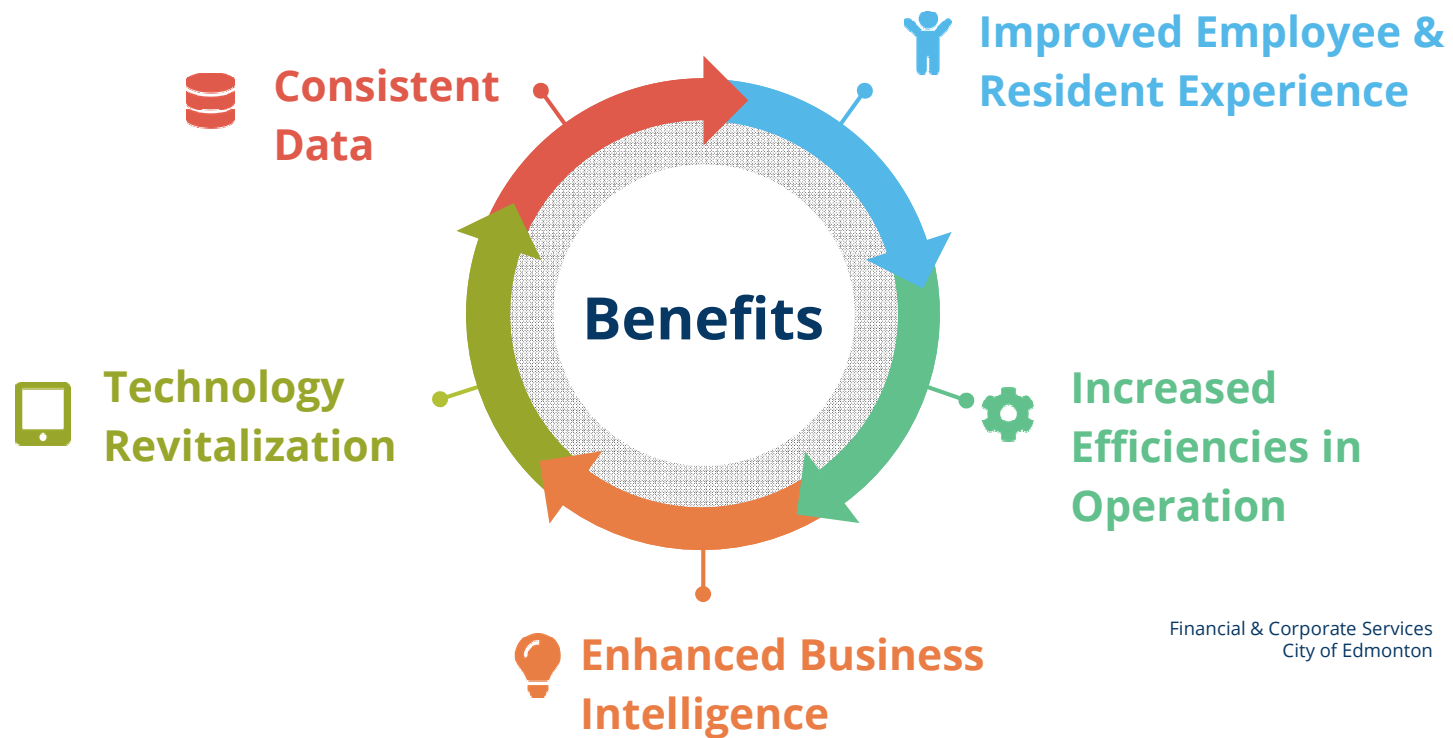
Using machine learning to prevent phishing attacks.

Modernized digital platforms enable us to be a smarter city.

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Enterprise Systems Transformation Program
Qualitative Benefits

Consistent Data

Improved Employee & Resident Experience

Benefits

Increased Efficiencies in Operation

Technology Revitalization

Enhanced Business Intelligence
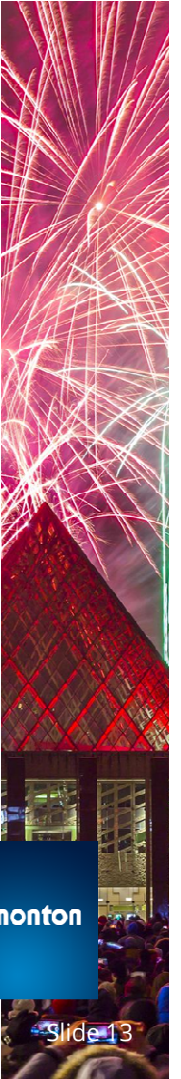
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Enterprise Systems Transformation Program
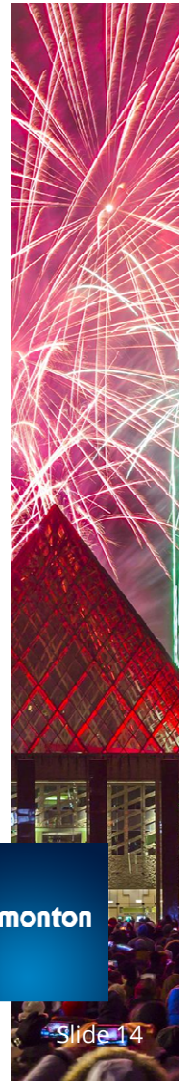## Quantitative Benefits

Estimated quantitative benefits are:

- Payback Period 7-8 years
- 6% Reduction in Total Cost of Ownership
- $62 million Net Present Value

Based on the current assumption of a $60 million program cost over a period of 4 years.

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Enterprise Systems Transformation Program
Funding Phased Implementation

Phase 1: $30 Million

- Recommendation in the 2019 Spring Supplemental Capital Budget Adjustment to fund
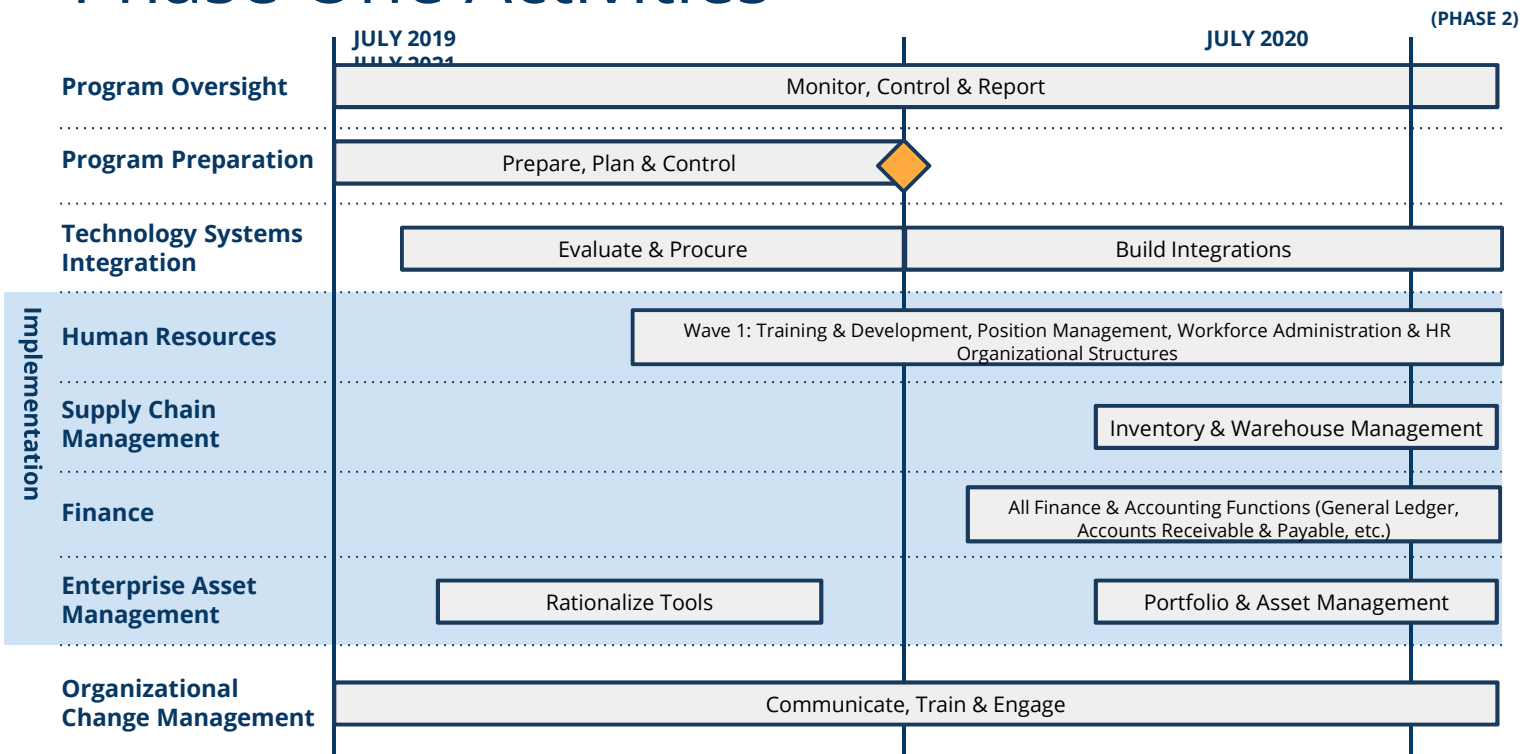
Phase 2: ~$30 Million

- An unfunded capital profile estimated at $30 million will be submitted during a future Supplemental Capital Budget Adjustment

Total: ~$60 million

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Enterprise Systems Program
Phase One Activities

◆ **Council Checkpoint**

	JULY 2019		JULY 2020	(PHASE 2)
	JULY 2021			

Program Oversight — Monitor, Control & Report

Program Preparation — Prepare, Plan & Control ◆

Technology Systems Integration — Evaluate & Procure | Build Integrations

Implementation

Human Resources — Wave 1: Training & Development, Position Management, Workforce Administration & HR Organizational Structures

Supply Chain Management — Inventory & Warehouse Management

Finance — All Finance & Accounting Functions (General Ledger, Accounts Receivable & Payable, etc.)

Enterprise Asset Management — Rationalize Tools | Portfolio & Asset Management

Organizational Change Management — Communicate, Train & Engage

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Next Steps
Our Plan

1. **Procure Single ERP Solution and System Integrator**

1. **Commence Phase 1 Planning and Implementation**

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Thank You

Appendix

Enterprise Systems
Digital Transformation

The **Business Technology Strategy** outlines how the City must embrace **technology change to advance our municipality**.

Enterprise Systems Transformation Program
Program Governance

City Council

Executive Leadership Team

Enterprise System Transformation Program
Steering Committee

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