UNIVERSITY OF ABERDEEN

OneSource Finance Project Board

Finance Project Proposal & Business Case

1. SUMMARY

- This paper provides information on the proposed implementation of the Finance module of Unit 4 Agresso Business World and the Business Case for the project

2. RECOMMENDATIONS

- The Project Board are invited to:
  - Note and comment on the Project Proposal and Business Case
  - Note and comment on the Project Governance proposal
  - Review and approve the Project Initiation Document
  - Review and approve the Risk Register.

3. BACKGROUND

- The Programme Board approved on 25/09/12 that Finance should be one of two projects to commence in January 2013 as it was recognised that a Finance implementation has a relatively clear scope. It is considered as being generally straightforward and commonplace within the sector and industry wide i.e. every organisation has a finance system. It is well understood with documented processes and clearly defined benefits.

4. STRATEGIC FIT

- The Finance Project aligns to the University strategic plan to “have in place support and infrastructure that will promote the achievement of our academic aspirations” by providing improved financial services to teaching and research activities, whilst complying with legislation.

5. SCOPE

- The Finance Project will deliver a fully integrated Finance and Procurement system, comprising of General Ledger, Procurement, Accounts Payable, Accounts Receivable, Credit Control, Commitment Accounting, Budgeting and Forecasting, Payroll Planning, Capital Accounting, Treasury, Fixed Assets and Post Award Grant Administration. This will include:
  - The re-build of all required database links and interfaces with content and data structure to the same format as is currently in place with ABS E5 for UNIT4
  - As minimum the ability to re-produce all reports required for Finance and across the institution as is currently available with the UNIT4 system.
  - The ability to produce year on year reporting between ABS E5 and UNIT4
  - The population of UNIT4 with legacy data as specified by Finance
  - The ability to access data as specified by Finance not required to be loaded into UNIT4
  - A fully working archive policy and process
  - A fully tested disaster recovery plan
  - A privacy impact assessment
  - A security document

- In addition to the Finance software the purchase of on-line Expenses (a module in the HR/Payroll System which can be deployed as part of Finance) is necessary as expense entry and payment is currently undertaken in the incumbent Finance System.
An option appraisal will be conducted on the on-going utilisation of PECOS, the Purchase-to-Pay tool provided by the Scottish Government. Catalogue Content Management and Marketplace access are not integral to any Finance System and therefore to access nationally agreed contract prices via supplier managed catalogues and supplier e-commerce sites it is necessary to utilise a third party tool. This may require the purchase of an alternative to PECOS if benefits from improved integration and catalogue availability are identified. This has not been included in the budget and would be a new cost.

6. BEnEFITS

- Benefits of the implementation of the Finance System are expected to be in line with initial expectations submitted as part of the OneSource Programme. Based on initial workshops we expect to deliver business process savings through this implementation of up to 8fte (£240k p.a.) This will be substantiated when we start work with Unit 4. Outputs from the Finance workshops demonstrated the potential for process improvements, some of which we have control however full realisation of savings is dependent on the implementation of other modules e.g. HR/Payroll and Student Lifecycle. Some savings identified in Finance may result in an overhead elsewhere e.g. if centralised processes are devolved such as Research Grant Costing.

- Operational savings in the region of £140k p.a. through reduced maintenance and hosting costs are also predicted. The realisation of these savings is based on the assumption of a fully integrated Institutional ERP System and is dependent on the implementation of other OneSource modules.

- The One Source programme is based on the assumption that the full programme is implemented to deliver integrated corporate systems. The savings and efficiencies that will arise across the institution will come from reduced re-keying and reconciliation, improved and streamlined processes, etc. Based on projected costs and savings of this level it would take 3 years to repay the investment made for implementing the finance phase of the programme, excluding internal costs.

7. OPERATIONAL BENEFITS REALISATION

- The full realisation of the finance operational savings is dependent on also completing the HR and Payroll deployments which will share the same server platform.

- Operational savings are realised by consolidating the Finance, Grants & Contracts, HR and Payroll services onto a common server platform from 2 independent platforms, hence being more economical in terms of hardware, software maintenance and system administration effort.

- In order to realise these benefits for Finance:
  - The current Finance hosting service and software maintenance will be cancelled.
  - The Finance System is hosted externally by a third party.
  - The servers for the Grants and Contracts system will be redeployed.
  - The system administration will be more effective and hence staff available for redeployment.

- Subsequent to the HR and Payroll deployment benefits are realised by:
  - the cancellation of Northgate maintenance
  - the cancellation of the WCN (e-recruitment) service

- If the HR and Payroll projects were not completed the finance operational saving would reduce to an estimated £60K from £140K. Further operational savings of £80K are expected from the HR & Payroll deployment.
8. **Planning**
   - We will be following the Unit 4 established implementation methodology:
     - **Initial Planning**
     - **Organisational Structures and Hierarchies:** Agree a common corporate organisational and financial hierarchy. Agree strategy for migrating all affected systems to common structure.
     - **Training:** Training of the Build Team.
     - **Design:** Production of a solution design document from workshops held with key Finance staff that can represent each of the processes undertaken.
     - **Report Catalogue:** Review and definition of reporting requirements through workshops.
     - **System Build:** The Build Team will build the system from the solution design document.
     - **Integrated Systems Testing:** The Build Team and Design Users test the system and processes from end to end, including outputs.
     - **User Acceptance Testing:** Key users from the business test the system and the outputs.
     - **Final Preparation for Go-Live:** Carry out final changes to the build, data migrations, testing prior to go live
     - **Deployment and Go Live** – 01 August 2014 Target date.

The planning shown below is indicative and will be confirmed or modified subsequent to the project initiation with Unit 4 Project Manager.

![Gantt Chart](image)

9. **Risks**
   - In accordance with the University’s policy on risk management, a Risk Register for the project has been drafted for the Board’s approval (see attached). The register identifies those matters directly related to the success or failure of the project, over which the project team has limited control. The risk scores are based on the likelihood of the risk occurring, and the impact should the risk occur. Each risk is scored twice – once on the basis that no mitigating actions or controls are in place to manage the risk (the gross score); and once on the basis that mitigating actions are in place (the net score).
   - The action plans for each risk set out the mitigating actions and controls and are a good indicator of priorities over the course of the project.
   - We have identified 23 operational risks each with a risk score of 6-18 after mitigating actions.

10. **Organisation & Resources**
    - Please see Appendix A for Project Board and Team organisation.
    - Staff Backfill: funds are required for up to 18 months for the employment of temporary staff to support the operational processes during the absence of key staff to work on the implementation project. The requirement for Acting Up Allowances should also be noted. We are in the process of identifying the backfill resources required in line with budget.
11. RECOMMENDATION

- The Project Board are invited to:
  - Note and comment on the Project Proposal and Business Case
  - Note and comment on the Project Governance proposal
  - Review and approve the Project Initiation Document
  - Review and approve the Risk Register

12. Further information is available from Karen Hercus, Project Director and Financial Systems Manager (email k.hercus@abdn.ac.uk and extension 2018.)
Appendix A: Project Organisation, Roles and Responsibilities

Project Board

- Approves the Project Charter
- Approves the Project Initiation Document
- Championing the project and raising awareness at senior level
- Communicating with other key University representatives
- Driving and managing change throughout the University
- Resolving strategic and policy issues
- Provide overall guidance and direction to the project
- Ensures that quality assurance mechanisms are in place
- Reviews project risks
- Approves project plan
- Approves project changes
- Authorises project closure

Project Sponsor

- Acts as a champion for the project
- Ultimate responsibility for ensuring the project meets University objectives
- Key decision maker
- Ensures resolution of issues escalated by the Project Director
- Communicates the project goals to the University as a whole
- Assures availability of essential project resources
- Sets the project tolerances
- Leads the Project Board
- Creation and ownership of the Project Charter
- Approves the Project Business Case
- Approves Project Initiation Document
- Ensures correct governance and agreed methodology is in place and followed

**Project Director**

- Communicates the project goals/aims to stakeholders in Colleges/Schools/Divisions
- Acts as the principal point of contact within the University for all project matters
- Manages and leads the Project Teams. Ensures that external and internal teams fulfil their responsibilities
- Creation and ownership of the Project Business Case
- Creation and ownership of the Project Initiation Document
- Approval of functional requirements/design specification
- Input to and approval of the User Acceptance Tests
- Day to day responsibility for delivering the project, ensuring the project meets time and budget targets
- Budget Holder and approver of project expenditure
- Developing and maintaining a detailed project plan
- Managing project deliverables in line with project plan
- Recording and managing project issues and escalating where necessary
- Recording and managing project risks and escalating issues where necessary
- Managing project scope and change control and escalating issues where necessary
- Managing project progress and performance
- Providing project status reports to the Project Sponsor/Programme Board/CAPEX/Operating Board/Colleges etc
- Obtain project sign off of completion
- Day to day responsibility for managing and leading the build team
  - Creation of user acceptance test
  - Identifying user training needs and devising and managing user training programmes

**Project (Team) Manager**

- Day to day responsibility for delivering the IT project to time and budget
- Managing and leading the IT project team
- Acts as principal point of contact for IT project matters
- Liaises with external suppliers for co-ordination of resource
- Input to the development of the business case
- Input to the development of the Project Initiation Document
- Input to the detailed project plan
- Input to the user acceptance test
- Managing IT project deliverables in line with the project plan
- Monitoring IT project progress and performance
- Providing IT project status reports to the Project Director/Programme Board

**Business Improvement Specialist**

- Day to day responsibility for delivering the Business Improvement for the project to time and budget
- Managing and leading the Business Improvement project team
- Acts as principal point of contact for Business Improvement matters
- Input to the development of the business case
- Input to the development of the Project Initiation Document
- Input to the detailed project plan
• Creation of functional requirements/design specification
• Managing Business Improvement project deliverables in line with the project plan
• Monitoring Business Improvement project progress and performance
• Providing Business Improvement project status reports to the Project Director/Programme Board
• Works closely with users to ensure the project meets business needs