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ERPN
Enterprise Resource Planning Newsletter

The continuing saga of

ERP value and results

ERPN recently interviewed a number of department managers to collect examples and illustrations of what ERP is and does for a department.

Last month we featured the many benefits to be realized in General Services/E-Procurement and Management/Budgets. This issue focuses on Human Resources/ Personnel/Payroll and Revenue and Finance.

Human Resources/Payroll/Benefits

Benefits of an ERP system:

- Drastically fewer forms and mailing...meaning greater cost savings
- Automated performance measurement and management
- Flexibility to make numerous, quickly applied adjustments such as paycheck withholdings, electronic funds transfers, benefits changes and many others
- Greater, quicker access by individuals and managers to HR information and modeling tools
- Finding IT professionals to administer the current, outdated system is extremely difficult. ERP systems will require less administration by IT staff, and will be on a platform that modern-day IT professionals use daily.

Revenue and Finance

Benefits of an ERP system in the Department of Revenue and Finance would include:

- Compatibility between systems that saves time—and cost—of interface maintenance and manual reconciliation of financial data
- Ability to easily distribute accurate accounting and budget data to other state departments in a uniform, compatible format, allowing departments to do their own models, forecasts and a variety of specialized reports
- Web enabled ERP systems would provide secure, remote computing, file sharing and report generation.
- Through Web-based reporting, John and Mary Public could access and view a variety of up-to-date revenue or expenditure data, from vehicle or equipment purchase histories to travel expenses to payroll levels, taking Iowa's Accountable Government movement to a new level.

WHAT IS ERP?

An ERP system is an **integrated solution**, sharing a centralized database, with all 'users'…. Human Resources/Payroll/Benefits, E-procurement, Accounting, Budgets, etc…. being served by the same database through **one point of entry.** Data need only be entered or updated once, **reducing errors, time and labor** for reports, analysis, planning and program management. Ultimately, time and resources are shifted to **innovating, problem solving** and direct **service to customers** rather than **inputting, processing**, **organizing, verifying** and related "busy work" that burns through time and money.

Eight imperatives for leaders in a networked world: Part II

Richard Varn
State CIO

Iowa CIO Richard Varn is a member of the Policy Group On Network-Enabled Services and Government at Harvard's John F. Kennedy School of Government. Below are items 5-8 excerpted from the Group's recent report on public leadership and technology, which Rich helped author. Last month's issue of this newsletter published imperatives 1-4.

5. Protect privacy and security

Problem. As technology expands online communications, volatile issues of privacy and security require careful respect for individual rights and responsibilities in the context of maintaining community standards and safety.

What to avoid. Don't misunderstand privacy and security issues, either by ignoring them or by allowing their volatility to paralyze efforts to develop new electronic systems and services.

What to do. At minimum, understand and implement the "fair information practices" and the "secure information practices" developed over the past twenty-five years. The greater challenges, however, involve heading off destructive controversies as much as possible through up-front planning and the involvement of stakeholders in case-by-case evaluations of the trade-offs inherent with electronic services.

6. Form IT-related partnerships to stimulate economic development

Problem. While the biggest IT benefits often require cooperation across the boundaries that separate one agency from another and the government from the private sector, sustaining cooperation among diverse entities is almost always difficult.

What to avoid. Those who ignore cross-boundary opportunities—especially now that the Internet has greatly reduced the obstacles to network interoperability—make a major mistake. Cross-boundary work is enormously more feasible than it used to be.

What to do. Mobilize public and private stakeholders for a specific initiative, such as strengthening a regional economy and/or a particular industry. In some cases, this work will merit development of entirely new institutions to design and deliver electronic public services.

7. Use IT to promote equal opportunity and healthy communities

Problem. Recent decades have produced increasing inequality in the distribution of income and political influence. A "digital divide" threatens to widen these inequalities and potentially destroy the social cohesiveness of geographically based communities.

What to avoid. Don't try to duck these issues by assuming they're too unwieldy to remedy. At the other extreme, don't attempt massive fixes by trying to tax activities that can easily flee to low-tax jurisdictions.

What to do. Clarify what "universal service" could and should mean in a world of broadband digital networks. Judiciously develop the kinds of net-based education, job development and community engagement that are becoming essential for economic and social success.

8. Prepare for digital democracy

Problem. Digital networking is expanding across regional and national boundaries to produce serious problems for policy making and regulatory agencies.

What to avoid. Don't take an isolationist posture in response to growing problems of global interactions. And don't think of Information Age governance simply in terms of electronic voting.

What to do. Experiment to make online participation in "the conversation" of politics easier and more meaningful. Develop initiatives to help legitimize digital communities and give stakeholders a role in setting standards and regulations. For example, note that the development of electronic medical records will involve stakeholders far beyond the reach of any single state or even the entire US medical community. In cyberspace deciding who has the authority to look at a medical record or prescribe medication is fundamentally a problem of global governance.

Secret agency spies ERP solutions

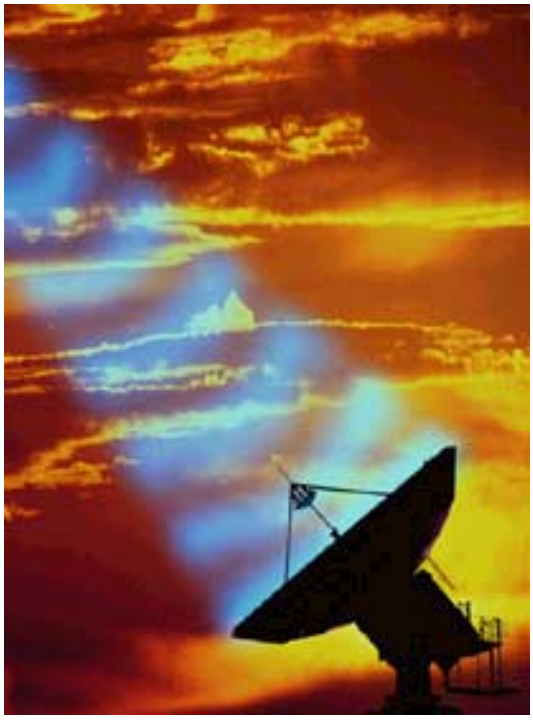
The next time an ERP project seems a little daunting, be glad you're not the ERP project planner for the National Security Agency (NSA).

A recent *Wall Street Journal* story reported that the NSA is launching an ERP initiative to upgrade business systems at the agency. This means, among other things, consolidating the agency's *68 separate email systems*.

No wonder NSA Director Lt. Gen. Michael Hayden says it takes an "act of God" to send an email message to all 38,300 employees.

Called Project Groundbreaker, it does not even include the agency's network of eavesdropping supercomputers that monitor the billions of electronic messages going in and out of the U.S.

- Total cost estimate for the 10-year project: $5 billion.
- Number of employees and contractors assigned to Groundbreaker: 1,700.
- Number of desktop computers: 100,000.
- Storage capacity of business system only: 22 terebytes, more than the Library of Congress.
- Value of reduced maintenance, administration and duplicated processes: *Priceless!*



Reader Mail

ERPN received the following anonymous letter from a reader regarding the ERP program in general:

"So who will pay for all this wonderfulness? If you expect agencies to do so out of their operating budgets, and their opportunities are being cut, this becomes another example of gov't. (sic) stupidity.

Answer from Sharon Sperry, ERP project manager, Information Technology Department:

We are all experiencing challenges with tightening budgets while service demands increase, so your thoughts are understandable. The ERP Project did not receive an appropriation, or authorization for financing in the legislative session, in spite of receiving widespread support from both the executive branch and legislative committees. ERP is one important way to do more with less. It is a proven approach to creating tangible savings from greater speed , reduced processing, eliminating redundant work procedures, and greater accountability in programs and services. Despite the lack of funding, we will continue to pursue opportunities to move ERP forward, one piece at a time.

Visit the ERP Web site!

For the latest information on ERP, please visit the ERP Web site at:
http://www.state.ia.us/government/its/ERP/index.htm

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