CITY OF FORT WORTH ESTABLISHES INDUSTRY BEST PRACTICE

with Integration of BuySpeed™ eProcurement and PeopleSoft Financials

When the City of Fort Worth decided to replace its end-of-life finance system in 2012, there was no way to predict the precedent that this Texas agency would set for future public sector ERP- eProcurement projects.

The City just knew that it was losing vendor support for the long-time system and needed to take fast action. There was limited internal knowledge of how to maintain the customized batch application, and both the finance and procurement departments were being challenged by the system's once-a-day overnight updates.

Seeking to eliminate inefficient finance processes that impacted their entire organization, the City of Fort Worth reviewed and selected PeopleSoft Financials as its new platform. The City had recently replaced its legacy HR application with PeopleSoft Human Capital Management and was pleased with the ERP experience. However, City leaders recognized that – because of the synergies between finance and procurement functions – they would be remiss to upgrade their finance system without re-evaluating their procurement system as well.

More than Just Procurement:
"THE BIGGER PICTURE" DRIVES DEPARTMENTAL-SPECIFIC DECISIONS

A nearly 15-year user of Periscope Holdings' BuySpeed™ eProcurement software, the City of Ft. Worth decided to evaluate ERP procurement modules from PeopleSoft, Oracle and SAP alongside the latest version of the BuySpeed platform. Their ultimate goal was to develop a real-time interface between PeopleSoft Financials and the City's procurement system to support budget controls and create a single source of financial information. They quickly learned that none of the three ERP procurement modules could support those requirements, at least not easily. BuySpeed, however, not only delivered these mandatory capabilities but provided a clear path – and committed partner – for the full financial system integration.

"When we scoped the finance department's project, we were focused on mitigating further fragmentation between finance and procurement systems," explained Jack Dale, J.D., CPPO, Purchasing Manager for the City of Fort Worth's Financial Management Services Department. "After comparing the various procurement platforms,

we found that BuySpeed was the only solution capable of providing a highly-configurable interface with PeopleSoft Financials."

The flexibility of the BuySpeed software and the consistency of the end-user experience throughout the duration of the project allowed the City to execute a phased implementation of the PeopleSoft Financials Suite. As a result, the City was able to make smarter, more strategic decisions about new process requirements for both

departments and the functionality needed from both systems to introduce efficiencies.

"When we started this project, we weren't just seeking a shinier new way to push out data. We weren't investing this level of resources simply for the sake of saying we had the latest and greatest technology in place," Dale continued.

"Our project, and every decision we made, had a purpose: To improve our overall business process flow within – and

between – finance and procurement operations. And we wanted to do so without disrupting daily workflows or delaying other organizational projects in the meantime."

While BuySpeed's scalable structure proved essential to joint system success, most of those involved in the project will stress that it was the City's overall team and project structure that is most noteworthy.

EARLY ENGAGEMENT, CONSTANT COOPERATION OF ePROCUREMENT AND ERP PARTNERS IS NON-NEGOTIABLE

Simply choosing a flexible eProcurement platform is not enough to ensure ease of integration with any public sector agency system, much less an ERP financial module.

As the City of Fort Worth will attest, there needs to be close and frequent collaboration between all parties responsible for the design and implementation of all technology solutions. In this case, the City of Fort Worth made BuySpeed and PeopleSoft equal partners and involved experts from both sides in every single decision made about system configurations from day one. They wanted to ensure that a decision they were making in January 2015 regarding a PeopleSoft Financials configuration wasn't going to hinder a new procurement capability they planned to turn on during the BuySpeed upgrade ten months later. They also didn't want the decisions made by the larger ERP project team to dwarf those made for the eProcurement upgrade – and vice versa.

As Dale emphasized, "We wanted real-time vendor and encumbrance processing between the two systems. We knew the design of the interface was crucial to our overall success and that we needed time to design the interface as well as code and test it."

Though this approach made the two-year project a bit more fluid than most, the City's demand for a nearly unprecedented level of cooperation minimized long-term system failures. The real-time understanding of BuySpeed's interface requirements allowed the City to more methodically define and test finance function parameters. They made joint decisions on multiple system options to allow for a straightforward BuySpeed interface when the time was right. And, to their advantage, the City became more proactive in anticipating and mitigating ERP and eProcurement issues ahead of time.

 "Many public sector agencies will opt to select either their finance or procurement solution first – and see the implementation

through to completion – before selecting and upgrading the other," noted Chris Kennedy, Chief Operating Officer, Periscope Holdings. "Taking such a narrow approach to projects of this scale creates unnecessary challenges. Whether you choose an ERP or customized finance solution, your project structure should be designed to reduce integration complexity and, therefore, the risk of later complication. If you wait to engage the Procurement team until the last minute, it's usually too late to correct course quickly."

That's why the decision to invite the BuySpeed and PeopleSoft teams into shared conversations from the beginning was such a powerful decision by the City of Fort Worth – and by far the number one best practice that should be emulated by any public sector agency embarking on similar projects.

"The collaboration with Periscope on the design, build, application testing, and load/performance testing of the BuySpeed interface was certainly a major component of our go-live success," Dale reiterated. "Without both parties' commitment to the success of the interface, our project would have been a failure as BuySpeed is the primary input into our financial system."

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OVERCOMING THE PERCEIVED CHALLENGES OF "CHANGE" WITHIN PROCUREMENT

Although the City of Fort Worth had a tremendous understanding of how the BuySpeed eProcurement solution worked, there was much to be learned about how to configure new version features to support financial business practices.

And though every effort was made to maintain "business as usual" for end-users, there was a lot of change enacted during "construction" and upon project completion.

New transaction processing methods were being introduced alongside new business rules. All documents, transactions, history, and vendors were being converted to the new environment. Users were learning a whole new financial system at the same time they were learning a new chart of accounts (COA) and how to handle the various hard stops associated with each fund. Purchasing needed to approve all requisitions for the first time ever. Even more, all of this was occurring across while the City had two fiscal years open.

The City overcame this learning curve with workarounds, communication, and training. PeopleSoft developers set up a

custom override feature with controls which minimized business disruption. Employees were trained on how to use workarounds when errors were discovered during testing, and the project team did an excellent job of getting the word out about project status and business process changes via newsletters, FAQs, Director Meetings, Lunch and Learns, and job aides.

Then there was "training, training, and more training" — all dictated by employee feedback. While building the interface between BuySpeed and PeopleSoft eliminated the training needs of approximately 300 users due to the consistency and familiarity of the experience, there were still notable changes in the Procurement business process that needed to be taught. The smallest of which had the biggest impact: the real-time establishment and processing of encumbrances.

Though better budget management seems like a pretty standard gain from new technology, the significance here was much greater. The City's previous system did not enforce hard stop budget controls and employees had zero visibility into how budgets were set. The new interface produced real-time "error" messages versus in batch as before. This real-time engagement measure forced Procurement staff to deal with budget deficits in new ways. Instead of just pushing buttons, they were now asked to solve problems.

While some employees first perceived this as creating "more work," the City recognized that this new level of information-sharing led to a well-educated team. For the first time ever, employees were completely engaged in the management of both procurement and finance responsibilities. They didn't just know that they needed to push button X or Y in certain situations, but they knew why they were doing it — they finally understood the different business choices that were impacting that Procurement-specific click.

ACCORDING TO CITY LEADERS, THOSE WEREN'T THE ONLY LESSONS LEARNED ALONG THE WAY:

Act on the new procurement capabilities needed today, but be aware of how you can benefit from additional software functionality in the future.

For example, the City of Forth Worth sought to exploit new BuySpeed features in support of year-end accruals. While it required some late changes to the interface, as well additional end-user training, the updated interface facilitated a better process for year-end accruals. Admittedly, the City's organizational execution was not as smooth they would have liked. But they are revisiting their approach as they plan for FY16 year-end processing.

Quality assurance is a must.

Trust that your project consultants have designed a flawless system, but verify yourself that everything works according to your understanding and that the end result is what you need. Thoroughly test each "button push" to validate end-to-end functionality. Though you have a team of experts, there's still a lot that can be lost in translation.

Mutual input leads to mutual benefits.

"The measures we put into place to manage organizational change ended up creating a more cooperative environment between our project team, Periscope, and PeopleSoft. In the end, it was our end-users that benefited most from the well-balanced solution."

AT GO-LIVE, IN A MATTER OF HOURS, THE CITY CONVERTED AND/OR SENT TO PEOPLESOFT:

21,416 Vendors

5,890 Vendor bank data

457,346 Accounts

662,962 Accounting transactions

14,341 Bid accounts

2,565,539 Invoice accounts

17,619 Inventory document accounts

15,386 Inventory document items

900,622 PO Accounts

518,456 PO_ACCOUNT_REVISION_AUDIT

151,137 PO_ACCOUNT_REVISION_COLUMN

928,004 REQ accounts

SIX MONTHS AFTER THE INTEGRATED BUYSPEED EPROCUREMENT AND PEOPLESOFT FINANCIALS SYSTEMS WENT LIVE, THE CITY PROCESSED:

3,880 Vendor Payments

12,786 Checks or ACH

21,615 New REQs

19,564 New POs

182 New Bids

31,175 Invoices

5,461 Vendors sent/updated/added to PeopleSoft

115,825 Pre-Encumbrance/Encumbrance Transactions sent to PeopleSoft

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EPROCUREMENT FOR PUBLIC SECTOR, NON-PROFIT AND HIGHER EDUCATION

BuySpeed is Periscope Holding's best-of-breed procure-to-pay solution with the flexibility to integrate to any financial system or ERP. BuySpeed increases efficiency, decreases expenditures, and creates transparency to eradicate waste and maximize the value of every dollar spent.

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