MINUTES
City of Cocoa
City Council Workshop: ERP Software Overview

July 15, 2020

A City Council Workshop was held on Wednesday, July 15, 2020, in Cocoa City Hall, in City Council Chambers, located at 65 Stone Street, in Cocoa, Florida, 32922, as publicly noticed.

I. Opening Matters:

Mayor Williams called the workshop to order at 3:05 p.m.

The City Clerk took the roll.

PRESENT:	Jake Williams, Jr.	Mayor
	James Goins	Deputy Mayor (attended via phone)
	Don Boisvert	Councilmember
	Lorraine Koss	Councilmember
	Brenda Warner	Councilmember
	Anthony Garganese	City Attorney
	Matt Fuhrer	Interim City Manager
	Carie Shealy	City Clerk

OTHER STAFF MEMBERS PRESENT:

Rebecca Bowman, Finance Director; Rob Beach, Chief Technology Officer; and Mitch Lawyer, Technical Services Supervisor.

II. ITEM(S) TO BE DISCUSSED:

1. Enterprise Resource Planning (ERP) Software Overview by Mike Earley with Info Tech Research Group

Interim City Manager Fuhrer provided a background of the reasoning behind the workshop and touched on why this workshop was being held. He advised that the idea is to provide information to Council so that they are informed as an agenda item will be brought before them at the next meeting related to a task order that would see this project through procurement of a software vendor. He mentioned that to date, the City operates with a centralized software system that contains financials primarily, along with other software that

can draw data and put information into it. It was procured in 1992 with very little or no upgrades since.

We have had to switch to electronic services for various areas in the City and all of these types of interactions are also occurring on our side. With the current software it does not speak the same language of that of current software.

He explained in furtherance the state of the City's software and mentioned that we have brought in Info Tech to further assist the City in evaluating software options and to move into the next phase. They identified ten mega processes and it helped staff identify where we are at today and what we use it for.

Going into the next phase is what will come before Council which is procuring a software and there is a lot that goes into it in order to make sure that it is the right thing for the City and that it will work for us as well. He noted that the process was lengthier than a normal RFP because these companies actually come in and show the City that their software will work for us.

This is an investment and will take a tremendous amount of staff time. It is a very complex process with a large amount of dedicated staff time to ensure it is done correctly.

He introduced Mike Earley with Info Tech Consulting Services. Mr. Earley provided a presentation[1] that included an overview of the software, the current state of city's software, and what this process would involve.

Councilmember Warner wanted to ensure that employees had the tools necessary to work from home if needed. Mr. Beach assured her that those measures are already in place.

Mr. Earley explained the timeline of this process due to a question posed by Councilmember Koss, as she pointed out that this process began in 2017 and by the time it is completed there may be other needs.

Discussion was held on the amount of money that has been spent on this as well.
Interim City Manager Fuhrer assured Council that a more careful approach was taken to make sure that the software the City needs was chosen. He added that a new software would create efficiency and reduce errors.

[1] EXHIBIT A: ERP Strategy & Selection Overview Presentation

III. ADJOURNMENT.

The Workshop adjourned at 4:56 p.m.

Jake Williams, Jr., Mayor

ATTEST:

Carie Shealy, MMC, City Clerk

EXHIBIT A: ERP Strategy & Selection Overview

INFO~TECH
CONSULTING SERVICES

ERP Strategy & Selection

Overview for Council

July 15, 2020

COCOA
FLORIDA



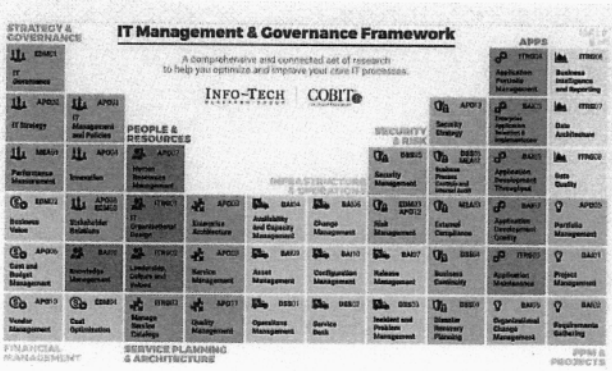
Agenda Items

- About Info-Tech Research Group
- Understanding Enterprise Resource Planning (ERP)
- Current State at the City of Cocoa
- ERP Strategy – Summary
- The Path Forward
- Implementation Considerations
- Questions

COCOA FLORIDA

About Info-Tech Research Group

Info-Tech Research Group produces unbiased and highly relevant research to help leaders make strategic, timely, and well-informed decisions. We partner closely with your teams to provide everything they need, from actionable tools to analyst guidance, ensuring they deliver measurable results for the organization



INFO~TECH
RESEARCH GROUP

Dramatically Outperform Your Peers

Drive Measurable Results

Our world-class leadership team is continually focused on building disruptive research and products that drive measurable results and save money

Better Research Than Anyone

Our team of experts is composed of the optimal mix of former CIOs, CISOs, PMOs, and other IT leaders, IT and management consultants, as well as academic researchers and statisticians

Leverage Industry Best Practices

We enable over 30,000 members to share their insights and best practices that you can use by having direct access to over 100 analysts as an extension of your team

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Big Firm Experience. Small Firm Agility.

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Powered by pedigree, enabled by experience, and backed by best-in-class research, Info-Tech Consulting Services gets IT done – and we get it done fast.

- Quick and effective delivery
- Tangible solutions
- Accelerated results
- Strategic advice backed by deep, relevant research
- Leaders with Big 4 experience
- World-class strategies with nimble execution

- Tactical explorations to extract an organization's unique power
- Collaborative interviews
- Fresh perspectives
- Insights that get to the heart of the issue
- Outcomes that drive business value

Local Government Clients

Info-Tech has been actively working with many municipal clients across Canada and the United States for over a decade. Info-Tech's work with CIOs and their management has been across a wide range of IT areas such as Strategy, ERP/HRIS Selection, Organizational Review, IT Security & Compliance.



Region of Peel
Working for you

MILTON

Niagara Region
Building Community. Building Lives.

City of Saskatoon

THE CITY OF Waterloo

BRAMPTON
Flower City

TORONTO

THE CITY OF VICTORIA

DURHAM REGION

Government of Northwest Territories / Gouvernement des Territoires du Nord-Ouest

Dakota County

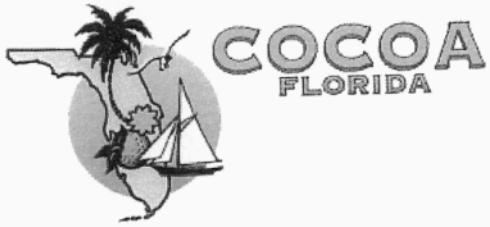
westvancouver

City of Fayetteville
North Carolina

Wright County
MINNESOTA

COUNTY OF TULARE
CALIFORNIA

Understanding ERP



Our Perspective

Think beyond ERP functionality. Consider how vendors will satisfy your organizational support needs and culture.

***ERP projects were never easy, but they are only getting more complex**, with a consolidating market, blended on-premises and cloud environments, and diverse customer expectations for what an ERP solution should include.*

***Now that the market is mature, more and more ERP functionality is deemed to be table stakes**. Vendors now choose to differentiate themselves with deployment models, unique licensing structures, and robust support offerings.*

***Much of the selection and implementation process comes down to having a comprehensive understanding of the range and depth of internal capability needs**. Business needs can speak to the extensibility of a solution where depth is its ability to satisfy industry-specific or unique requirements.*

***It is crucial to make the right decision**; missing the mark on an ERP initiative will have a direct impact on the business' bottom line. It doesn't have to be easy to be manageable. Info-Tech provides the necessary tools to prepare, select, and begin to deploy ERP.*

Samuel Leese
Senior Consulting Analyst, Enterprise Applications
Info-Tech Research Group

Understand ERP in the context of your organization

What is it?

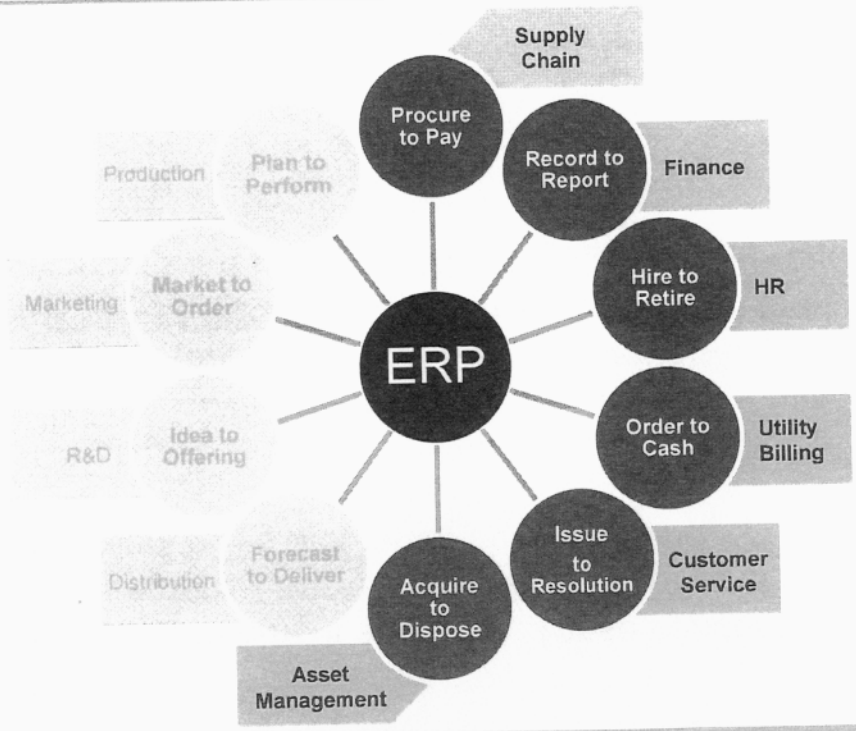
Enterprise resource planning (ERP) provides a technology-enabled layer spanning the entire operation of a business.

What does it do?

ERP extends across an organization, providing interoperability of process and function through workflow and intelligence.

Why does it matter?

ERP can be ***the*** single source of truth for an organization, combining operational and financial data to inform leaders to make better decisions.



ERP USE CASES

Product-Centric
Suitable for organizations that manufacture, assemble, distribute, or manage material goods.

Service-Centric
Suitable for organizations that provide and manage field services and/or professional services

Government
Tier 1 are Suitable for Federal and Provincial/State Gov'ts while Tier2 are suitable for Municipal Gov'ts.

Public Sector ERPs

Tier I Government ERPs support large, mostly federal, government agencies. These vendors support the nuances of government accounting, HR, and procurement. Oracle Public Cloud, SAP and CompuServe's PRISM are considered Tier I with Infor and CGI's Momentum close behind.

Tier II Government ERPs focus mostly on state and local governments with some federal installations. Tyler Technologies, CentralSquare and UNIT4 fall in this category. However, with growth in cloud solutions and subscription services, several Tier 1 ERPs are becoming affordable at the local level. (Workday, Oracle Cloud). Additionally, some vendors are utilizing and tailoring their mid-market solutions for the local government space (SAP Business by Design).

The ERP market

Where It's Going

Customizable Cloud: Software-as-a-Service in multitenant environments offers a hands-off value proposition, but increasingly customers are looking to customize their instances beyond the capability offered through configurability.

Best-of-Breed Consolidation: ERP vendors are continuing to consolidate functionality to increase interoperability and increase ease of integration. The market is rife with acquisitions and mergers, making the strong players even stronger.

Client Experience: While most vendors now offer products that will meet the wide gamut of ERP business requirements, vendors are now paying extra attention to the client experience from partnership perspective.

Info-Tech **Insight**

Evaluating the ERP vendor landscape is becoming increasingly difficult as the playing field evens out in terms of functionality offerings. As such, it is becoming increasingly important to more meticulously evaluate vendors themselves as part of the selection process. This is especially important in ERP projects, as they tend to be multi-year in nature and result in long-term vendor partnerships.

With the increasing adoption of SaaS for ERP, we are seeing a growing interest in integration of third-party products. The era of the comprehensive ERP is coming to an end as companies start connecting products to produce a custom solution

Types of ERP solution options

IT leaders typically compare on-premises ERP options with Software as a Service (SaaS) or Cloud ERP, but there are actually four different deployment scenarios.



1. On Premises

- **The traditional model for ERP deployment.**
- Upfront licensing term plus annual maintenance/ support fee.
- Requires local server, database, and authentication.
- Good support for industry modules.
- Customizable.

3. Proprietary Cloud

- **ERP vendor hosts an instance of the ERP system in its own data center.**
- Patches may or may not be applied automatically.
- Monthly per-user or traditional billing.
- Otherwise, as with on premises.

4. White-Label Cloud

- **ERP VAR or reseller hosts an instance of the ERP system** in its own data center or in a public cloud provider's (e.g. Azure, Amazon EC2).
- Otherwise, as with proprietary cloud.

2. SaaS

- **Common model for cloud ERP.**
- All users share a single instance.
- Patches and updates are applied automatically.
- Monthly per-user fee (subscription).
- Poor industry support.
- Configurable but not customizable.

Info-Tech **Insight**

Cloud may apply in other ways to the ERP implementation. Most vendors offer specific ERP services delivered via the cloud. For example, some vendors offer Customer Relationship Management (CRM), project management, and payroll self-service as cloud-based options to augment on-premises ERP solutions.

Build a well-balanced cross-functional core team to see the project through

Have a cross-departmental team define goals and objectives in order to significantly increase ERP success and improve communication.

- Hold a meeting with Finance, Operations, and IT stakeholders. The overall objective of the meeting is to confirm that all parties agree on the goals and metrics that gauge success of the ERP project.
- The kick-off process will significantly improve internal communications. Invite all impacted internal groups to work as a team to address any significant issues before the application process is formally activated.
- Set up a quarterly review process to understand changing needs. This will change the way the ERP system will be utilized.

> *"Each individual should understand at least one business area and have a hand in another."*
>
> – Mark Earley
> Director, Consulting
> Info-Tech Research Group

Info-Tech Insight

An ERP selection and implementation requires more than just a procurement team. The core ERP project team should be a cross-functional business team.

Current State



Activity to Date

- **April 2017 – ERP Needs Assessment & Gap Report (EMA)**
  External consulting firm performed an analysis of the existing ERP solution (SunGard NaviLine ERP) to identify issues, gaps and opportunities.
  Summary report identified that the existing solution was not feasible for the long term, nor functionally rich enough to expand with modern needs.

  Since the EMA report, SunGard was acquired by CentralSquare Technologies and the NaviLine product is no longer being upgraded or enhanced.

- **July 2019 – ERP Strategy & Roadmap Workshop (Info-Tech)**
  Conducted a four-day comprehensive workshop with a cross-functional team of City staff focused on:
  - Understanding the Current & Future State
  - Aligning the ERP strategy with City goals/objectives
  - Defining the ERP Operating Model and business process priorities
  - Building a roadmap and set of key recommendations

Alignment of ERP Strategy

City Objectives	ERP Benefits
• Quality customer service delivered in an efficient manner • Conduct business with our citizens more seamlessly in real time • Improve communications internally and externally • Real time data accuracy and effective reporting • Integration of data processes using GIS • Ensuring compliancy	• Single integrated solution provides access to real time data – One Source of Truth • Modern solutions provide easy Integration with distributed systems • Streamline process through best practice based processes i.e., ◦ Hiring ◦ Payroll ◦ Purchasing ◦ Budget • Speed of entering and retrieving data through efficient transactions • Online customer/constituent access to information driven by real-time ERP data
• Improve interacting with multiple systems and improve communication internally	• Gives us a foundation to build a live interface and work together • Opens the door to work with other municipalities and our own departments
• Integration of processes; • Sharing Information and • Impact of Other people;	• Providing Services to internal and external Customer • Reduce duplication of effort • Simplify processes (best practice) • People who Own Applications - know what their system capabilities

Understanding the Current State

During the workshop, 5 questions were discussed.

1. What are the main drivers for selecting a new ERP system?
   - Efficiency
   - Functionality
   - Dependability
   - Scalability
   - User Friendly
   - Accessibility

2. Which functions are you receiving the most complaints about?
   - Lack of real time data
   - Reporting capabilities
   - Redundant efforts to extract data

3. Which functions are you seeking to automate or improve with a new ERP system
   - Reporting
   - Workflow
   - Asset management, permitting, billing
   - Any existing manual or duplicated processes

4. What kinds of results do you expect to see as a consequence of implementing your ERP Solution?
   - Self-sufficient depts to get info they need
   - Utilize data analytics to prioritize program delivery
   - Customer Data Management
   - Prioritization and Resource Management
   - Streamlining of dept processes
   - Customer Engagement

5. What do you see as the scope and duration of the project?
   - 2 – 3 Years
   - Financial Management
   - HR Management
   - Project Management
   - Asset Management
   - Planning & Budgeting
   - Customer Service
   - Billing
   - GIS Integration
   - Reporting & Analytics

Workshop Key Findings

- Older ERP solution – near end of life
- Solution has changed ownership multiple times – lack of effective and consistent support as well as ongoing development
- AS/400 platform – old technology, not suited to modern systems
- Many manual processes
- Organizational support to improvement – platform, processes
- Duplication of processes across departments
- Data challenges
- Lack of data availability and ease of presentation / consumption (reporting capability)
- Utilities services regional area including and around City of Cocoa (over 200 sq. miles)
- Lack of GIS integration & overall integration

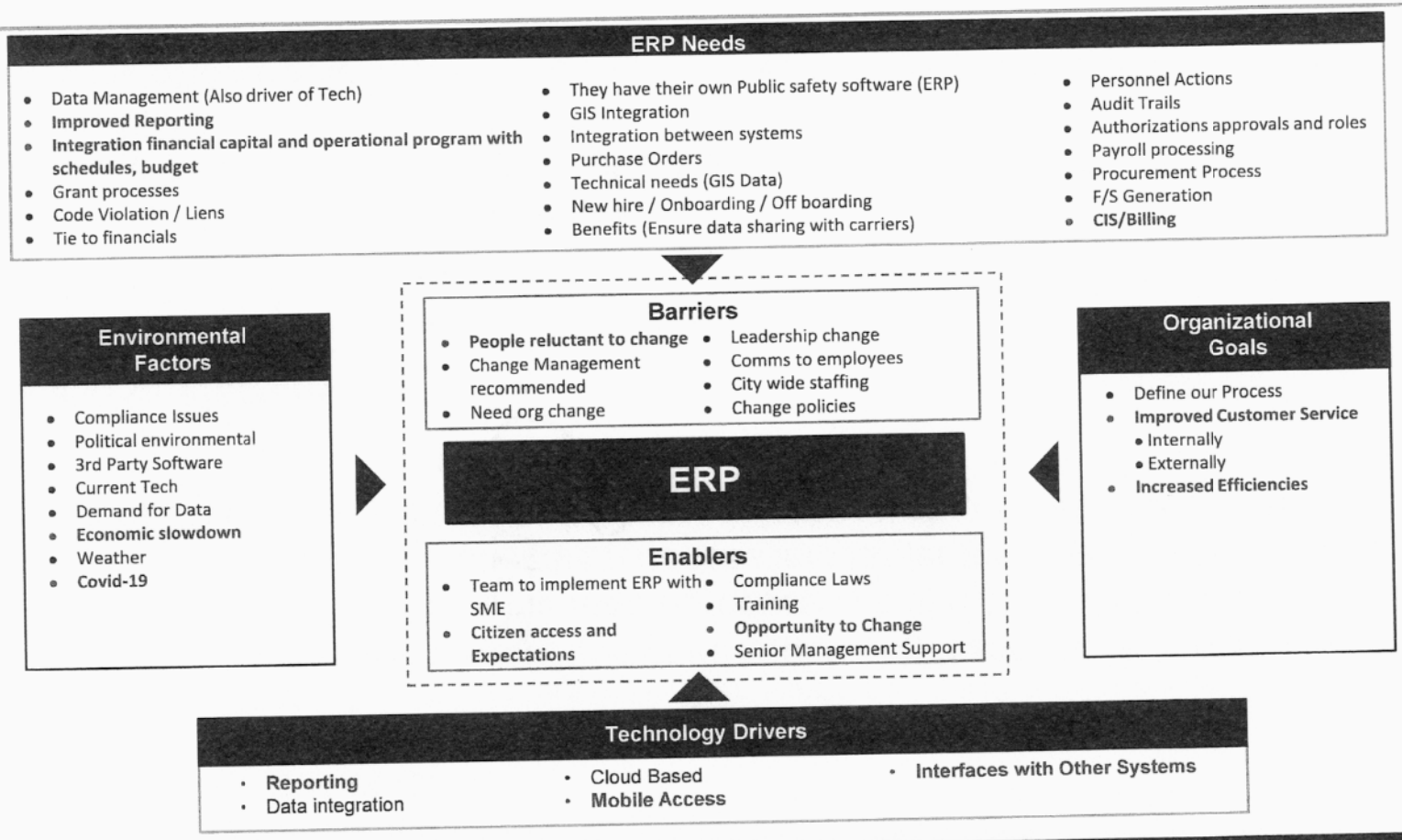
Key Recommendations

- Business process review and documentation
- Document 'Business Scenarios' attached to 'Mega Processes'
- Develop Project Plan (Schedule, etc.) for ERP Selection
- Develop RFQ for Initial Vendor Identification
- Communicate vision / process / approach
- Ensure City / Management Commitment
- Determine Resourcing
  - Professional Services Assistance
  - Functional SMEs – Full-Time Commitment
  - Backfill Functional Delivery Roles during Selection / Implementation
- Develop Organizational Change Management Strategy
- Develop Data Management Strategy

ERP Strategy - Summary



ERP Strategy Model



Operating Model – what is it?

An operating model is a framework that drives operating decisions. It helps to set the parameters for the scope of ERP and the mega-processes that will be supported. The operating model will serve to group core operational processes into larger mega-processes. These groupings represent a set of interrelated, consecutive processes aimed at generating a common output.

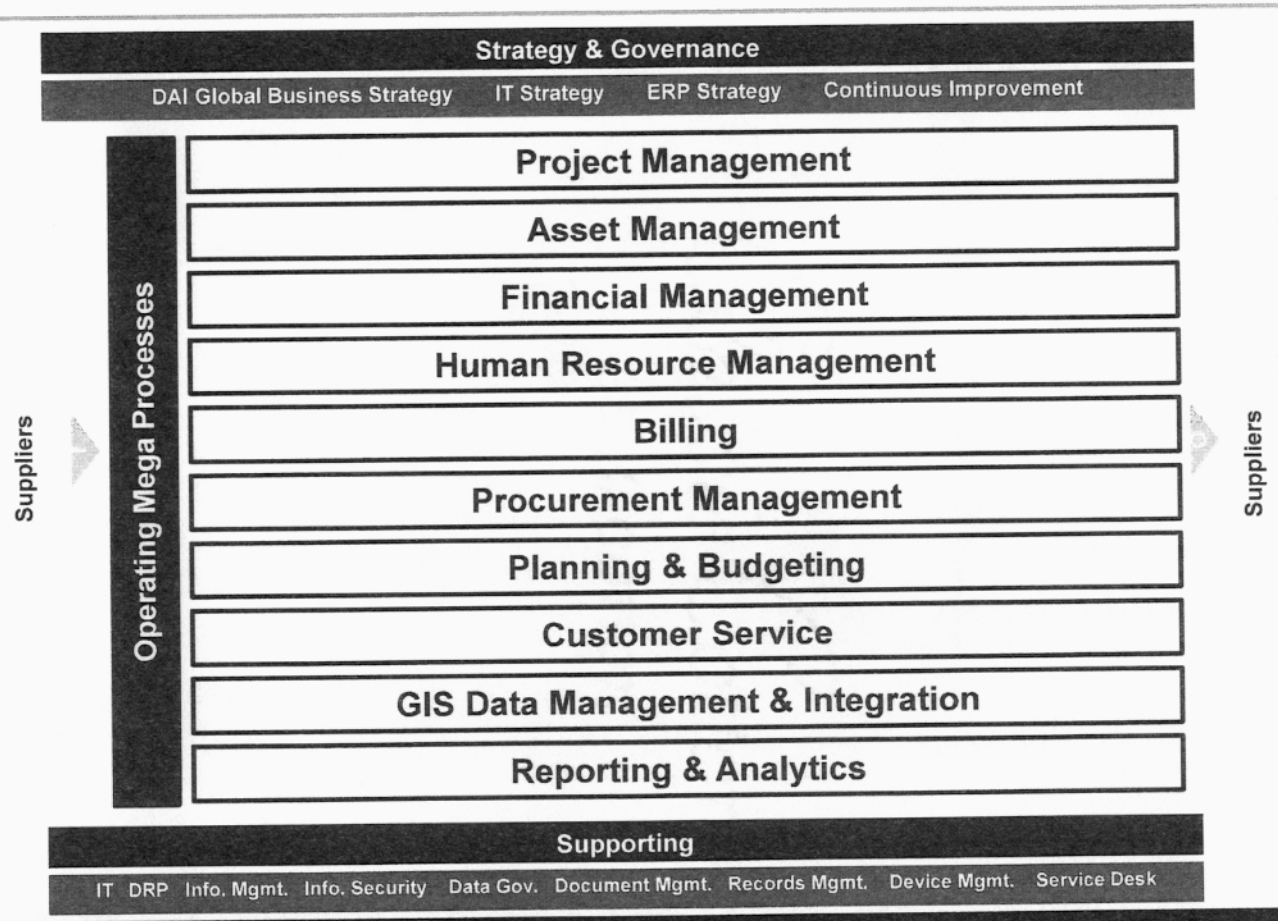
Mega-Process Characteristics

- The highest-level processes within an organization.
- End-to-end processes with no or few integration points to other mega-processes.
- After identifying mega-processes, prioritize against the following criteria:

  Strategically important – These are considered processes that are integral to accomplishing the organizations strategy.

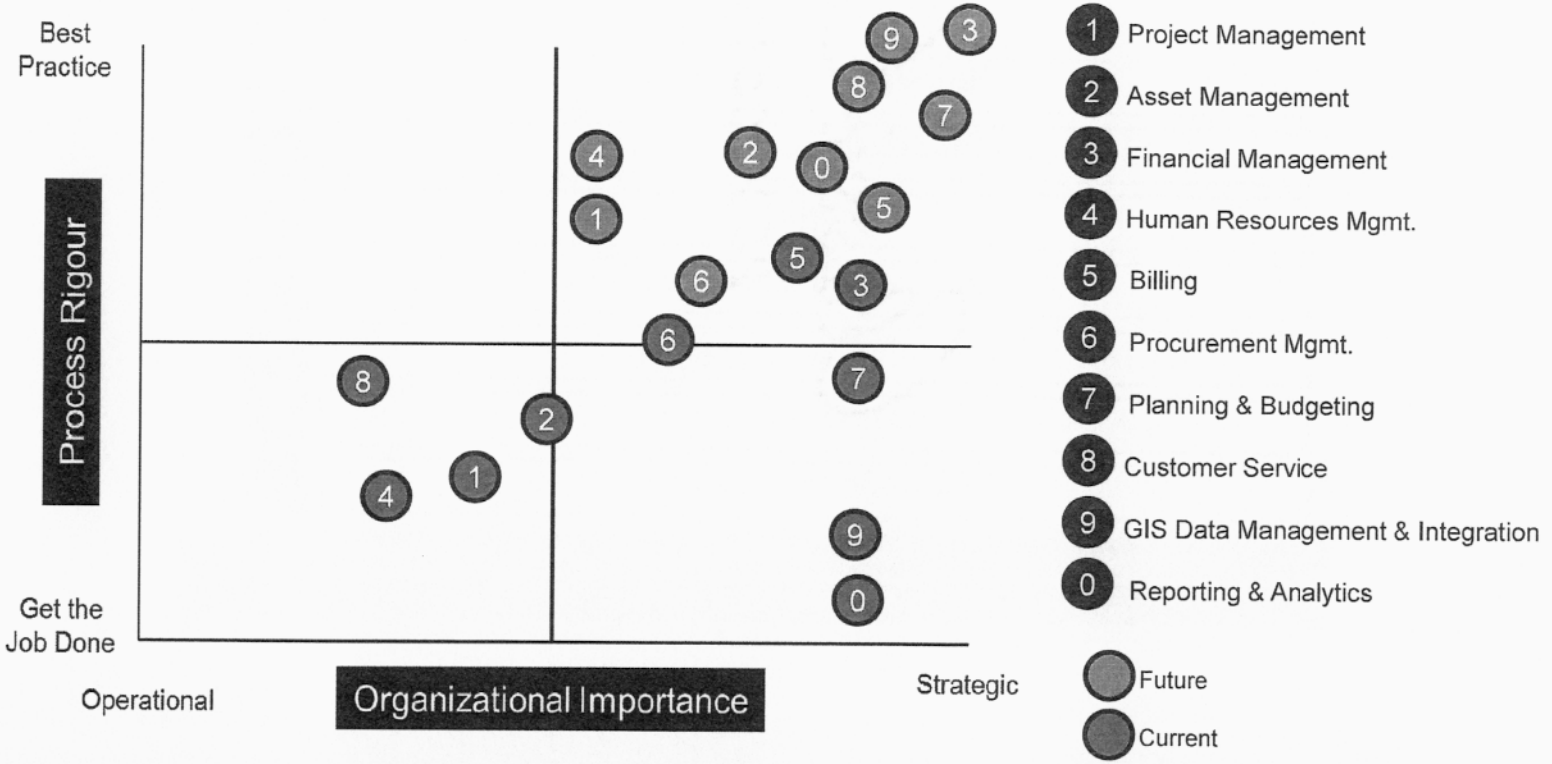
  High degree of competency required – How well a mega-process delivers on its mandate.

ERP Operating Model



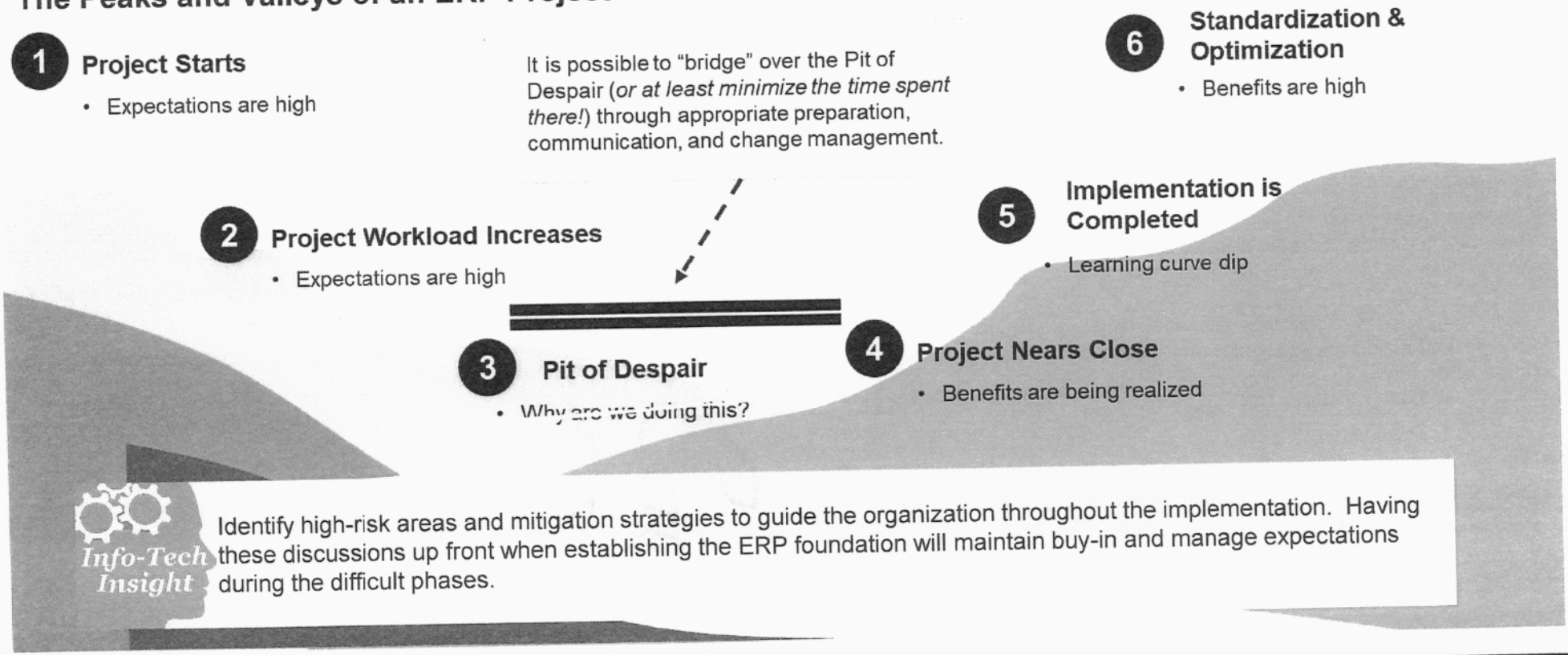
Prioritized ERP Processes

Establishing an order of importance can impact vendor selection and implementation roadmap; high priority areas are critical for ERP success.



Navigate the ERP implementation experience to manage expectations during the difficult phases

The Peaks and Valleys of an ERP Project



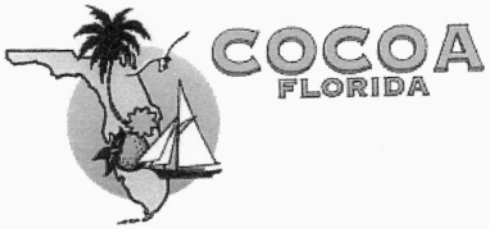
Info-Tech Insight

Identify high-risk areas and mitigation strategies to guide the organization throughout the implementation. Having these discussions up front when establishing the ERP foundation will maintain buy-in and manage expectations during the difficult phases.

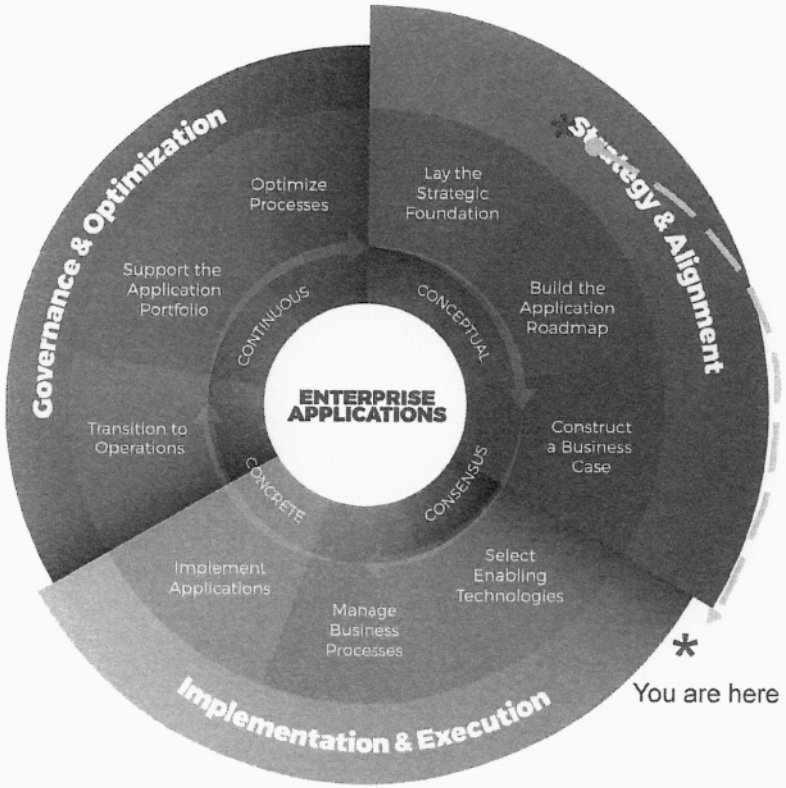
Identify Potential Project Pitfalls / Risks and Mitigation Strategies

Risk	Impact	Likelihood	Mitigation Effort
Availability of funding	H	H	Grants, other funding sources,
Staff turnover	H	H	Succession planning; Hire additional people; Outside consultants
Current ERP system not effective	H	L	Manual processes, speed up replacement project
System cannot handle complexity of utility billing	H	M	Implement "Best of Breed" approach – find a utility billing application Proper RFP defining requirements – effective selection process
Change in political, economic environments	H	M	**Put on your seat belt**
System does not perform as promised	H	M	Due diligence on process redesign, contract negotiation, solution / implementor selection
Low Buy-In on new solution	M	M	**Communications, Explanations / expectations on delivery dates / delivery content / impact**
Commitment to Training	H	M	Develop / Implement training strategy
Low acceptance of process changes	H	M	**Develop / Implement Organization Change Management processes**
Data is not good	H	M	Develop Data Strategy
Processes not mapped out accurately	H	L	Perform Business Process Redesign in advance of project – Accept solution process flows as 'Best practices'
Competing organizational priorities	H	H	**Strong Management direction; Strong project sponsor**
Data Security	H	M	Enhance data security strategy

The Path Forward



Info-Tech's Approach



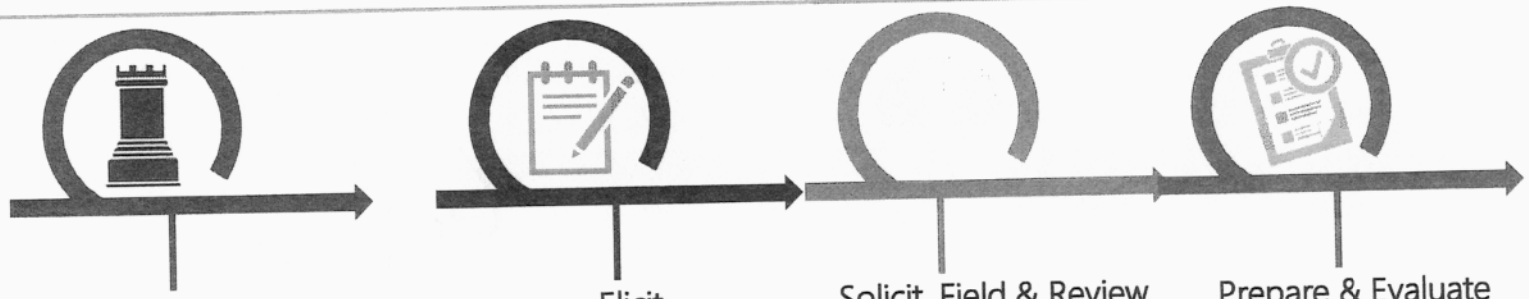
***Success begins with a solid foundation.** ERP is an ongoing organization-wide initiative as everyone struggles to leverage functionality and maximize the benefits of the investment. A stakeholder aligned blueprint and operating model sets your program up for success.

***A structured approach to selection and implementation** ensures you get the right ERP system in place. A consensus-based decision and framework for business process mgmt. and implementation ensures you effectively execute the ERP program.

Info-Tech's 4C Approach:

Conceptual – start by framing the current state and thoroughly understanding the need
Consensus – obtain buy in for the strategy and take a structured approach to selection
Concrete – build a business blueprint for implementation of systems and processes
Continuous – monitor the performance of systems and processes

Selection Framework



Strategize

Activities:
Determine Enterprise Applications Strategy

- Understand the Current state
- Align ERP strategy with County's strategy/goals
- Identify and prioritize mega-processes and capabilities
- Define the Operating Model
- Identify and prioritize mega-processes and capabilities
- Define guiding principles

Deliverables:
- Executive summary of initiative
- Operating Model

Completed

Elicit

Activities
Determine RFP Requirements

- Conduct interviews with stakeholders to identify critical solution requirements (functional, technical, implementation, support)
- Develop Vendor landscape for pre-qualification

Deliverables:
- Solution Requirements
- Vendor Landscape

Solicit, Field & Review

Activities:
Field RFP Activity and prepare Demo Scripts

- Develop RFP document and evaluation scorecard
- Distribute RFP to qualified vendors
- Field RFP Activity
- Develop Demo Scripts
- Review and evaluate responses to create short list.

Deliverables:
- RFP Documentation
- Evaluation Methodology
- Vendor Demo Scripts

Prepare & Evaluate

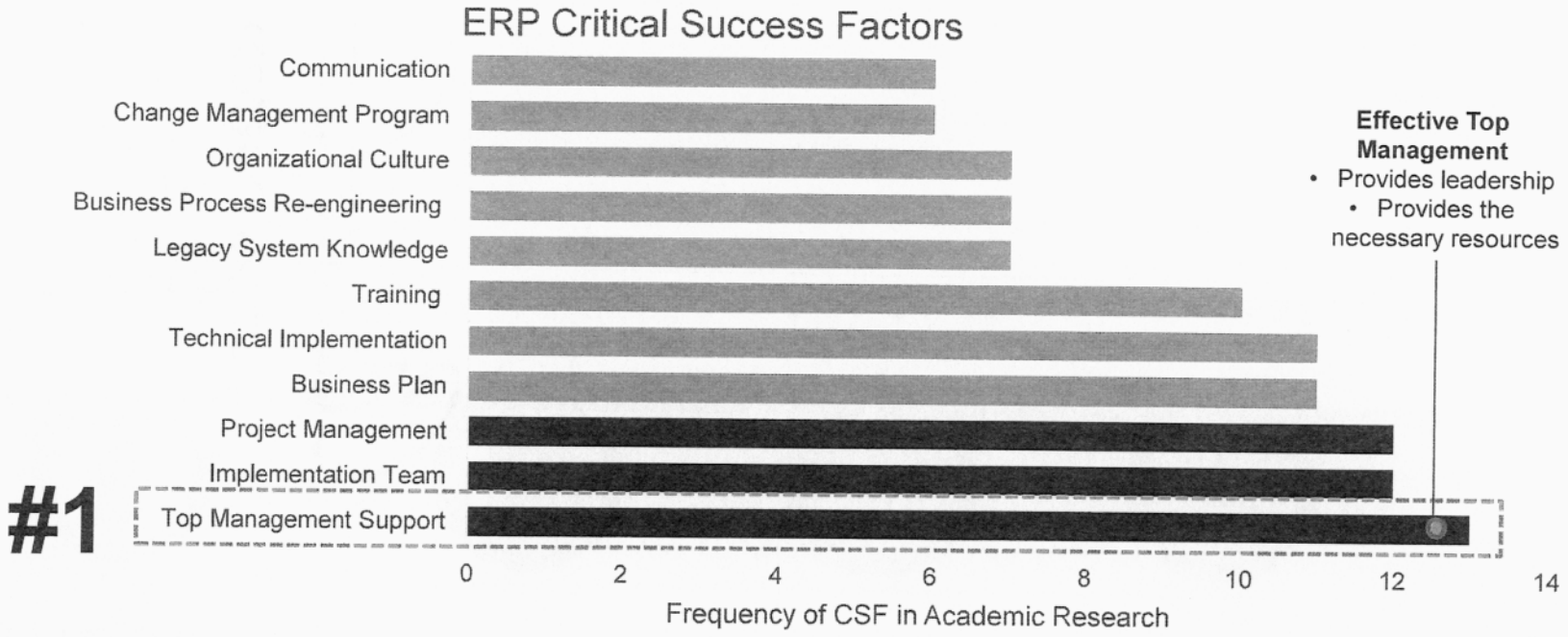
Activities:
Allow time for vendors to prepare demonstrations, finalize demonstration logistics

- Facilitate solution demonstrations following script
- Score vendor demonstrations
- Gather input from various stakeholders and subject matter experts.
- Prepare best fit recommendation

Deliverables:
- Solution Demonstrations
- Best Fit Recommendation

Management support is the biggest critical success factor for ERP implementations

Effective top management support comes from **establishing a steering committee** that is **highly committed** and **dedicated** to the ERP project. This team needs to have representation from across the organization to build the case for ERP and oversee the implementation.



Source: Critical Success Factors of ERP Implementations - An Analysis

Implementation Considerations



Understand the unique *external* resource considerations for your ERP implementation

Organizations almost never have sufficient internal staffing to resource an ERP implementation project entirely themselves. Consider the options for closing the gap in internal resource availability.

The most common project resourcing structures for ERP projects are:

Your own staff +

A **Management Consultant**
B **Vendor Consultant**
C **System Integrator**

Consider:

- Availability of in-house implementation competencies and resources
- Timeline and cost constraints
- Integration environment complexity

Externally Resourced Roles:

- **Project Manager** – a full time dedicated, experienced PM is a 'must' for success.
- **Organizational Change Manager** – a dedicated OCM professional can be the difference in user adoption and uptake of new solution.

CONSIDER THE FOLLOWING

Internal vs. External Roles & Responsibilities

Clearly delineate between internal and external team responsibilities and accountabilities and communicate this to your technology partner up-front.

Internal vs. External Accountabilities

Accountability is different from responsibility. Your vendor or SI partner may be responsible for completing certain tasks throughout the implementation, but **be careful not to outsource accountability for the ERP implementation** – ultimately, the internal project team will be accountable for its success or failure.

Implementation – Common Pitfalls to Avoid

Pitfall	Issue	Mitigation
1: Failure to Properly Plan	The larger the project, the more unlikely it is to deliver on time, on budget, and to scope. Setting unrealistic goals and timelines in the early stages of planning can yield disastrous results	Use the Plan/Analyze phase to prepare a robust estimate for the implementation, with reasonable contingency built into account for inevitable unforeseen issues. Your SI will likely have a methodology or tool for estimating the project. Work with the SI to validate and confirm the assumptions that are driving the output.
2: Premature Commitment	It is unwise to commit to a software product or systems integrator too early. Unless you have performed extensive due diligence, you are absolutely clear on scope, and confident in the product and SI's capability to deliver, do not overcommit yourself.	Info-Tech encourages a time and materials contract with your SI for the Plan/Analyze phase to ensure that the work can be completed in full. The minimum results should be: • Complete set of requirements. • High-level solutioning. • Understanding of scope. • Cost/timeline estimate for implementation
3: Passing up an Opportunity for Real Business Process Transformation	Don't 'pave the cow path'. Efficiencies are found in process improvement and change.	Reengineer your business processes to the native functionalities and "out-of-the-box" configurations of the system unless this is impossible (for reasons such as adherence to regulatory compliance).

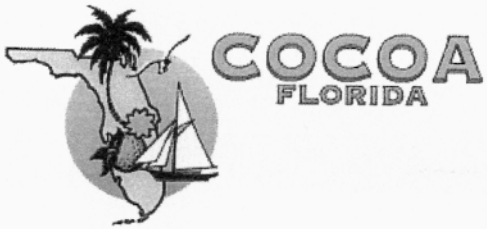
Implementation – Common Pitfalls to Avoid

Pitfall	Issue	Sample Mitigation
4: Deviation from Guiding Principles	Though guiding principles for the project should have been established amongst the project executives in the Plan/Analyze phase (or even prior to it in some cases),	Ensure the guiding principles are communicated and well understood by the entire project team. If need be, print them, hang them, engrave them on a plaque, and hang it in the lunchroom!
5: Failure to Manage Scope Creep	Scope creep is typically defined as allowing or agreeing to additional work requests that were not part of the original project plan or objectives.	Zealously guard against unplanned changes to your signed-off requirements and project scope. Schedule and host a routine Change Request meeting at which these changes can be scrutinized and evaluated for their impact to schedule and budget, and any risk they may introduce to the project
6: Insufficient Testing	Too often, when schedules get tight, the number of test cycles and the time allocated to them is an area where projects look to take shortcuts. As a result, the software is rolled out too quickly without validating that the product works the way it was intended to.	Create test scenarios that reflect real-world situations and experiences and use these during Test phase. The business should be heavily involved in defining and signing off on the inventory of scenarios and scripts that will be executed to ensure no critical functions have been omitted from the scope of testing

Implementation – Common Pitfalls to Avoid

Pitfall	Issue	Sample Mitigation
7: Failure to Effectively Transition from Implementation to Operation	Go-live is only the first step in the system lifecycle. Full benefit realization requires ongoing investment and learning to be sustained. Unless processes and training are updated and advancing on an on-going basis, benefits gained will start to decrease over time.	The first step is to plan for post-deployment sustainment (maintenance and optimization) early in the implementation (as early as Design or Build). Iron out the procedures to be followed for new releases and upgrades, accounting for the implementation, testing, communication, and training components associated with these efforts.

Questions?



Thank You!

INFO~TECH
RESEARCH GROUP

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