Agenda

• Welcome– Kathleen Fabiny

• FST Update – Geethanath Mari

• Budget Updates – Kathleen Fabiny

• Capital – Jim Belshe
Financial Systems Transformation

Status Update – Budget Managers’ Meeting

October 20, 2020
Objectives of Today’s Session

- FST Program Overview
- FST Program Update: Summer Activity
- Software RFP Process
- Upcoming Activities
- Q&A
Financial Systems Transformation (FST) is a multi-year initiative to replace the University’s legacy mainframe based Financial Accounting System (FAS) and related operational systems.

- The University manages more than $1.07B in government and private grants, gifts, and contracts via disparate and loosely integrated systems.
- The University manages procurement and payment activities averaging $600MM annually through multiple platforms.
Program Timeline

### Phase Description

**Pre-Implementation** – Process Design, Requirements, Software Selection, and Implementation Partner

**Wave 1**: Financials, Supply Chain, Projects, and Grants

**Wave 2**: Budgeting, Planning, and Forecasting

**Wave 3**: Assets and Inventory Management

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**Contingency**

- 4/1/21: System Integrator Selection and Plan Approval
- 7/1/23: Wave 1: Financials, Supply Chain, FST Program Update, Projects, and Grants
- 2/1/24: Wave 2: Budget
- 12/31/24: Wave 3: Assets, Inventory
FST PROGRAM UPDATE: SUMMER ACTIVITY
University-wide Systems Landscape Assessment

Software
- Issued a joint software RFP with UCM
- FST and UCM evaluating in parallel to determine if common software can be used

Systems Implementor
- UCM/University systems implementation RFP timeline aligned
- UCM/University agreed on a goal for a common SI

- 128 University Systems Analyzed
- 51 Potentially Replaced
- 47 Special Purpose Systems Retained & Integrated
- 30 Re-Evaluated after Software Selection
## Points of Intersection: UChicago & UCM

### Chart of Accounts
- Complex and cumbersome reporting
- Reliance on manual entries and processes
- No detail drill-down capability
- Lack of data transparency, data reliability

### Intercompany Transactions
- Manual workflow no tracking or notifications
- Lack of data transparency and reliability
- Data manipulation and static reporting

### FS Mapping
- Decentralized data, Multiple systems and duplication
- Manual reconciliation
- No real time updates
- Different period ends and close timelines

### Close & Consolidation
- Manual workflow delays close
- Complex financial reporting and reconciliation due to different COA
- Limited data transparency

### Pain Points

<table>
<thead>
<tr>
<th>Chart of Accounts</th>
<th>Intercompany Transactions</th>
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### Vision

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</thead>
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<td>• Shared/aligned COA - Scalable for growth</td>
<td>• Enterprise level governance</td>
<td>• Common mapping across the enterprise eliminates manual processes</td>
<td>• Common reporting platform</td>
</tr>
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<td>• Enterprise level governance</td>
<td>• Data transparency and increased detail</td>
<td>• Enhanced enterprise for transparency</td>
<td>• Centralized data and reduced number of ad hoc systems</td>
</tr>
<tr>
<td>• Sufficient level of detail for financial reporting</td>
<td>• Automated workflow and approval processes</td>
<td>• Rigorous GL/COA governance processes</td>
<td>• Increased automation and integration</td>
</tr>
<tr>
<td>• Eliminate manual transactions/ reconciliations</td>
<td></td>
<td></td>
<td>• Standard calendar, reduced close period</td>
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Virtual Campus Visits

- Share best practices
- Gather lessons learned
- Share experiences and tools

Completed

Washington University in St. Louis
Georgia Tech
Vanderbilt University
UC San Diego
UCLA
Yale
University of Rochester
Community Engagement

Stakeholder Assessment
Stakeholder interviews with 58 finance leaders from the academic and administrative units, including affiliate organizations
- Change impact magnitude mapped by process area
- Lessons learned from prior implementations including Workday HRM and AIS

Community Engagement
Open learning opportunities
- Spring Quarter campus forums with more than 150 attendees
- Vendor preview sessions
- Vendor RFP demonstrations
- End-user focus groups

Output
Stakeholder feedback provided the foundation for development of:
- Organizational Change Management (OCM) Strategy
- Communications Strategy
- Training Strategy

Defining the Future State:
143 Working Group Participants

Percentage of Participation by Unit Type
- Academic Units 38%
- Finance & Administration 32%
- Administration 30%
SOFTWARE RFP PROCESS
Software Evaluation Approach – University Criteria & Weighting

### Evaluation & Selection Framework

- **Vendor Response to Questions**
  - Weight: 20%
- **Software Capabilities (Ability to Meet Requirements)**
  - Weight: 45%
- **Client References**
  - Weight: 20%
- **Viability of Long-Term Partnership**
  - Weight: 15%

### Use Case Presentation

- **Use Case Scoresheets**
  - Weight: 90%
- **Usability Survey**
  - Weight: 10%

### Cost Proposal

- **Cost Proposal**
  - Weight: 100%

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### Functional Business Scenario / “Use Case” Weighting

<table>
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<tr>
<th>Functional Criteria</th>
<th>Weight</th>
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<tr>
<td>Financial Management</td>
<td>20%</td>
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<tr>
<td>Supply Chain Management</td>
<td>20%</td>
</tr>
<tr>
<td>Grants &amp; Projects</td>
<td>15%</td>
</tr>
<tr>
<td>Asset Management *</td>
<td>15%</td>
</tr>
<tr>
<td>Technical</td>
<td>15%</td>
</tr>
<tr>
<td>Data</td>
<td>15%</td>
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*Asset Management requirements were not met by either vendor. Scores have been removed from the consideration set.*
Software Selection Approach

Governance Committees

Executive Selection Committee
- Ivan Samstein
- Kenneth Polonsky
- Ka Yee Lee
- Rich Silveria
- Tom Jackiewicz

Joint Selection Committee
- Ivan Samstein
- Melina Hale
- Kevin Boyd
- Brett Padgett
- Mumtaz Darbar
- Tom Jackiewicz
- Rich Silveria
- Heather Nelson
- Phil Kaufman

UCChicago Selection Committee
- University
  - University Executive Sponsors
  - Program Leadership Team
  - Process Owners
- UCM
  - UCM SteerCo
  - Executive Sponsors
  - Business Operations Leads
  - Program Managers

Responsibilities

- Evaluate Vendor of Choice Recommendation from Joint Selection Committee
- Make final ERP Vendor of Choice decision to move forward with negotiations
- Evaluate scorecard results & Vendor of Choice Recommendation from University & UCM Committees
- Recommend Vendor of Choice to Sponsors
- Evaluate & complete scorecards for ERP Vendors based on written response & demonstrations
- Make ERP Vendor of Choice recommendation to Joint Selection Committee

- 9/11/20 RFP Response
- 9/28/20 SW Demos Complete Clarifications Requested
- Preliminary Team Recommendation
- Joint Selection Committee Discussion
- Initial Negotiation and BAFO
- Contract Good Faith Negotiation Begins
Software Demos – UX Feedback

System seems user friendly

The system streamlines day-to-day tasks

The system makes information easily accessible for decision making

This system would benefit my unit / division / organization

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Oracle

Workday

Strongly Disagree | Disagree | Agree | Strongly Agree

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# Next Steps

## Software Selection
- Negotiations and Proposal to Executive Sponsors
- Contracting

## System Integrator
- **RFP**
  - System Integrator (SI) partners have been pre-selected based on University and Medical Center experience
  - RFP will require written responses and presentations

## Project Approval
- Final Software and SI selections along with full project budget will be presented to the Ad Hoc Committee of the Board of Trustees
Community Engagement

• Campus Forums – The week of November 30th
• Upcoming Focus Groups
  – Faculty operating research labs and centers
  – Grant and research operations staff
• Chart of Accounts: Spring AY 21
• Data Conversion / Cleanup: Summer AY 22
More Questions?

Email: fst@uchicago.edu
Website: fst.uchicago.edu