

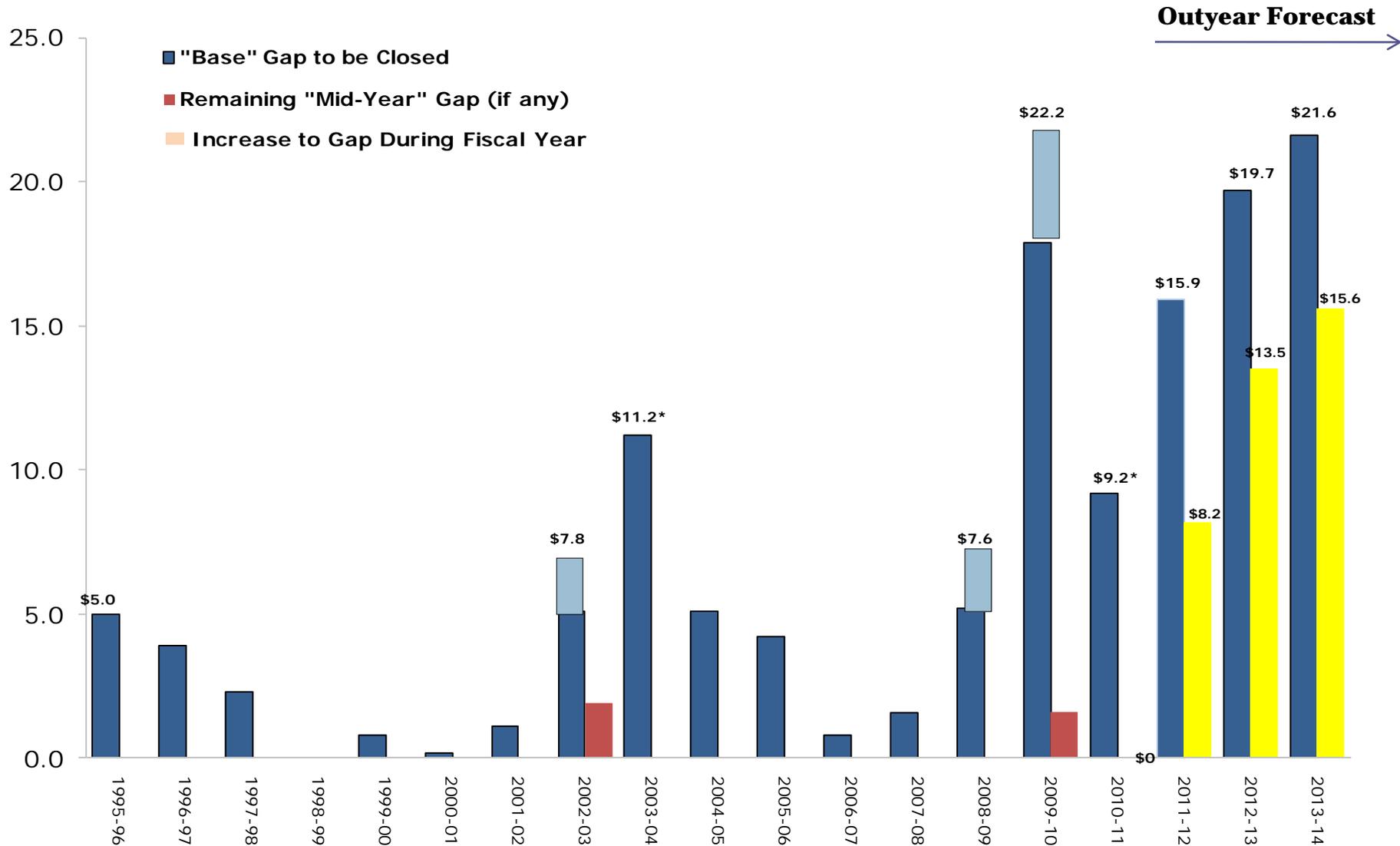
# Office of Operations 2010 Fall Conference

## Keynote Address: Statewide Financial System

**Ronald L. Greenberg**  
**First Deputy Director**  
**New York State Division of the Budget**

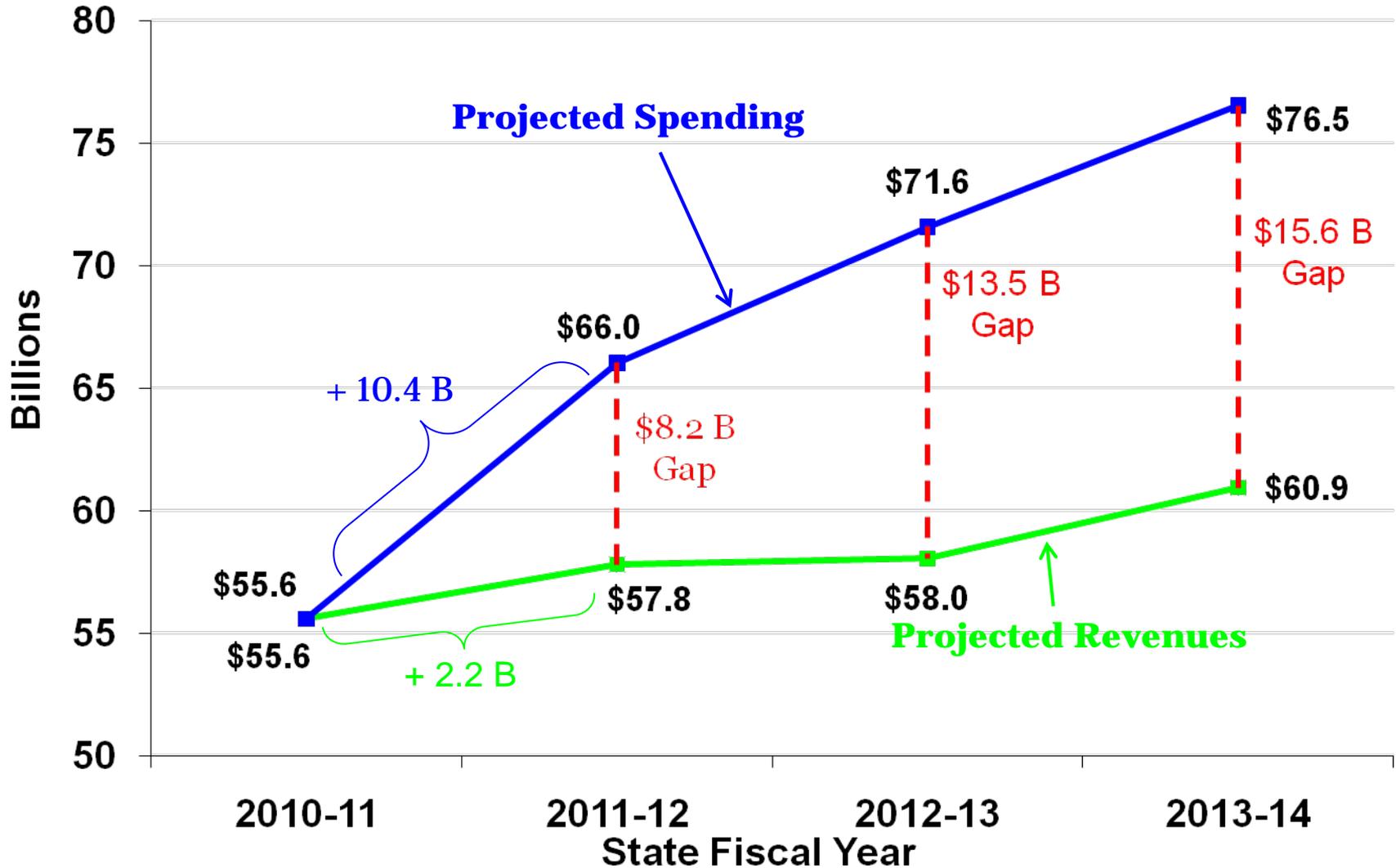
# Current Budget Environment

# Budget Gaps -- Historical Perspective (billions)



\* Includes budget shortfall carried forward from prior fiscal year.

# The Problem



## It Could Still Get Worse?

- Level of economic growth and the resulting impact on tax collections.
- Pressure on entitlement spending.
- Implementation of State agency reductions.
- Adverse Federal actions.

## How can we help ourselves?

- Enterprise Wide View of State Government
  - Breakdown SILOS Within Agencies and Across Agencies
  - Customer Based View: Improve programs and operations
- Recommend Elimination of Non-Core Functions
- Embrace Shared Services Across Government
  - Horizontally Across State Agencies

# Statewide Initiatives

Shared Services - Partnering For  
Our Future

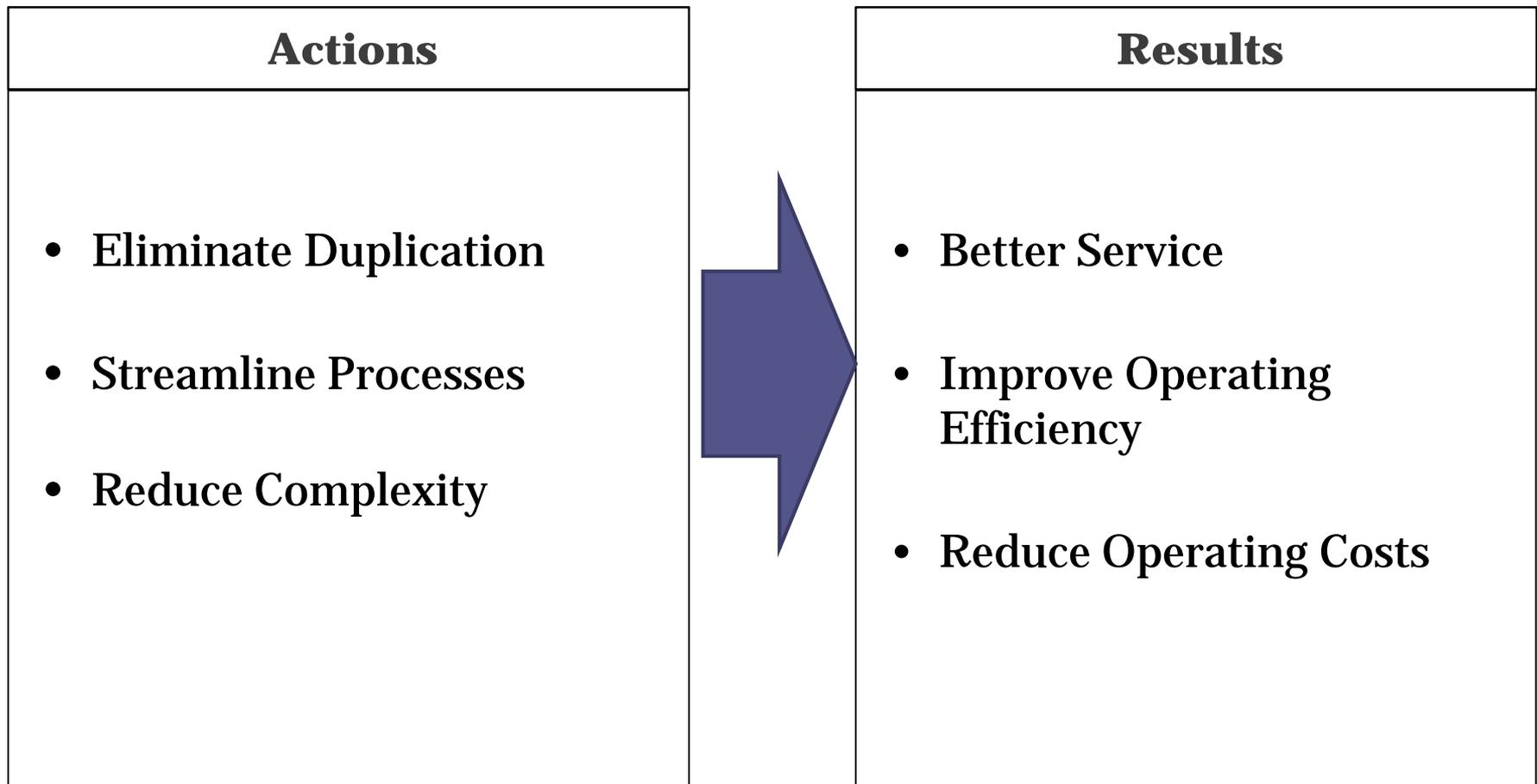
# What Is Shared Services?

The practice of having a single entity (Shared Services Center) within a larger organizational structure (State) to provide services for the entire group that were previously decentralized across many units (State Agencies) .

## The Shared Services Vision

- **Cultural Change:** The State must move from a system driven by individual agency needs to a system that views the entire State as a single enterprise working more efficiently and effectively.
- **Crisis Is Opportunity:** The State's fiscal situation will require deeper cuts by agencies, but this also provides an opportunity for agencies to streamline administrative functions and better align operations with core customers.
- **No More Excuses:** The public sector must use every private sector technique available to drive down costs while improving customer service and increasing transparency.

# What Are The Benefits?



## Projects Leading to Shared Services

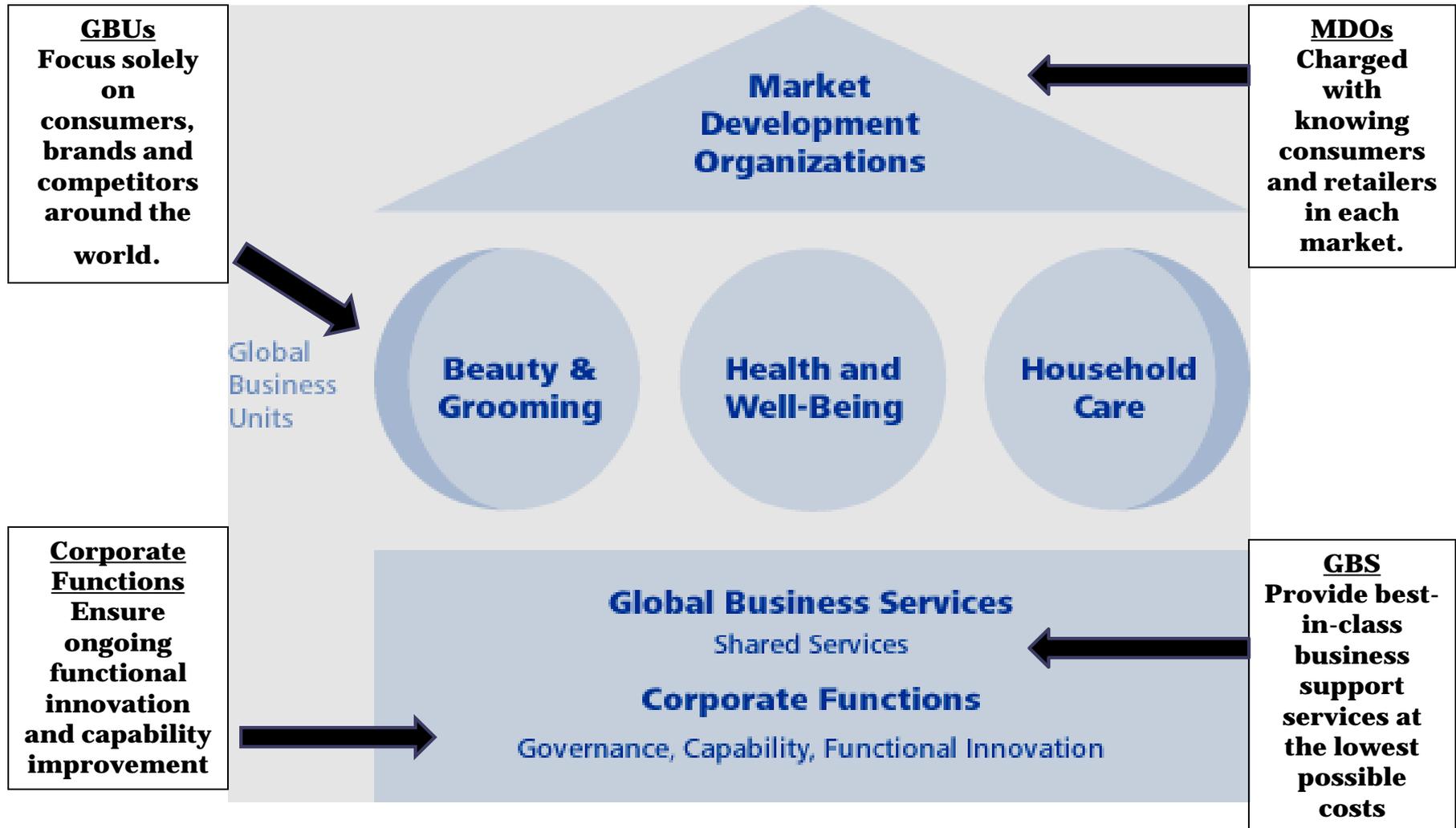
- Real Estate Portfolio Optimization: Maximizing Assets
- Procurement/Strategic Sourcing: Continuous Analysis & Improvement
- Information Technology Transformation: The Business Case
- Customer Service: Call Center Consolidations
- E-Licensing: One-Stop Shop
- Human Capital Management: One System Hire To Retire
- Statewide Financial Management: The Connective Tissue

## A View From The Private Sector Proctor & Gamble

- Employees: 127,000 FTEs
- Net Sales: \$78.9 Billion
- Countries: 180
- Network: 500+ distributors to serve over 4 million retail outlets every month.

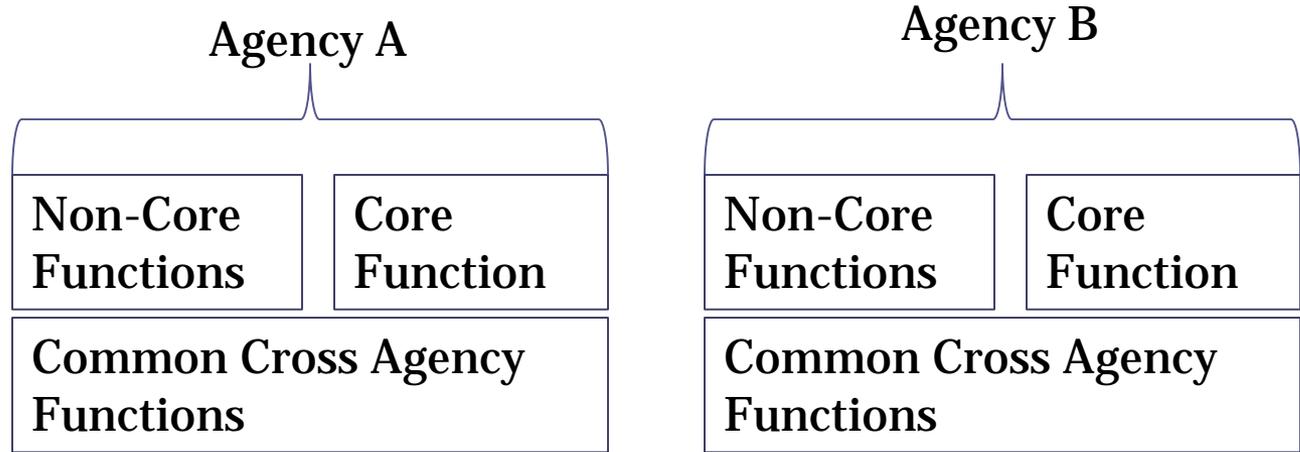
<http://www.annualreport.pg.com/annualreport2010/financials/index.shtml>

# Proctor and Gamble Corporate Structure



# Opportunities For The State

**Policy and Programmatic Level:** What is the agency mission...are there common threads?



**Shared Services Level:** What administrative or back-office functions are common across agencies?



# Other Considerations

- Executive Sponsorship
- Strategic Vision
- Multi-Year Plan
- Strong Governance
- Clear Communication

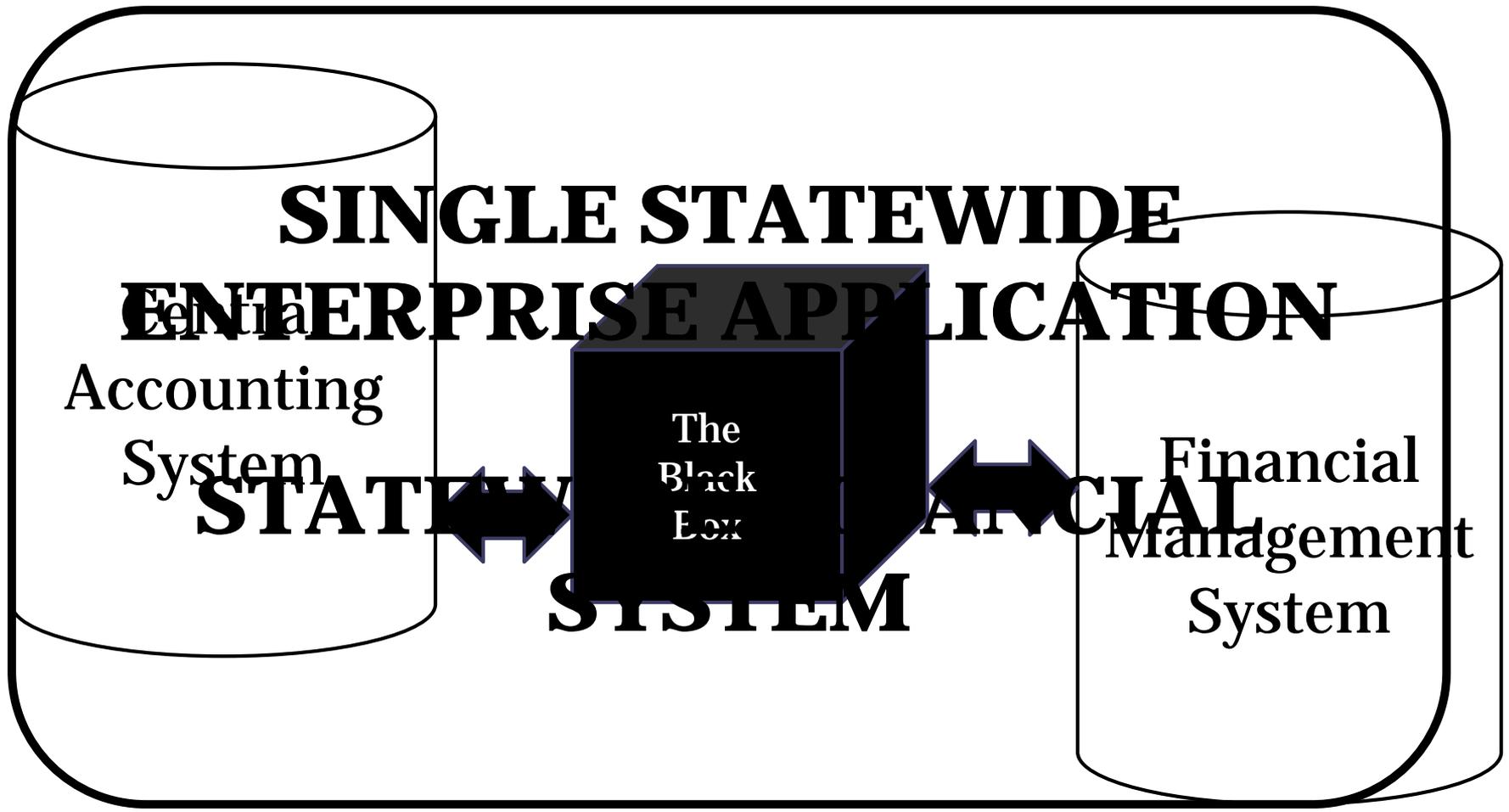
# **Statewide Financial System (SFS)**

**The Platform For Future Success**

## State Financial System Goals

- Enterprise Business Transformation
  - Greater Efficiency: Near real-time transactions
  - Greater Effectiveness: Statewide standards
  - Higher Integrity: One Source of Truth
  - Greater Accountability: Changing how the State does business.
  - Greater Transparency: Single statewide view

# How did we get here?



## Let's Reflect

- Unique Model: Two Independently Elected Officials
- Partnerships Are Critical
  - Governance MOU's
  - IT MOU's
  - Steering Committee: Agency Representation
  - Vendors: Deloitte, IBM, KPMG and ORACLE
- No State Has Completed An ERP Of This Size

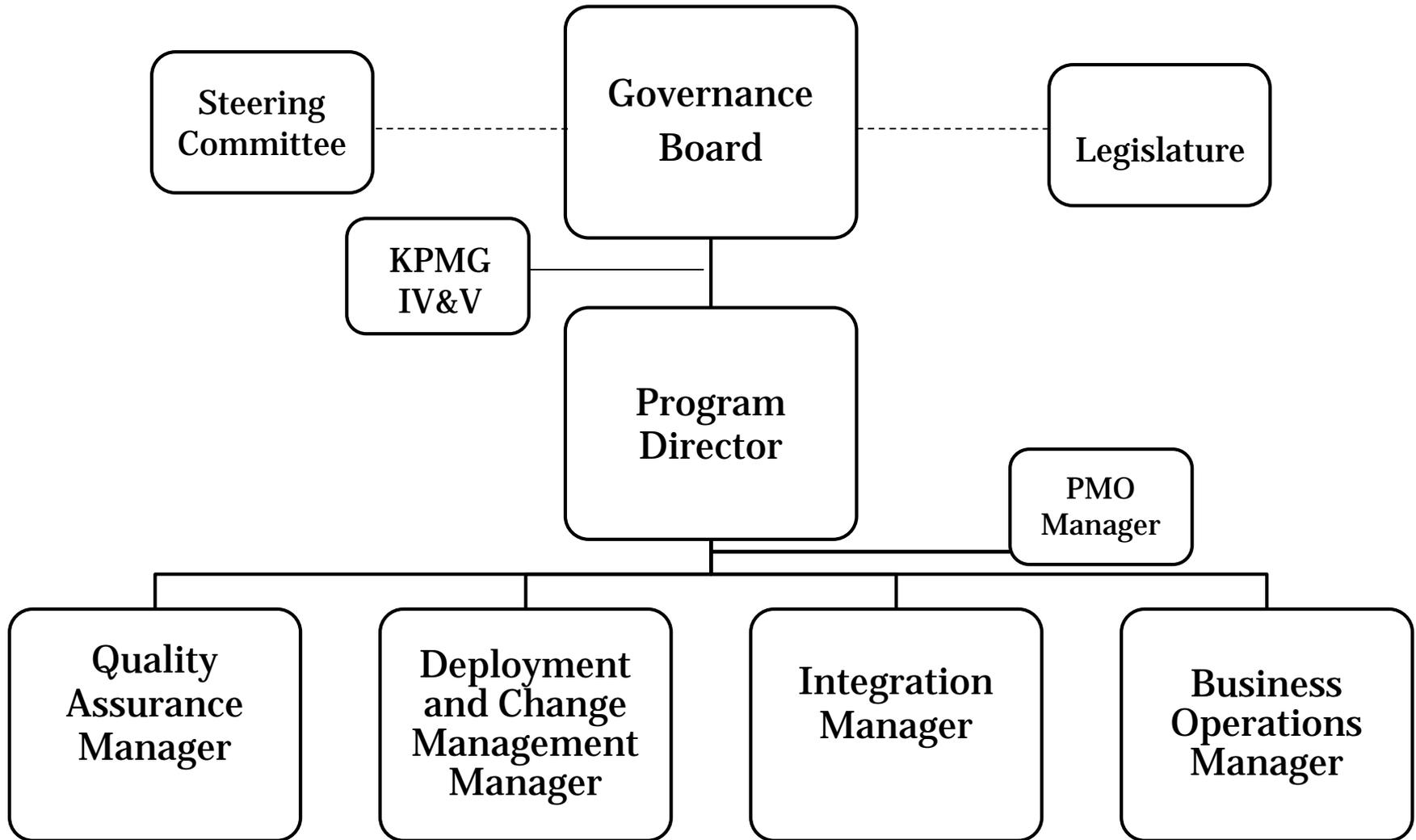
## SFS Appointing Authority

- Legislature Approved Making SFS Appointing Authority
- Model For Future Shared Services Projects
- New Culture Evolves Over Time
  - Blending OSC,DOB, OFT and New Hires
  - “culture isn't just one aspect of the game; it is the game. In the end, an organization is nothing more than the collective capacity of its people to create value. ”

Louis V. Gerstner, Jr., , Former CEO IBM

“Who Says Elephants Can't Dance”

# Statewide Financial System (SFS) Program



# Steering Committee - A Statewide Partnership

- Provides the **SFS Program** with expertise, advice and input into decision-making through direct and regular interaction
- Provides the **SFS Governance Board** with strategic, visionary advice and consultation regarding the SFS program generally and the State's overall strategy with regard to the adoption and deployment of enterprise solutions and systems, including Enterprise Resource Planning (ERP) applications.
- Provides guidance to the **SFS Program Director** on Program plans and implementation activities, communications, training, organizational change management and other stakeholder issues.

# Steering Committee - Voice of the Agencies

- **Control Agencies**
  - OSC
  - DOB
- **Education**
  - SED
- **General Government**
  - OGS
  - OFT
  - Tax
  - GOER
- **Health & Social Welfare**
  - DOL
  - OTDA
  - DOH
  - OCFS
- **Judiciary**
  - United Courts System
- **Mental Health**
  - OMH
- **Parks & The Environment**
  - PARKS
  - DEC
- **Public Protection**
  - DOCS
  - DCJS
- **Transportation**
  - DOT
- **Economic Development & Government Oversight**
  - Banking

## Steering Committee Issues Raised

- Personnel Issues
  - Overtime
  - Hiring
  - Leave Credits
- Agency Readiness
  - Staff Support....212's
  - Prioritize Other Initiatives
- Other
  - Transition
  - SFY 2011-12 Budget Development

## Key Financial Benefits Summary

- Single Statewide Financial System = “One Source of Truth”
- Standardization and End-To-End Improvements in Process
- Near “Real-Time” Data
- Greater Reliability, Availability and Transparency in Data
- Fewer Reconciliations
- Reduce Upfront Costs & Recurring Maintenance Savings

# Future Phases

## 4/1/11 Is Just The Beginning

- Data Warehouse
  - Single Statewide Resource
- Human Capital Management
  - From Hire To Retire
- Procurement
  - Strategic Sourcing
- Asset Lifecycle Management
  - All Assets In One Place

**WE CAN ONLY SUCCEED  
TOGETHER**

**Let's Go-Live April 1**

# QUESTIONS