



MEETING MINUTES

State of Louisiana ERP Project

Blueprint Workshop / CO / Cost Centers

08/05/2008 @ 08:30 a.m. to 11:30 a.m.

Location: 1-132 Wyoming, Claiborne Bldg.

Attendees:

No.	Name	Invited?	Attended?	Comments
1.	Adomako, Afranie	Y	Y	OSRAP
2.	Brewer, Ronald	N	Y	DOTD
3.	Burges, Eric	N	Y	DOTD
4.	Cane, Pat	Y	Y	ERP-GL
5.	Clement, Kirt	Y	Y	DOTD
6.	Demmerly, Kurt	Y	Y	ERP
7.	Faldetta, Sal	Y	N	DOTD
8.	Feinberg, Sam	N	Y	ERP-ER
9.	Fernandez, Paul	Y	Y	ERP
10.	Fong, Yuchi	Y	N	OSRAP
11.	Hanson, Gerrie	N	Y	ERP-ER
12.	Hidalgo, Lucie	N	Y	ERP-FM
13.	Hodges, Beverly	Y	Y	ERP-Finance
14.	Johnson, Patrick	Y	Y	ERP-Controlling
15.	Knight, Wayne	Y	Y	DOL
16.	Lockett, Cathy	Y	N	DSS
17.	Lodge, James	Y	Y	OSRAP
18.	McNary, Linn	Y	Y	ERP-Controlling
19.	Mealie, Monica	Y	Y	DOTD
20.	Peak, Ashley	N	Y	OSRAP
21.	Ramsrud, Mary	Y	Y	ERP-IBM
22.	Reynolds, Jeff	Y	N	DHH
23.	Shockley, Fred	N	Y	ERP
24.	Suarez, Mark	N	Y	ERP-Linear Assets
25.	Sullivan, Cheryl	N	Y	DSS (in place of Cathy Lockett)
26.	Thigpen, Drew	N	Y	ERP-Finance
27.	Tilley, Gloria	Y	Y	OSRAP

<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items & Assignments</i>	<i>Comments / Follow-up</i>
1. Logistics, Ground Rules, & Introduction	Linn McNary	<ul style="list-style-type: none"> None 	
2. Project Timeline	Linn McNary	<ul style="list-style-type: none"> None 	
3. Workshop Objectives	Linn McNary	<ul style="list-style-type: none"> None 	
4. Business Process Review <ul style="list-style-type: none"> As-Is Process Process Improvement Opportunities SAP Glossary SAP concepts & functionality Leading practices Business process flow Enterprise readiness challenges 	Linn McNary Mary Ramsrud	<ul style="list-style-type: none"> See action items & assignments below. 	<p><u>Hard copies provided</u> - As-Is Process (ISIS ORG structure and Dept of Justice example), SAP Glossary, Business Process Flows – Create New Cost Centers and Deactivating Cost Centers</p> <p><u>Leading practices</u> – Have necessary level of detail to meet various reporting requirements, Use standardized numbering scheme, 10 digit field length, Design should accommodate growth.</p> <p><u>State consensus</u> – Use of Leading Practices was confirmed.</p>
5. Action Items		1. BI Team – Research options available for providing budget projection reports. 2. Mark Suarez - DOTD to decide on new terminology to replace “gangs.” 3. OFPC and DOTD – How will Capital Outlay and Cost Centers work? How will Cost Centers fit in Capital Outlay?	
6. Other Items		<p><u>FRICE</u></p> 1. Revise cost center request form. Can it be an on-line web-based form?	
		<p><u>ENTERPRISE READINESS</u></p> 1. How will users handle remembering agency numbers and the 10 digit cost center number? 2. Besides learning SAP, users will need to learn BI for reporting.	
		<p><u>PARKING LOT</u></p> 1. Who will maintain FM Master Data – OSRAP or OPB?	

Discussion:

Linn presented OSRAP's As-Is process for creating new expenditure orgs. Current process starts with the agency completing and sending the org request form to OSRAP. Mary suggested creating an online request form to be filled out by agencies and submitted electronically to OSRAP. Paul mentioned that the Legislature approves a new program before OSRAP approves and sets up.

DOTD explained that its current process for adding new expenditure orgs accounts is similar to the ISIS process. Users of the system send an email to accounting who adds it to the system.

Mary recommended that OSRAP personnel be very involved in upcoming workshops since decisions being made on changes to existing account structures and processes will have great impact on them.

There was discussion on how often orgs are added. Most orgs are set up at the end of the year in preparation for the upcoming fiscal year, but some are set up throughout the year. All orgs roll forward in January (if active) for both ISIS and DOTD. Mary stated that in SAP, don't have to roll forward each year. The cost centers remain active until they are delimited (deactivated). Item put on FRICE list: revise the cost center request form.

Mary asked if there were any issues with the current process. DOTD said that they could use more org. detail. Orgs not used for DOTD Capital Outlay project – just use appropriation unit (3 digits). There are 5 major divisions under each of the 9 districts. Currently, they have problems getting reports for each division.

Funds Center are 10 digits and maintained in FM (Funds Management). SAP uses Fund Centers to report on the budget. The numbering of cost centers will be inherited by the budgetary ledger. Budget can be viewed and controlled at a higher level than Cost Centers and CC's and FC's should balance to each other. For Capital Outlay projects the projects are tracked in PS with WBS elements which are owned by Fund Center's in FM. FM has 6 key dimensions to control the budget.

There was discussion on the numbering of Business Area or ISIS Agency number. SAP allows 4 digits for BA and this number will be the first digits of the cost center number. Mary stated that the Agency number may change and it hasn't been decided whether it will be 3 or 4 digits. She explained that we need to make reporting easier – to group items together logically so all you have to worry about is managing data. There were comments that changing the agency (BA) number will make it harder for users to learn the system.

Mary stated the master data structure should be set at the lowest level needed by all agencies for reporting purposes. We must find a home for all organizational data in the cost center structure. She explained the hierarchy of cost centers and how they are used for reporting and drill down. There was concern about having to enter a 10 digit number all of the time, but it was pointed out that the system is very intuitive, many drop downs are available and favorites can be established.

A numbering convention for Cost Centers was proposed. The number is 10 digits as follows: Business Area (1-4), Program (5-6), AFS Division or DOTD District or Section (7-8), AFS Section or DOTD Gang (9-10). DSS, DHH and DOE use parish numbers within the org number. Much discussion was held on the number of DOTD Districts, Sections and Gangs. There are 9 districts which have 5 major divisions each. And there are multiple gangs reporting to each division.

After much discussion the group agreed on the following number convention for Cost Centers: Business Area (1-3), Program (4-5), AFS Division or DOTD District/Section (6-7), AFS Section or DOTD Division and Gang (8-10).

It was suggested that the term "gangs" be changed to something else. Suggestions were "teams" or "crews". Mark will form an ad-hoc committee to research this.

Notes:

- See graphical representation of number range on page 5 of this document
- Based upon conversations after the meeting, it was determined that further investigation is required to ensure that the DOTD Division and Gang are properly represented. A follow-up meeting with DOTD personnel was held on Monday, August, 11, 2008. Everyone is in agreement with the 10 digit numbering scheme for Cost Centers. DOTD personnel will have further internal meetings to discuss the terminology of Districts, Sections, Divisions and Gangs and to work on the renumbering scheme of their Cost Centers to help the ERP team in mapping over the DOTD structure to SAP.

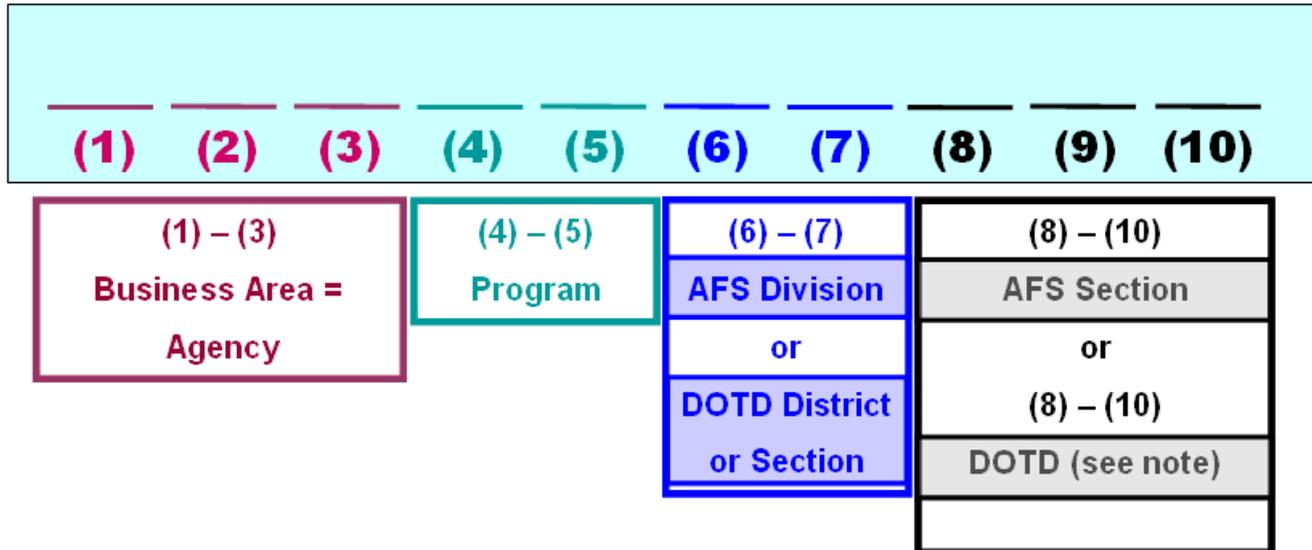
Mary stated that OSRAP will maintain the Cost Centers. Central control of the numbering and approval of the cost centers is needed. OSRAP will decide if agency has requested the right item – do they really need a new cost center or should it really be a general ledger account. For every piece of master data in SAP, a process is needed to manage and maintain it. A process for changing or deactivating a cost center is needed and changes to the corresponding Fund Center will have to be done.

A big decision will be who will maintain the FM master data – OSRAP or the Budget Office (OPB). The standard model is that OPB would maintain it, but this will have to be decided in future FM sessions. At this time OSRAP maintains everything. This is a Parking Lot item.

Other questions about reporting were discussed:

- 1) SAP data is real time. However, the BI (Business Intelligence) Reporting Module sits outside of SAP and is not real time, but is refreshed nightly. Mary noted that some data can be real-time if the system is designed that way.
- 2) Will the budget system let users create a report to project expenses for the remainder of the fiscal year based on what has been spent so far? Mary stated that the system is capable of giving projections, but would be based on equal percentages and not have the cyclical nature of some expenses. This is a possible request for BI.

Cost Centers: State of Louisiana Proposed Numbering Convention



Note:

Based upon a meeting on 8/11/08, DOTD personnel will meet to finalize the mapping of the existing structure to the last 3 digits of the cost center number