The University of Texas at Austin

Workday Independent Verification & Validation (IV&V) Services Project

Deliverable #01: Feasibility Assessment Report

November 21, 2016
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Objective and Scope

The overall objective of Deliverable #01: Feasibility Assessment Report was to assess the feasibility of The University of Texas at Austin’s (UT’s) planned July 10, 2017 Workday (WD) go-live date.

The scope of the assessment activities included attending project-related meetings, conducting project team and stakeholder interviews, and reviewing relevant project documentation to address the following seven project areas:

• Workday Financials Product Readiness
• Financial Data Model (FDM)
• Pending Financial Decisions
• Grants Management (Post Award)
• Human Capital Management (HCM)/Payroll Readiness
• Campus Readiness
• Contingency Plans

This is the initial deliverable of the Workday Independent Verification & Validation (IV&V) Services Project. Decisions made by UT regarding the go-live date will determine the approach and content of the subsequent IV&V deliverables.

This report provides key observations pertaining to the July 10, 2017 go-live date only. The subsequent assessment deliverable, Deliverable #04: Comprehensive IV&V Assessment Report and Recommendations, will build upon this report and provide further detail on the items contained within it. It will also provide a more comprehensive assessment of the program as a whole.
Approach

Our approach included assessing the seven areas following KPMG’s IV&V Methodology, a repeatable process for evaluating in-progress implementation activities to determine effectiveness relative to industry standards. The activities that KPMG performed during the assessment included:

- **Identified Industry Standards:** Our team identified applicable industry standards that should be utilized on the project. These standards helped guide our team in making observations as well as developing the recommendations.

- **Attended Meetings and Conducted Interviews:** During the assessment period, our team attended several project meetings and conducted interviews with key project team members and stakeholders in order to understand the status of the project, associated activities, and areas of risk.

- **Assessed Documentation:** KPMG reviewed plans, processes, gap lists, and other project documentation. KPMG then reviewed these documents against the identified industry standards and applicable elements of the KPMG IV&V Methodology.

- **Compiled Key Observations:** The KPMG team compiled key observations from our analyses to identify areas of risk pertaining to the July 10, 2017 go-live date.
Approach (continued)

• **Developed Recommendations:** Once the analysis was completed, our team developed recommendations regarding the go-live date. Our recommendations were developed with the goal of being achievable and impactful for the overall project and UT.

• **Created Final Report:** Upon completion of each assessment area and recommendations, our team developed the final consolidated report that highlights key findings from across the seven assessed areas, and the corresponding recommendations.
Recommendations

Based on the initial assessment performed, our opinion is that the July 10, 2017 go-live date is not feasible. This is based on the culmination of the current state of the development of the functional areas (particularly in Finance), the current state of the integrations, the number of pending Financial functional area decisions, the current state of user readiness throughout the Enterprise (specifically within the Finance area), and the negative impacts an unsuccessful implementation would have on UT as a whole.

Moving forward, it is recommended that UT consider decoupling the Financial/Grants (FIN) and HCM/Payroll functional workstreams, and implement them in a phased manner rather than pursue the “big bang” implementation approach, which is the current strategy. Specific plans and timelines would need to be developed to determine the specific module implementation dates; however, deploying HCM/Payroll in the Fall of 2017 may be feasible.

A phased, incremental implementation plan would give UT a needed “win,” and show progress for the overall program. In addition, the implementation processes and procedures for the HCM/Payroll could be further honed when the time came to apply them to the FIN implementation.

As the implementation decision process is carried out, there are a number of recommendations that we feel are important to consider when developing the future strategy and associated plans. These include:

- Clearly communicate Executive Leadership’s support of this project and its level of priority for UT. The positive “tone from the top,” and directive is critical for the project to succeed.

- Strengthening business leadership for the FIN portion of the project. This role requires authority to remove obstacles, and solid organization and coordination abilities.

- Fill all open campus business leadership positions (e.g., Director of Procurement, Office of Sponsored Projects Director).
Recommendations

- Include the user community in decision-making; however, appoint a key leader with authority to decide on any impasses between organizations to ensure Workday related processes are as efficient as possible.

- Conduct a complete assessment of the impacts to the timeline for FIN and HCM/Payroll, and determine an appropriate go-live date from the results of that assessment.

- Enhance the overall master project plan for FIN, to include increased granularity of tasks, and highlight interdependencies between workstreams. Maintain the plan and hold regular status meetings with key project resources from each workstream. If dates slip, perform a full impact assessment across functional areas, integrations and data conversion, and adjust all dates/expectations accordingly.

- If FIN is decoupled and realigned, follow the Workday implementation methodology and agree upon entrance and exit criteria for each phase of the project (e.g., reaching a decision on procurement centralization/ decentralization during the initial phase). Agree at the outset to the impacts to go-live if key exit criteria are not met on time. Assess progress at the end of each phase.

- Enhance the Security workstream with regular meetings of the functional area and integrations leads to determine security requirements, design, integration, and testing over the life of the project.

- Dedicate resources from all user areas to the overall project, including specific workstreams where there are gaps, to provide adequate and balanced support for design, testing, and knowledge transfer. Devise strategies to backfill for these resources to ensure that they are able to apply adequate time to the project.
Recommendations (continued)

- Assess Current Governance structures and processes to align with current leadership direction, and to help ensure the proper stakeholders are involved at the right levels of decision making. As a result, establish/enhance and adhere to a formal Governance process for decision-making (business case/data gathering, authority/approvers, timing, communication), resulting in more effective decision making. Continue to document and publish all decisions.

- Continue to leverage the implementation strategies and lessons learned from other institutions that are addressing challenges similar to UT.

- Perform the planned regression testing for new and updated configurations, and include test scenarios based on updates in WD27 and WD28. Allow enough time for three full parallel payroll tests (9 weeks of testing in a separate tenant), and a full parallel test for Grants. Dedicate resources to perform User Acceptance Testing, and encourage them to bring examples of their own work to use as test cases.

- Continue to conduct sustainment working sessions to understand and plan for changing processes, changing roles, resource needs, staffing requirements, budget implications, etc. Include relevant and impacted stakeholder groups in sessions.

Considering these recommendations will help in the go-live decision making process, as they address both the systematic/technical as well as the campus readiness aspects of the project; aspects that are both equally critical.
Assessment Dashboard
Assessment Dashboard

The Project Dashboards presented on the following slides provide a view of the status for each of the selected areas assessed, as they pertain to the July 10, 2017 go-live date. Our team used KPMG standard IV&V methodologies and the rating scale below when assessing each area.

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<thead>
<tr>
<th>Status</th>
<th>Description</th>
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<tbody>
<tr>
<td>Green</td>
<td>The processes associated with this component areas are on-time and meeting all project objectives.</td>
</tr>
<tr>
<td>Yellow</td>
<td>The processes associated with this component area are, in part, not meeting the project schedule and/or not meeting project objectives. Yellow status assumes there are viable mitigation strategies that can bring the processes associated with this component back in line.</td>
</tr>
<tr>
<td>Amber</td>
<td>The processes associated with this component area are at risk. There are key blocking issues to meeting the project schedule and meeting project objectives. These issues must be addressed in order to prevent schedule delays or missed project objectives.</td>
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<tr>
<td>Red</td>
<td>The process associated with this component area are at high risk and must be addressed as soon as possible. There are key blocking issues that have yet to be addressed. The project is not meeting the schedule and very few project objectives are being met. Red status assumes there are no viable mitigation strategies, or the ones in place are not resulting in expected benefits.</td>
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<tr>
<td>Assessment Area</td>
<td>Status</td>
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| Workday Financials        | Red    | • Grants functionality is not available yet to sufficiently meet UT’s needs.  
• Other product gaps pertaining to Budgets have cumbersome or no viable workarounds at this time.  
• Key decisions around procurement remain unanswered; this has prevented the design of related business processes.  
• The integrations progress has stalled, as functional design remains incomplete.  
• The FDM remains incomplete, which impacts Spend and Revenue-related processes, as well as account posting rules configuration.  
• Key leadership roles remain unfilled including the AVP for Procurement, and the Director of Sponsored Projects.  
• Banking and Settlements is currently lagging against the plan due to a lack of consulting expertise.  
• Other FIN-related observations:  
  • The master project plan needs to be enhanced to guide the project as a whole – this applies to all modules.  
  • FIN business leadership from both UT and Workday needs to be strengthened.  
  • Communication within the team and among the functional areas has been reported as poor.  
  • The-Security workstream appears not to be following the WD methodology and is currently not functioning as a cohesive workstream with comprehensive, coordinated input from all functional areas and integrations. |
## Assessment Dashboard

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<th>Key Observations</th>
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| Financial Data Model (FDM) | Amber | • For the majority of the FDM dimensions, the dimension use and values have been identified.  
• There is difficulty in defining values for programs and projects; over the course of the implementation, there have been various changes on how these will be used.  
• Each college has been tasked with defining these values by 12/19/16) – only 15% is complete with this task. There may be confusion on this date.  
• Issues related to completing this before the holidays include:  
  o Today, each college defines their activities and determines criteria for how the activity will be used, so there is no clear way to determine if something should be a project or program in Workday  
  o It was reported that there is limited understanding, time, and resources available.  
  o There is a lack of who will drive the criteria for differentiating a program versus a project.  
  o This will Impact GL data conversion, integration design, and testing.  
• There is a lack of decision makers. The project team manage the design and efforts of the FDM, and the Colleges determine the values for the FDM dimensions. The Colleges prefer to hear clarity on how projects/programs will be used from the Chief Financial Officer (CFO) and Provost. The CFO and Provost will not make decisions unless they hear from the colleges – causing a cyclical pattern.  
• Reporting requirements from the Provost’s office remain incomplete.  
• The VP of Procurement role remains unfilled.  
• There are 12 Custom Worktags and 9 Custom Organizations identified. This is close to the limit allotted in Workday (15), and will need to be reviewed for necessity, and the final Worktags agreed upon with an understanding of the limitations and consequences of using so many. |
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| Pending Financial Decisions     | Amber  | • A list of pending financial discussions related to business assets, PO receiving, procurement, expenses, and invoice payments was provided to the KPMG team for review. Decisions regarding these areas will have significant impact on the configuration of the system.   
• Workgroups are in place to resolve pending financial decisions; however, resolutions are needed imminently in order to move forward with configuring Workday to address the UT’s needs. |
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| **Grants Management (Post Award)** | Amber  | • The UT Subject Matter Experts (SMEs) believe that Workday Grants functionality is insufficient to meet UT’s needs at this time.  
• Workday did not deliver UT’s expected functionality in WD27. Workday plans to deliver between WD27 and WD28, or in WD28, so UT SME’s are hesitant to plan around this commitment.  
• Processing time required in Workday’s current state is anticipated to increase beyond UT’s acceptable tolerance.  
• The Director of Sponsored Projects role remains unfilled.  
• It was reported that the Interim Director can only allot 5% of their time to the project, where it requires at least 50% dedication (75% is considered to be optimal for a project of this magnitude).  
• It was reported that the overall project direction and plan is unclear.  
• The current timeline does not contemplate adequate testing time nor does it include a parallel test for Grants.  
• There are resource bandwidth concerns for the data conversion team to balance the requirements of all areas of the project.  
• The conversion approach must be thoroughly tested; it requires adequate time and resources. |
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<tr>
<td>HCM/Payroll Readiness</td>
<td>Yellow</td>
<td>• The HCM Stakeholders are concerned about a July 2017 HCM go-live due to the August semester start period and the many transactions that occur across faculty and students during this time frame.</td>
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<td>• Changes to HCM configuration and new design configurations have not been tested since testing was last completed. Further testing is in the project plan; however, this should be expanded and validated with the functional areas for comprehensiveness.</td>
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<td>• It was reported that not all HR business resources from CPU were included as UAT tester roles – some resources did participate, while others participated as “observers”.</td>
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<td>• There is a lack of HR business resources dedicated to the ASMP project from Academics to support the workstreams through the various implementation phases.</td>
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<td>• A formal decision making process and decision makers have not been established and followed, resulting in assumptions that decisions have been made and at times requiring re-reviewing decisions.</td>
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<td>• HR CPUs are lacking the information required to plan for sustainment, including process variances (e.g., manual workarounds, audits/reports), changing roles, resource needs for ASMP past go live, and staffing up CPU.</td>
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<td>• Payroll Stakeholders have concerns on the July 2017 go-live date due to the fact that none of the Payroll Integrations have been tested in a Payroll cycle (End-to-End).</td>
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<td>• The Payroll Department requires Custom Audit reports for go-live, however have not seen any custom audit reports from the Reporting Team, and were therefore unable to test them in previous test cycles.</td>
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<td>• Payroll has concern with Benefits not being finished with configuration of eligibility rules and testing of this configuration which impacts workers’ payroll checks; this should be tested within a Parallel Test cycle.</td>
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<td>Assessment Area</td>
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<tr>
<td>Campus Readiness</td>
<td>Red</td>
<td>• There is a lack of role clarity for Enterprise Readiness support regarding organizational alignment (which is currently being rolled out).</td>
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<td>• There is a lack of understanding of organizational alignment, training plans, and timelines as related to campus stakeholders across UT.</td>
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<td>• The integrated work plan outlining detailed tasks and dependencies that impact the user community has been created, however has not yet been rolled-out.</td>
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<td>• Despite frequent communications between the project team and the business users, it has been reported that there is a lack of confidence that Workday can address important processes.</td>
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<td>• Business users feel that the project team is not listening to their concerns and their pushback is disregarded.</td>
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<td>• Business users have received conflicting messages – Workday was to make them more efficient and save positions; however, there is a sense that more staff with higher qualifications will be needed to process day-to-day work through Workday.</td>
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<td>• It was reported that due to resource constraints, the business units are operating at “bare-bone” levels, and do not have the budget to meet the Workday personnel demands.</td>
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<td>• It was reported that lack of prioritization around competing initiatives inside and outside of Workday conflict with time demands of the project.</td>
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<td>• It is felt that project staff does not understand financial processes in an academic unit environment, and often decisions are made based on erroneous assumptions.</td>
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<td>• Critical functionality gaps will create problems for business users, who are ultimately responsible for potential departmental failures after go-live.</td>
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**Assessment Dashboard**

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<tbody>
<tr>
<td>Contingency Plans</td>
<td>N/A</td>
<td>• The project team has created multiple high-level plan/timeline versions for various scenarios for moving forward. These were not reviewed during the assessment period, as the July go/no-go decision will drive those plans. These plans will be discussed and assessed as part of the Comprehensive IV&amp;V Assessment deliverable in Phase 2.</td>
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Meetings Attended and Interviews Conducted
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Meetings Attended

- Initial Meeting with Project Leadership, November 2, 2016
- Initial Enterprise Resource Planning (ERP) Overview Meeting with ERP Implementation Director, November 2, 2016
- Initial Meeting with Chief Information Officer, November 3, 2016
- Workday Context Overview Meeting with ERP Implementation Director, November 3, 2016
- Initial Meeting with ASMP Associate Vice President, November 8, 2016
- Initial Meeting with Enterprise Readiness Director, November 8, 2016
- Meeting with UT Austin President and CFO, November 10, 2016
- ASMP All-Hands Meeting, November 18, 2016
Meetings Attended and Interviews Conducted

Interviews Conducted

- TxAdmin Group, November 8, 2016
- Academic Business Officers Group (TxAdmin), November 9, 2016
- Benefits ASMP Lead, November 9, 2016
- Benefits Director, November 9, 2016
- HCM/Payroll ASMP Lead, November 9, 2016
- HR Director, November 9, 2016
- HCM/Recruiting ASMP Lead, November 9, 2016
- Academics Personnel Lead, November 9, 2016
- Grants Lead and Team, November 10, 2016
- Academic Affairs Director, November 14, 2016
- Integrations Lead (HCM/FIN), November 14, 2016
- Testing Lead (HCM/FIN), November 14, 2016
Meetings Attended and Interviews Conducted

Interviews Conducted (continued)

• HR Director and Benefits Director, November 14, 2016
• Enterprise Readiness Lead ASMP, November 14, 2016
• HCM Change Management Lead ASMP, November 14, 2016
• FIN Change Management Lead ASMP, November 14, 2016
• Communications Lead ASMP, November 14, 2016
• Organizational Alignment Lead ASMP, November 14, 2016
• Training Lead ASMP, November 14, 2016
• Integrations Lead (HCM/FIN), November 14, 2016
• Data Conversion Lead, November 15, 2016
• Spend Lead, November 15, 2016
• WD FDM Lead, November 15, 2016
Meetings Attended and Interviews Conducted

Interviews Conducted (continued)

- Budget Lead, November 15, 2016
- Customer Accounts Lead, November 15, 2016
- OFA Lead, November 15, 2016
- Financial Accounting Lead, November 15, 2016
- Processing/Business Operations, Accounting Lead, November 15, 2016
- Processing/Business Operations, Cash Management Lead, November 15, 2016
- Processing/Business Operations, HR, November 15, 2016
- Processing/Business Operations, Payroll Lead, November 15, 2016
- Processing/Business Operations, Purchasing Lead, November 15, 2016
- Security Lead, November 15, 2016
- Project Management Office (PMO) Lead, November 17, 2016
- Data Management Lead and Application Modernization Lead, November 18, 2016
Documentation Reviewed

- ASMP Communications Plan
- ASMP Communications Strategy
- ASMP Content Strategy
- ASMP Program Overview (Roadshow presentation)
- Change Impact Analysis
- Critical Gaps
- Financial Business Decisions Workgroup
- HCM Open Decisions and Issues
- HCM Workshop Overviews
- Integration Inventory – Finance
- Integration Inventory – HCM
- Issues Log
Documentation Reviewed (continued)

- Issues with Workday
- Master ASMP Workday Go Live Gantt Chart
- Project Organization
- Readiness Coordinator Presentations
- TXAdmin Key Points Regarding Workday
- UT Austin Critical Gaps as of November 2016
The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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