March 2024

Board Meeting – Committee of the Whole

NextGen Update | HCM/Finance

Imagine the Possibilities

MINNESOTA STATE

NextGen Guiding Principles

The NextGen Guiding Principles were established when the initiative kicked off and will be used to drive decision making as well as leadership alignment communications and activities.

Seamless Experience for Students

Enhancing the student experience is foundational to providing extraordinary education in Minnesota. This includes a seamless experience for students across the Minnesota State system, regardless of the Minnesota State institution attended.

Student Outreach

Deliver targeted outreach and engagement throughout the student lifecycle. Enable interactions across channels and devices (including mobile devices).

Data and analytics

Create an integrated environment for data sharing. Improve the flow of information and access to business operations system-wide. Improve decision making. Provide a mechanism for capturing data comprehensively across the Minnesota State. Reduce the amount of redundant data across the Minnesota State system.

Full Integration of "non-core" and third-party solutions

To provide the best overall experience, all ERP and ancillary technology solutions must be fully integrated and adequately supported.

Maintain Competitiveness

To provide Minnesota with the highest value and most affordable higher education option, Minnesota State must remain competitive with other educational entities within and outside the state, including private and primarily online institutions.

System-wide processes and procedures

To both establish and maintain a consistent user experience, and to leverage cloud-based SaaS technology solutions effectively, future-state processes will need to be defined or redefined consistently across the system. This may also include the definition or refinement of policies and practices that assure efficient and consistent process are adopted system-wide.

System-wide software consistency

The number and type of technology solutions must be streamlined; duplicative solutions must be minimized or eliminated; and clear, effective governance must be established around the introduction, integration, and maintenance of third party and "non-core" solutions.

Security

Implement a stable, maintainable, secure, and intuitive suite of applications.

NextGen Guiding Principles - Vision

We selected 10 Guiding Principles to help drive project implementation decisions.

1. **Start with leading practices**
Set of structured activities designed to fill gaps or address needs in service delivery, and to produce innovative knowledge and tools.

2. **Challenge the status quo**
We are not rebuilding a replica of ISRS!

3. **Design solutions for the end user**

4. **Minimize manual processes**

5. **Simplify when possible**

6. **Operate as a system**

7. **Work collaboratively and transparently**

8. **Communicate frequently**

9. **Engage institutions early and often**

10. **Maintain a single system of record**

4 months to Go-Live!

March 2024

Office of Internal Auditing

Internal Audit NextGen Activity

Project Risk Review 11

Analysis as of February 16, 2024

Project Risk Area Trend Analysis – Summary

Overall project risk remains serious

- Project management and organizational change management (OCM) risk areas have improved
- Critical blockers remain (see below)

Critical blockers still pose serious risk to the planned go-live

- Successful testing of payroll reconciliation and cost accounting
- Companion projects at the colleges and universities still in progress
- Sustainment plans finalization and implementation still in progress

Note: Summary is based on the information available to Internal Audit and analyzed as of February 16, 2024.

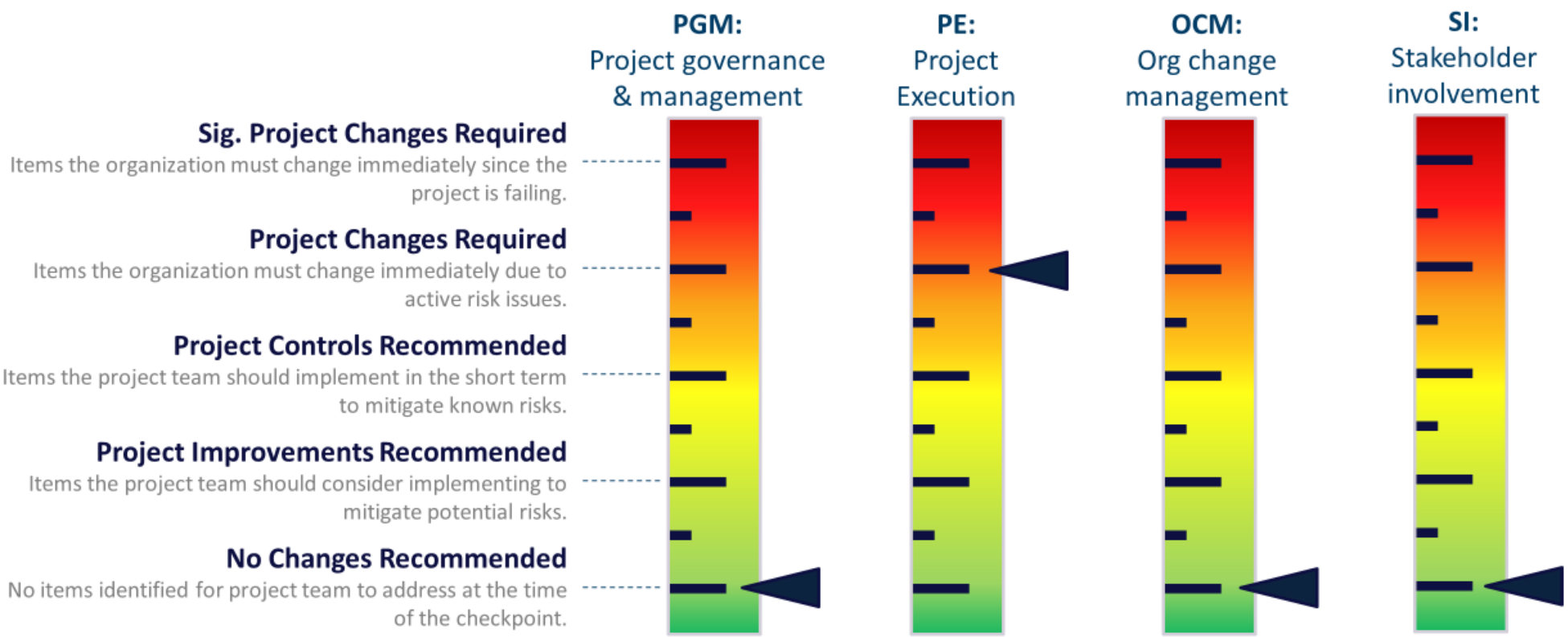
NextGen PRR Checkpoint 11 – Conclusion

- Continued testing of Workday for finance and human resources, including payroll, integrations, reporting, and companion projects
- Overall risk of not achieving success is “Serious” due to active risks and issues, amplified by the blockers related to payroll reconciliations and testing that must be resolved to meet the July 2024 go-live

Note: Conclusion is based on the information available to Internal Audit and analyzed as of February 16, 2024.

Stable: Not likely to have adverse effect | Elevated: Likely to have limited adverse effect, requiring minimal time and resources
Serious: Very likely to have severe adverse effect, requiring substantial time and resources | Significant: Will have profound adverse effect, requiring significant time and resources

NextGen PRR Checkpoint 11 Results – New Recommendations



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NextGen PRR Checkpoint 11 – Recommendations

Define explicit activities and criteria for in-progress:

- Testing and payroll dress rehearsal
- Go/no-go decision and deployment

Finalize in-progress prior recommendations:

- Sustainment plans
- Companion projects
- Institutional responsibilities guide rollout
- Hiring of training manager

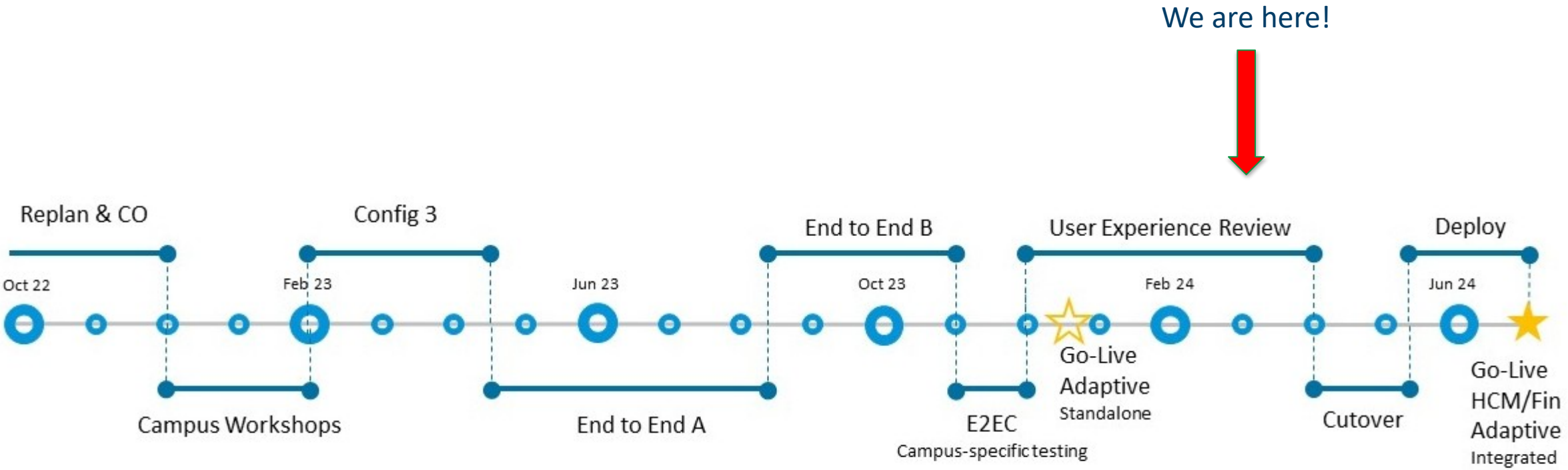
NextGen PRR – Prior Recommendation Tracker

Summary of recommendations made prior to this checkpoint, new recommendations from this checkpoint are not included in these totals.

PRR Process Area	Prior Recommendations			
	Resolved	In progress	Unresolved	Total
Project governance and management [PGM]	15	1	0	16
Project Execution [PE]	5	2	0	7
Organizational change management [OCM]	9	2	0	11
Stakeholder involvement [SI]	4	1	0	5
Totals	33	6	0	39

July 2024 Timeline

Key activities and milestones to successfully go-live in **July 2024**.



***Adaptive Planning Module**

Suite of budget and planning tools that offer new capabilities in financial forecasting, reporting, and analysis to support decision making

NextGen HCM/Fin

as of 3/12/2024

Project Wide Status

Project Status	Overall Trending	Overall Scope	Overall Resources	Overall Schedule
🟡	→	🟢	🟢	🟡

Status by Workstream

Workstream	Overall Status	Trending	Scope	Resources	Schedule
PMO	🟡	→	🟡	🟡	🟡
HCM	🟡	→	🟢	🟢	🟡
Finance	🟡	→	🟢	🟡	🔴
Adaptive	🟢	→	🟢	🟢	🟢
Conversion	🟢	→	🟢	🟢	🟢
Extend	🟢	→	🟢	🟢	🟢
Integrations	🟡	→	🟡	🟢	🟡
PRISM	🟡	→	🟡	🟢	🟡
Enterprise Reporting	🟢	→	🟢	🟡	🟢
Comms	🟢	→	🟢	🟢	🟢
Change Readiness	🟢	→	🟢	🟢	🟢
Training	🟢	→	🟡	🟡	🟢
UER	🟢	→	🟢	🟢	🟢
Testing	🔴	→	🟢	🟡	🔴
Sustain - Governance	🟢	↑	🟢	🟢	🟡
Sustain - Op. Change / Release Man.	🟡	↑	🟢	🟡	🟡
Sustain - Support/Incident Man.	🟡	→	🟢	🟡	🟡
Sustain - OCM	🟢	↑	🟢	🟢	🟡
Sustain - Request Man.	🟡	↑	🟢	🟢	🟡
Security	🟢	→	🟢	🟡	🟢
CP - 3rd Party/API	🟡	↑	🟡	🟢	🟡
CP - Workday	🟡	↑	🟢	🟢	🟡
CP - NGDS	🟡	↑	🟢	🟢	🟡
Inst. Reporting	🟡	↑	🟡	🟢	🟢
Cutover Planning	🟡	→	🟡	🟡	🟡

*Currently progressing to an on-time July 2024 go-live.

NextGen - Adaptive Planning is Live!

Phase One of Workday Adaptive Planning for Finance now live!

- Adaptive is a Workday budgeting, planning, and reporting tool
- First go-live in our NextGen journey
- Next go-live is Workday Human Capital Management (HCM) and Finance Platform
- A Phase 2 Adaptive Go Live will take place in July '24 and will connect Adaptive to the HCM/Finance platform

NextGen HCM/Fin – Sustainment

- Processes and procedures for after go live underway

- People and Positions
  - 65 total
  - 35 net new
  - Hiring in 2 Phases

- Phase 1 positions are moving forward in posting groups
    - 19 positions total in phase 1
    - 8 prioritized and moving forward currently
    - Assessments will occur to measure staffing levels

NextGen HCM/Fin – Sustainment Staffing Budget

- FY 2024 -System Office Fund Balance - $1,068,715
- FY 2025 -System Office Fund Balance - $4,640,000
- FY 2026 and moving forward
  - $6 million shared System Office & Colleges/Universities
    - C/U Share using NextGen Distribution Model $4,800,000
    - System Office share $1,200,000

NextGen HCM/Fin – Testing

- End-to-End Testing – *Complete*
- Companion Project Testing – *Underway*
- User Experience Review March 18th - April 5th – *on time*
- Institution Check Printing – *Underway*
- Payroll compare – *Complete*
- *Payroll Dress Rehearsal* with MMB – April ’24

NextGen HCM/Fin – Reporting

- Continue to fill open positions
- Reports requested finalizing and on track to compete as planned
- New institution reporting strategy has helped move tasks forward

NextGen HCM/Fin – Companion Projects

- Campus 3rd party business processes/technology
- Delayed testing start due to resource constraints
- Testing underway
  - Campus testing business processes moving to Workday (Jan-March)
  - Extended Testing (Jan-May)
  - Verify institutions have data to continue local business processes

NextGen – Overall Project Budget

NextGen Budget March 1, 2024	May 2023 BOT Approved Budget	Current Budget	Expenditures	Encumbrance	Balance	% Spent/ Encumbered of Current Budget
HCM/Finance	$100,400,000	100,400,000	68,170,433	13,287,728	$ 18,941,839	81.1%
Student	101,100,000	101,100,000	233,366	79,013	$100,787,621	0.3%
Overall Project Support	41,200,000	41,200,000	16,753,315	1,276,944	$ 23,169,741	43.8%
Totals	$242,700,000	$ 242,700,000	$85,157,114	$ 14,643,685	$ 142,899,201	41.1%

NextGen HCM/Fin – Change Management (OCM)

- Team continues to hone outreach and engagement
- Updated townhalls
- Campus focused timelines
- New Institutional Responsibility Guide
- Biggest direct engagement with users is **Training**, begins April

NextGen - Student Planning

- Engagement with existing communities of practice (i.e. registrars)
- Wrapping up companion project pilots and current state documents
- Reviewing equity considerations identified through current state review
- Drafting governance and staffing models
- Statement of Work (SOW) conversations beginning
- Workday Student Week - Registration exceeded 1200

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