Dynamic operating capability for government agency

CUSTOMER
Australian State Government Agency

LOCATION
Australia

INDUSTRY
Public Sector

Challenge

- Growing operations becoming increasingly complex
- Legacy system nearing end of life
- Need to simplify business processes and provide data analysis capability to meet financial reporting obligations

Solution

- Microsoft Dynamics 365 Finance and Operations
- Implementation services

Results

- Streamlined IT infrastructure, faster workflow processing, better data analysis
- Highly intuitive, user-friendly system; improved cost efficiencies
- Integrated functionality spanning general ledger, accounts receivable, accounts payable, fixed assets and bank reconciliation

Dynamic operating capability for government agency

This Australian government agency supports the financial interests of the state through investment management, financial management, solutions and advice. It delivers financial efficiencies that enable government departments to achieve their broader business objectives.

"The need to replace the general ledger allowed us to fully assess our options and ensure we set ourselves up to meet the long-term needs and goals of the organisation."

— Spokesperson from the agency's financial planning and analysis team

Business challenge

With operations growing and becoming increasingly complex, combined with the organisation's legacy JD Edwards general ledger (GL) nearing end of life, the government agency recognised it needed a modern, integrated enterprise resource planning (ERP) system to simplify its day-to-day business processes, and a data analysis capability to meet its financial reporting obligations.

A spokesperson from the agency's financial planning and analysis (FP&A) team said, "We operated in an older paradigm with bolt-on applications that enabled staff to execute tactical processes, such as accounts payable, reporting and monitoring. These disparate applications required constant updating, and we had to retain in-house expertise as they were all on different platforms. We knew there was a simpler, more cost-effective way of executing our core processes."

The decision was made to go to market for a replacement system. "The need to replace the GL allowed us to fully assess our options and ensure we set ourselves up to meet the long-term needs and goals of the organisation," says the agency FP&A spokesperson.

Solution

The agency undertook broad consultation before preparing a business case.

"We talked with our IT team, who recommended Microsoft as it was integral to the organisation's long-term strategy. We also consulted Gartner for information about market-leading ERPs."

Having selected Microsoft Dynamics 365 Finance and Operations to modernise their financial processes, the agency went to market to find an implementation partner.

"DXC Technology came highly recommended from our internal IT team and other government agencies."

— Spokesperson from the agency's financial planning and analysis team

"DXC Technology came highly recommended from our internal IT team and other government agencies," says the agency FP&A spokesperson.

A leading Microsoft Partner, the DXC Practice for Microsoft specialise in new implementations and upgrades to cloud-based industry-specific solutions powered by Microsoft Dynamics 365.

The FP&A spokesperson continued, "In the Microsoft demonstration we staged, we saw that the solution was highly intuitive and had integrated functionality, spanning GL, accounts receivable, accounts payable, fixed assets and bank reconciliation."

This contrasted starkly with the agency's existing accounting software environment, which consisted of the legacy JD Edwards ledger and several third-party products. But as the agency spokesperson explains, the apps didn't talk to each other, and the cost of ownership from maintenance and ongoing support was becoming prohibitive.

From a technology strategy standpoint, choosing Microsoft made sense for the agency. It had a stated aim of moving its IT infrastructure to the cloud, which made the native cloud-based Dynamics 365 solution particularly attractive.

"In addition to that, the Microsoft user experience was something our workforce was already familiar with," says the agency FP&A spokesperson. "The added advantage was that Dynamics 365, if needed, can integrate with our existing Microsoft CRM and Power BI software technologies in the future."

Implementation

Undertaken during the COVID lockdown period, the FP&A spokesperson describes the implementation as a challenging but rewarding journey.

"All the planning, workshops, and day-to-day interactions between our staff and DXC, together with product training, were done remotely. We set up a group chat facility using Microsoft Teams, and everyone just got on with the job. DXC's responsiveness was second-to-none."

He says that migrating data from the legacy system to Dynamics 365 was another major challenge. Following guidance from DXC, the agency decided to take two years' worth of data into the core system and archived the remaining information into a separate database.

"Getting the old data into the right format to be accepted by the new solution was one of the trickiest aspects of the implementation. To overcome that obstacle, we had one of our in-house developers build a tool that extracted the data from JD Edwards and converted it automatically into a format ready for uploading into the Dynamics FinOps system. It also took data from fields not within the GL but were necessary to add for data integrity in the new system."

The FP&A spokesperson says the tool saved a significant amount of time. "It was still a time-consuming task, but it could have been a lot worse, and the decision to only take two years of data has proven accurate. We haven't needed to access the archived data to date."

In terms of functionality, the agency now has a much more user-friendly system capable of executing all its core accounting and administrative processes.

"The implementation was finished on time, allowing us to run the final month of the agency's year-end parallel across both systems—a soft go-live approach completed without incident."

The government agency adopted an 'out-of-the-box' methodology for onboarding its core business processes.

"We decided deliberately to match our processes to how the software worked," says the FP&A spokesperson. "We didn't want to carry out any customisations, so we amended our processes to adhere to the software where necessary. That was a critical success factor.

"Deploying a dedicated subject matter expert to focus solely on the project was another defining feature of the implementation," says the FP&A spokesperson.

"We dedicated one of our finance team members completely to the project. They acted as a liaison between all team members and were on hand to translate technical information into layman's terms, when necessary. They were a very valuable conduit, which ensured the project ran smoothly."

Results and benefits

With the system fully embedded, the agency spokesperson explains that many benefits, including improved cost efficiencies, are becoming apparent.

"Instead of having a multitude of systems, we now have only one vendor and one system to support, making things a lot easier and less costly from an ongoing resourcing perspective. Moving to the cloud has also had positive cost implications."

In terms of functionality, the agency now has a much more user-friendly system capable of executing all its core accounting and administrative processes.

"We can do much more within the system, particularly data analysis. Where previously we had to extract data and map it to additional components, that is now all maintained within the FinOps system itself. We no longer have to manage a plethora of spreadsheets."

The FinOps solution interfaces with the agency's management system, negating the need to obtain data manually and map it together.

"We can extract data, drill down, slice, and dice it to suit our needs," says the FP&A spokesperson. "For example, if we need a granular analysis of costs, we can access the data in a flash using FinOps. Our reporting to stakeholders is easier to execute, and we can be even more responsive to our regulatory obligations."

The new Dynamics 365 solution has automated messaging and workflows with built-in delegation limits. As a result, posting, reviewing, and approving journals has become much more intuitive.

Says the FP&A spokesperson: "The proof is in the pudding. In the past, gathering data across our disparate systems was time-consuming. The whole process was clunky. But now, all the information we need lives within FinOps. We no longer rely on institutional knowledge; the data is available to anyone in the finance team who needs it. Our search and discovery processes are much more accurate and streamlined."

DXC's detailed planning and technical execution provided the backbone for a textbook implementation of the cloud-based Microsoft Dynamics 365 Finance and Operations solution.

The FP&A spokesperson concluded, "We had a great partnership with DXC. They undertook comprehensive workshops to understand how we operated and to establish our requirements in detail. And, they supplied resources that were knowledgeable and dedicated."

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