

# Commonwealth of Kentucky streamlines administration and reduces costs

**T**he Commonwealth of Kentucky's Finance and Administration cabinet (FAC) mission is to serve the administrative needs of the rest of state government.

FAC's core mission is to aid agencies in delivering better services and performing their duties on behalf of the general public.

## The challenge

The Kentucky Finance and Administration Cabinet sought a best-in-class enterprise resource planning (ERP) solution to help the agency streamline and reduce the cost of administrative processes, increase support for administrative workers and managers and improve service to internal and external stakeholders.

## The solution

Kentucky chose CGI for its extensive public sector financial management expertise and built-for-government solution. CGI assisted in achieving the objectives of the Commonwealth's comprehensive re-engineering effort, EMPOWER Kentucky.

## Reducing complexity and risk

CGI accelerated the transition of Kentucky's legacy STARS financial management system to CGI Advantage with built-in financial management best practices, standards, enhancements and modifications. Additional accelerators included chart of accounts, configurations, vendor set-up, forms, reports, project documentation and other built-for-government best practices.

The implementation also was facilitated by CGI's deep understanding of stakeholders, the public sector domain and Kentucky-specific operations. CGI minimized risk with a phased implementation approach to validate assumptions and instill confidence across all stakeholder levels. The result was a smooth cutover. CGI further protected Kentucky's investment with a clear product roadmap and by engaging the Commonwealth as a design partner to incorporate all Kentucky modifications into the CGI Advantage baseline.

## Managing organizational change

CGI understood that the success of Kentucky's implementation, ongoing agency operations and realization of transformation benefits were all dependent upon how each organization prepared for and handled the changes. CGI worked upfront with affected management structures and other stakeholders to gain informed consent and ensure all needs were met. CGI also ensured that the project team and agencies had specific roles and responsibilities to balance workload, skills and risk. For the end users, CGI confirmed that all stakeholders

## CASE STUDY

**Commonwealth of Kentucky  
Finance and Administration Cabinet**  
Frankfort, Kentucky

**Online:**

<http://finance.ky.gov/>

**Industry:**

Government

*"CGI has been a long-term partner of ours, and once again has worked with us to deliver a complex, statewide system on schedule and on budget. The relationship we have with them enables us to work closely with a partner that understands our business and who is able to provide a system that meets our unique needs."*

**Ed Ross, Controller, Commonwealth of  
Kentucky**

Kentucky was the only state in the nation to receive an "A" for openness in government spending in the U.S. Public Interest Research Group's report released April 13, 2010: *FOLLOWING THE MONEY: How the 50 States Rate in Providing Online Access to Government Spending Data*. The data behind Kentucky's transparency site comes directly from CGI Advantage.

were adequately prepared to use the system through training, documentation, user-friendly software and adequate on-line help.

CGI worked to lessen the impact of changes as much as possible through proven and robust organizational change management and implementation methodologies designed for large, complex public sector financial management IT projects..

### **A long-standing and evolutionary partnership**

Since 1998, CGI has played an integral role in helping Kentucky achieve its goals. As part of the EMPOWER Kentucky transformation initiative, CGI transitioned the Commonwealth's legacy STARS financial management system to its Management Administrative Reporting System (MARS) using CGI's built-for government ERP solution, CGI Advantage. CGI also provided strategic planning, change management, business design and training services along with software development, data warehousing and reporting.

MARS encompasses enterprise-wide, comprehensive financial and materials management for all Commonwealth institutions. It became the primary vehicle for administrative data entry, processing and reporting for all branches of government and for all Cabinets within the Executive Branch.

CGI worked closely with the client to baseline functionality (such as cash control and high-volume check writing) into CGI Advantage, fill other gaps prior to conversion and ensure a seamless interface with other systems.

The partnership with CGI continued with Kentucky's participation as a design partner for CGI's next-generation CGI Advantage ERP solution. CGI worked with Kentucky to incorporate functionality and customization implemented in MARS into CGI Advantage.

In 2006, CGI helped Kentucky upgrade MARS to the Web-based eMARS integrated information system based on open standards built on a SOA platform. eMARS provides the Commonwealth with a single, state-of-the-art integrated financial, procurement, budgeting and data warehouse solution with essentially no customizations and a clear upgrade path.

Since the initial deployment, CGI has worked closely with the Commonwealth to ensure eMARS continues to provide leading functionality, technology and innovation. For example:

- Keeping the software up-to-date with new CGI software releases. These upgrades also allow the state to deploy new features and functions of the product.
- Expanding the use of eMARS infoAdvantage to become an enterprise data warehouse providing enterprise intelligence across multiple state systems.
- Implementing supplier catalog punch-out features to streamline procurement.

### **The results**

Kentucky's best practices ERP solution significantly reduces implementation time, costs and risk to save millions for state agencies.

Additional benefits include:

- Automated approvals, streamlined business processes and improved data and reporting for over 5,500 end users across 180 state agencies
- Automated fiscal year appropriations and project and grant budgets to prevent overspending
- Improved processes for procurement and payables averaging more than 3,000 online solicitations and nearly 10 million payments totaling over US\$18B each year
- Direct requisition from negotiated supplier contracts for frequently purchased commodities
- High user-adoption rate
- Enhanced financial transparency and reporting
- Improved usability aligned to government financial management practices
- Flexibility to quickly adapt to government accounting, budgeting and procurement policies
- Greater insight into financial performance.