

Virginia Housing Development Authority Change Train Express (CTE) Initiative

“Through effective planning and communication, this initiative has transformed VHDA into an organization even better equipped to address the challenges of a changing environment.”

Art Bowen, Project Executive Conductor & VHDA Managing Director - Finance

Brief Description

The environment in which businesses operate is constantly changing. This is especially true for those businesses operating in today's volatile housing industry. VHDA's Change Train Express Initiative was developed to be a structured, coordinated, authority-wide approach to developing and implementing an Enterprise Resource Planning (ERP) process that promotes the effective interface between the Authority's finance, accounting, procurement and human capital information systems. The change train theme enabled effective communication of this multi-element effort with VHDA management and associates.

ERP uses computer technology to enable better data management, associate self service, and business reporting. It addresses many of the tasks that are completed manually in day-to-day work, or by using multiple systems or spreadsheets. ERP automates the requisition process for goods and services, and enables online budgeting by replacing Excel workbooks. Additionally, the majority of accounting activities are integrated into one system. VHDA users can now access information from one resource to complete multiple tasks.

Organization, communication, and training were three important elements of the Change Train Express Initiative. The organization of the effort was critical and relied on an effective Project Management Office (PMO) and processes which were augmented by a number of special teams comprised of representatives from the impacted departments as well as subject matter experts from the support departments. The ERP Program Team routinely conducted recognition and program progress review sessions with many of the program's participants. Examples of such sessions included an overview of *Change Management* and how organizations can best position themselves to understand, plan for, and accept change. Change and ERP went hand-in-hand as our teams developed implementation plans for their modules such as Finance, Accounting, Procurement and HCV (Human Capital Management). Furthermore, Organizational, Development and Learning (OD&L) partnered with the ERP project teams, specifically the Organizational Change Management (OCM) Team, to design training for end-users that recognized change and provided support.

Many associates were involved in training to learn how to use the ERP application that was specific to their job responsibilities. VHDA employed blended learning opportunities, including classroom instruction, online training, learning labs, and reference guides. Associates were provided with “just in time” learning opportunities and ongoing resources for successfully using the new system. VHDA also developed a Frequently Asked Questions (FAQs) document for Associates which was regularly updated with questions from associates and the applicable answers.

The associate e-newsletter – “The Press” – was used extensively to communicate the ERP initiative through a special section titled “The ERP Express” which provided progress information and training announcements to associates. Leadership was committed to providing accurate and timely information through “The Press” and quarterly Associate Meetings.

Why It Was Undertaken

Financial solution providers are driving the market toward fully integrated business solutions in order to decrease costs and increase operational flexibility. Successful organizations get the most benefit from standardizing processes and deploying them across their enterprise because that gives them the ability to quickly innovate on these processes. ERP enables:

- access to associate paychecks through Employee Self Service,
- the online requisition of office supplies

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- electronic filing of expense reports, and
- creation of annual budgets online by Budget Center managers instead of using Excel spreadsheets, and the ability to view reports for their work areas.

Benefits include:

- enhanced visibility and improved communications throughout the organization,
- improved planning and forecasting,
- robust reporting for Finance and Human Resources,
- reduced operational costs through streamlined processes,
- increased productivity,
- reduced labor costs through the elimination of redundant manual processes, and
- an integrated single-source of information, with the added benefit of eliminating **seven** legacy systems that supported the Finance, Human Resources, and Procurement departments.

What VHDA Has Accomplished

VHDA successfully implanted all of the core modules **on time and on budget**. These included:

- Human Capital Management
- Enterprise Financial Management
- Supply Chain Management
 - Punch-Out
 - Contract Management
 - Strategic Sourcing
- Business Intelligence
- Budget & Planning

The Budgeting & Planning (LBP) module was used for preparing FY 2012 budgets. Accounting Unit Managers attended system training for LBP which included general navigation as well as budget preparation. Data was input directly to the module. The FY 2012 budget was finalized using the module and used for ongoing reporting.

Requisition Self-Service (RSS) is the online ordering system for everything from paper clips and pens to building supplies and maintenance contracts. Designated associates and approvers in every division were trained and provided resources for the system. Procurement provided hands-on assistance. With the implementation of RSS as a one-stop ordering site, the Supply Room closed permanently.

Why It Is Meritorious and Meets NCSHA Judging Criteria

Innovative

We are aware of no other HFA that has implemented an ERP that is this comprehensive, with this many components on time, and within budget!

While ERP's by nature are complex and normally undertaken by much larger agencies and take years to implement, the established VHDA PMO process enabled this agency of 300+ associates to **complete and implement the system in 10 months, while staying on schedule and under budget**. This approach required that only a fraction of the workforce be involved with the ERP implementation via team participation. Likewise, innovative comes from "built in" interfaces and integrated business modules, which removed the silo manner of doing business, and facilitated all modules being capable of communicating with each other.

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Replicable

Any HFA can replicate this initiative and others by instituting an established PMO best practices module within its organizational and communication structure. Other state HFAs have used other VHDA business templates and tweaked them to meet specific needs – ERP implementation is no different. VHDA's approach can be replicated and modified to fit the needs of any HFA.

Responds to a management challenge or opportunity

The original management challenge was to find a system to replace an outdated accounting system that the vendor planned to stop supporting. While researching the availability of such a system, it became apparent that the environment had changed. No longer were vendors simply offering a "finance program," they were offering integrated systems with the capability of handling data collection and usage from various business areas within one system.

Achieves measurable improvements in agency operations

VHDA has moved from maintaining several manual processes to full automation in the budget process, which has eliminated the disconnect between business units and accounts payable. The system has greatly reduced the amount of time needed to generate reports, while ensuring accurate data was extracted from various system modules. Data only needs to be entered once, thus removing data entry errors along with the use of "built-in" system quality controls that further reduce errors.

Provide benefits that outweigh costs

This one-time investment by VHDA will sustain the Authority's business for at least 15 years, with the vendor providing the necessary updates as business needs change. Furthermore, the system provides transparency whereby end users can view data/reports as they need them without waiting for a report or information from another business unit. The new system ensures that accurate data is available at all times along with improved business processes, such as electronic procurement and contract management.

Demonstrate effective use of resources

VHDA no longer needs to dedicate IT support staff to maintain multiple systems, thereby increasing the availability of staff resources to address other business needs.

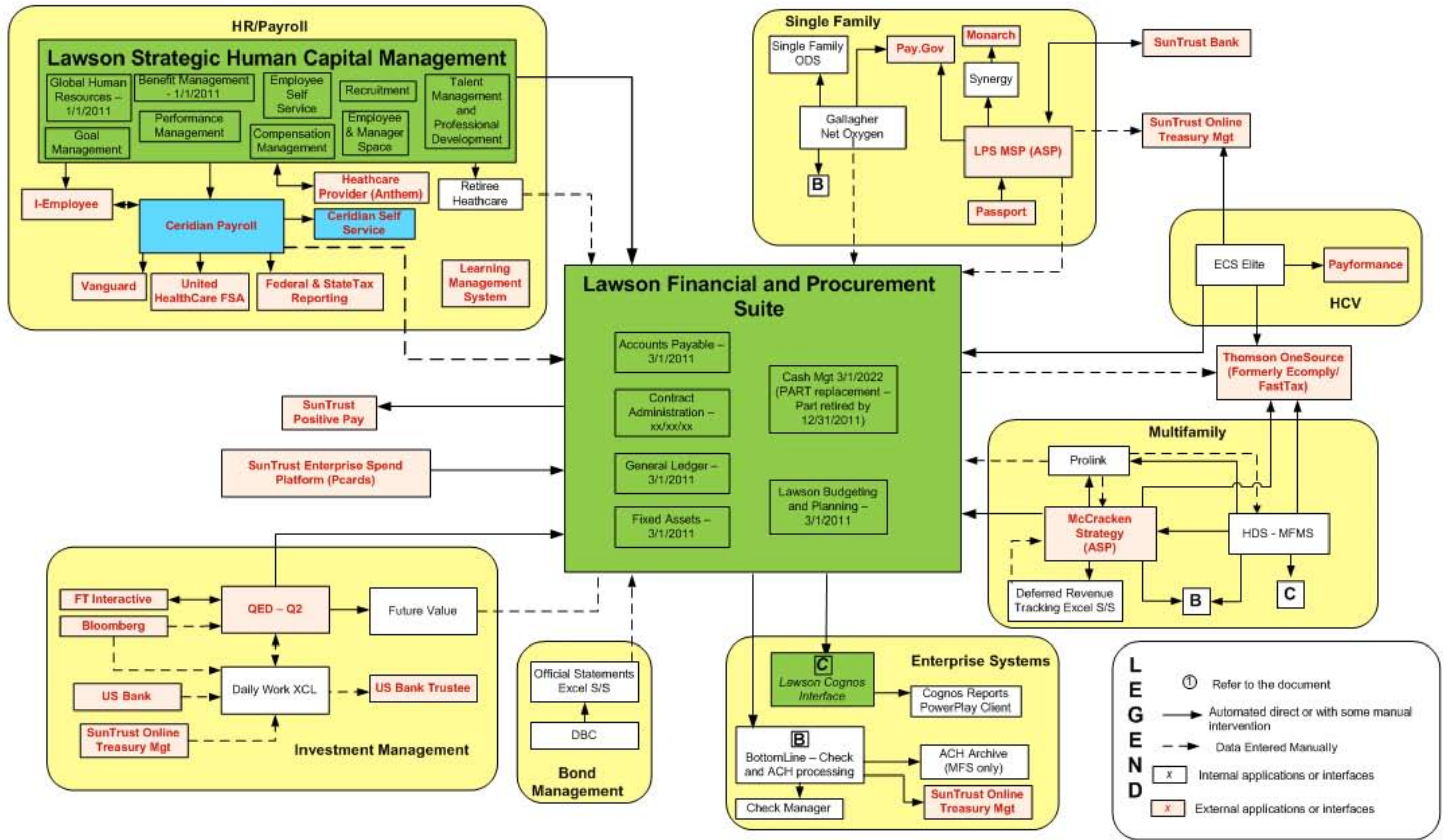
Achieve Strategic Objectives

An outdated accounting system was replaced with an updated "one-system concept" which increased efficiency without draining staffing resources.

Conclusion

In today's world, managing information and technology effectively is a necessity, not an option. VHDA is mindful that our mission demands we use our resources prudently and productively. In fact, our customers, stakeholders, business partners, the state legislature and the citizens of the Commonwealth of Virginia expect this of us. As a result, running a lean and efficient operation is imperative if VHDA is to continue to be a successful and credible organization in the affordable housing arena. The CTE Initiative is the latest example of continuous quality improvement at VHDA that addresses customer and stakeholder expectations. **Also, we are aware of no other HFA that has implemented an ERP that is this comprehensive, with this many components on time, and within budget!** Although VHDA has always been a well-managed and well-controlled organization, the CTE Initiative helps ensure continued organizational competitiveness in an uncertain environment. Standard & Poor's has rated VHDA very highly in all aspects of HFA management. This rating reflects VHDA's proactive approach to maintaining the organization's operational foundation, which allows us to minimize inefficiencies and better position resources to ensure the accomplishment of VHDA's short and long-term strategic objectives.

Attachments: Lawson flow charts, screen shots, and VHDA's Change Management Model



Lawson Supply Chain Management

Contract Management

Options

In Process Active Inactive Closed Contract Hierarchy Event Creation In Process Status Analysis Processed Status Analysis Alerts

Active Contracts

Contract	Working Contract...	Name	Supplier	Supplier Name	Type	Classification	Status
2	2	PowerSeller Licenses & Implementati...	822	Associated Software ...	NON-PROFESSIONAL SERVICES	HISTORIC (PRE-LANDMARK)	Active
3	3	Janitorial Services	560	Dominion Janitorial S...	NON-PROFESSIONAL SERVICES	HISTORIC (PRE-LANDMARK)	Active
5	5	Contract Loan Processor	845	Financial Staffing 200...	NON-PROFESSIONAL SERVICES	GENERAL	Active
7	7	HVAC PM	421	Colonial Webb Contr...	NON-PROFESSIONAL SERVICES	HISTORIC (PRE-LANDMARK)	Active
8	8	Electronic Systems, Inc(ESI) ITS Hard...	653	Electronic Systems, Inc	TIME AND MATERIALS	HISTORIC (PRE-LANDMARK)	Active
9	9	Lender Processing Services (LPS)	39	Lender Processing Ser...	NON-PROFESSIONAL SERVICES	HISTORIC (PRE-LANDMARK)	Active
10	10	VHC - Liebert UPS Maintenance	984	ENP, Liebert Services ...	NON-PROFESSIONAL SERVICES	GENERAL	Active
11	11	Oracle CRM on Demand Maintenance	958	Perficient	NON-PROFESSIONAL SERVICES	GENERAL	Active
12	12	Damilic Signature Machine Maintena...	993	Damilic Corporation	NON-PROFESSIONAL SERVICES	GENERAL	Active
13	13	IBM Cognos BI Software Maintenance	983	Triad Technology Part...	COOPERATIVE	GENERAL	Active
14	14	HQ - Liebert UPS Maintenance	984	ENP, Liebert Services ...	NON-PROFESSIONAL SERVICES	GENERAL	Active

LAWSON

Product Line-PROD Welcome Darrell

Materials Management | Purchasing | Requisitions | Inventory Control | Asset Management | Power User

Purchasing

My Alerts

- Vendor Performance - Return Analysis
- Vendor Performance - Cost Variance
- Requisition Status for Buyers
- Pending Purchase Orders

Pending Purchase Orders

Info:

Buyer	Requisition Number	Item	Recommended Vendor	Requested Delivery Date
DLA 448	ESI - R20HTFAX GENERAL		Electronic Systems, Inc	07/02/2012
DLA 491	IC913ASABA		Electronic Systems, Inc	01/01/1753
DLA 493	OPIS-XG-TT		Conlyte USA, Inc.	07/20/2012
DLA 495	OPIS-XG-TT		Conlyte USA, Inc.	07/13/2012
YCH 437	LT GRAY ALUMINUM FOLDING TABLE		AMERICAN OFFICE OF RICHMOND LL	07/27/2012
YCH 436	HQ - CHILLER COOLING SYSTEM REPL.		Brooks & Co General Contractor	12/27/2012
YCH 441	RECTANGULAR TABLES		AMERICAN OFFICE OF RICHMOND LL	07/31/2012

Export as CSV or XLS

LAWSON Purchase Order Entry (PO20.1)

Company 100 Buyer DLA PO Date 06/29/2012 PO Total 26581.63

PO 2660 Revision Unreleased

Vendor 1011 OPEN TEXT INC Currency USD

Purchase From

Ship To HQ VHDA

Delivery Date 07/05/2012 Default Header Total Has Cmt Position To

FC	Line	Item Detail	Quantity	UOM	Unit Cost	Divr	Ship
	1	DM READ ONLY CLIENT MAINTENAN...	1.00	YR	2982.530	07/05/2012	HQ
	2	LIC DM CLIENT MAINTENANCE	1.00	YR	8557.850	07/05/2012	HQ
	3	LIC RM CLIENT MAINT	1.00	YR	2572.500	07/05/2012	HQ
	4	LIC RM CLIENT TOOL MAINTENANCE	1.00	YR	12468.750	07/05/2012	HQ

Line Detail Activity, Asset Tax Pricing Cancel Misc Details

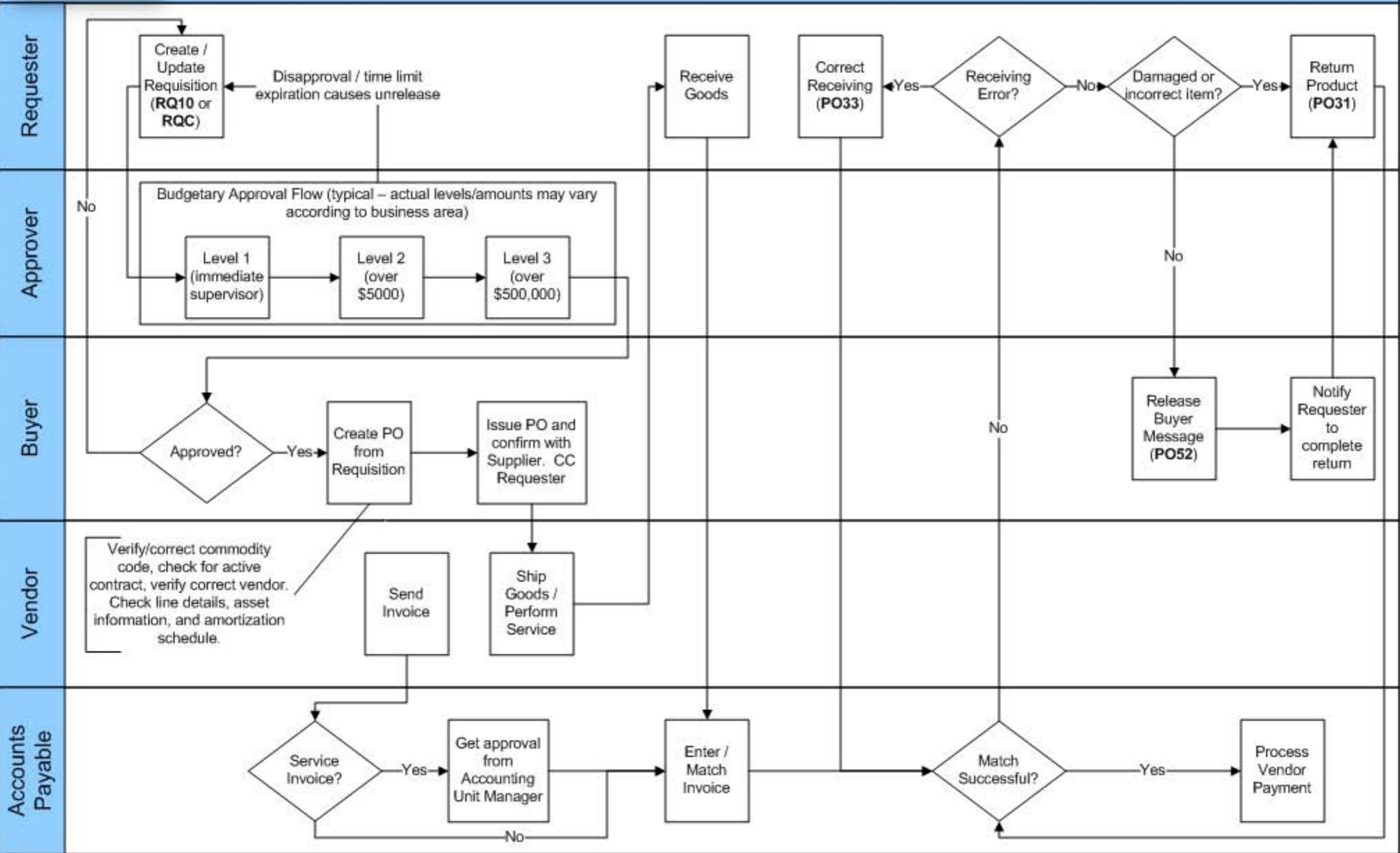
Description DM Read Only Client Maintenanc Type X Account 1750 72315 Company 100

Vendor Item Service Code Add Comment

DM READ ONLY CLIENT MAINTENANCE Non-Service Item

Purchase Requisition Process Flow

CTRL + Click to select





My Plan

Financial

Workforce

Administration | Distributions | Approvals | Report | Logout

Accounts

Plan

Edit

View



Save

Restore

	2013	2012	
	FY2013Budget	FY2012Budget	Variance
EXCESSREV-Excess revenues over expenses	-66,545,434	-81,392,053	14,846,619
REVENUEST-Total Revenues	-592,037,390	-612,857,958	20,820,568
REVENUES-Revenues	-592,037,390	-612,857,958	20,820,568
INTMORTLOANS-Interest on Mortgage Loans	-491,964,278	-498,165,086	6,200,808
INVESTINC-Investment Income	-8,232,785	-5,537,834	-2,694,951
GASB31MTMKT-Unrealized Gains Losses	0	0	0
GSESVCFEE-GSE Servicing Fee Income	-2,977,184	-2,284,707	-692,477
OTHEROPERINC-Other Operating Income	-7,664,500	-5,964,500	-1,700,000
NONOPERINC-Other Non-operating Income	0	0	0

VHDA CHANGE MANAGEMENT MODEL

