What's on the Agenda

1.0 Background

2.0 Approach/Methodology

3.0 DFO SAP Implementation update

4.0 The Future of Multi-year Financial Planning

1.0 **Background**

Background

Government of Canada is modernizing financial operations under the Office of the Comptroller General

1
- SAP was identified as the prescribed Government of Canada (GoC) standard for financial systems
- Not all departments are using SAP (e.g. 21 departments use FreeBalance; DFO, TC and CSC currently use Oracle)

2
- Program began with the Government of Canada Financial Management (GCfm) SAP solution (SAP S/4HANA) to replace the FreeBalance systems

3
- DFO and TBS-OCG-FMT have agreed to establish a new GCfm template that will be a baseline for other GoC departments and agencies moving to S/4HANA

GOAL
- Migrate all Canadian Government financial systems and processes to this common solution

BECAUSE WE NEED TO...

Simplify GOC wide reporting

Adapt to new technological landscape

Adapt to evolving workforce

Adapt to external challenges

We need to align to the Government of Canada standard to facilitate big data analytics and simplify GOC wide reporting.

The technological landscape has evolved in the past 20 years and we need to change to adopt new tools such as cloud computing.

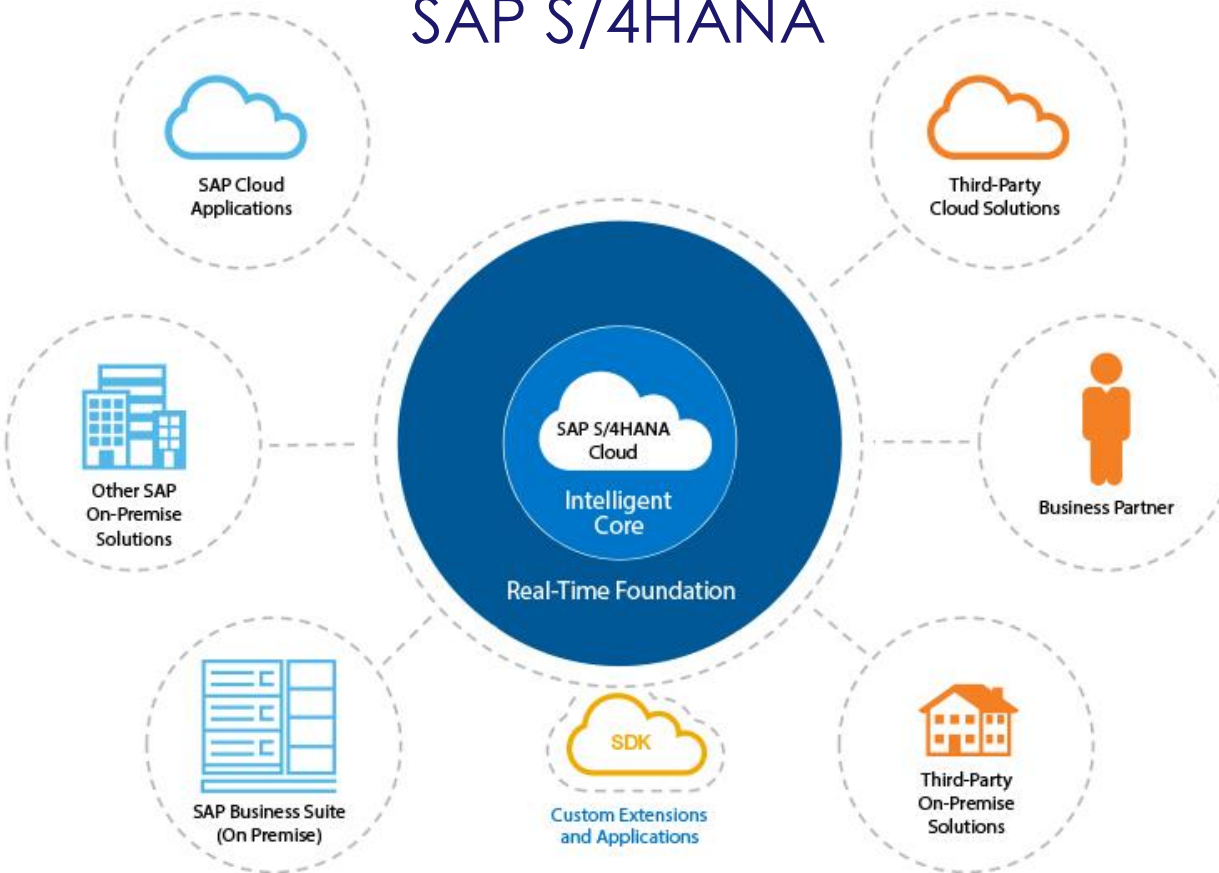The workforce is evolving, and we need to make our functionality more user friendly.

The current version of Oracle will no longer be supported as of December 2021.
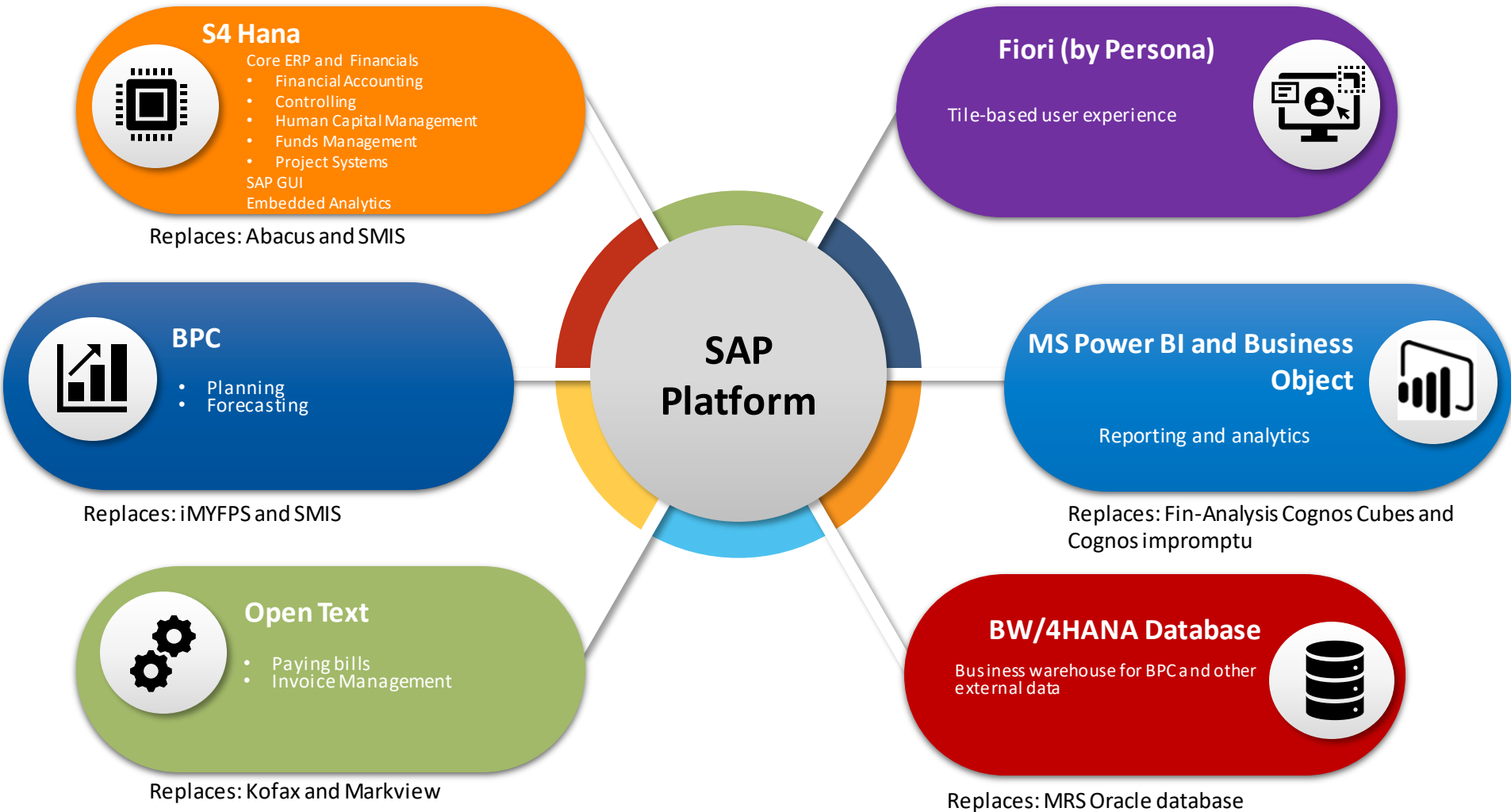
What is the End Product?

SAP S/4HANA

- High-performance platform for data storage and processing

- Used as a database for SAP's business management systems

- Real-time data processing vs transactional batch process

- Allows for much greater agility in real-time analytics and data aggregation – up to date with every transaction

- Simpler to understand and easier to use

DFO's SAP Business Platform

S4 Hana
Core ERP and Financials
- Financial Accounting
- Controlling
- Human Capital Management
- Funds Management
- Project Systems

SAP GUI
Embedded Analytics

Replaces: Abacus and SMIS

Fiori (by Persona)

Tile-based user experience

BPC
- Planning
- Forecasting

Replaces: iMYFPS and SMIS

MS Power BI and Business Object

Reporting and analytics

Replaces: Fin-Analysis Cognos Cubes and Cognos impromptu

Open Text
- Paying bills
- Invoice Management

Replaces: Kofax and Markview

BW/4HANA Database
Business warehouse for BPC and other external data

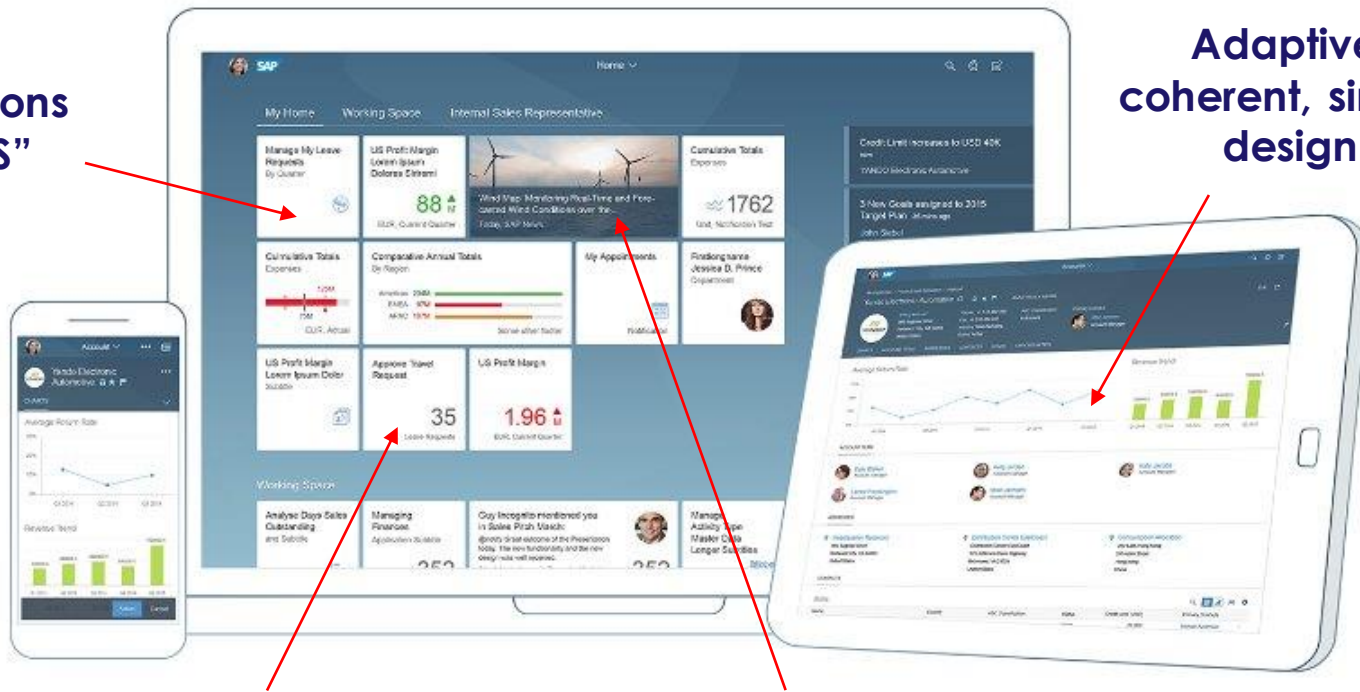Replaces: MRS Oracle database

SAP Platform

The Exciting Face of Change

SAP Fiori launch pad is the Web-based entry point to use SAP Business applications across platforms and devices.

Adaptive, coherent, simple design

Applications or "TILES"

Over 140 business role-based applications

"Out of the box" over 1000 apps
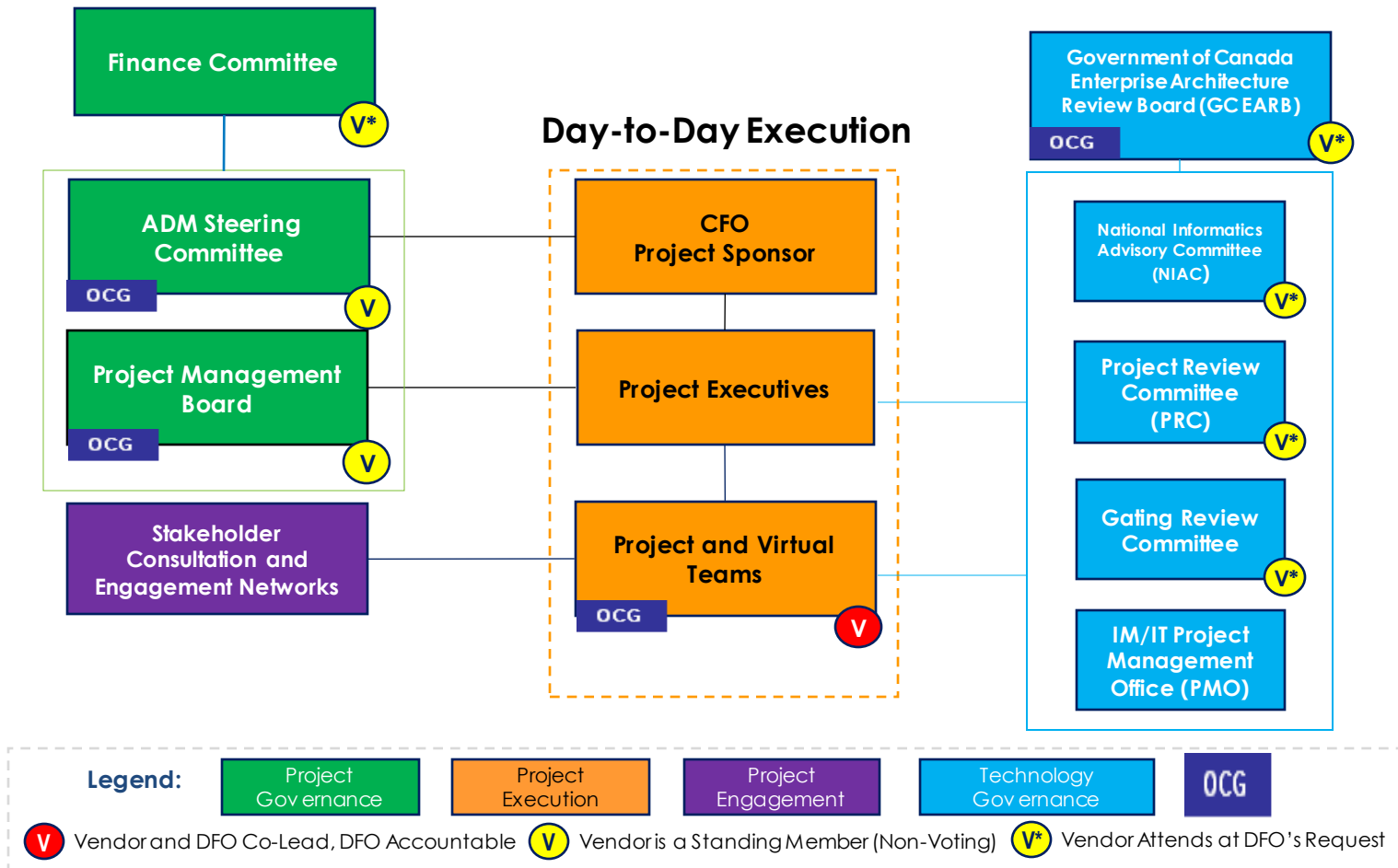
2.0 Approach / Methodology

Our Vision

"Our vision is to **empower our business** units with **real-time data** so they can leverage key insights to make **better decisions.**"

Project Governance

Project decision making aligns with GoC and DFO technology governance bodies

Finance Committee — V*

Day-to-Day Execution

Government of Canada Enterprise Architecture Review Board (GC EARB) — OCG — V*

ADM Steering Committee — OCG — V

Project Management Board — OCG — V

Stakeholder Consultation and Engagement Networks

CFO Project Sponsor

Project Executives

Project and Virtual Teams — OCG — V

National Informatics Advisory Committee (NIAC) — V*

Project Review Committee (PRC) — V*

Gating Review Committee — V*

IM/IT Project Management Office (PMO)

Legend: Project Governance | Project Execution | Project Engagement | Technology Governance | OCG

V — Vendor and DFO Co-Lead, DFO Accountable   V — Vendor is a Standing Member (Non-Voting)   V* — Vendor Attends at DFO's Request

Project Approach: The Operating Model

Leveraging the knowledge of our internal teams and the skills of the System Integrator (SI) to create a Project Team with a valuable and extensive experience, supported through robust governance

- Core Project Team and Subject Matter Experts (SMEs) network from across the DFO-CCG & GoC
- Knowledge of internal business processes, legacy practices
- Understanding of regional structures and impacts
- Understanding of culture

DFO-CCG GoC resources

Integrated Project Team

System Integrator
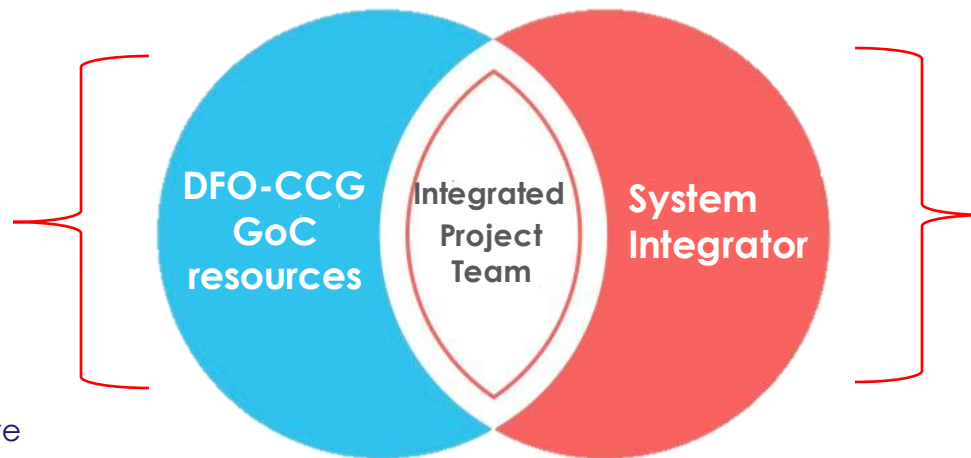
- Expertise and capacity
- Proven methods and approaches
- Lessons learned from other implementations
- Technical experience implementing processes in SAP S/4HANA
- Change management and project management expertise

TBS-OCG Collaboration
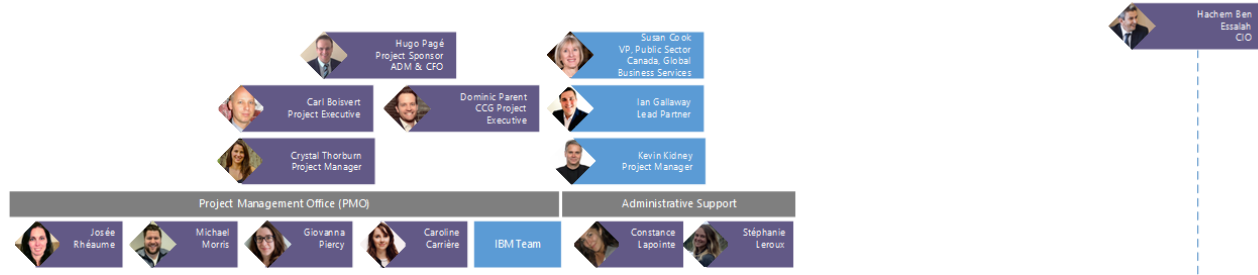Experience and knowledge of SAP financial solution

SAP Collaboration
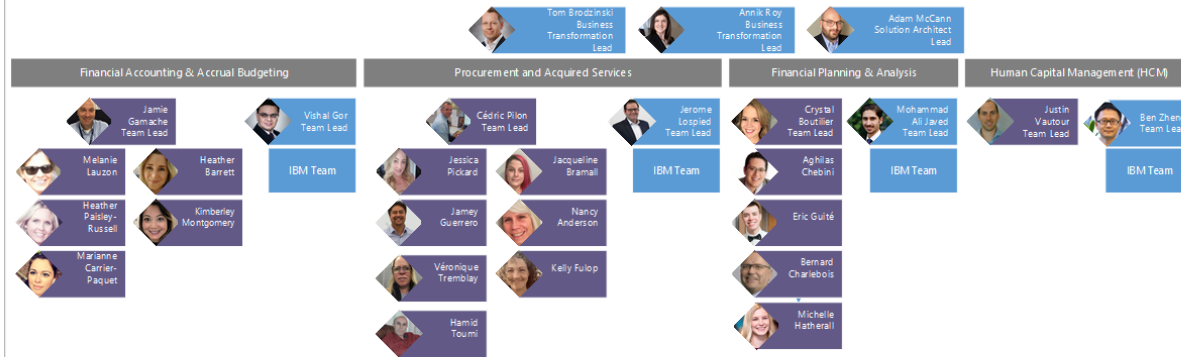Software Design, management and gating throughout the project
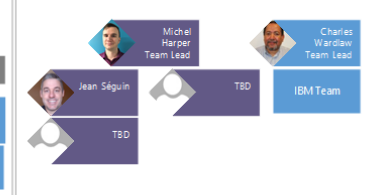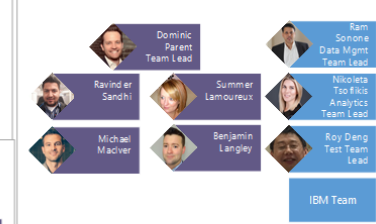
SAP Project Team

Project Leadership & Management

Hachem Ben Essalah — CIO

Hugo Pagé — Project Sponsor ADM & CFO
Susan Cook — VP, Public Sector Canada, Global Business Services

Carl Boisvert — Project Executive
Dominic Parent — CCG Project Executive
Ian Gallaway — Lead Partner

Crystal Thorburn — Project Manager
Kevin Kidney — Project Manager

Project Management Office (PMO) | **Administrative Support**

Josée Rhéaume | Michael Morris | Giovanna Piercy | Caroline Carrière | IBM Team | Constance Lapointe | Stéphanie Leroux

Project Team

Business Process Design

Tom Brodzinski — Business Transformation Lead
Annik Roy — Business Transformation Lead
Adam McCann — Solution Architect Lead

Financial Accounting & Accrual Budgeting
Jamie Gamache — Team Lead
Vishal Gor — Team Lead
Melanie Lauzon | Heather Barrett
IBM Team
Heather Paisley-Russell | Kimberley Montgomery
Marianne Carrier-Paquet

Procurement and Acquired Services
Cédric Pilon — Team Lead
Jessica Pickard | Jacqueline Bramall
Jamey Guerrero | Nancy Anderson
Véronique Tremblay | Kelly Fulop
Hamid Toumi

Financial Planning & Analysis
Jerome Lospied — Team Lead
Crystal Boutilier — Team Lead
Mohammad Ali Javed — Team Lead
IBM Team
Aghilas Chebini
Eric Guité
Bernard Charlebois
Michelle Hatherall

Human Capital Management (HCM)
Justin Vautour — Team Lead
Ben Zheng — Team Lead
IBM Team

Technology Solution Management
Michel Harper — Team Lead
Charles Wardlaw — Team Lead
Jean Séguin
TBD
IBM Team
TBD

Data Management & Analytics
Dominic Parent — Data Mgmt Team Lead
Ram Sonone — Data Mgmt Team Lead
Ravinder Sandhi
Summer Lamoureux
Nikoleta Tsofikis — Analytics Team Lead
Michael MacIver
Benjamin Langley
Roy Deng — Test Team Lead
IBM Team

Change Management & Training
Isabelle Chartrand — Team Lead
Heather Nixon — Team Lead
Natasha Herron | Nancy Bleses | Kiran Uppal
IBM Team
Taylor Lloyd | Elyse Gravel

DFO Regions
Justin Vautour — Team Lead
Vic Mankatala — Pacific
Moema Mendonca — Québec
Stefanie Gardiner — Nfld. & Labrador
Alex Robichaud — Gulf
Sara Blashock — Central & Arctic
Laurene Boudreau — Maritimes
Lori Hardy — Sarnia

CCG Regions
Laurie MacNeil — Team Lead / College
Tyler Edwards — Central & Arctic
Ken Kroeger — Western
Susan King — Atlantic

Change Agents (SMEs, Super Users, Client Experience Working Group)

Other Government Departments (OGDs)

| Parks Canada | NRC | IRCC | Others |

Legend: DFO/CCG | IBM | OGD

Overview of Project on a Page
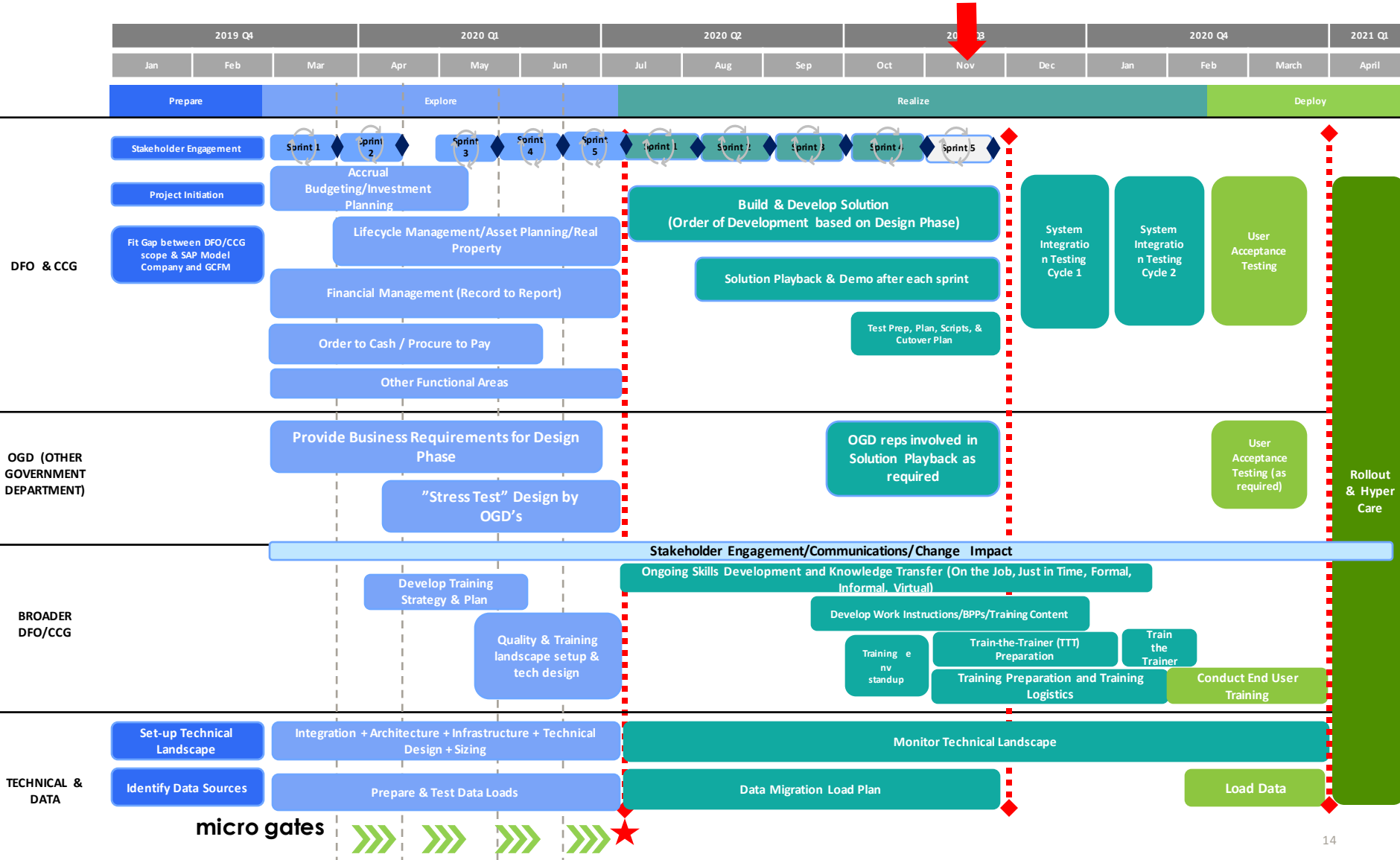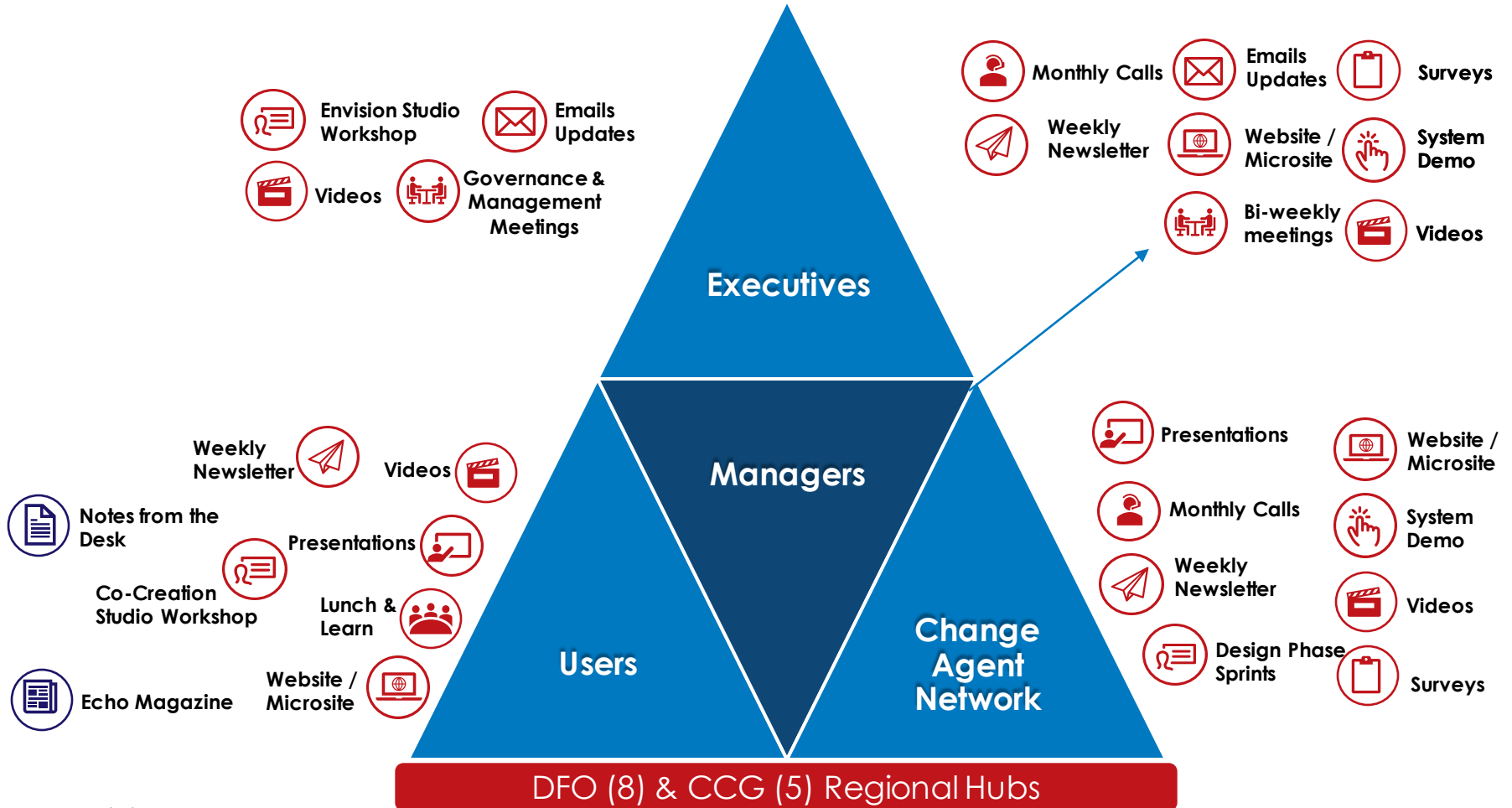
SAP Change Network

Client Experience Members

- Provides observations and feedback on the usability of the system and related processes from the Admin and Manager perspectives
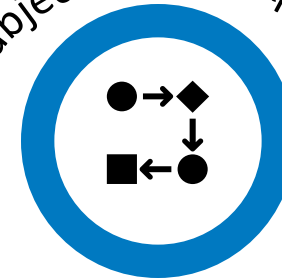
Super Users

- Contributes to training content development and testing
- Receives training in advance of other users
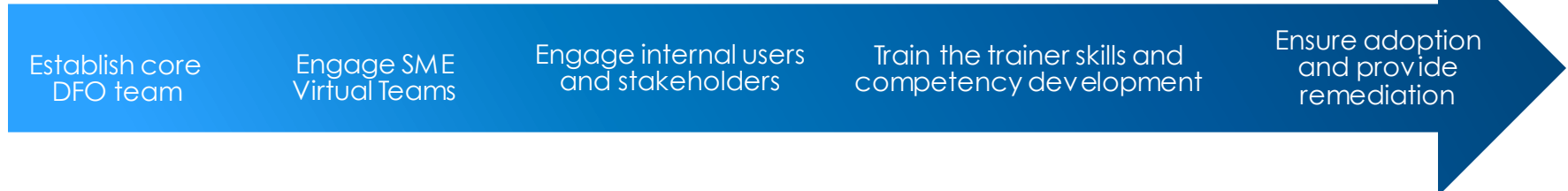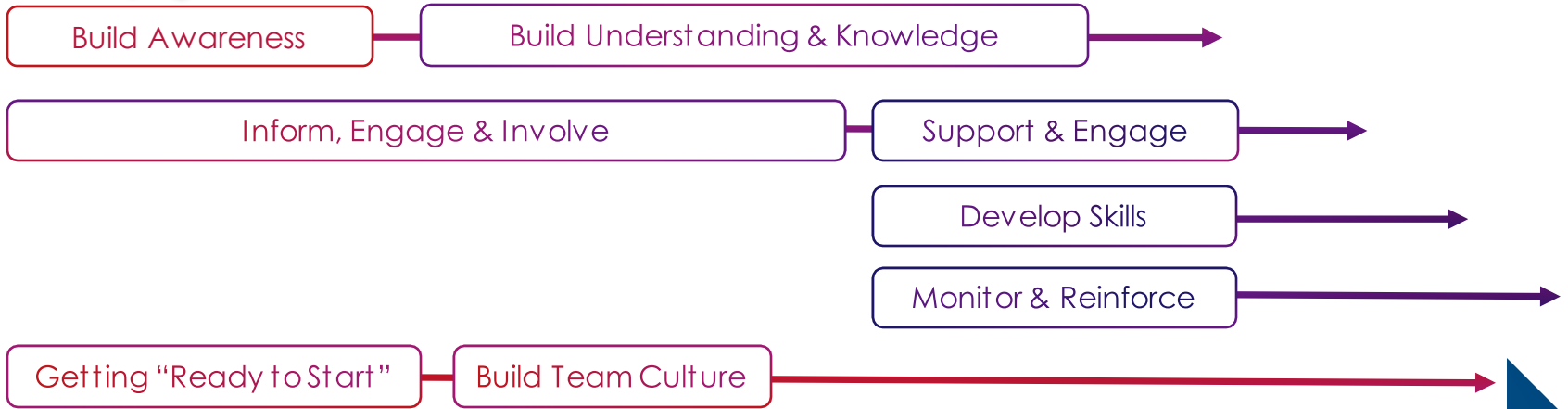- Supports end-users post go-live

Change Agent Network

Subject Matter Experts

- Reach-back support and involvement in the SAP Community of Practice

Communication Strategy

Prepare	Explore	Realize	Deploy & Sustain
Jan. to Feb. 2020	March to June 2020	July 2020 to mid-Feb. 2021	Mid-Feb. to April 2021

Awareness → **Engagement** → **Knowledge** → **Sustain**

Build Awareness — Build Understanding & Knowledge →

Inform, Engage & Involve — Support & Engage →

Develop Skills →

Monitor & Reinforce →

Getting "Ready to Start" — Build Team Culture →

| Establish core DFO team | Engage SME Virtual Teams | Engage internal users and stakeholders | Train the trainer skills and competency development | Ensure adoption and provide remediation |

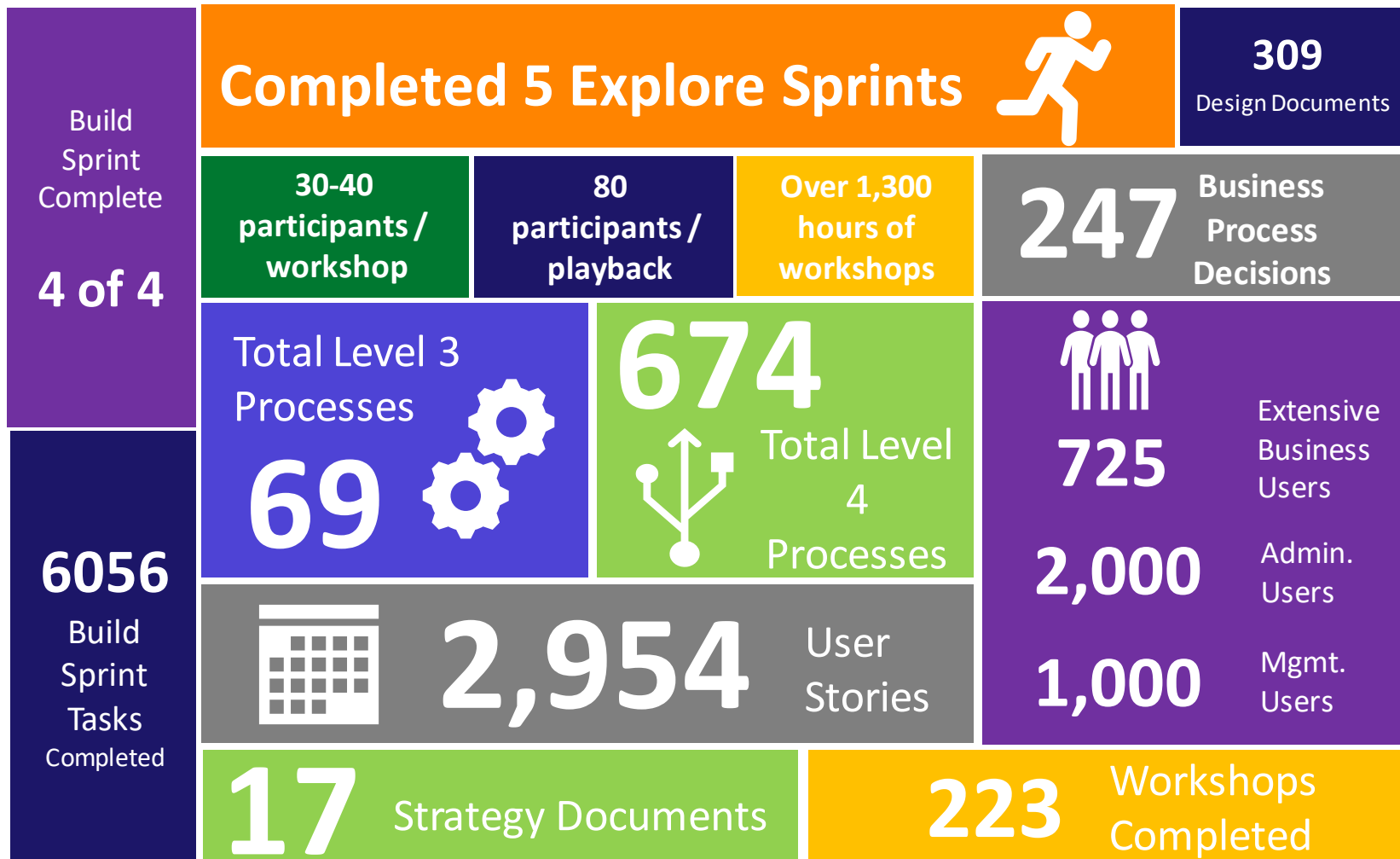# Training Strategy End-to-End

3.0 **DFO SAP Implementation update**

Sprint Process & User Summary

The project has completed the Design Stage Sprints and has moved into the Build Sprints. The "By the numbers" below summarizes the level of participation, number of processes reviewed, decisions made during these sprints, as well as a profile of the end users for the new SAP solution.

Build Sprint Complete

4 of 4

6056 Build Sprint Tasks Completed

Completed 5 Explore Sprints

309 Design Documents

30-40 participants / workshop

80 participants / playback

Over 1,300 hours of workshops

247 Business Process Decisions

Total Level 3 Processes **69**

674 Total Level 4 Processes

725 Extensive Business Users

2,000 Admin. Users

1,000 Mgmt. Users

2,954 User Stories

17 Strategy Documents

223 Workshops Completed

20

Optimized SAP Process - Barometer

Legend:
- DFO enhancement
- DFO interface
- GoC enhancement
- Optimized SAP process

Pie chart values: 1%, 4%, 25%, 70%
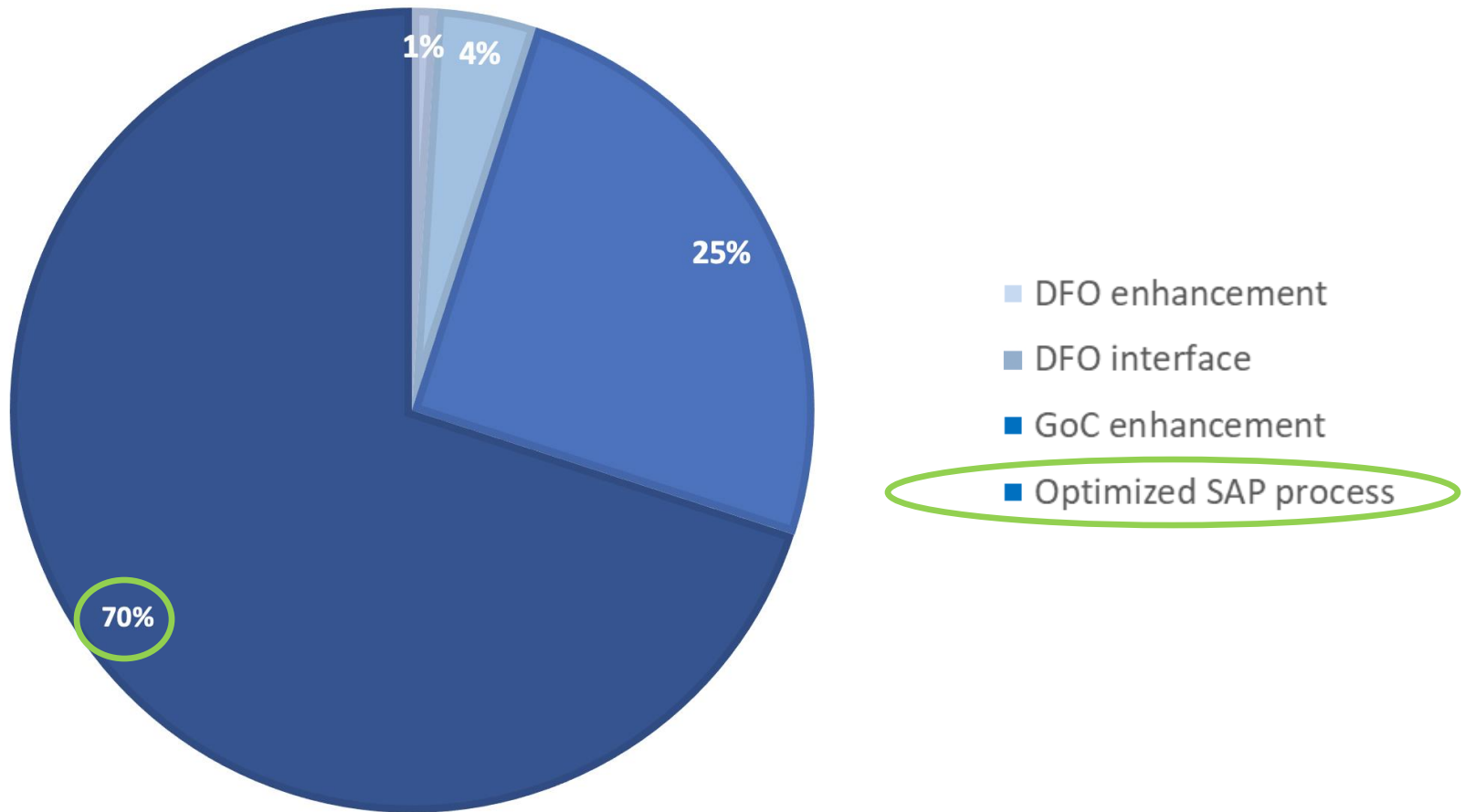
Project Build Burndown –Tasks
as of November 5

- User Stories are assigned to Build Sprints and broken down into Tasks
- Tasks include SAP system configuration, Unit testing, Playbacks and Configuration design documents
- Tasks "burned down" when complete

- **Overall, the team is tracking slightly behind schedule in Sprint 4**. In each sprint greater progress is made in weeks 3 and 4. Week 1 is utilized for planning and optimizing the work. Tasks are not closed until the work is complete.

Overall	Sprint 4
2	**2**
days remaining	days remaining

Total Progress this Period	Total Progress Previous Period
90%	**70%**

Tasks Complete	Total Tasks
6056	**6697**

Tasks In Progress	Remaining Tasks
268	**374**

Project Task Burndown

Sprint 1 | Sprint 2 | Sprint 3 | Sprint 4

X-axis: 2020-07-24, 2020-07-31, 2020-08-07, 2020-08-14, 2020-08-21, 2020-08-28, 2020-09-04, 2020-09-11, 2020-09-18, 2020-09-25, 2020-10-02, 2020-10-09, 2020-10-16, 2020-10-23, 2020-10-30, 2020-11-06

Y-axis: 0 – 8000

Legend: Actual, Planned
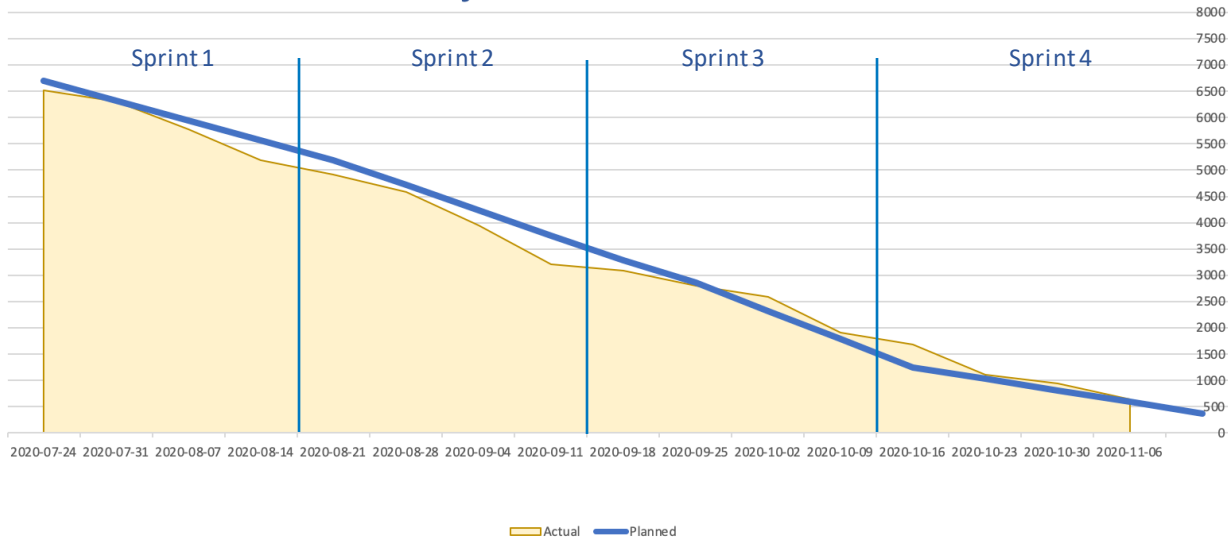
Project Build Burndown – User Stories
**as of November 5**

- Approved Explore User Stories make up the scope of Realize phase

- User stories are assigned to Build Sprints and broken down into tasks

- The following dashboards report statistics on:

- Project metric = User Stories
- Sprint metric = Tasks

Total Progress this Period	Total Progress Previous Period	Total User Stories
79%	51%	2862

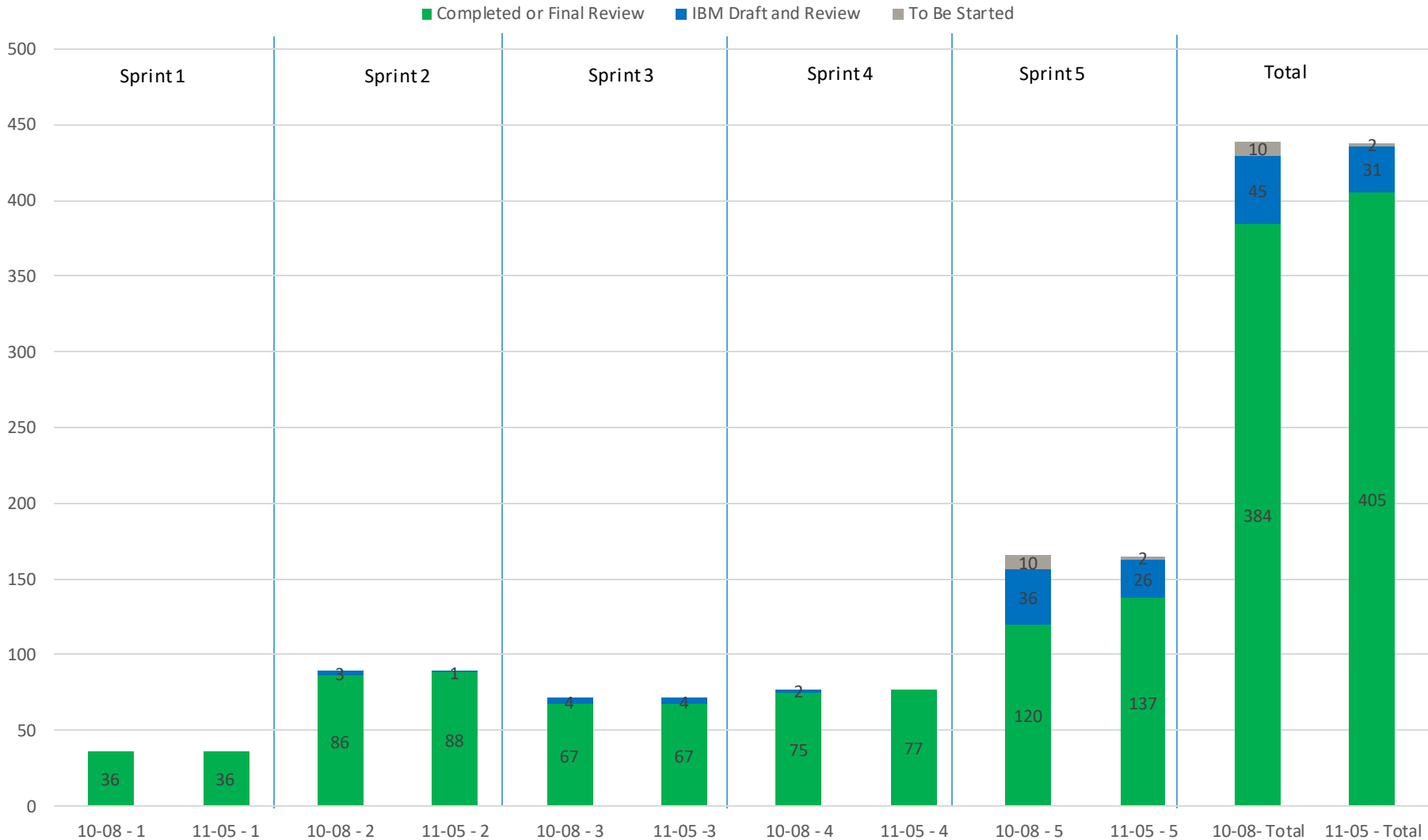| User Stories Complete	User Stories In Progress	Remaining User Stories
2252	462	148

Project User Story Burndown
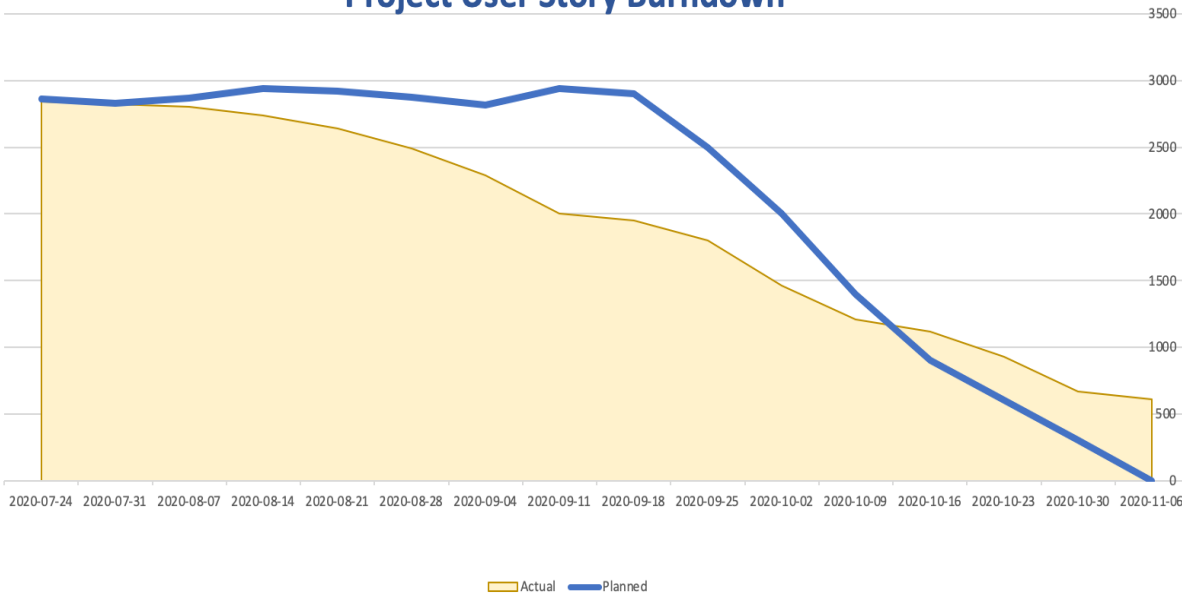
USER STORIES BY STATUS
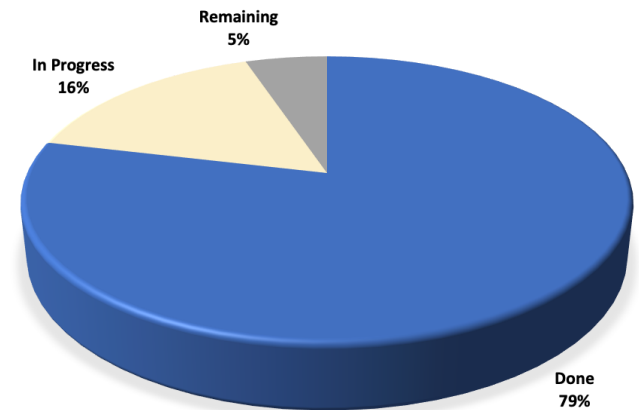
Overall: Documentation Deliverables

Documentation is behind schedule; additional focus is currently on closing out the deliverables. The team has prioritized deliverables to coordinate with the Build Sprints and dependent subsequent deliverables. The graph demonstrate the progress since October 8th to November 5th.

Legend: ■ Completed or Final Review ■ IBM Draft and Review ■ To Be Started

Category	Sprint 1		Sprint 2		Sprint 3		Sprint 4		Sprint 5		Total	
	10-08 - 1	11-05 - 1	10-08 - 2	11-05 - 2	10-08 - 3	11-05 -3	10-08 - 4	11-05 - 4	10-08 - 5	11-05 - 5	10-08- Total	11-05 - Total
To Be Started									10	2	10	2
IBM Draft and Review			3	1	4	4	2		36	26	45	31
Completed or Final Review	36	36	86	88	67	67	75	77	120	137	384	405

Solution Component Design

Summary of Key Risks & Issues

|	Risk		Impact	Probability	Rating/ Severity	Residual Risk		
						Impact	Probability	Rating/ Severity
	RSK-007	Stakeholder Complexity	H	M	H	M	M	M
1	RSK-010	Reliance on External Parties	H	M	H	M	M	M
2	RSK-011	Data Conversion	H	M	H	M	M	M
3	RSK-012	Organizational Resistance	H	H	H	M	M	M
	RSK-014	Delivery of Current Scope	H	M	H	M	M	M
	RSK-020	Insufficient Training	H	M	H	M	M	M
	RSK-023	Gaps between the TBS solution and DFO requirements	H	M	H	M	L	L
4	RSK-024	Interfacing with Legacy Systems	H	M	H	M	L	L
	RSK-025	Accrual Budgeting in Investment Planning	H	M	H	M	L	L
	RSK-026	Maintaining Adequate Ongoing Training	H	M	H	M	M	M
5	RSK-027	Business Process Ownership	H	L	M	H	L	M
6	RSK-035	COVID-19 Impacts	L	M	L	L	M	L
7	ISS-018	Technical Environments	H	H	H	M	M	M
8	RSK-049	Authority to Operate (ATO)	H	M	H	H	L	H

Key Takeaways

April 2021 is not far off!	It's about more than technology	We are leading the way	We need to stay true to our principles	Together we will be successful
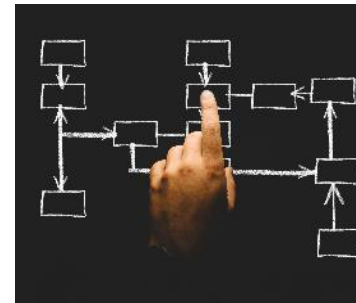
We need everyone to embark on this journey	It's about people and it will enable new ways of working in many areas of the Department	Especially for large departments as everyone prepares to move to SAP S/4 HANA	System Integrator will support us while we move quickly and build our skills	All stakeholders from all DFO-CCG regions will be involved

4.0 **The Future of Multi-year Financial Planning**

Pain Point

Current Process

Step 1 - Multi-year planning

Open Annual Reference Level Update	FMA review	Sector Bottom/up review	Departmental Reconciliation	Manual entry in MYFPS	Reconciliation	Close

Step 2 – Yearly allocation

Annual Reference Level update	FMA review	Sector Bottom/up review	Departmental reconciliation	System import	Reconciliation	Go!

Manual reconciliation

Solution

Future Process

| On-going Annual Reference Level update | On-going FMA review | On-going Sector Bottom/up review | Yearly submission | Open yearly allocation | Sector Bottom/up review | FMA review | Go! |
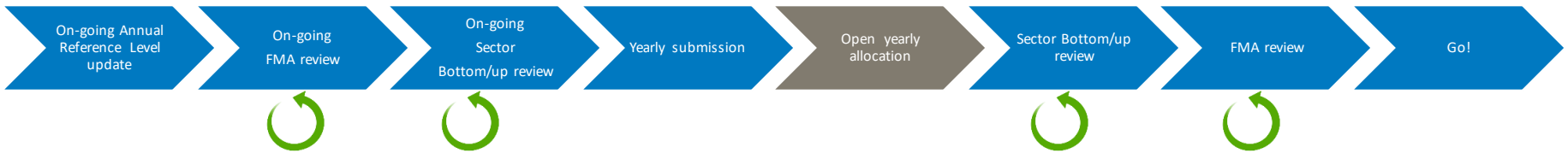
Automatic reconciliation

BPC: Excel without "spreadsheet hell"

- Instant access from MS Office Excel and/or SAP BPC Web

- Integration to SAP S/4HANA
  - Enabling real-time plan to actual analysis
  - Live access to central data repository creates a single version of truth, ensuring organizational alignment

- Retrieve reports directly from SAP BPC with real-time updates (eg: monitor burn rate and surplus/deficit in FSR)
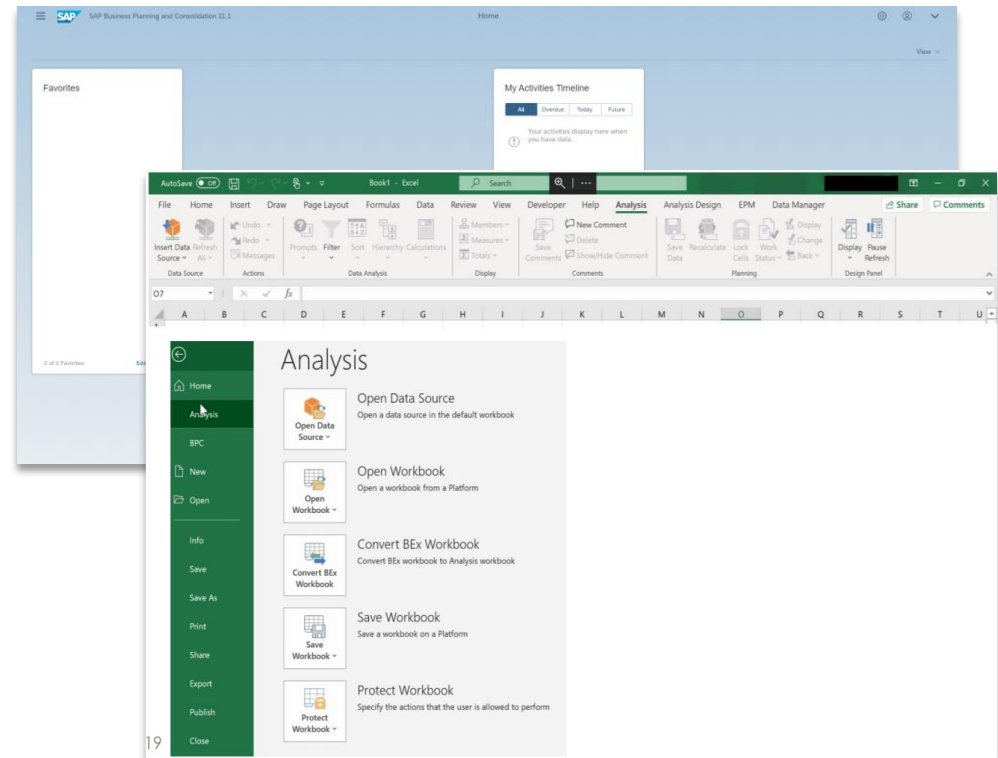
Example

DataSource:	STAGE-0 - ARLU Exercise E&E.R Input
AuditTrail:	ARLU-E&ER
Version:	01-Main Estimates
Funds Centre	0086 - DFO

Save   Refresh   Undo

Fiscal Year	Ongoing	Funds Centre	Funded Program	Category (Exer.)	Inititiave	B125 V1-Salary Comm. Item - Salary Amount	B120 V1 - Non-Salary Comm. Item - TNS Amount	Funds (Totals) Comm. Item (Totals) Amount
2022- Fiscal Year 2021-22	01-Yes	- (L1) 10000000 - DM	XXXX	01-Main Estimates	n/a	1,042,883,019.00	808,118,486.00	1,851,001,505.00
2022- Fiscal Year 2021-22	01-Yes	+ (L2) 10100000 - ADM FHM	2021-22 SCH	01-Main Estimates	Budget 2021-22	+ 80,000,000	-	80,000,000.00
2022- Fiscal Year 2021-22	02-No	+ (L2) 10100000 - ADM FHM	2021-22 SCH	01-Main Estimates	Budget 2021-22	-	+ 50,000,000	50,000,000.00
2022- Fiscal Year 2021-22	01-Yes	+ (L2) RDG QC	2021-22 SCH	01-Main Estimates	Budget 2021-22	+ 20,000,000	-	20,000,000.00
2022- Fiscal Year 2021-22	02-No	+ (L2) RDG QC	2021-22 SCH	01-Main Estimates	Budget 2021-22	-	+ 50,000,000	50,000,000.00
(Total)						1,142,883,019.00	958,118,486.00	2,051,001,505.00