



SAP Now! Enterprise Technology Project

City of Tacoma | Information Technology

Government Performance and Finance

May 2, 2023

ITEM # 3



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Presentation Type



Informational Only

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OVERVIEW

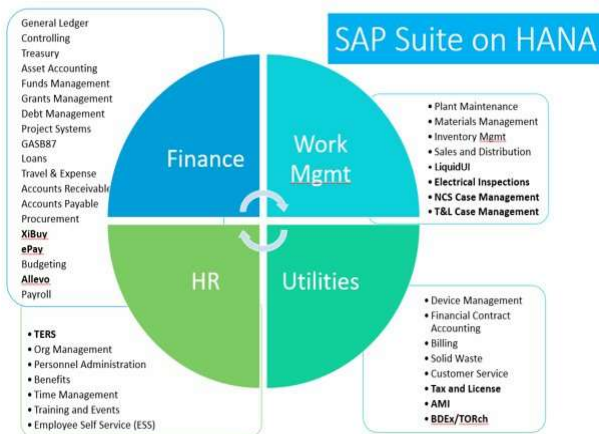


- SAP is the City's Enterprise System of Record for activities such as:
 - Finance
 - Asset Management
 - Procurement
 - Materials Management
 - Customer Services
 - Personnel Management
 - Retirement Payments
 - Utilities
- The City's version of SAP will sunset in 2027 meaning we must upgrade by then or face a variety of risks.
- **SAP Now!** is a multi-year program to plan and execute this migration including efficiency enhancements for selected business processes.

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ERPs and SAP



- Enterprise Resource Planning (ERP) Software is used by virtually all large-scale organizations worldwide. It is the best practice for managing the interrelated activities of a large, complex organization.
- SAP is one of the largest ERP solutions in the world and is one of the two most utilized systems for public utilities in the US.
- SAP was first implemented in the City of Tacoma in 2003. Over time, we have invested in the platform to address business process growth, advances in related technology, and emerging needs.

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CoT Upgrade Decision



- 1 **Do Nothing:** Stay with ERP ECC (Extended or Alternative Support)
- 2 **Switch:** to Alternate ERP or Best of Breed
- ✓ 3 **Upgrade/Migrate** to Next Version

- The City's IT Governing Boards considered options ranging from "do nothing" to "switch to something else".
- The unanimous decision by our IT Governing Boards was to upgrade to the latest version of SAP
 - New version of SAP offers some great efficiency enhancements
 - Do more than just a technical upgrade
 - We are identifying "pain points" now to help target improvements
 - We will need to prioritize what improvements get included WITH the upgrade vs AFTER

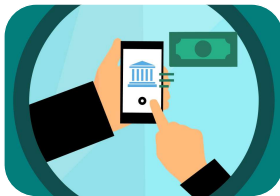
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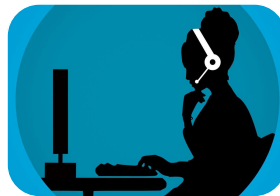
Focus and Goals for Upgrade



Overall Goals are to enhance efficiency of operations, address gaps in functionality, improve sustainability and resilience overall.



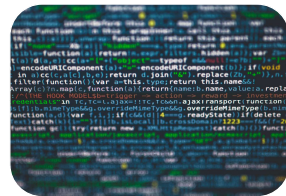
Finance processes and technology offer the most improvement opportunities; Finance forms the backbone of our system and enables us to meet our fiduciary responsibilities to the public.



Customer Interaction Module (CIC) in SAP is at end of life and must be replaced. Over 32 million transactions are executed each year.



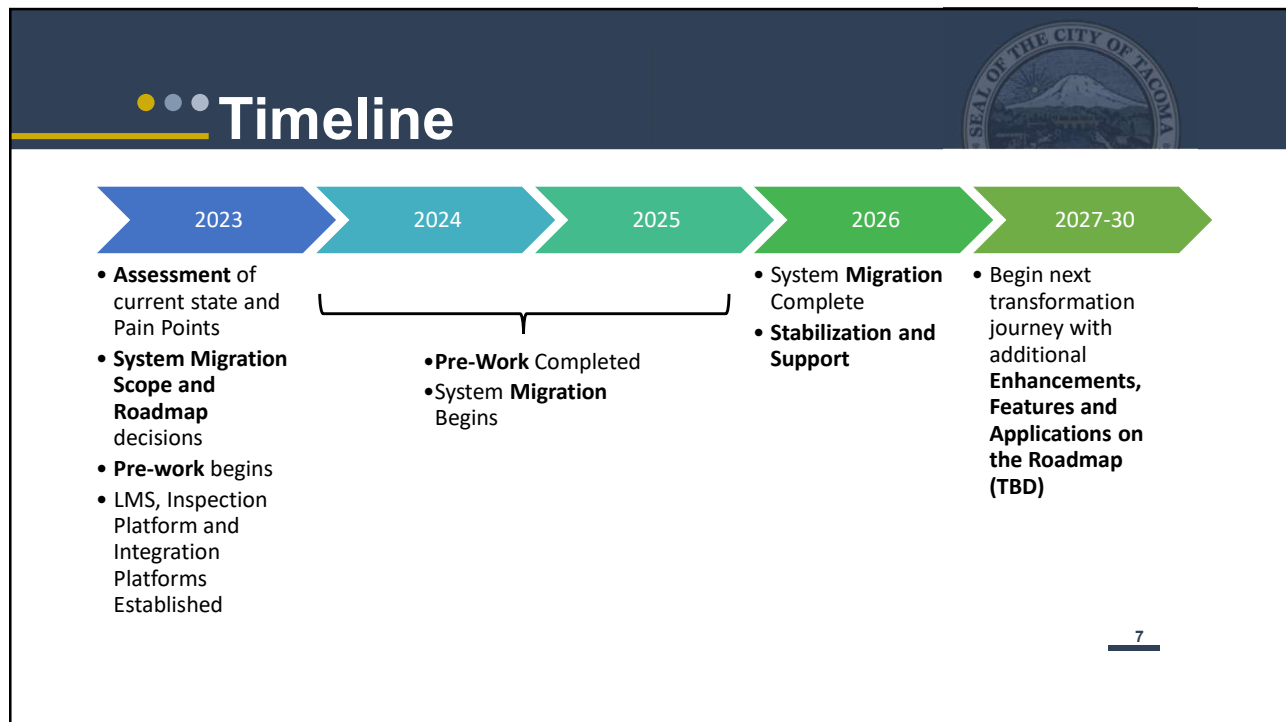
Implement **best practices** and new features in processes across the City



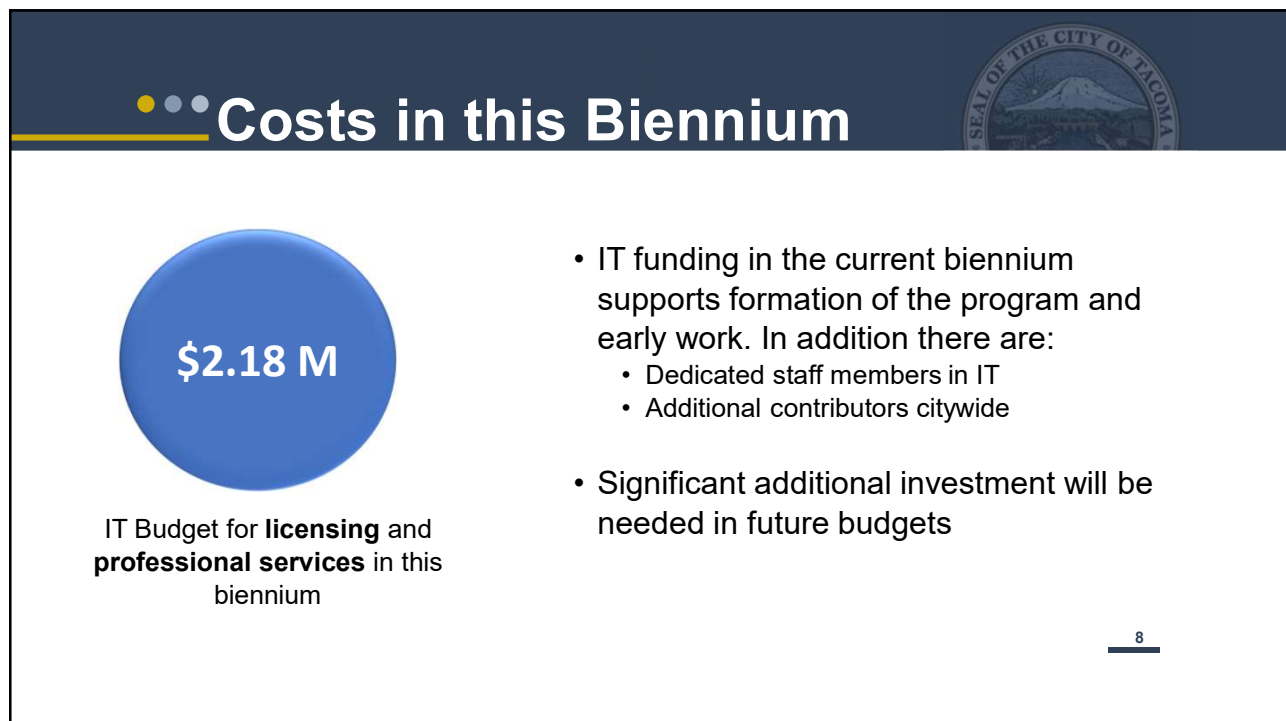
Eliminate as much **customization** in our system and processes as we can.

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NEXT STEPS



- Complete the Assessment of the current state including Pain Points and Gaps in our Business Processes
- Receive Consultant's Final Report (Findings and Recommendations) for
 - Pre-work to set the stage for the migration (e.g., data cleansing)
 - Business Process Changes to include in the migration
 - Customizations to Eliminate
 - New features in SAP to take advantage of
- IT Governance Boards review and analyze Consultant's Final Report; Recommend final Project Scope
- City Leadership reviews and approves Proposed Scope

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