



CASE STUDY

SIRIUS HELPS A STATE GOVERNMENT IMPLEMENT A SHARED ACCOUNTS PAYABLE SOLUTION ACROSS 57 AGENCIES, REDUCING COSTS, INCREASING EFFICIENCY AND ELIMINATING SILOS



THE CLIENT:

One of the nation's largest state governments.

THE CHALLENGE:

The State's procurement and accounts-payable system used ineffective, duplicative and siloed processes across 57 agencies that had no incentive to collaborate. There were no economies of scale, and there was no enterprise-level view into each agency's invoice processing. Paper invoices had to be created and input manually, were often lost, and had to be resubmitted—an expensive proposition since, after 22 calendar days, the State has to pay interest on invoices.

THE SOLUTION:

Sirius helped the State implement a Financial Process Automation (FPA) solution based on IBM® Case Manager and IBM Datacap.

THE RESULT:

The new FPA solution has doubled the State's accounts-payable receiving scanning and indexing capacity. It consolidates all documents into one system for increased efficiency. Invoices are no longer lost, processing times reduced, and reporting is more accurate. More than 300,000 invoices were processed in the State's first full fiscal year under the new system, and end-of-year reconciliation was a non-event. The State saved \$19.7 million in the first quarter alone, and the cost of filing records for seven years has been reduced by more than 99 percent compared to using physical filing cabinets.

A MONEY-SAVING MANDATE FROM THE GOVERNOR'S OFFICE

The move to a common agency processing system was mandated by the governor, who had campaigned on a promise to reduce state operating costs by implementing a shared services model built around a new agency for financial and employee services. The idea was to automate all accounts-payable operations into a shared process across the 57 individual agencies that operated independently, to a shared accounting system with shared processes.

One requirement was strict access control. For example, the system had to ensure that agencies couldn't see other agencies' invoices, and in the governor's office, some documents are visible to general staff, whereas others are visible only to management and the executive branch.

The existing accounting system couldn't scale to accommodate all 57 agencies, and early efforts had established that the State's current ECM and imaging platform could not handle the increase in volumes or required business rules to meet its needs. So the State looked to IBM for a solution that was robust enough to support an enterprise platform, and a delivery partner that could bring extensive financial processing and accounts payable experience, as well as domain expertise.

A HUGE JOB, A BIG TEAM, AND A TIGHT TIMELINE

Sirius was engaged by IBM to partner on the solution. Led by its Enterprise Content Management practice and lead consultants, Sirius worked with the State to come to an agreement on scope, timeline and an implementation plan.

In addition to the overall scope of the project, one of the biggest challenges was the timeline. Discussions between the client and Sirius began late in the summer of 2014, and the solution had to be live by April 1 of 2015. That meant configuring a new environment, implementing the new solution, and then porting and managing the migration of all 57 of the State's agencies — each with its own security and process requirements.

Because the timeline was so aggressive, Sirius and IBM assembled a team of about 20 consultants who worked directly with representatives from the State. The effort required a commitment of about 1,600 resource-hours from Sirius alone, and a project budget of approximately \$3.5 million.

The new FPA solution would have to run on the State's existing systems, with new licenses and FileNet® Content Manager software from IBM, and software services from Sirius. The solution was deployed on Linux® on x86 servers and EMC® storage systems, and Sirius provided training to the State's IT team.

In just the first quarter after Sirius' implementation of the IBM ECM solution, the shared ECM service was delivered to all agencies and counties in the state. Some metrics for the implementation included:

- 93 million pages were ingested, on average 1.3 million pages per day
- 117,000 users were supported in three environments
- 35 applications are supported, 22 of which are mission-critical
- 3.5 billion pages are being managed, representing 67 terabytes (TB) of data

This was the State's first workflow solution across all agencies. In 2016, the project received an award from the state's IT office as the project that had the biggest positive impact for agencies across the state.



The savings (in terms of cost avoidance) for the same quarter totalled a staggering \$19.7 million statewide, including:

- \$161,000 worth of paper (equivalent in height to 7.2 Empire State Buildings)
- \$522,000 for toner (1.1 tons)
- \$701,000 for file cabinets (2,508)
- \$1.3 million for floor space (13,600 sq. ft., or almost one-third of an acre)
- \$8.4 million in staff costs for filing paper docs
- \$8.3 million in staff costs for retrieving paper docs

FILE CABINET COMPARISON

The total cost for just the physical file cabinets required to retain hard copies of files for seven years (including paper, toner, file cabinets, office/warehouse space, and staff costs to file and to retrieve documents) would have amounted to \$17,592. In comparison, the cost of an “ECM file cabinet” (including the portion of servers, storage, database, cost to file and retrieve electronically) to store the same information for seven years would total only \$195.89, or just over .01 percent of the costs for a comparable physical system.

RESULTS THAT SPEAK FOR THEMSELVES, AND TO CONSTITUENTS

The new FPA solution has increased the State’s accounts-payable receiving scanning and indexing capacity by 100 percent. It has allowed all documents to be consolidated into one place for increased efficiency. Invoices are no longer lost, and the State can now track interest penalties daily. 300,000 invoices were processed in the State’s first full fiscal year under the new system, and end-of-year reconciliation was a non-event.

Enterprise Content Management is a strategic technology that is already delivering significant benefits to the State’s IT services department, its systems’ users and its citizens. And it has the potential to revolutionize content base workflow processes not only for state governments, but for your organization as well.

For more information about all the time, money and effort that today’s ECM solutions can save for your organization, visit www.siriuscom.com/ecm, speak with your Sirius representative, or contact Sirius today.

