



Fermilab Budget and Planning System (BPS) Implementation

Program Charter

Version 1.0
September 11, 2014

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9/11/14
Date

Executive Sponsor

Document Revision Log

Revision	Description	Effective Date
Draft 0.0	Initial draft version distributed for review	02/27/2014
Draft 0.1	Updated based on comments from MAT meeting	04/11/2014
Draft 0.2	Minor updates to Program Org Chart and R&R's	04/18/2014
Draft 0.3	Updates to Management Advisory Team	08/06/2014
Draft 0.4	Minor formatting updates – ready for signoff	08/19/2014
Draft 0.5	Updates to Program Background, time frame and cost estimates	08/28/2014
Version 1.0	Accepted final updates and publish for signature	09/11/2014

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1. Program Background

Fermilab currently completes its budget and planning activities using multiple, disconnected processes, tools, and systems. This creates a lack of consistency that makes aggregating the data for analysis and planning complicated and time consuming, and hinders required interactions between organizational units and consistent reporting. The Laboratory desires a single, modern system and common processes that will result in budget and planning activities that are streamlined, more robust, and easier to use.

Fermilab currently receives more than 95% of its funding from the DOE Office of High Energy Physics (OHEP) within the DOE Office of Science. Annual HEP funding is approximately \$400M, and is typically received in 35-50 categories (Budget & Reporting codes, or B&Rs) that must be budgeted and tracked individually in accordance with DOE requirements. A similar number of non-HEP categories comprise the lab's remaining funding sources. The annual budgeting cycle is driven largely by DOE's requirements for budget information. More than 250 employees "touch" the budget process each cycle.

Budget formulation begins top-down based on information available from OHEP. Guidance is provided to Divisions, Sections, Centers (DSCs), and Projects (collectively, the budget-owning entities) with targets at the B&R level for detailed formulation. Guidance is typically provided twice a year signaling the beginning of a budget cycle: in the summer for the upcoming fiscal year, and again in November/December for two out-years (CY+1 and CY+2).

Fermilab is a project centric organization where project resource planning is an integral part of the bottoms-up budgeting process. The majority of budget formulation is done in the field using varied processes and systems. Different budget-owning entities must coordinate the provision of labor by one entity to another. This coordination is hampered by the lack of project schedule information to ensure resource availability. Additionally, resources are quite frequently shared between operational work and project work. Field management lacks the ability to easily understand over/under subscription of particular skills and/or people, (e.g. Cryo engineers).

Once the budgets are reviewed by field management, the financial manager for each DSC/Project will upload the budgets to the Project Accounting module within Oracle eBS using Budget Wizard. Each cycle currently requires 7-8 weeks from guidance to upload. Once uploaded, the budget data is accessible using Oracle Discoverer queries. The lab's central Budget Office reviews the budget by extracting data using Discoverer and analyzing it using Excel pivot tables.

Budget data in eBS is loaded at the project/task level in order to capture all necessary parameters for presentation and analysis. Labor and materials/supplies budgets cannot be drilled for details. There is no what-if capability, nor can senior management access budget formulation data without financial support. Additionally, there is no lab-wide visibility into potential resource shortages across all the activities the lab must perform.

Budgeting by month or quarter is cumbersome and generally not done even though it would be useful. The laboratory has no data warehouse; data must be re-queried and manipulated each time it is updated. Budget execution including budget-to-actual monitoring is done through standard and ad-hoc reporting from eBS/Project Accounting.

2. Program Purpose

The BPS Program will develop and deliver an integrated budget and planning capability that will unite strategic and resource planning with budget formulation and serve as the single version of the truth for reporting. Additionally, this solution will result in a more effective and efficient budget formulation process; provide increased budget transparency and enterprise-wide visibility; facilitate improved analysis and forecasting; and enable scenario planning.

BPS Future State Vision

The steps we will take to deliver our future state vision is depicted in the following high level road map.

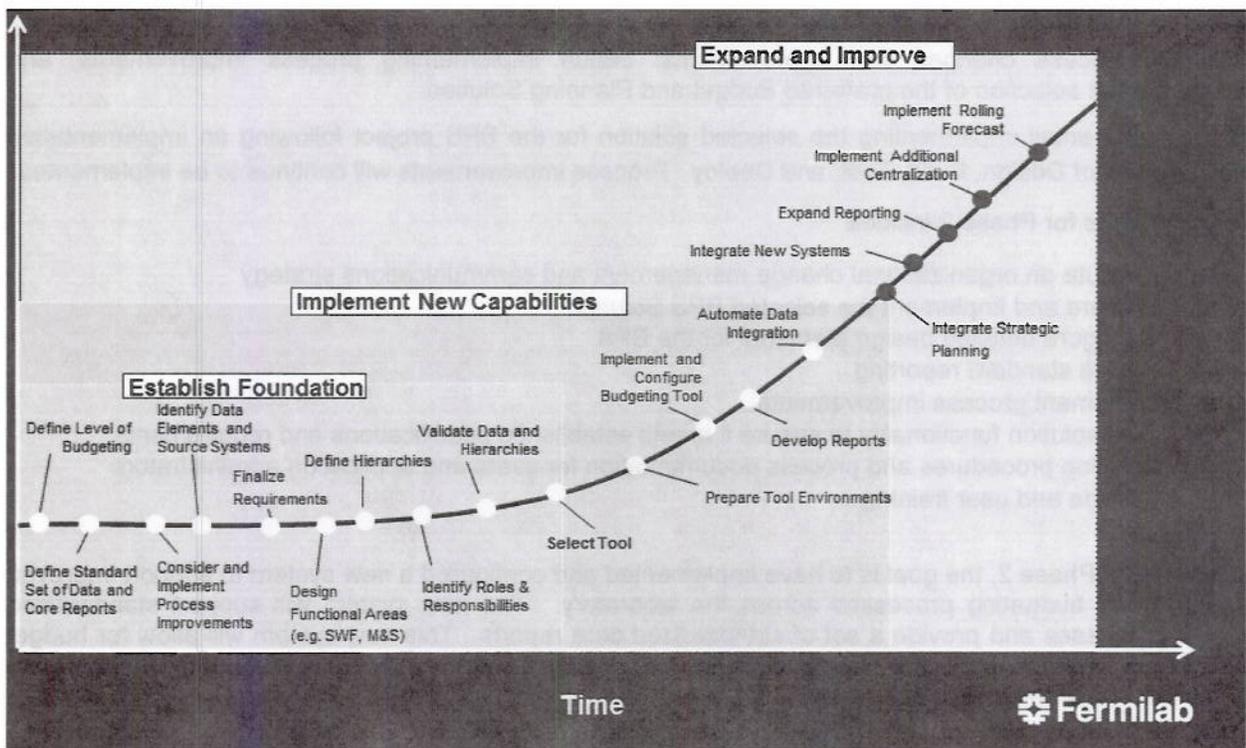


Figure 1. Preliminary Implementation Timeline

3. Program Scope

Implementation of the Fermilab BPS Program will be managed in multiple phases. Phase 1 will lay the the foundation for subsequent deployment and implementation activities by finalizing functional and technical requirements, defining and planning process improvements, and selecting a budget and planning system solution through a formal RFP process. Implementation of the BPS Solution will occur in Phase 2 and the implementation of enhanced historical reporting and analytics, and further integration with strategic planning activities, will occur during Phase 3.

Each Phase will be managed as a separate project and will have individual Project Charters with specific scopes and timelines. Specific objectives for **Phase 1** include:

- Document current budget process and reports
- Define and document future state budget processes and data flows

- Review, prioritize and finalize requirements included identified Gaps
- Identify data sources
- Define a data conversion strategy
- Socialize future state standard budget process and reporting across the lab
- Identify key roles and responsibilities
- Identify and evaluate process improvements
- Finalize the selection of the BPS Solution
- Create a change management and communication strategy
- Develop and execute a Request For Proposal (RFP) for the procurement and implementation of a new BPS Solution
- Refine cost estimate and timeline for solution implementation

At the end of Phase 1, the goal is to have finalized the requirements for the Labwide BPS; identified business process changes and improvements; begun implementing process improvements; and completed the selection of the preferred Budget and Planning Solution.

Phase 2 will entail implementing the selected solution for the BPS project following an implementation methodology of Design, Build, Test, and Deploy. Process improvements will continue to be implemented.

The objectives for Phase 2 include:

- Execute an organizational change management and communications strategy
- Procure and implement the selected BPS Solution
- Configure detailed design elements for the BPS
- Create standard reporting
- Implement process improvements
- Test solution functionality to ensure it meets established specifications and requirements
- Develop procedures and process documentation for users and application administrators
- Provide end user training

At the end of Phase 2, the goal is to have implemented and configured a new system to support improved planning and budgeting processes across the laboratory. The new system will support standardized budget processes and provide a set of standardized core reports. This new system will allow for budget formulation and resource planning by Division, Sections, Centers and Projects and will support the execution of the annual budget cycle.

Phase 3 objectives will include integrated strategic planning and forecasting, enhanced historical reporting, enhanced analytics. As this program of work progresses, this phase will be further defined.

4. Key Outcomes

Execution of this program of work will provide world class capabilities across the Lab, including:

1. A single Budget and Planning System with standardized processes that will improve budget efficiency and transparency.
2. A single source of truth for lab-wide budget data and information.
3. Improved efficiency that will allow for higher quality budgets in a shorter cycle.
4. More timely response to customers (DOE/OHEP and others)
5. Enterprise-wide visibility into resource planning information
6. Standard budgeting processes across the lab
7. "What-if" scenario planning capability and versioning
8. Common source of performance information that could be published to FermiDash
9. More efficient matching of project labor needs with available labor
10. Better integration of strategic and tactical planning with budget formulation
11. Ability to implement rolling forecasts

5. Customers

This program of work will deliver a new service and set of processes that will be used by employees and contractors involved in budget and planning activities:

- Executive Management
- Division/Section/Center Management
- Budget Office
- Field Financial Managers
- Project Managers
- Technical Point of Contacts

6. Stakeholders

The following people/organizations have been identified as program stakeholders, who may be actively involved in program development and execution, or whose interests may be affected by execution or completion of this program of work:

- Directorate
- CFO
- CIO
- COO
- Integrated Planning and Performance Management Director
- Division/Section/Center Heads
- Budget Office
- Field Financial Managers
- Project Managers
- Technical Point of Contacts
- Managers / Supervisors
- IT Service Provider and support personnel
- DOE/OHEP

7. Time Frame and Constraints

Implementation of a new BPS system will occur using a phased approach, as described in section 3. As the program scope and implementation approach solidifies, a detailed project plan and implementation timeline will be developed, with appropriate milestones to track and measure progress. The implementation timeline will also be informed by information gathered through vendor responses to a formal Request for Information (RFI) that will be executed by the project team. It is important to note that actual implementation duration will be directly affected by funding and other resource availability.

Time constraints are imposed on the implementation plan and schedule by the Laboratory annual planning and budgeting cycle. As the detailed implementation plan is developed, the timing of critical steps in the planning and budgeting cycle will be taken into account.

8. Program Cost Estimate

The preliminary estimated cost range to execute the planned scope of work defined in Section 3 is approximately \$2 million to \$3 million. The estimated cost range is based on a set of early assumptions established in the planning phase. The cost estimate will be refined as the program of work is further defined, an effective tool solution is identified, and a system integrator is selected.

9. Program Organization

The Program Organization is illustrated below, and explained in the following sections. Members of the project team will be appointed as the scope of work and project plan for each phase of work is developed and approved.

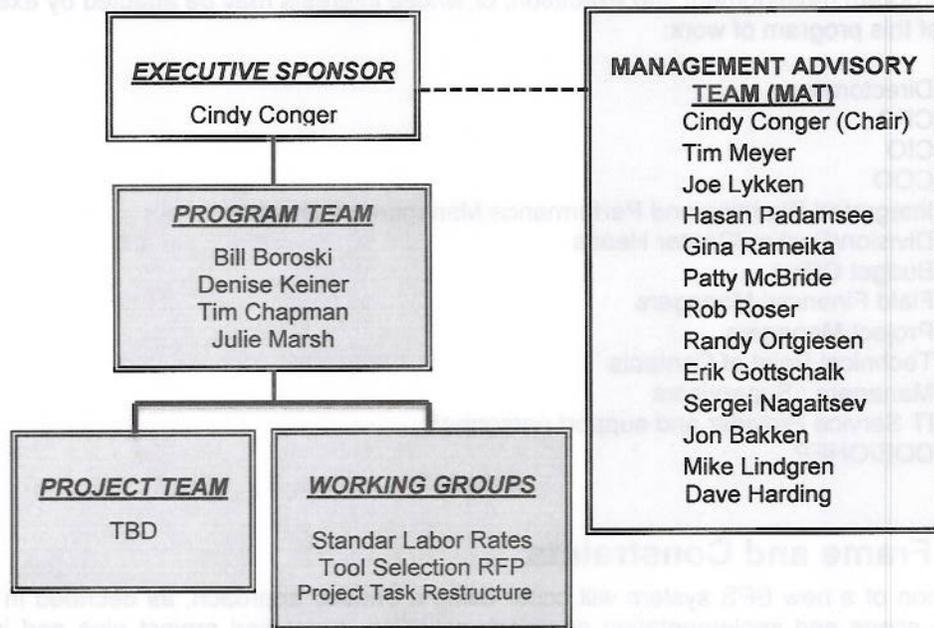


Figure 3. Program Organization

10. Program Management and Oversight

Executive Sponsor

Cindy Conger

Program Team

Program Manager: Bill Boroski
 Program Co-leads: Denise Keiner, Tim Chapman
 Project Manager: Julie Marsh

Management Advisory Team

Cindy Conger – Chief Financial Officer (Chair)

Tim Meyer – Chief Operating Officer Joe Lykken – Chief Research Officer

Rob Roser – Chief Information Office/ Acting SCD Division Head

Sergei Nagaitsev – Chief Accelerator Officer

Hasan Padamsee – Chief Technology Officer

Mike Lindgren – Chief Project Officer

Erik Gottschalk – Office of Integrated Planning and Performance Management

Randy Ortgiesen - Office of Campus Strategy and Readiness

Jon Bakken – CCD Division Head

Dave Harding – TD Division Head

Patty McBride – PPD Division Head

Gina Rameika – ND Division Head

10.1. Key Roles and Responsibilities

The Executive Sponsor is responsible for obtaining organizational support and commitment of resources; setting scope and providing guidance to the Program Lead; and addressing obstacles, issues and concerns. The Program Sponsor is responsible for assembling the Management Advisory Team and for acting as an advocate to keep the stakeholders and customers engaged in the success of the program.

The Program Manager is responsible for providing oversight on the overall program of work and working closely with the Executive Sponsor to ensure that the program objectives and key outcomes are achieved according to plan.

The Executive Sponsor and Program Manager are jointly responsible for securing the resources necessary to execute the approved program of work, They will be assisted by the Program Team as appropriate.

The Program Leads are responsible for managing the business objectives, and assisting with guidance to achieve the program objectives and key outcomes

The Project Manager works closely with the Executive Sponsor and Program Team to achieve the program objectives and key outcomes. This includes developing and maintaining the program plan, preparing and maintaining program documents, identifying and coordinating work activities, and monitoring and reporting on progress against plans.

The Management Advisory Team (MAT) is responsible for advising and providing guidance to the Executive Sponsor to ensure a successful outcome; considering policy issues and impacts to Fermilab; leading line management to provide resources to make the lab and the project successful; monitoring the progress of the program; discussing major risk issues; and assisting in the resolution of risks, issues and concerns that cannot be addressed at the project level.

11. Reporting

The Project Manager will report status to the Executive Sponsor and Program Team on a weekly basis.

The Management Advisory Team will meet on a periodic basis to review program progress, provide guidance on management and policy-related issues, and assist with issues that cannot be resolved at the project level. The standard meeting schedule will be monthly, with more or less frequent meetings depending on the stage of the project.