
2006 BUDGET BRIEFING NOTE - SAP Competency Centre

Issue/Background:

During the 2005 Operating Budget, the I&T Division was requested to defer the final phase of the SAP Competency Centre implementation for 6 months (from Jan. 1 to July 1) in order to reduce City Operating Budget pressures. This effectively reduced the 2005 I&T base budget submission by \$560,000, but has created a 2006 Operating Budget pressure of \$560,000 (the full year effect of the SAP CC Phase 2 implementation). The I&T Division had requested that the \$560,000 Phase 2 implementation of the SAP CC, underway in 2005, be incremental to the division's base operating budget target increase of 2%.

During the informal budget discussions, this issue was raised and the increase was supported by those in attendance. It was recognized that the SAP Competency Centre, which involved centralization of the SAP support function within Corporate I&T and provided additional resources and funding, was intended to be a corporate-wide, not I&T division-specific operating budget pressure.

It was requested that, for information purposes, the I&T Division prepare a briefing note to outline the history of this unit and its accomplishments since inception.

Key Points:

History

At the Council Meeting of May 18, 19 and 20, 2004 Council adopted the staff report: "Moving Forward with SAP at the City of Toronto." This report addressed the Auditor General's recommendation to develop a long-term strategic plan for the future of the SAP information system, including the establishment of the new SAP Competency Centre. Through centralization of development and support within the I&T Division, the recommendations of the report were intended to:

- maximize the City's investment in SAP
- address the critical lack of internal capacity and staff resources to sustain basic SAP functionality
- establish a strategic direction
- establish a governance structure with clearly defined roles, responsibilities and accountabilities, and,
- implement a continuous improvement framework for corporate and administrative processes

This centralized unit would be able to achieve a critical mass that would effectively become a centre of excellence to coordinate SAP work efforts so that the City's current and future investments in SAP would be maximized.

The implementation of the centre was to occur in two phases through 2004 and 2005 to smooth out the impacts. The SAP CC has effectively been in operation since early 2005 once the unit Manager was recruited and additional core staff added.

SAP Competency Centre Accomplishments

- A new SAP Steering Committee has been established, consisting of representatives from divisions, which are responsible for various SAP-enabled business processes, including Financial Planning, Human Resources, Payroll, and Accounting Services and chaired by I&T. This Steering Committee provides guidance to the SAP CC for both strategic and key operational matters.
- The SAP CC is now providing a higher level of SAP maintenance, enhancement and project management services to City divisions, including those responsible for current SAP-enabled business processes, those who are planning on adopting SAP modules, and those who need to have integration between SAP and other core business systems. Best practices and procedures are being developed and implemented. The performance of the system, its reliability, security and overall value to City operations are expected to progressively increase. Specific successes in 2005 include implementation of:
 - Procurement Card
 - Direct Deposit services for Children Services
 - Time Entry System (TES) Replacement with SAP functionality – programming development completed
 - Server Consolidation
 - Support in hosting of the 3-day Annual SAP Municipal User Group Meeting here in Toronto to share knowledge and best practices with other municipal SAP users across Canada
- The SAP CC has developed a prioritized 5-year capital plan to move the City forward in its use of SAP. The SAP capital program has been approved by the SAP Steering Committee and BAC and will be before Council December 8, 9. One of the key state-of-good repair projects is SAP Version Upgrade in 2007. This upgrade is the foundation necessary to provide enhanced business functionality and bring the City's SAP installation in line with the current SAP technology direction. In addition to the state-of-good repair projects, planned functionality to be added/enhanced includes:
 - Facilities and Real Estate – Plant Maintenance / Real Estate / Project System
 - Parks and Recreation – potentially Work Order (under review)
 - Human Resources – Complement Management
 - Human Resources – e-Recruitment
 - Accounting Services – Fixed Asset Records System
 -

Prepared by:

Stephen Wong
Director, Information & Application Services
Information & Technology Division
Tel: 416-397-9175
Email: swong@toronto.ca

John Davies
Executive Director
Information & Technology Division
Tel: 416-392-8421
Email: jwdavies@toronto.ca

Circulated to: Bruce Bowes, Chief Corporate Officer

Contact for further information:

John Davies
Executive Director
Information & Technology Division
Tel: 416-392-8421
Email: jwdavies@toronto.ca