

Source 2 Pay Project

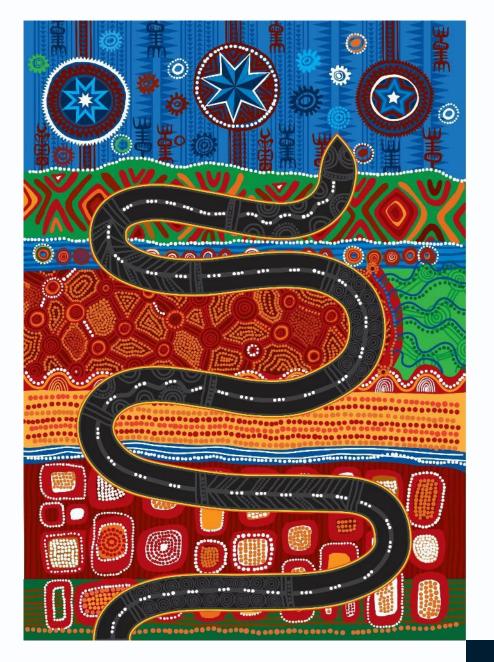
Paul Hesford Deputy CFO



Acknowledgement of Traditional Owners and Elders

I'd like to begin by acknowledging the Traditional Owners of the land where we meet today. I would also like to pay my respects to the Elders both past and present.

I also extend that respect to the Aboriginal and Torres Strait Islander people here today.









What we have delivered

SOURCE 2 PAY

Scope of Stage 1

- Guide buyers to source their goods and services through a buying channel that best supports their buying needs
- Improve payment processes
- Allow TMR to interact with its suppliers through an online market place
- Focus on 7 commodities to implement across 2 waves

Scope of Stage 2

Road 2 all spend, target \$4B by Dec 24

\$26m

spent every working day on goods and services

5.3mmanually handled documents a year



Two thirds reduction in process steps for some transactions



Guided buying through an online market place

Ariba and Fieldglass Usage Dashboard

As of 16 October 2023



Performance Metrics

01

On Time Payments

On time payment performance for S2P Transactions in Ariba.



02

Electronic Invoices

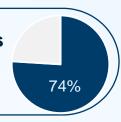
% of electronic Ariba Invoices (not submitted via ECC or via a PDF)



03

Touchless Interactions

% of Total Touchless Supplier Invoices



SAP ARIBA &

FIELDGLASS USAGE DASHBOARD

As at 16 October 2023



\$142,006,764



Wave 1 Commodities:

- Personal Protective Equipment
- Unplanned Facilities Maintenance
- Major & Minor Equipment Hire (Dry Hire).

Wave 2 Commodities:

- Contingent Labour
- Light Industrial Labour
- Legal Services.



Personal Protective Equipment

2016

\$814,660



Unplanned Facilities Maintenance

1389

\$911439



Major & Minor Equipment Hire

1047

\$37,407,472



Fieldglass Total Invoices

3767

Ariba Total Invoices

11,731

4963 Purchase Orders



Contingent Labour

406

\$73,660,788



Legal Services

54

\$2,105,000



Light Industrial
Labour

51

\$26,107,404



Registered Suppliers

378 Ariba Suppliers

> 166 Fieldglass Suppliers

01

Background to the Source 2 Pay Project

Diagnosing the Problem

- High volume spend (\$7 billion a year on procured goods and services) with a large number of manual processes
 - For example, sourcing and paying for professional services requires 66 steps
- Growing program of work 20% increase in TMR budget from 2021-22 to 2023-34 and then out to 2032 with the Olympics
- Comments from TMR's Procurement Process Improvement Survey (2019):

Reduce the paper load and approvals – technology has to be the key Reduce red tape, streamline processes and governance. Make it user friendly for our customers and suppliers.

Reduce red tape.
Review the current process. Electronic signatures. Form completion guidelines.

Technology must be set up with a minimum number of clear and concise steps with minimum number of sign offs.

There was a strong desire and appetite for process improvements, with a focus on automation and systems refinement.



Identifying a Solution

- Engagement across TMR Design Thinking Workshops
- Completed case studies

QueenslandRail =Transurban









- Engaged the market using Gartner
- Completed and obtained sign off on a Pre-Market Business Case
- S2P Strategy and Roadmap to provide scope for Stage 1 Business Case
- Engagement and adoption strategy 90% change project, 10% technology
- Staged approach Not Big Bang, manage risk and change



02

Outcomes and Benefits

What will S2P deliver for TMR?



Faster, simpler procurement



Digitised buying and payment processes



Purchase and approve 'on the go'



Compliant with best practice – less red tape





Before & after Contingent Labour Hire Process for SOA GGS0060

SAP Fieldglass Implementation saves users 6 days of processing time



03

Implementation
Approach

A phased roll-out approach

Wave 1 (May 2021 - early 2022)

Wave 2 (May 2022 - March 2023)



Personal Protective Equipment



Legal Services



Unplanned Facilities Maintenance



Road Signs



Major & Minor Equipment Hire



Roadwork/ Workshop Consumables



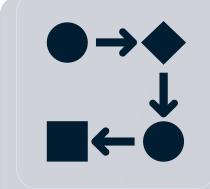
Contingent Workforce



Source 2 Pay – Governance Model

External Governance Strategic Alignment Finance & Information and **Procurement** (across TMR and WoG) **Systems** Committee Committee Program **Queensland Audit** Office Solution **Advisory Group Procurement Sub** Committee **Future Procurement** QGCDG **CSI Portfolio Board** TMR Audit and Risk Committee **Project Strategy** (scope, time, cost) Digital Governance Source 2 Pay Project Board Committee **Tactical Delivery Project Team Project Operations** Process (TMR, SAP & **Board Design Authority** consulting firms) **Policy Working Commodity Working Security Working SOURCE** Group Groups Group

Delivery Streams









Business

- Wave Plan
 - Guided Buying
 - Accounts Payable
 - Supplier Management
- Design Principles
- Reporting Strategy
- Future operating model
- Data Migration
 - Strategy & Plan

Technical

- Co-design and review architecture
- Provision, install and configure non-production cloud connector host
- Build with QSS
- Testing

Change & Training

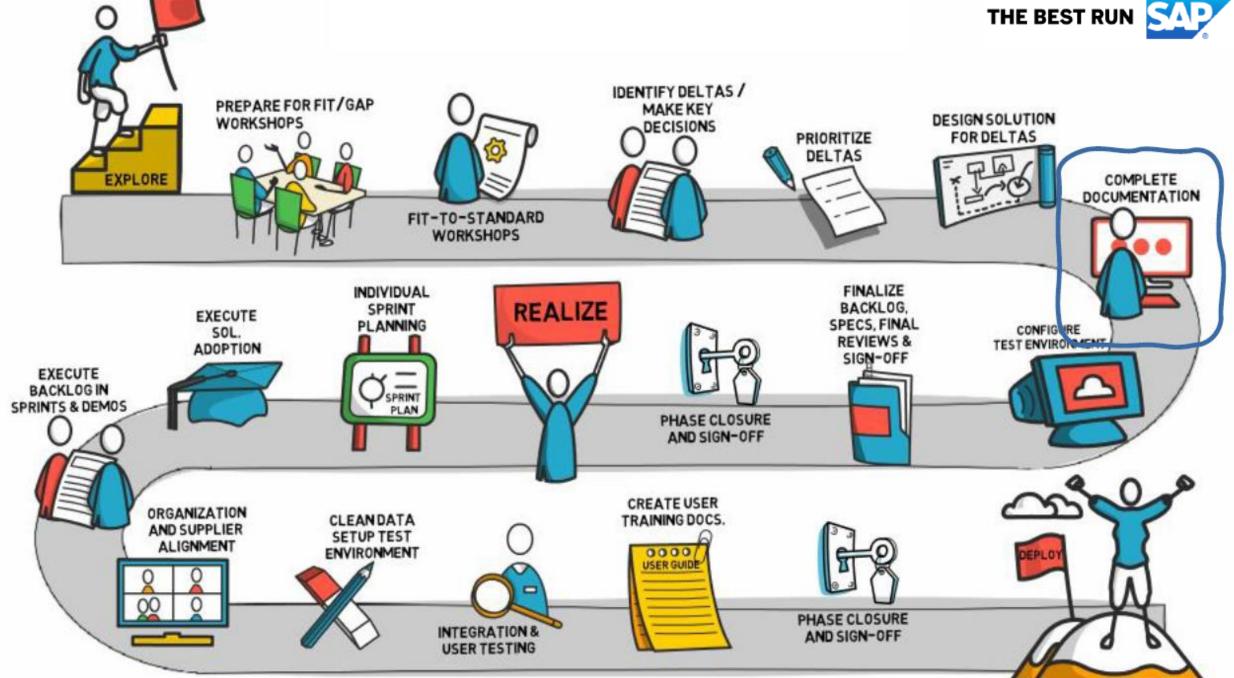
- Stakeholder management inc Change Leaders
- Communication
 Plan and artefacts
- Change Impact Assessments
- Training Strategy

Program Management

- Governance
- Schedule
- Budget
- Team administration
- Risk and issues







The project worked in partnership through...

Divisional leaders on our Project Board

Working closely with TMR Subject Matter Experts (SMEs)

Embedded resources from various divisions into the project team

Developed an extensive Change Network

Ongoing consultation and collaboration

Our Change Network





Legal Services: What's changing for me when requesting Legal Services

The Source 2 Pay project is introducing new ways of working. This means the way you request legal services in changing. Requests for legal services will now be raised through the online SAP Ariba platform.



Streamlining procurement across TMR

Key things to be aware of.

What's changing in requesting Legal Services.

- Current process: Currently requests for Legal Services can be emailed, phoned or 'Legal Services Request Form' completed.
- New Process: This process will be digitised with the end-to-end process for managing legal services now in SAP.

When will the changes come into effect?

• From 27th February 2022, this all requests for legal services will be created in SAP Ariba, available on the Intranet.

Who's impacted

 All TMR staff will be able to access the online form to request legal services.

Where do I find more information?

More information available on the





1. Open Ariba

All TMR Staff will have access to SAP, accessible from the shopping cart on the 'Inside TMR Menu bar on the Intranet. This is called the "Universal Navigation Bar" as it appears on all pages on the intranet.

2. Select the Legal Services Tile to get started

From the homepage, users can select the tile labelled

'Legal Services"





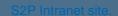
3. Complete the online form

Complete the online form to request Legal Services. This is then sent to Legal Services who will assess your request to determine if in-house counsel or external legal services is required.

Training resources

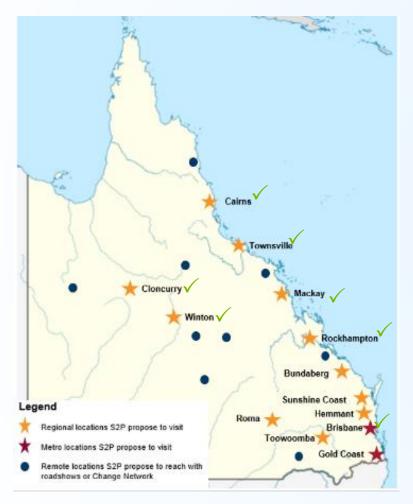
Training information can be found **SAP Enable Now**





S2P Roadshows and in-person training

Across Queensland...











What end users told us in wave one

Through:

990

Total interactions with representatives across 17 stakeholder groups



20

Discovery Sessions across May - July



50

Change Readiness Survey responses

Roadshow themes:

Key themes raised:

- Use of corporate credit cards
- Suppliers involved
- Bulk purchases
- Categories in scope
- Business process
- Business readiness

What our staff want:

"The best support is sharing communication in a timely manner and not leaving it too late for people to start understanding."

"People want face to face training and engagement."

"Regular communication to the business with project updates - not all business units are the same."

"There has been a general experience when a prototype is built in Brisbane and then taken elsewhere, it doesn't work."



The path to Supplier Enablement

						<u></u>			?
Supplier Enablement Strategy & planning	Establish Supplier Outreach Team	Project Notification Letters (PNL)	Supplier Summits	Suppliers onboarding	TMR Outreach Team support with registration	Regular Comms and ongoing support	Training webinar and resources available	Go-Live Notifications	Follow-up phone outreach as needed)
Supplier Enablement Strategy Catalog Strategy Supplier Communication Plan Data Analysis	Recruitment and onboarding of Supplier Outreach team. Team commences from 24 October.	Welcome Supplier to the project and notify suppliers about S2P and Supplier Summits.	Live webinar co-hosted by TMR and SAP Ariba. (Project overview, project details, benefits, Demo of Ariba and Fieldglass, QnA)	SLP Registration / Trading Relationship Request. Request sent to Supplier to register on Ariba Network and Fieldglass. Support suppliers with onboarding	TMR Phone calls and email to support suppliers with registration where required. The Outreach team has: • Call scripts and talking points • Tracker Escalations as required	Regular comms and ongoing support for suppliers so they are prepared for registration and go-live: Onboarding Guide Reminder comms Escalation as required. Factsheets.	Functional Training (e.g Video and webinar Training. Training on account configuration, Supplier Information Portal usage, etc.	Inform suppliers that they will progressively start to receive an increase of POs from Ariba.	Push to Transact Phone Calls. Follow up phone outreach to support suppliers in creating first invoice.
									SOURCE 2 PAY

Gradual transition to business-as-usual ahead of go-live

01 Change, communications

- Go-live communications to branches aligned with incremental rollout
- Intranet updates
- Departmental news
- Ongoing engagement with stakeholder groups as needed (Change Network, Branch Leads, Super Users, Trainers)

02 Workforce Change & Training

- Realise phase high level impact summaries created and centralized
- Branch level summaries finalised
- Impact assessment methodologies and tools synthesised and handed over to BAU

03 Supplier enablement

- Supplier outreach and onboarding
- Supplier support and troubleshooting
- Supplier tracking and ensuring the correct suppliers are onboarded in a timely manner to support
 future roll-out go live
- System related updates

94 Supplier communications

- Various communications relating to: Onboarding, support and troubleshooting, education and training materials, follow up to nudge registration, supplier experience
- Ongoing engagement and face to face support where required (e.g., supplier summits)

05 Security role mapping

- Finalise security role mapping for round 2 rollout groups
- Integrate security design and PMO model changes
- Summarise and share relevant tools with SAP Security team

Transformational Initiatives Group B2B Solutions Team SAP Systems Team



Support arrangements for end users

End users had access to numerous support networks



Supported by the S2P Change Network

Support provided by the 250+ strong S2P Change Network comprising of local support through your Branch Lead and Change Leaders.

Self-Serve via the Digital Toolkit

All end users are able to access the Digital

Toolkit to self-serve learning materials

including:

- Factsheets
- FAQ's
- Posters
- Videos
- Key contacts
- Simulations and demonstrations
- Quick Reference Guides
- eLearning courses



Training Support

Access to trainers was made available onsite during the weeks of training.

Ongoing local support was delivered by 'super users' on the ground.



Production Support

Ongoing local support was delivered through the PMO Model and Super Users.

Staff contact the ITB Services Desk to escalate an issue or raise a support ticket for help from the S2P Business 2
Business Solutions Team.

Staff Sentiment check points



We'd love to hear from you

- How prepared do you feel for your Branch's go-live?
- Do you have clarity about who will be available to assist when you start using the system?



04

Project lessons

Why we reviewed lessons from other ICT Projects

- To capitalise on past lessons of similar ICT projects
- To consider risks that may not have been identified
- Reduce the risk of making the same mistakes
- Assist S2P achieve the objectives and benefits
- Increase awareness of other projects' risks
- Increase project quality and reduce rework
- To take advantage of what worked well and incorporate into the S2P activities
- Alleviate potential budget blowouts
- Knowledge transfer within TMR





Key Source 2 Pay Project Lessons (1)

- Early review of similar implementations paid dividends
- Time and effort spent on polishing the business case paid off; benefits required very few amendments
- The make-up within the project team produced good outcomes; the emphasis on public servants optimised the team's knowledge and allowed for leveraging of existing relationships. This also supported the smooth transition of key resources into business-as-usual roles at the end of the project.
- The process owner model worked well and allowed for early buy-in and effective decision making.



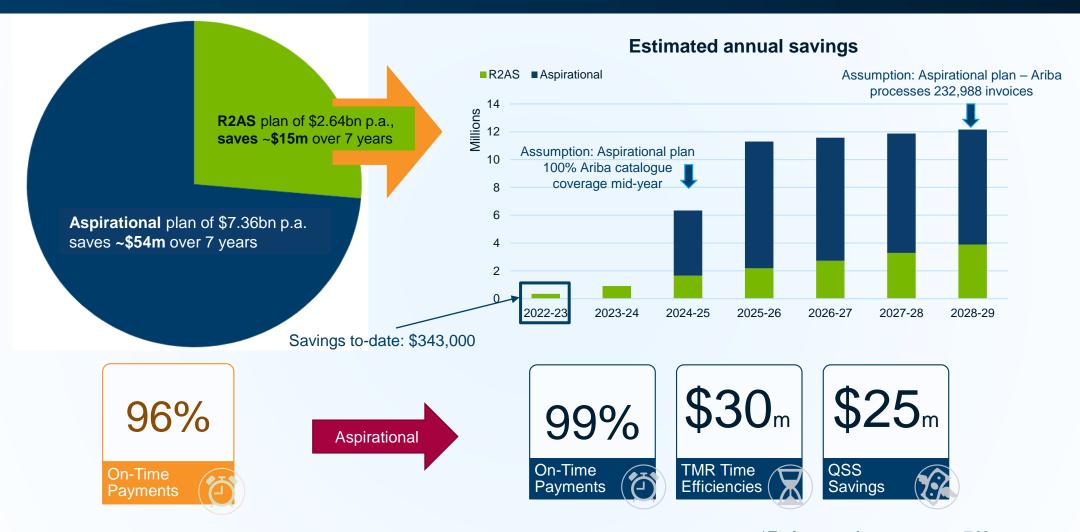
Key Source 2 Pay Project Lessons (2)

- Expert support from third parties was effective to support change management, training, system design and assurance.
- Supplier engagement should be tailored to reflect the unique attributes of TMR's relationships with its suppliers.
- Engagement with suppliers should commence as early as possible to allow for the full process of supplier onboarding.
- Adjust the governance model throughout to suit the phase of the project, such as adding short-term working groups.

A full lessons register was maintained throughout the project, capturing a total of 71 lessons.



Road to all Spend: Where do we want to be?



R2AS Spend = BAU activities in-play

*Estimates above are over 7 Years



Any Questi ens

SOURCE 2 PAY

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Thank you and stay connected

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