



EXECUTIVE CHAMBERS

HONOLULU

NEIL ABERCROMBIE
GOVERNOR

February 27, 2014

ADMINISTRATIVE DIRECTIVE

NO. 14-01

TO: All Department Heads

SUBJECT: Enterprise Transformation; Establishment of the Role of Director of Strategic Initiatives; Designation of Strategic Initiative #1

In furtherance of my vision of transforming government, the Governor's Office will be identifying and executing key policy and operational initiatives of strategic importance, referred to hereafter as "strategic initiatives." The Director of Strategic Initiatives (DSI) will coordinate this effort and oversee any such programs or projects. The DSI will report to, advise and represent me in this area, providing high-level direction and facilitating coordination and alignment of resources, as deemed necessary, across government agencies.

The following directive provides further clarification on the role of the DSI.

Directive

Role & Responsibilities

1. The DSI shall work with executive sponsors, cabinet directors and other State staff to monitor key programs and advance strategic initiatives.
2. On strategic initiatives, the DSI is authorized to, and shall, set timelines and milestones, as deemed appropriate.
3. The DSI shall manage the Enterprise Program Management Office (EPMO) function and associated staffing resources, currently situated within the Office of Information Management & Technology ("OIMT").
 - a. All department directors shall direct their staff to input into *Alanui* - the EPMO Project Information Management System - information on progress relating to strategic initiatives, as directed by the DSI.

- b. For purposes of providing the Governor's Office with additional insight into key programs and projects, the DSI shall also identify other programs and projects whose progress must be inputted by department staff and monitored within *Alanui*.
4. Three levels of management and oversight shall be applied by the DSI:
 - Level 1 – DSI monitors & tracks key programs working with program staff.
 - Level 2 – DSI conducts enhanced monitoring and tracking, with department directors/executive sponsors providing consistent updates to the DSI.
 - Level 3 – DSI designates a program to be a strategic initiative with more active involvement to move the program forward, exercising such authority as described herein. In connection with any such designation, the DSI may take into consideration all relevant factors including, but not limited to, strategic importance and value to the State, administration priorities, importance and value to organizational change management, interagency collaboration requirements, degree of support, resource availability and complexity.
5. As deemed appropriate by the DSI, the DSI shall:
 - a. Explore and sponsor business process re-engineering projects statewide, utilizing and pooling departmental resources;
 - b. Conduct training of designated state personnel;
 - c. Draft and issue administrative directives on behalf of the Governor's Office in furtherance of strategic initiatives;
 - d. Serve as a member of all Executive Steering Committees involving strategic initiatives;
 - e. Serve as a non-voting or voting member on all evaluation committees relating to acquisitions involving strategic initiatives;
 - f. Review, approve and assist in the preparation of all internal and external communications relating to strategic initiatives;
 - g. Review and provide recommendations for all signoffs on expenditures relating to strategic initiatives and requiring the Governor's signature;

- h. Convene informal and formal task forces and committees, which may include the participation of external stakeholders;
 - i. Serve as the Program Executive on all strategic initiative programs and, as deemed appropriate by the DSI, the Executive Sponsor; and
 - j. In collaboration with the CIO, assist in developing statewide enterprise policies that standardize project-related governance processes and facilitate the sharing of resources, methodologies, tools and techniques.
6. In support of strategic initiatives, the DSI is authorized to identify necessary departmental resources and temporarily detail, assign or utilize such resources, including personnel or funding sources, as required to support the respective strategic initiatives. Unless otherwise instructed by the DSI, funding for strategic initiatives shall continue to be expended and secured by the respective departments.
7. All department heads are instructed to comply with the guidelines, standards, policies and directives established and communicated by the DSI, as they relate to strategic initiatives.
8. Subject to and consistent with all applicable laws and collective bargaining agreements, the DSI is authorized to temporarily or permanently suspend or modify processes and procedures in furtherance of the work of strategic initiatives.
9. The DSI is hereby designated as the Business Transformation Executive, and Administrative Directive No. 11-02 is hereby formally modified where inconsistent with the directive stated herein.

Designation of Strategic Initiative #1

The following program is designated as a strategic initiative.

Enterprise Resource Planning

The State of Hawaii is currently supported by decades old and obsolete systems and processes, creating tremendous inefficiencies, undue burdens upon State employees, frustrated citizens and many operational silos. The work to modernize these processes and associated technologies must be prioritized, expedited, and streamlined to ensure a brighter, long-term future for our State.

Toward this end, the State of Hawaii is developing an Enterprise Resource Planning (ERP) system, which will integrate 7 core systems of the State (Financial Management, Budget Preparation, Acquisitions and Asset Management, Grants Management, Human Resources Management, Payroll Management/Time & Attendance, and Unified Chart of Accounts), eventually retiring approximately 120 existing IT systems within the State and streamlining hundreds, if not thousands, of processes.

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The ERP Program is one of the most important inter-departmental programs ever launched by the State, and it is one of the most complicated programs, requiring tremendous amounts of coordination and resources across agencies.

The system, which eventually will be used by all state employees, will play a significant role in improving conditions for State employees and providing better services for residents. However, to support the program and facilitate a smooth transition to the new ERP system, substantial resources will need to be dedicated toward the ERP effort; difficult decisions may need to be made; and sacrifices to immediate operations could occur in favor of the long-term benefits of the system. Consistent with the authority provided to the DSI herein, department directors are encouraged to support the DSI in moving the program forward.

Other strategic initiatives may be defined by the DSI in the future.

Conclusion

This directive constitutes a next step in our ongoing effort to expedite and advance business transformation throughout our State. Resources may need to be redirected, but I am confident the DSI will work with you to maximize the likelihood of success on strategic initiatives, such as ERP, while minimizing, where possible, adverse impacts to your operations. Mahalo for your cooperation as we continue to work toward a sustainable foundation that benefits our State, our workforce and our residents, today and in the future.

Any questions on this matter should be referred to Randy Baldemor, the Director of Strategic Initiatives, Office of the Governor at 586-1945.

NEIL ABERCROMBIE
Governor, State of Hawaii