

**CallaghanInnovation**

New Zealand's Innovation Agency

Callaghan Innovation:

# Update on Kia Tika Technology Selection

## Enterprise Resource Platform (ERP)

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# Overview

- Following endorsement by the Audit and Risk Committee on 16 March 2023, on 23 March 2023 the Board approved Callaghan Innovation to enter into commercial negotiations for the first phase of the Enterprise Resource Planning (ERP) Programme (*Kia Tika*).
- During the procurement process with both Section 9(2)(b)(ii) - Commercial and Workday we held technology demonstrations, evaluated written responses, attended workshops with the technology vendors and proposed delivery partners. A Callaghan Innovation evaluation panel evaluated this, and following a number of refinements conducted reference checks, and **agreed on a clear preference** to enter a commercial discussion with Workday (solution provider) and Section 9(2)(b)(ii) - Commercial (delivery partner) on the next phase of the ERP Programme.
- On 21 April we presented this recommendation to the Chief Executive and received approval to enter into a (paid) discovery phase with our recommended delivery partner, Section 9(2)(b)(ii) - Commercial.
- The discovery phase (now concluded) has confirmed our detailed solution requirements, defined a roadmap and release plan for deployment, confirmed resourcing requirements, informed implementation costs, and validated the decision to proceed to delivery.
- This paper seeks to provide the Board with a summary of the rationale behind selecting Workday, and offers details around the nature of the technology choice and benefits identified.

# Workday - Global Profile

Workday is a leading provider of enterprise cloud applications for finance, HR, and planning. Founded in 2005, Workday delivers financial management, human capital management, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Organizations ranging from medium-sized businesses to Fortune 50 enterprises have selected Workday.

Section 9(2)(b)(ii) - Commercial Information

The top three of Workday's competitors in the Enterprise Resource Planning (ERP) category are

Section 9(2)(b)(ii) - Commercial Information



Section 9(2)(b)(ii) - Commercial Information

Wf

Section 9(2)(b)(i) - Commercial Information

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# Workday versus

Section 9(2)(b)(ii) - Commercial Information

Overall, the evaluation team unanimously endorsed Workday. Key observations include:

	Section 9(2)(b)(ii) - Commercial Information	Workday
<b>Quality</b>	Would not work without other add-on systems. Some improvements over current state.	Works. Significant improvements.
<b>Risk</b>	Medium - well tested in other agencies	Medium - positive experiences in agencies including <sup>Section 9(2)(b)</sup> , GNS, and ESR
<b>Licensing model</b>	Section 9(2)(b)(ii) - Commercial Information	Fixed
<b>System consolidation</b>	Low	High
<b>Tech Integration</b>	Low	Medium
<b>Level of internal change</b>	Medium	High
<b>Future proofed</b>	Medium	Medium
<b>Quality of delivery partner</b>	Good	Good
<b>Legal T&amp;Cs</b>	Good	Good
<b>Strategic Alignment</b>	Medium	Medium

Important points:

- **Aligns** with our technology strategy to consolidate current disparate systems under a single unified platform.
- Significant change management required given the opportunity to introduce a self-service model
- Need to be wary of elongated recruitment times and additional training requirements

## Key Strengths



### Digital Security

- Assessment to be finalised
- Likely to be a positive outcome
- ISO certified



### People

- 200 Workday employees in NZ
- Local Section 9(2)(b)(ii) - ComInf resources
- Workday training programmes for staff



### Compliance

- PWC (auditor) endorsement



### Track Record / proven ability

- Strong global adoption, including Aus and NZ. Just not in NZ Gov
- Far more complex operating environments than CI (e.g. Banks)
- 2nd highest market share in global ERP sales, next to Section 9
- Growing faster than any other Gartner-recognised ERP vendor
- Becoming increasingly recognised as the ERP leader (Gartner Insights, 2022)



### Levels of internal energy and enthusiasm

- Positive feedback across the agency following intensive discovery phase



### Financial

- Competitive pricing
- Successful negotiations
- Whole-of-life costs forecasted
- Long-term resourcing to be considered



### Working with other agencies

- Alignment with other government agencies (GNS/ESR, Waka Kotahi)
- Alignment with common process model
- No sharing of customer data via ERP



### Digital Integration

- Checked against current and future digital environments; no technical issues
- Significant consolidation of number of digital products
- Appointment of data migration specialist



### Functional (will the tech work?)

- Detailed discovery process to mitigate risk
- Highly configurable
- No customisation expected
- They way we use the tech is unlikely to differ from other NZ gov agencies

## Key Project Considerations

Section 9(2)(b)(ii) - Commercial Information





# Technical ecosystem

Section 9(2)(b)(ii) - Commercial Information

## Technical Design Elements

Section 9(2)(b)(ii) - Commercial Information

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# Key Benefits

By implementing the Workday ERP we expect a total average of Section 9(2)(b)(i) per year in cost benefits (indicative). These cost benefits are expected to be realised over the five year investment period. These will largely be achieved through the following three areas:

## Audit Effort

*Achieved through reduction in audit effort due to trusted data.*  
Section 9(2)(b) per year (in time savings)



## Process

*Achieved through improving business processes across functional areas.*  
Section 9(2)(b)(i) per year (in time savings)



## Technology

*Achieved through consolidating current systems into one integrated ERP system.*  
Section 9(2)(b)(i) per year (in licencing & support costs of redundant systems)

People  
Process  
Technology



# Next Steps

