Project ID: 2024-MP-019

ERP illustration

Financial management

Project Name	Enterprise Resource Planning (ERP) software replacement	$4,012,000

Project Information

Project Summary:

This is a multi-year project to replace the Enterprise Resource Planning (ERP) software.

The total cost of the project is $4,012,000 over three years. ($943,500 in 2024, $2,566,000 in 2025 and $502,500 in 2026.) It will be completed in 2026.

Business Case:

In early 2023 we were advised by our financial software provider that the current software will be reaching end of life and will no longer be supported in the coming years however at that time no end-of-life date was given. The current financial software has been used since approximately 1990, and is used to process all financial transactions for the County as well as the information needed to prepare our budget and reporting documents.

A consultant was engaged in 2023 to review the current software, determine additional functionality requirements and review options for alternative software. Our current software is limited to financial transactions such as day-to-day transactions, utilities, taxes, payroll, and budgeting. The current software is not efficient when it comes to running reports and variance analysis.

On October 24, 2023, the current financial software provider announced the end of life as of January 1, 2026.

The goal of an ERP system is to provide a centralized platform that enables data sharing, automation, and collaboration within the organization. ERP systems are designed to be scalable with the ability to start with what is currently needed and expand with future needs.

Project Stages

Replacing ERP software is a significant undertaking that requires extensive planning, communication and execution in order to have a successful transition throughout the County. This project will require several stages over the next three years including:

1. **Assessment and planning: (Complete)**
   a. Evaluate the current system: Identify the limitations of the current system. Understand what works well and what needs improvement.
   b. Define objectives: Outline the goals and objectives Leduc County aims to achieve.
   c. Budget: Determine the budget and allocate necessary resources, including staffing.
2. **Vendor selection: (2024 Q1-Q2)**
   a. Requirements analysis: Develop a list of functional and technical requirements based on our business needs.
   b. Request for proposal: Prepare RFP for ERP external organization-wide integration and functionality support.
   c. Vendor demonstrations: Conduct demos of shortlisted ERP systems in order to understand their capabilities and usability.
3. **Customization and configuration: (2024-2025)**
   a. Customization needs: Determine if any customization will be required.
   b. Data migration: Plan for migrating data from the old system to the new one. Ensure data accuracy and integrity during the process.
   c. Integration: Consider how the new ERP system will integrate with other existing software (i.e. Camalot for assessment values).
4. **Implementation: (2024-2025)**
   a. Big bang implementation: Testing for all components and integrations will take place prior to the roll over date.
   b. Training: Comprehensive training for end-users to ensure they are comfortable and familiar with the new system.
   c. Change management: Implement a change management strategy to address any resistance and ensure a smooth transition.
5. **Testing: (2025)**
   a. User acceptance testing (UAT): Thorough testing will be completed to ensure the new system meets specified requirements and functions as expected.
   b. Performance testing: Evaluate the performance of the system under different conditions to identify and address issues.
6. **Go-live and support: (2026 Q1)**
   a. Deployment: Full deployment of all ERP modules.
   b. Post-implementation support: Provide ongoing support to address issues when they arise. Monitor system performance and gather feedback.
7. **Review and optimization:**
   a. Post-implementation review: Evaluate the success against the defined objectives.
   b. Continuous improvement: Identify areas of improvement and optimization.

The stages that will be complete in 2024 include:

- Finalization of stage 1: Assessment and planning
- Stage 2: Vendor selection
  - Selection of a vendor for professional services to assist with the entire project.
  - Five full-time staff will work closely with the implementation team to successfully support the project timelines.
  - Selection of a vendor for a budgeting software solution independent of the ERP.

- Selection of a vendor(s) for the following functions including but not limited to accounts payable, accounts receivable, cash receipting, inventory, tax, utilities, tangible capital assets, payroll, Human Resources Information System, and e-commerce functionality.
- Begin stage 3 and 4: Customization and configuration and implementation.
  - Secure data migration expertise from an external consultant.

In 2025 the following will be completed:

- Stage 4: Implementation
  - County-wide training will be scheduled for all staff who utilize the software.
- Stage 5: Testing
  - Thorough testing of each area will be required throughout the year to ensure successful implementation.

In 2026 the following will be completed:

- Stage 6: Go-live and support
  - The software will be deployed on January 1, 2026, utilizing a big-bang approach.
- Stage 7: Review and optimization

An ERP system is a critical system to operate a municipal government. With the software provider announcing an end of life, if this project is not started in 2024, we risk not having a system in place to meet organizational needs in advance of the current system's end of life date.

Project Costs

Project Phase	2024	2025	2026	Total
Staffing (Leduc County and professional services)	$470,000	$850,000	$1,250,000	$130,000
Budgeting software	$61,000	$21,000	-	$82,000
ERP Software	$350,000	$1,570,000	$310,000	$2,230,000
Ad hoc consulting	$62,500	$125,000	$62,500	$250,000
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Total Estimated Project Costs	$943,500	$2,566,000	$502,500	$4,012,000

General Information	
Priority Category	4G - Maintain Infrastructure
Project Need	Strategic Plan
Anticipated Start Date	2024 Q2
Anticipated Completion Date	2025+

Department	Finance
Project Manager	Natasha Wice