November 26, 2014

To: Agency Heads of Selected Agencies and Institutions

From: David A. Von Moll

Subject: Cardinal Project – Part 3 - Wave 2

In March of 2013, and again this past August, I had the opportunity to visit with many of your fiscal officers and information technology managers during the Cardinal Introductory Meetings, where representatives from the Department of Accounts (DOA) and the Cardinal Project Team provided an overview of Cardinal and discussed the rollout of the new system to your agency. You may know that Cardinal is the Commonwealth’s initiative to replace the current statewide accounting system, CARS, with Oracle’s PeopleSoft financial management system. As the state’s financial management system of record, Cardinal will be the driving force behind paying our vendors, reimbursing our employees’ expenses, tracking our bank deposits, producing our financial statements and many other important financial activities.

Cardinal has already been implemented at the Virginia Department of Transportation (Part 1), at DOA (Part 2) and at 142 agencies as part of our Part 3 - Wave 1 statewide rollout. We have now begun Part 3 - Wave 2 of the statewide rollout to an additional 137 agencies and institutions, including yours. The Part 3 initiative will conclude in February 2016.

The Cardinal implementation approach has been one based on risk mitigation. The Commonwealth is taking deliberate steps to implement the software in a manner such that the sound financial practices we have established in the Commonwealth are not jeopardized. By deploying Cardinal in stages, both the project team and the agencies have been able to capitalize on lessons learned from previous phases of the project. These strategies result in reduced project risk, more efficient use of agency resources to complete required project tasks, more robust software configurations and more effective end user training.

Some of the key lessons learned that have been shared with your staff are:

- Treat Cardinal as a project. Consider assigning a project coordinator to oversee tasks, capture issues and report status.
- Do NOT attempt any significant updates/upgrades to your existing financial systems during the Wave 2 rollout. Cardinal tasks will require significant effort from your staff.
Consider the impacts to OTHER agency-based systems when evaluating Cardinal impacts.
Staying on schedule – from the beginning – will be a critical factor in your success on this project. Agencies cannot lag or get ahead of the project schedule.
Assign your best people to the project tasks.
Being on-site (vs. conference call or webinar) for most meetings/workshops is necessary to understand the information and effectively complete the tasks.
**There is no Wave 3....all agencies will be required to use Cardinal beginning February 2016. Whether this usage is through interface or direct entry will be determined by the effectiveness that interface project objectives are met.**

The initial statewide rollout of Cardinal includes replacing the existing CARS functionality (general ledger, accounts payable, and accounts receivable – funds receipt). I know many agencies want broader functionality in their statewide system and it is my goal to provide it. However, our immediate objective is to address the risks associated with our antiquated and unsupported statewide system by replacing existing CARS functionality. Expansion of functionality will come in future releases of Cardinal.

Although we have had three successful rollouts of Cardinal to nearly 8,000 end users, there is still much work to be done to bring your agency up on Cardinal. As we shared with your fiscal officer, much of this work must be completed by your agency staff. The project team expects that each agency will need to complete over 100 separate tasks for Cardinal between now and the end of the Wave 2 deployment.

For agencies that will be interfacing their agency-based systems to Cardinal, please do not assume your effort will be less significant than online agencies. In fact, the level of effort will likely be greater. There are up to 16 interfaces that you may need to design, build and test, all within required deadlines established by the Cardinal schedule. You will also be required to define configuration structures and values for your agency, understand the new business processes, learn how to be an online user of the system (as transactions may need to be entered online in some cases) and have knowledge of the online reporting tools that will be required in order to perform monthly reconciliations and assist in the annual development of key financial reports.

Whether you are an interfacing agency or an online agency, this will require considerable effort from your agency. I assure you that I, and the project team, understand this is a tremendous commitment you will be making at a time when resources are stretched across the Commonwealth. Please know we do not take this request lightly and will strive to work with your agency in the most efficient manner possible.

The Cardinal team and I look forward to working with you and your agency over the next 18 months. Of course there will be challenges, one of which is the responsibility and work load being placed on your agency staff. Please make every effort possible to support their efforts on the Cardinal initiative. I am confident that by working together we can overcome any hurdles that are presented to us and we can finish the good work that has been completed to-date and finally retire CARS after 30 plus years. This will truly be a significant accomplishment we can all be proud of for years to come.

Thank you in advance for your dedication and commitment to this important objective.

Copy: The Honorable Paul J. Regan, Governor’s Chief of Staff
Governor’s Cabinet Secretaries
Chief Fiscal Officers of Part 3 – Wave 2 Agencies