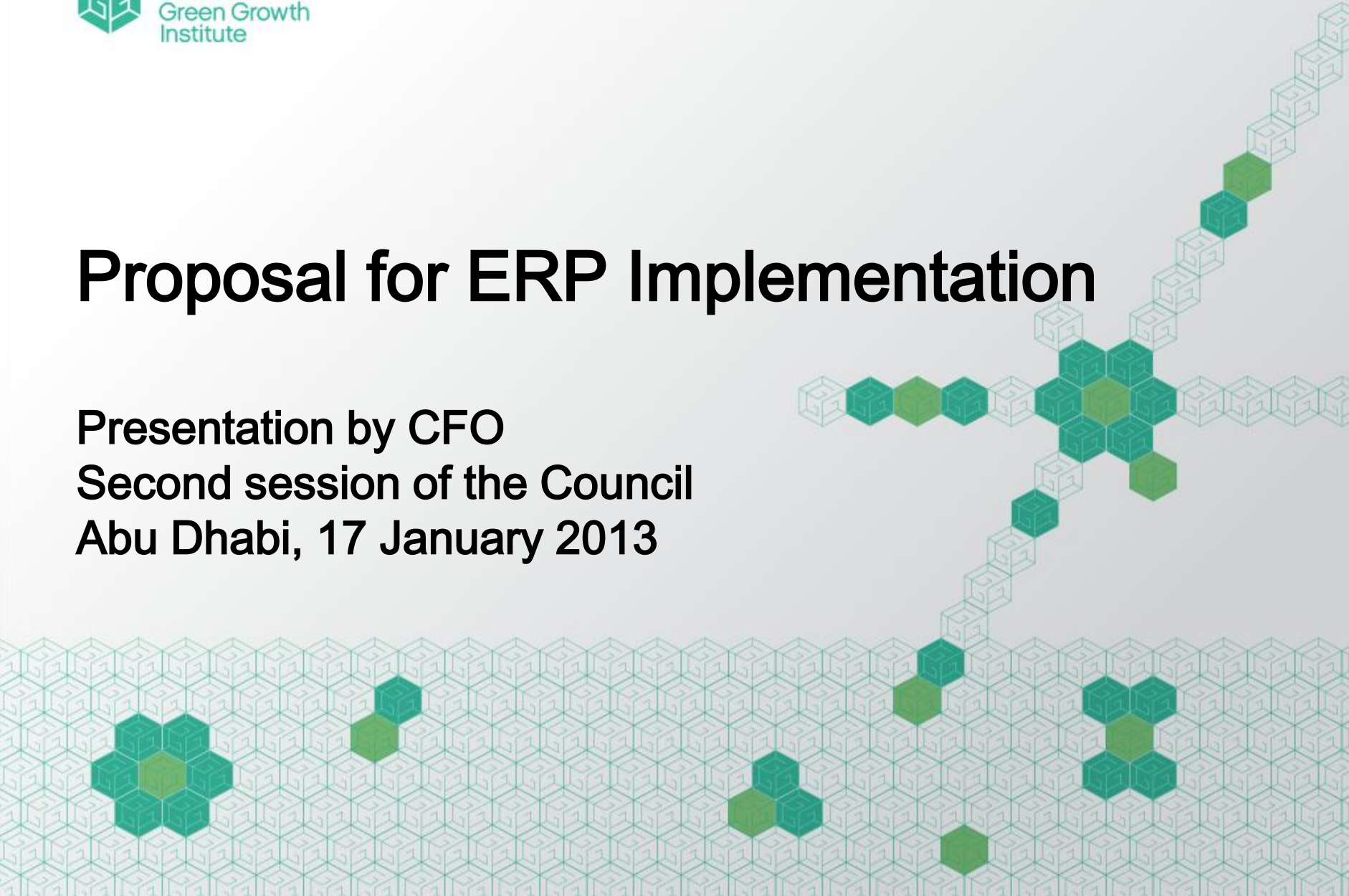


Proposal for ERP Implementation

Presentation by CFO
Second session of the Council
Abu Dhabi, 17 January 2013





- Introduction and Background
- Laying the Path for a Successful ERP Implementation – ERP Readiness
- ERP Implementation Road Map
- Summary of Capital Budget Requirements
- Key Benefits of Automation through an ERP
- Next Steps



- GGGI intends to automate its processes for its financial and administrative functions (Budget, Finance, Procurement, Travel and HR) using an ERP System.
- Prior to initiating this critical initiative, we have conducted a short scoping exercise, with support from IRENA and PwC (an external consultant helping IRENA's ERP implementation).
- The following assessment emerged out of this scoping exercise:
 - No common policies and procedures for Budget, Finance, Procurement, HR and Travel shared throughout the organization.
 - Inconsistent workflow, documentation and information sharing.
 - No secure and reliable IT infrastructure to automate and integrate various transactions across the organization.
- Based on the scoping exercise, an ERP Implementation Road Map has also been prepared for presentation to the Council.



The following key foundations need to be built for successful implementation of ERP:

Strong Sponsorship and Commitment from Council, Director-General and GGGI Senior Management.

Strong Business Case for ERP. Robust ERP Strategy and detailed, well-planned ERP Roadmap.

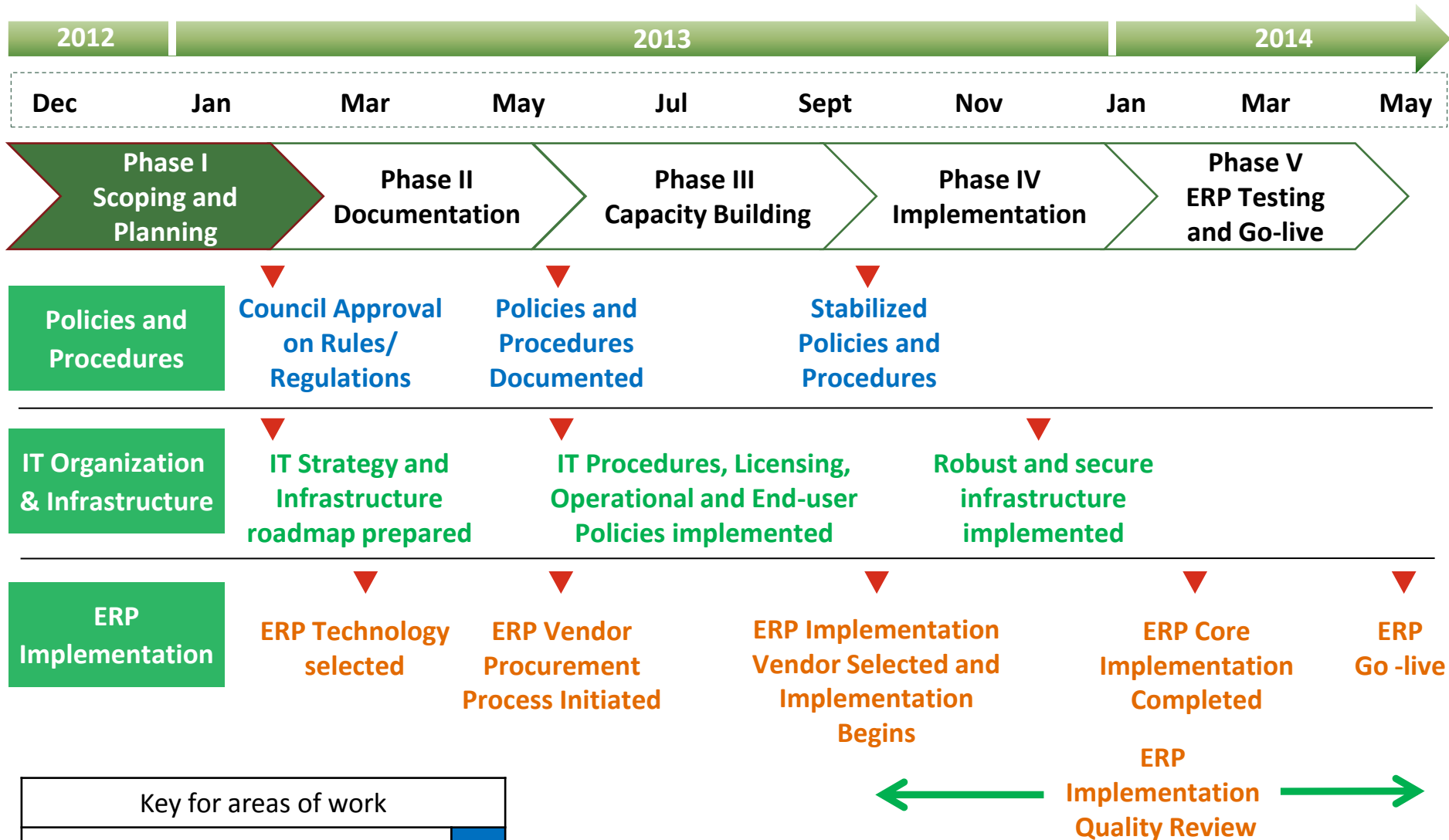
Well-documented Policies and Procedures. Additionally, Policies and Procedures need to undergo revisions to reach a certain level of maturity.

Well-defined IT Organisation and Infrastructure.

Mobilization of key talents internally and externally including hiring of ERP specialist within Finance team.

ERP Implementation Road Map

C/2/16



Key for areas of work	
Policies, Procedures and Processes	
IT Organization and Infrastructure	
Implementation of ERP system	

Summary of Capital Budget Requirements

C/2/6



Phase	Initiative	Expected Duration/ Period	Estimated Costs for FY 2013 (USD '000) ¹		
			Consulting Cost	ERP Vendor Cost	Materials Cost
Phase II Documentation	IT Strategy & Infrastructure Roadmap	Jan - Feb 2013	45	-	-
	ERP Strategy & Roadmap	Jan - Feb 2013	25	-	-
	Development of Policies and Procedures	Jan - May 2013	185	-	-
Phase III Capacity Building	ERP Procurement including Technology and Vendor Selection	Mar - Aug 2013	55	-	-
	Process Implementation Support	May - Aug 2013	30	-	-
	Implementation of IT Strategy	May - Aug 2013	To be decided, based on IT Infrastructure roadmap requirements		

Continued

Key for areas of work	
Policies, Procedures and Processes	
IT Organization and Infrastructure	
Implementation of ERP system	

¹ Best estimates subject to adjustments depending on the progress of each phase, which will be reported back to the Council in future meetings



Phase	Initiative	Expected Duration/ Period	Estimated Costs for FY 2013 (USD '000) ¹		
			Consulting Cost	ERP Vendor Cost	Materials Cost
Phase IV ERP Implementation	ERP Implementation including Quality review	Sept 2013 - Feb 2014	100	To be decided, as based on Procurement	
Phase V ERP Testing and Go-live	ERP Testing and Go-live ensuring ERP is ready for deployment	Mar 2014 - May 2014	50		
Total Cost			490	-	-

- *We propose a budget allocation of USD 340,000, corresponding to estimated Consulting Fees for Phases II and III, through 2013 Budget.*
- *Based on the ERP implementation strategy and IT strategy outcome, we will ask for an additional budget allocation for Phases IV and V as Capital Budget.*

Key for areas of work	
Policies, Procedures and Processes	
IT Organization and Infrastructure	
Implementation of ERP system	

¹ Best estimates subject to adjustments depending on the progress of each phase, which will be reported back to the Council in future meetings



An ERP system may not bring savings by itself, but it will enable current and future GGGI projects to incur cost savings due to streamlined financial and administrative processes. Some key benefits are outlined below.

Benefit	Description
Improvement of Productivity	<ul style="list-style-type: none"><li data-bbox="484 470 1665 561">• Creation of a unique source of data shared across the organization (one source of "truth")<li data-bbox="484 603 1746 694">• Higher automation and easier reconciliation of cross-functional flow of documents and information<li data-bbox="484 729 1665 813">• Improved decision making through near real-time cross-functional information
Rationalisation of Information Systems Portfolio	<ul style="list-style-type: none"><li data-bbox="484 918 1271 953">• Rationalized architecture and infrastructure<li data-bbox="484 1002 1361 1037">• Central pool of data across all business functions<li data-bbox="484 1086 1390 1121">• Cost savings due to reduction in manual processes<li data-bbox="484 1170 1821 1213">• Opportunity to create a pool of consistent skilled resources around the ERP



Benefit	Description
Organizational Integration	<ul style="list-style-type: none"><li data-bbox="478 263 1774 347">• Increased transparency and communication across the various functional areas<li data-bbox="478 382 1834 473">• Enhanced capabilities through the development of centers of excellence and sharing of knowledge
Improvement of Financial Performance	<ul style="list-style-type: none"><li data-bbox="478 536 1834 575">• Easier financial reconciliations and shorter time required for financial closing<li data-bbox="478 606 1802 694">• The transaction cycle times will be reduced due to transparent and reliable information
Improved Decision-making	<ul style="list-style-type: none"><li data-bbox="478 774 1549 813">• Consistent application of information, people and processes<li data-bbox="478 844 1459 883">• Focused business partnering delivering genuine insight<li data-bbox="478 914 1815 1002">• Enabling more effective management of cost, products and resource across all dimensions
Security and control	<ul style="list-style-type: none"><li data-bbox="478 1068 1024 1107">• Reduction of manual controls<li data-bbox="478 1124 1784 1163">• Personnel are monitored on common processes, systems and approaches<li data-bbox="478 1180 1624 1274">• Management of transactional and operational risks through ERP, system-driven risk and control management



- Council Approval on GGGI Staff Rules and Regulations and Procurement Rules.
- Development of GGGI Financial Rules and Regulations.
- Development of Policies and Procedures for Finance, Budget, Procurement, HR and Travel.
- Development of detailed Delegation of Authorities (Single source of all approval and decision-making authorities and limits across these functions).
- Development of detailed ERP Strategy, ERP Business Case and detailed ERP Implementation Program Plan.
- Development of IT Strategy covering IT Organization, Governance and Infrastructure.



THANK YOU !



Finance

- General Ledger
- Cash and bank transactions
- Revenue recognition
- Management of Contributions
- Cost centre allocations
- Treasury
- Receipt and disbursement
- Closing of accounts
- Fixed assets
- Payables and accrued liabilities
- Prepaid and accrued incomes
- Payroll, Employee benefits/provisions
- Foreign Exchange transactions
- Insurance

Procurement

- Procurement planning
- Catalogue and category management
- Pre-qualification of suppliers
- Solicitation of bids
- Sourcing of suppliers
- Bid opening
- Evaluation
- Selection of supplier
- Supplier contracts
- Supplier relationship management
- Long term contracts
- Delivery of goods/services

HR

- Classification of posts and jobs
- Salaries and related allowance
- Appointment and promotion
- Training and Development
- Separation from Service
- Performance Evaluation
- Leave and Attendance

Budget

- Approval and adoption of budget
- Budget consolidation
- Budget implementation
- Budget monitoring

Travel

- Travel expense policy
- Travel documents
- Terminal expenses
- Subsistence allowance
- Computation of payments
- Travel Insurance and Lump sum payments
- Relocation grant

Delegation of Authorities

Single source of all approval and decision-making authorities and limits across these functions