

WSLCA ASSET MANAGEMENT COMMITTEE MEETING AGENDA

JANUARY 10th and 11th

ROGERS, ARKANSAS
EMBASSY SUITES

Goal for the Priority Strategy #1

In order for state trust management agencies to maximize the value of trust assets for beneficiaries, we need to optimize business processes and IT systems that support the needs today and for years to come.

JANUARY 10TH

SESSION: ***Introduction***

TIME: **2:00 pm - 2:15 pm**

FORMAT: **Presentation**

PARTICIPANTS: 22 (16 in room and 6 on phone)

QUESTIONS:

- Priority strategy #1

SESSION: ***Lessons Learned***

TIME: **2:15 PM - 5:00 PM**

FORMAT: **Presentation and discussion**

QUESTIONS:

- What business systems are state trust managers using today?
 - Summarize surveys that Idaho, North Dakota, and others have done on existing state trust business systems
- What have state trust managers learned through new system implementations?
 - 3 things each state learned
 - What are our most important lessons learned
- What are our best management practices/principles for state trust managers?
 - What do we want to accomplish?
 - Primary business system BMP questions to answer (example page 3)?
 - What is the best way to build these BMPs?

SCHEDULE:

- **2:15 PM - 2:45 PM:** Existing systems
- **2:45 PM - 3:15 PM:** Lessons Learned/ Best Management Practices and Principles
- **3:00 PM - 3:30:** BREAK
- **3:30 PM - 5:00 PM:** B Lessons Learned/ Best Management Practices and Principles

DISCUSSION:

See attached slides

WSLCA ASSET MANAGEMENT COMMITTEE MEETING AGENDA
JANUARY 10th and 11th
ROGERS, ARKANSAS
EMBASSY SUITES

John Q. Hammons
Convention Center

at the **E**MBASSY SUITES®

Tuesday 1/10/16 2-5

DAR
EKI
tro

Eclectic Cuisine
& Drink Specials
for Lunch & Dinner
m - 2 pm
n - 10 pm

Mark Waite MN School TRUST LEADS
mark.waite@state.mn.us

Karen Gee, PCC Technology karen.gee@pcctg.com
Michelle White Hem + associates mwhite@heirpx
Lynell Rogeri Oppertune lrogeri@opportune.com

Seth Klaskin PCC Technology Inc.
seth.klaskin@pcctg.com

BRENT JONES ESKI bjones@ESKI.com

✓ ED REYES OKLAHOMA EDWARD.REYES@CLO.OC.GOV
Steve Young WA DNR steven.young@dnr.wa.gov

Nancy Marvin WDNR nancy.marvin@dnr.wa.gov

Dan Raika IDL draika@idl.idaho.gov

Bill Guertner CSLB bill.guertner@gmail.com

Mare French IOL dfrench@IOL.IDAHO.GOV

Keith Kuhlman CLO keith.kuhlman@cdo.ok.gov

Tabia

✓ Cozy Wilburn, TEXAS COZY.WILBURN@CLO.TEXAS.GOV

DJ's
place cafe

brew
coffee
am - 11 pm
pet Access!
mobilia

lica

lvenate,

escape now!
293
- 8 pm

WSLCA ASSET MANAGEMENT COMMITTEE MEETING AGENDA

JANUARY 10th and 11th

ROGERS, ARKANSAS
EMBASSY SUITES

JANUARY 11TH

SESSION: ***Technology Solutions***

TIME: **8:15 AM - 12:00 PM**

FORMAT: **Demonstrations - System Purpose, Architecture, Functionality**

PARTICIPANTS: 30 (17 in room and 13 on phone)

QUESTIONS:

- What does IT innovation look like? What are pros and cons of various IT platform options?
- Provide examples of practical and cost-effective IT solutions to problems or opportunities?
- How much should we build in social media into our IT solutions and what are the challenges of doing so?
- How long should IT systems endure and what are typical maintenance costs to sustain?
- How do you support and grow systems over time?
- What are some of the problems and solution to integrating a new system with an existing system?

SCHEDULE:

- **8:15 AM - 9:00 AM:** *Client Server Solutions* - Ed Reyes, IT Director Oklahoma Land Office
- **9:00 AM - 9:45 AM:** *Customer Portals* - Lynell Rogeri, Managing Director Opportune LLP
- **9:45 AM - 10:30 AM:** *Map System Innovations* - Brent Jones, ESRI
- **10:30 AM - 11:15 AM:** *Cloud Based Solutions* - Steve Young and Nancy Marvin, Washington Department of Natural Resources
- **11:15 AM - 12:00 PM:** *Enterprise Resource System Solutions* - Tobin Follenweider, Colorado State Land Board


DISCUSSION:

See webcast presentations


WSLCA ASSET MANAGEMENT COMMITTEE MEETING AGENDA
 JANUARY 10th and 11th
 ROGERS, ARKANSAS
 EMBASSY SUITES

John Q. Hammons
 Convention Center
 at the **E**MBASSY SUITES®


Asset Management Committee Jan 11th 8-12



American Eclectic Cuisine
 • Great Fun & Drink Specials
 • Open Daily for Lunch & Dinner
 Lunch: 11am - 2 pm
 Dinner: 5 pm - 10 pm



We proudly brew Starbucks Coffee
 • Open Daily 6 am - 11 pm
 • Wireless Internet Access!
 • Gifts & Memorabilia



Invigorate, Rejuvenate, Energize...
 • Book your spa escape now!
 Call 479.845.3293
 • Mon-Sat 8 am - 8 pm
 Sun 9 am - 5 pm

Lynell Rogers	Opportunity
Karla Gee	PCC
Jeremy King	Hein
Matt Lavan	Opportunity UP
EDWARD ROWS	CLO OK
Michelle White	Hein
BRENT JONES	BSA
Brent Goodrum	ALASKA DNR
Henry Bidwell	OK
Dan Raina	IDL
Keith Kuhlman	CLO OK
Lisa Blodgett	CLO OK
Dave Shapiro	CLO OK
Cory Wilburn	TX
Gleyn Wilson	NEBRASKA
Nancy Marvin	WDNR
Seth Klaskin	PCC Technology Inc

Embassy Suites Hotel Northwest Arkansas
 3303 Pinnacle Hills Parkway
 Rogers, AR 72756

WSLCA

Asset Management Committee State Trust Business Systems



WSLCA Asset Management
January 10 & 11, 2017

January 10th Agenda

- 2:15 PM - 2:45 PM: Existing systems
- 2:45 PM - 3:15 PM: Lessons Learned
- 3:15 PM - 3:30 PM: BREAK
- 3:30 PM - 5:00 PM: Best Management Practices and Principles



WSLCA Asset Management
January 10 & 11, 2017

Priority Strategy

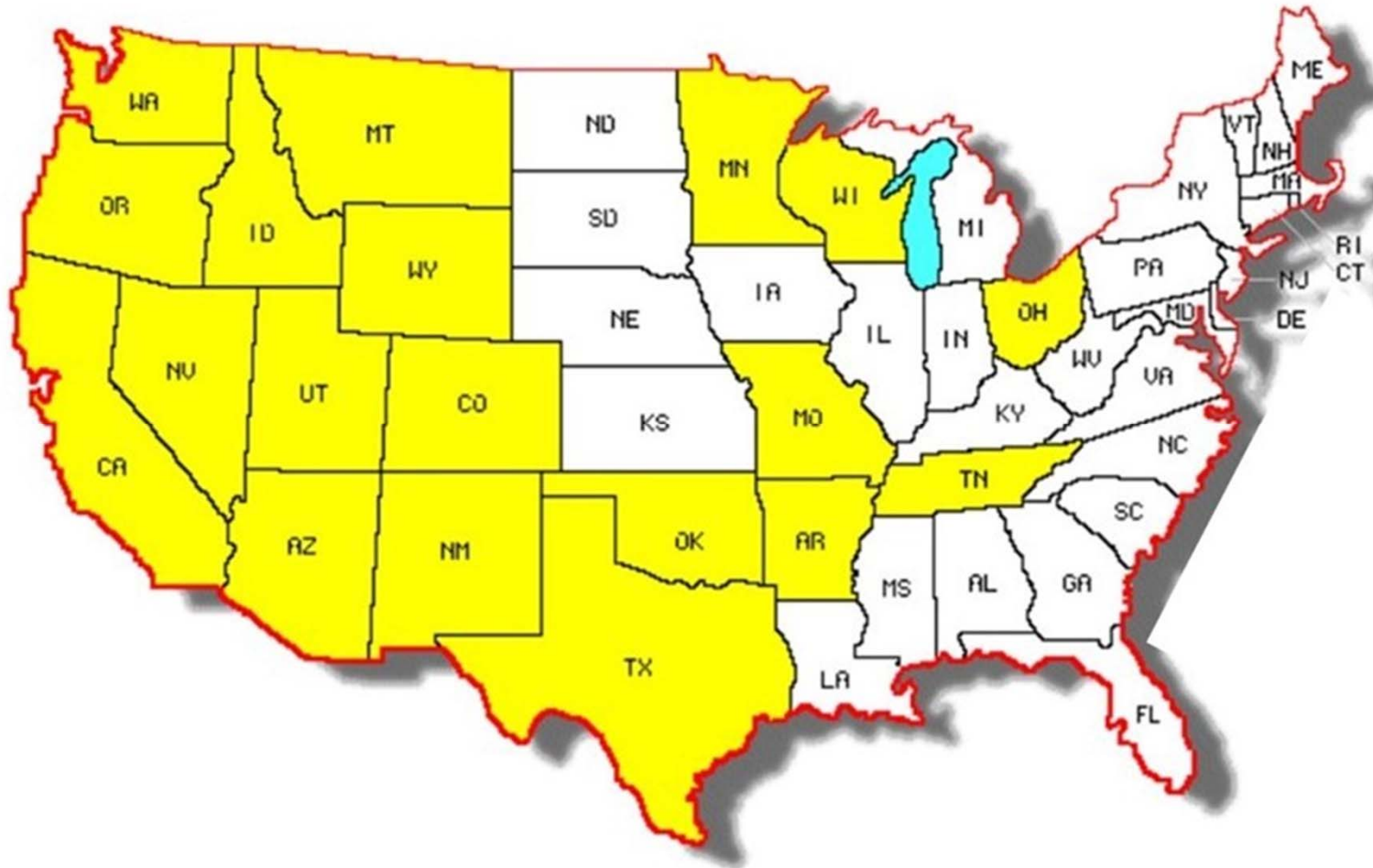
In order for state trust management agencies to maximize the value of trust assets for beneficiaries, we need to optimize business processes and business systems that support the needs today and for years to come.



WSLCA Asset Management
January 10 & 11, 2017

Existing State Trust Systems

North Dakota/Major Oak Business Survey Results 2016



WSLCA Asset Management
January 10 & 11, 2017

Existing State Trust Systems

North Dakota/Major Oak Business Survey Results 2016

State	Name of Department or Office	Business/System Area			
		Land Management	Financial Accounting	Grant Administration	Unclaimed Property
Arizona	State Land Office www.land.az.gov	X			
California	State Controllers Office				X
Colorado	State Land Board www.colorado.gov/statelandboard	X	X		
Idaho	Department of Lands www.idl.idaho.gov	X	X		
Minnesota	Dept. of Commerce-Consumer and Industry Services				X
Montana	Dept. of Natural Resources and Conservation--Trust Lands Division www.dnrc.mt.gov/divisions/trust	X	X	X	
Nevada	Department of Conservation and Natural Resources--Division of State Lands www.lands.nv.gov/index.htm	X			
New Mexico	State Land Office www.nmstatelands.org	X	X		



WSLCA Asset Management
January 10 & 11, 2017

Existing State Trust Systems

North Dakota/Major Oak Business Survey Results 2016

State	Name of Department or Office	Business/System Area			
		Land Management	Financial Accounting	Grant Administration	Unclaimed Property
Oklahoma	State Land Office www.clo.ok.gov/	X	X		
Tennessee	Dept. of General Services and State GIS Office www.tn.gov/finance/topic/gis-contacts-topic	X			
Texas	General Land Office www.glo.gov	X	X		
Utah	School and Institutional Trust Lands Administration (SITLA) www.trustlands.utah.gov/	X			
Wisconsin	Dept. of Revenue-Bureau of Tax Operations				X
Wyoming	Office of State Lands and Investments- Trust Land Management Division www.lands.wyo.gov	X	X		
Federal Government	U.S. Bureau of Land Management (Colorado Office)	X			



WSLCA Asset Management
January 10 & 11, 2017

Existing State Trust Systems

North Dakota/Major Oak Business Survey Results 2016

State	LM and Accounting Integration*	System Type**	System Status		
			System in Operation and Maintenance Mode	Planning for System Replacement or Major Enhancement	Implementation of New System or Major Enhancement in Progress
Colorado	INT	COTS	X		
Idaho	SEP	COTS			X
Montana	INT	CUS	X	X	
Nevada	INT	CUS	X		
New Mexico	SEP	COTS/CUS	X		X
Oklahoma	INT	CUS	X		
Texas	SEP	CUS	X	X	
Utah	SEP	CUS	X		
Wyoming	INT	COTS	X		



WSLCA Asset Management
January 10 & 11, 2017

COTS Platforms/Vendors

Land Management Software:

- NetSuite* (Colorado State Land Board)
- Salesforce (Wyoming Office of State Lands and Investments)
- PCC (New Mexico State Land Office)
- WebSoft Developers (Nevada Division of State Lands)
- Trimble-Spatial Dimensions (Idaho Department of Land)

Accounting/Financial Management Software:

- NetSuite* (Colorado State Land Board)
 - Abila MIP (Texas General Land Office)
 - Microsoft Dynamics (Idaho Department of Land)**
- *Integrated land management and financial accounting system using NetSuite ERP development tools
- **Will be integrating Microsoft Dynamics software with new implementation



What have we learned?

Provide lessons you have learned through operating and/or implementing state trust business systems.



WSLCA Asset Management
January 10 & 11, 2017

What have we learned and BMPs

- Tobin and Bill (CO)
 - Systems need to evolve
 - Everyone owns the system, it is not just the IT group's responsibility
 - Set exceptions for everyone (employees, contractor, management).
 - Constant engagement with implementer (do not let them go dark!)



What have we learned?

- Dan from Idaho-
- Culture. STL agencies are in the background. Need to be customer centric. Might need a culture shift. Take a big push from exec team to look outside the box. Important to do state reviews and get input from other states. Must meet needs of customer and needs of business.
- Small list of basic functionalities.
 - Land ownership
 - Integrated GIS
 - Document Management
 - Financials
 - Customer portal
 - Forestry, surface and subsurface reporting



What have we learned and BMPs

- Idaho cont.-
 - Project process- implementing is a large undertaking. Need a full time skilled PM. Staff member doing something “also” won’t work. You will fail.
 - Idaho now has a separate dedicated PM.
 - Also important to break production releases into small chunks. That deliver results that are useable.
 - Common understanding that we need to use something like Agile. Adapt to needs and able to turn things around quickly.
 - When updating business processes- it takes an outside person to ask the question “why”. Internal folks don’t always see optimal business processes based on outside perspective.
 - Sometimes the optimal business process from before a system isn’t always optimal after a new system.
 - State IT list of vendors. Great for certain things. Though it only scales so far, such as system imp isn’t possible with that list.
 - RFP process- Stat. mandated to use RFP if over a certain \$ or time of dev. Must have enough high level req. in RFP to effectively select system, but not so much that you tie your hands. Is fine line.
 - Specific business processes- workflows attached to RFP and system must support these workflows.



What have we learned and BMPs

- Idaho cont.-
 - On contracting side- Statewide T&C don't address IT. Had to invent own. Invented one set for custom software and another for config of COTS.
 - Had to do a lot of education of vendor community about how state is different than private procurement. Higher level of paper risk. Greater risk on paper, but in reality the risk isn't there because the state always pays.
 - Unanticipated costs is a better term than hidden. Cloud or subs. Based, where you get your costs isn't early on. Costs can come later when you add on additional features. On-premise situation there are unanticipated costs. Can include training or cost of documentation? Part of Idaho contracts include training on on-premise implementations. To allow employee to manage system.
 - What is the cost of organizational change management? Might be more efficient but what is the cost of the temp loss of productivity?



What have we learned and BMPs

Steve Young from Washington-

- Land management- Paper, Aquatics Land Management, Trust Lands Uses a SharePoint but moving to Trimble
- Need executive sponsorship
- Need clear requirements and no off-scope creep.
- Be careful not to have a project never end.
- Working with vendor- no need for waterfall. Scrum or agile is key. Don't let them go dark. Product every week.
- Be wary of staff abilities.
- IT doesn't maintain their Salesforce. Business side does.
- Beginning with User Stories- what do you want the system to do? End users with prioritize functionality. Might only get 12 out of 50 user stories. Manage through user stories. Not all ideas will be incorporated. Use a parking lot.
- Have to be able to look at existing processes. What does come with the application? Change the way you do business to make the SAP system more efficient.
- If internally financed project- it is easier. If dollars from legislature, cost estimating is tough so it is not trusted. Independent consultant can help publish RFI. Third party is often trusted.
- After break-
- For IT related things, OIT has a master set of Terms and Conditions. This helps them a lot.
- Two tiers- full RFP with normal process or the second layer, IT Professional Services which are vendors that have already signed on and agreed to Terms and Conditions. All you need is a work order. Only negotiate about scope of work and dollars.
- Negotiate with vendor for fixed amount. Get as far as you can. What is truly critical gets done in Agile and sometimes you don't get to items down the list.
- Does not collect SSN but collects EIN but it isn't PII.
- CC payments and ACH is done by third party



WSLCA Asset Management
January 10 & 11, 2017

What have we learned and BMPs

- Brent from ESRI-
 - Learn what is available out of the box. Adapt workflows.
 - Tech is moving quickly.
 - Good feedback with contractors.
 - Other agencies might already have a license agreement with a useful software.
 - ROI by functional area or ROI at all?
 - After break-
 - In enterprise agreements- bury things you might need on an as-needed basis. IT is going towards a subscription basis. Allows you to get access to everything.
 - Social media- get word out on what is available for lease. You need to know the condition of assets. Can you crowdsource the status and condition of assets?
 - During change management- there can be a backlog of work



What have we learned and BMPs

- Ed from Oklahoma-
 - Vendor will sell you anything.
 - What are you trying to achieve? Business requirements?
 - IT side will understand business.
 - On the development side, things will come up.
 - Continue until whole cycle is up.
 - One question- if we don't do this one thing then it isn't important.
 - To bring a new app to agency.
 - Understand what you are trying to do and scope it out.
 - Build out RFP and define requirements.
 - Statewide contract
 - After break-
 - Started collecting SSN about a year ago. Legal concerns about being able to enforce contracts. Made sure data is secure and encrypted.



What have we learned?

- Seth with PCC-
 - Vendor perspective- avoid scope creep by taking RFP planning and drafting seriously. Any good vendor will point back to RFP for expectations of the parties. Good partner that engages in Agile back and forth and is committed to written documentation at the end of each back and forth. Need a functional requirements document. Vendor will be able to help decide what is fully needed when talking about features beyond scope.
 - Legislation looks at these issues based on policy. Get buy-in from agency but also from up the ladder. At the upper level, speak their language- policy.
 - After break-
 - When attaching workflows as part of RFP- include “or something similar”
 - Practically, COTS is a fairytale. Every state is different. MOTS (Modified off the shelf) can be a better term.



What have we learned and BMPs

- Cory from Texas GLO-
 - Wanted a COTS product, went custom. Partners weren't willing to modify business processes.
 - Plan on system overhaul on a 5 year basis. Systems won't last 15-20 years.
 - Many businesses that each have custom processes. Hard to get depts to compromise. Could have been smoother and cost less if COTS was used.
 - Internally- needs reps from every business group.
 - Do you have the person who can ask "why?"
 - Look for that person from the vendor who will help ask questions of the users.
 - How do you budget between leadership world and users
 - Make sure that any enhancement that is requested be supported in future versions
 - Make sure to reserve intellectual property
 - After break-
 - Be careful about security, don't track SSN. Limit what PII data you keep on system
 - Security should be a concern upfront. Or ask vendor for education on security.
 - Hidden costs- not everyone knows everything behind software. License counts can grow. Don't think about other things that add up. Not always the vendor playing "hide the ball".



What have we learned and BMPs

Lynell from Opportune-

- Data. Budget and spend time on data early. Debate how much data to convert. Data is garbage, System is Garbage.
- Allot time for testing. Agile includes continuous testing. Lots of time on testing.
- Simple checklist or set of questions.
- Client going from homegrown to COTS. Does an idea impact what the funding stream of the customer.
- Process design- some of the most innovative ideas can come from inside. Sometimes the quiet mouse who is never asked. Ask everyone.
- “Why” person doesn’t have to be external. Engage other departments/groups within the agency. Maybe they already have ideas on how another group does something they don’t like.
- Change management
- Selected 10 representative customers, engaged from beginning. Helped give reqs. Helped prioritize. Only for customer portal.



What have we learned?

Karen from PCC-

- Loves Agile. See code early and often and get input early.
- Your people need to be imbedded as part of Agile team.
- After break-
- How many do a firm price fixed manner? If you want to do Agile, the scope always changes. Answer from Cory- Agree on a number of sprints, so you get the same volume of work even if the make up of the sprints change. From Dan- body of work is fixed price, but have a separate Time and Materials scope in conjunction. If confident in scope, set a range of functionality that must be covered by scope. From Keith- getting a base but the parts/hours at the end might not be given enough time.
- SAAS model, pay an amount per transaction. When bringing new system online you might have creep if system gets more successful and you get more transactions.



What have we learned?

- Tobin-
- Change always includes loss.
- As you implement, understand viewpoints about what people will lose in a new system.
- Internal issue between users and leadership and external issue with budget legislation
- After break-
- Testing of data speeds in satellite offices is not always considered up front. Can be a hidden cost if it isn't anticipated.



What have we learned and BMPs

- Jeremy from HEIN-
 - Don't always know end tech or capabilities of the product. Add in flexibility with the RFI process.
 - Hidden costs- what will it cost to keep up with org. What is that going to cost? Is system configurable enough to avoid hidden costs.
 - Supprt contracts and bundled things help avoid the cost keep.
 - Upgrades can include hidden costs



What have we learned?

- Keith from Oklahoma-
 - Biggest lesson is timing. Administration changed during system development. Think about timing. New administration? Rethink timing.
 - Staff was very involved. Vendor knew business practices.
 - Vendor must understand practices by possibly working with other land offices.
 - COTS giant peg/round hole
 - Vendor was saying what you needed but might not always be right.
 - Sometimes IT superusers can be a little arrogant and this attitude gets to other users.
 - Executive leadership can be the referee between the superusers and other users.
 - After break-
 - Social media- tried to get emails, got 100 total email address from whole state. Tried again and provided incentives. AG side have no use for social media, maybe some family members of lessees do.



What have we learned?

- Kim from Utah
 - Sees social media as a tool in doing business. Commentary



Draft BMPs

1. Consider Culture
2. Exec Support
3. Push Boundaries (from exec)
4. Customer Centric
5. Full time PM (internal and external)
6. Agile (break into small chunks and constant testing)
7. Also ask why? (who asks?)
8. Review existing processes
9. New systems open up possibilities (sometimes optimal business processes from a system is not optimal for the system)
10. Avoid scope Creep (avoid never ending projects)
11. Consider staff abilities
12. User stories
14. Tech moves quickly (replace at least every 5 years)
15. Who and how to deliver change message (change involves loss)
16. Look at whether licenses are available within state
16. Understand what you are trying to achieve
16. Ease of customization
17. Need reps from business group
18. Data Data Data
19. Create simple checklist of questions
20. Talk to everyone!
21. Funding stream/timing of system implementation
22. Change includes loss
23. Ownership of system is not just IT
24. Decision Makers - Need to make things policy (e.g. transparency, better data, etc)
25. 3rd party contractors to assist RFP/Contract oversight
26. RFP, IT Services, Master contracts
27. MOTS not COTS
28. Contracts are paper risk and not financial risk (always pay the bills)
29. Avoid fixed priced contracts, do sprints plus time and materials
30. RFP high level requirements and workflow charts



Draft BMPs

31. Social media is the future not necessary for today's customers
32. Who is your customers, how do you interface with your customers
33. Avoid PII information
34. Unanticipated costs: bandwidth upgrades, hosting or cloud-based fees, future enhancements, transactions costs, ongoing maintenance.
35. Organizational costs (job responsibilities, training, etc)

