CITY OF ABC

Finance Department

DX Workflow Assessment Report:

Optimization of Accounts Payable Workflows

January 2025

Prepared for:

City of ABC
123 Main Street
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Executive Summary

The City of ABC (the City) was founded in the mid-19th century, and the settlement was originally called "ANYBOROUGH." Later, in 1856, the settlement was formally named ABC. The City grew as a mercantile and shipment center, developing a diverse economy. The City continued to grow throughout the 20th century, becoming a hub for medical, recreational, professional, and educational services in the region.

The City's Finance Department (the Department) is essential for maintaining the fiscal integrity of the municipality, supporting its various functions and services, and plays a crucial role in managing the City's financial health and ensuring the efficient use of public funds in the following ways:

1. **Budgeting and Financial Planning**:

   Preparing the annual budget, forecasts revenues and expenditures, and ensures that the municipality's financial plans align with its strategic goals

2. **Revenue Collection**:

   The Department ensures that all money owed to the municipality is collected efficiently and accurately, including taxes, fees, and other revenues.

3. **Expenditure Management**:

   Overseeing the spending of municipal funds, ensuring that expenditures are authorized and within budget. This includes processing payments and managing payroll

4. **Financial Reporting and Auditing**:

   Preparing financial statements and reports to provide transparency and accountability. It also ensures compliance with financial regulations and standards through regular audits

5. **Debt Management**:

   Managing the City's debt, including issuing bonds and other forms of borrowing, to finance large projects and infrastructure improvements

6. **Procurement and Asset Management**:

   Overseeing the procurement process to ensure that goods and services are acquired in a cost-effective manner. The department also manages municipal assets, including property and equipment

7. **Financial Oversight and Policy Development**:

   Providing financial oversight and developing policies to ensure the municipality's financial stability and sustainability

As the City looks to expand their services and outreach to their rapidly growing community, they are seeking recommendations on improvements to their current processes.

Canon's Digital Transformation (DX) team has engaged with the City to perform a workflow assessment to evaluate the Department's Accounts Payable (A/P) workflow. This DX Integrated Assessment Report as defined in the subsequent sections will give insight into areas for process improvements, cost savings, and an overall roadmap for transformation. The information contained in this report reflects the Department's current A/P processes and the associated challenges encountered in the current environment. The Canon DX Team has also identified opportunities for improvement and has included details of a proposed solution to increase efficiency and automation in the City's A/P processes.

If the City decides to move forward with implementing Canon's proposed Future State solution, the next steps would involve development of a granular Statement of Work as well as a detailed implementation plan to discuss the strategy for improvements as well as the detailed tasks and resources needed to implement the improvements. This would be considered a new project and would require City funding.

1.0 Introduction

Project Background

The City retained Canon and its DX Team to provide consulting services to evaluate its current Accounts Payable environment, workflows, processes, and utilization of available software. The City is currently using the Incode® ERP system from Tyler Technologies to support accounts payable and other financial activities. As the City has grown, it has experienced increasing resource requirements to support the increasingly inefficient paper-based and/or manual processes that are currently in place. The focus of this project is to identify recommendations for improvement, including process changes, enhancements to the existing system, and the use of available technology solutions.

Tasks involved in this project include overall project management and a current environment assessment. These tasks include conducting on-site fact-finding activities involving meetings with City Finance Department leadership and knowledge workers, developing a current environment needs assessment, developing a future state solution, and preparing and delivering a presentation of the needs assessment and proposed solution. This project concludes once the DX Workflow Assessment Report has been finalized and presented.

Report Format

This report is comprised of six sections and an Executive Summary, as described below:

1. **Introduction**

   This section of the report describes the background of the project, the format of the report and the work performed during the assessment.

2. **Goal and Objectives from City of ABC & Finance Department Leadership**

   This section of the report identifies the key goals and objectives for the future processes as communicated by City stakeholders.

3. **Accounts Payable Processes Assessed**

   This section of the report describes the current Accounts Payable and vendor onboarding processes that were assessed, as well as challenges being faced with supporting City departments.

4. **Current Technology and Tools**

   This section of the report details the primary software, systems, and tools used to support the current Accounts Payable and vendor onboarding processes in scope .

5. **Proposed Future State**

   This section of the report describes Canon's proposed solution as it relates to the Accounts Payable and vendor onboarding processes in scope.

6. **Change Management & Training Considerations**

   This section of the report presents considerations related to change management and training required as the City prepares to implement changes to the Accounts Payable and vendor onboarding processes in scope.

Work Performed

In November 2024, the Canon DX Team facilitated a project kickoff meeting with the Finance Department stakeholders. During the meeting, the Canon DX Team and the City stakeholders were introduced and an overview of Canon's DX methodology, Integrated Assessment approach, and associated timeline for the project was provided. In addition, Finance Department stakeholders had the opportunity to ask questions about the project and further discuss the City's goals and objectives.

Following the meeting, the Canon DX Team requested information from the City to become more familiar with the current environment, and to begin to better understand the issues and challenges with the current Finance Department Accounts Payable processes and systems. The City

stakeholders also provided dates for when it would be best for the Canon DX Team to come on-site to conduct the assessment.

Later in November 2024, the Canon DX Team conducted on-site discovery sessions with City Finance Department staff involved with the Accounts Payable processes in scope. The purpose of these meetings was to follow up on information previously provided, understand the Department's Accounts Payable processes (both through discussion and observation), and identify challenges or pain points with the current environment. The Canon DX Team also conducted periodic briefings for City stakeholders while on-site to keep them informed of activities completed during the visit.

Following the on-site visit to ABC, the Canon DX Team periodically reached out to City stakeholders for additional information and/or clarification during their analysis and creation of this report.

Common Terms and Abbreviations

Commonly used terms are defined as below:

Terms & Abbreviations	
Term	**Description**
API	Application Programming Interface
B/W	Black & White
City	The City of ABC
Canon	Canon U.S.A., Inc.
DX	Digital Transformation
ECM	Enterprise Content Management
EFT	Electronic Funds Transfer
ERP	Enterprise Resource Planning
Incode®	Integrated ERP system hosted by Tyler Technologies used by the City
MS	Microsoft
PII	Personal Identifiable Information
Smartsheet®	Project Management software used by the City
USPS	United States Postal Service

2.0 Goals and Objectives from City & Finance Department Leadership

Operating efficiently is a core activity for any organization, and for the Finance Department it is becoming harder to do so as the municipality grows. Current Accounts Payable processes require significant staff bandwidth to execute, and because of this, the City is interested in identifying challenges and inconsistencies in their processes and assessing the effectiveness of the tools and applications currently used.

To improve the City's ability to operate more efficiently, Finance Department leadership identified goals for this assessment project. The Canon DX Team also identified more granular goals to achieve these results. These are identified in the table below, in no particular order.

Goals & Objectives	
No.	**City Leadership Goals for this Project**
1	Evaluate the City's Finance Department Accounts Payable workflow needs
2	Explore opportunities to improve internal processes through increased efficiency and effectiveness
3	Transition Accounts Payable function toward a "paper light" environment (90%+ paper free), reducing the physical documents associated with the Accounts Payable processes
4	Identify any potential policy changes that would improve internal processes
5	Explore opportunities to expand current software usage and consider innovative technologies that would improve internal processes
6	Utilize a robust change management and training program to ensure City resources and residents are aware of any new services or technology and understand how to use them

No.	Project Team Goals for this Project
1	Assess the Accounts Payable staff's understanding of Department processes
2	Identify inconsistent business processes within the City's Accounts Payable function
3	Reduce the amount of paper used for Accounts Payable activities
4	Increase automation in key areas to obtain efficiencies and transition away from manual processes
5	Develop measurable metrics to improve visibility into Accounts Payable processes
6	Identify why employees are performing processes in certain ways