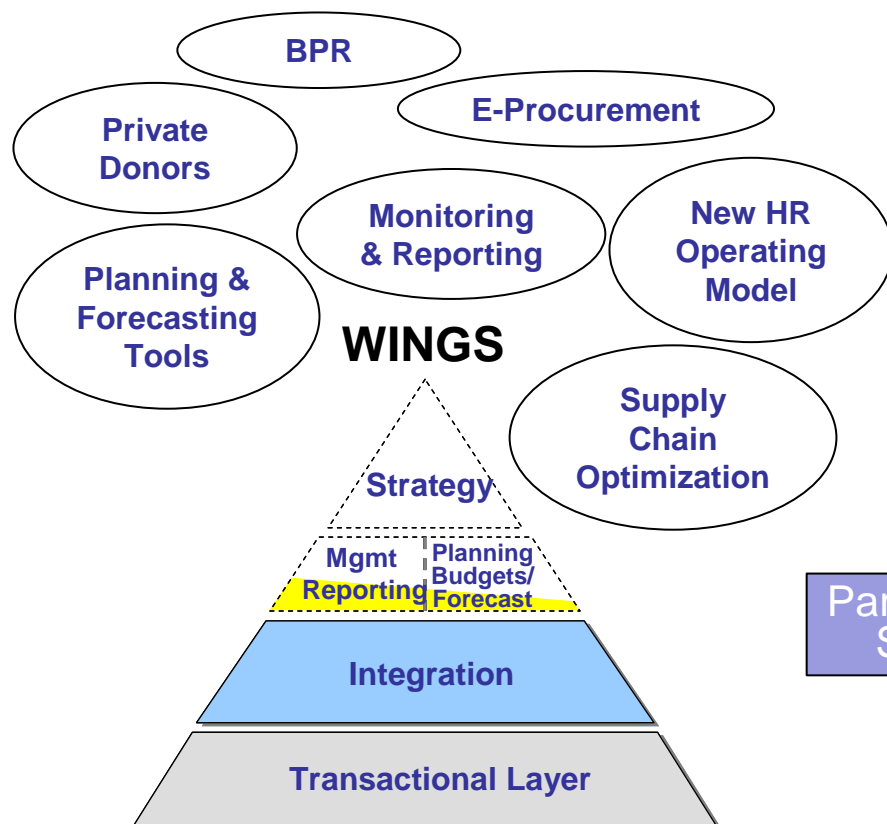WFP

**WINGS II**

# Informal Consultation
# with the Executive Board
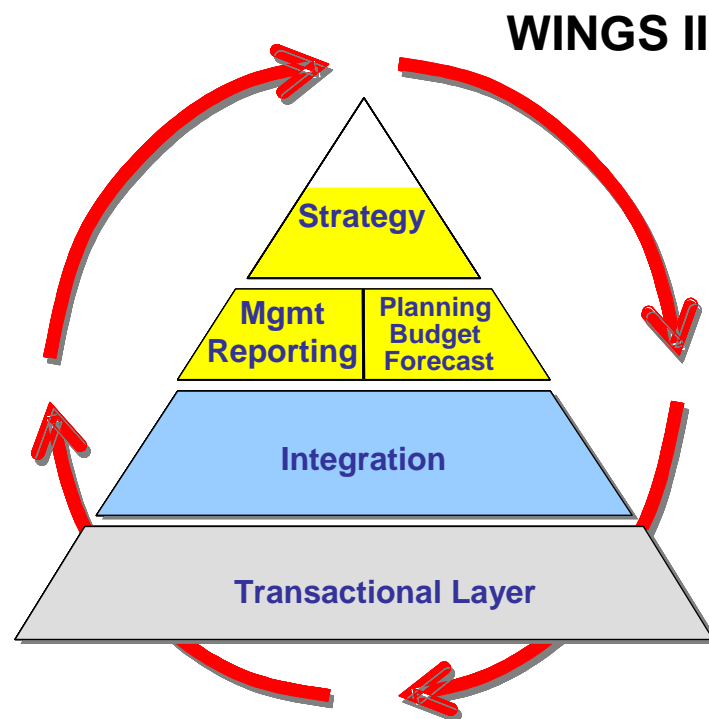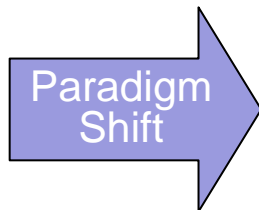
Rome, 2 April 2008

**WINGS II**

- **Purpose of Consultation**

- **Why the WINGS II?**

- **What is being achieved with WINGS II resources**

- **Some key achievements so far**

- **Some outcomes for the 2009 Edition**

- **Plan of work for the 2009 Edition**

- **Key challenges**

- **Questions & Discussion**

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# Purpose of briefing

**WINGS II**

- **To update the membership on the status and approach of the WINGS II programme**

- **An opportunity to have an exchange of views on the WINGS II programme of work**

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# Why WINGS II?

**WINGSII**

**WINGS II**

BPR

Private Donors

E-Procurement

Monitoring & Reporting

New HR Operating Model

Planning & Forecasting Tools

**WINGS**

Supply Chain Optimization

Strategy

Mgmt Reporting | Planning Budgets/Forecast

Integration

Transactional Layer

Paradigm Shift

**Automation, Control, Integration, Real-Time Information**

Strategy

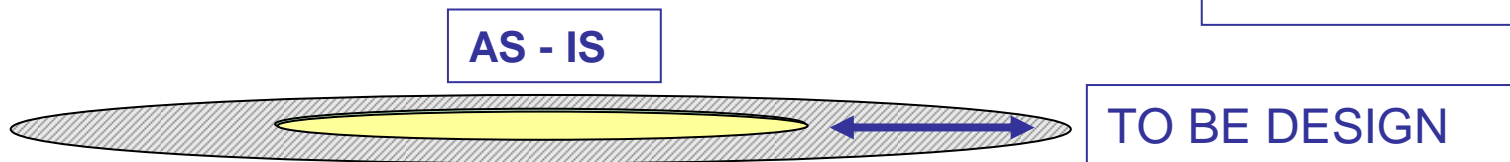Mgmt Reporting | Planning Budget Forecast

Integration

Transactional Layer

… plus **decentralisation, greater volumes, forecasting, integrated commodity planning and tracking, IPSAS, and better management tools**

… and greater efficiency.

4

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# What is being achieved with WINGS II resources

**WINGS II** ✈

WINGS II is an ambitious programme that involves:

➢ **Re-engineering of WFP's business processes**

➢ **Introduction of new processes and integration of various business improvement initiatives into a single business model for the organization**

➢ **Upgrade of SAP software**

➢ **Change in accounting principles (to IPSAS)**

1. Process Re-engineering

**AS - IS**

TO BE DESIGN

WFP

# What is being achieved with WINGS II resources
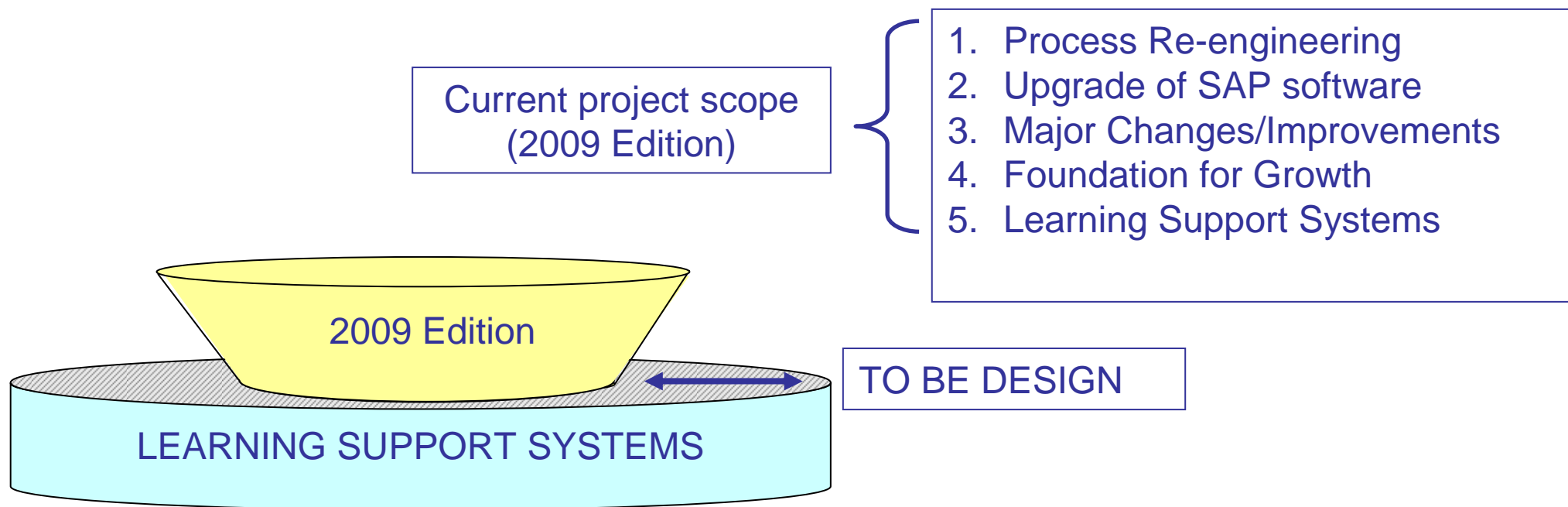
WINGS II is an ambitious programme that involves:

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➤ **Upgrade of SAP software**

➤ **Change in accounting principles (to IPSAS)**

Current project scope
(2009 Edition)

1. Process Re-engineering
2. Upgrade of SAP software
3. Major Changes/Improvements
4. Foundation for Growth
5. Learning Support Systems

2009 Edition

TO BE DESIGN

LEARNING SUPPORT SYSTEMS

WFP

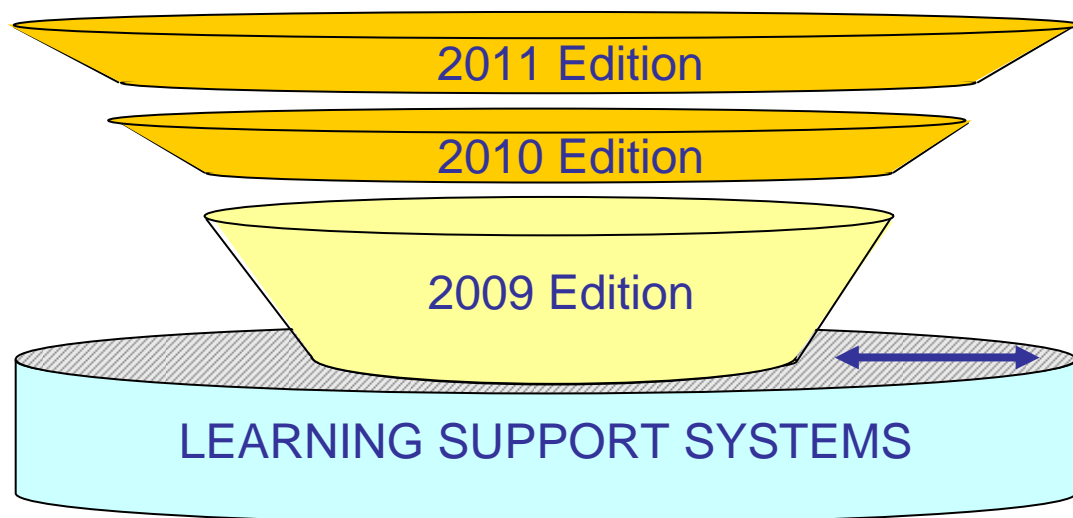# What is being achieved with WINGS II resources

**WINGS II**

WINGS II is an ambitious programme that involves:

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➢ **Change in accounting principles (to IPSAS)**

1. Process Re-engineering
2. Upgrade of SAP software
3. Major Changes/Improvements
4. Foundation for Growth
5. Learning Support Systems
6. Further WINGS II Editions

2011 Edition

2010 Edition

2009 Edition

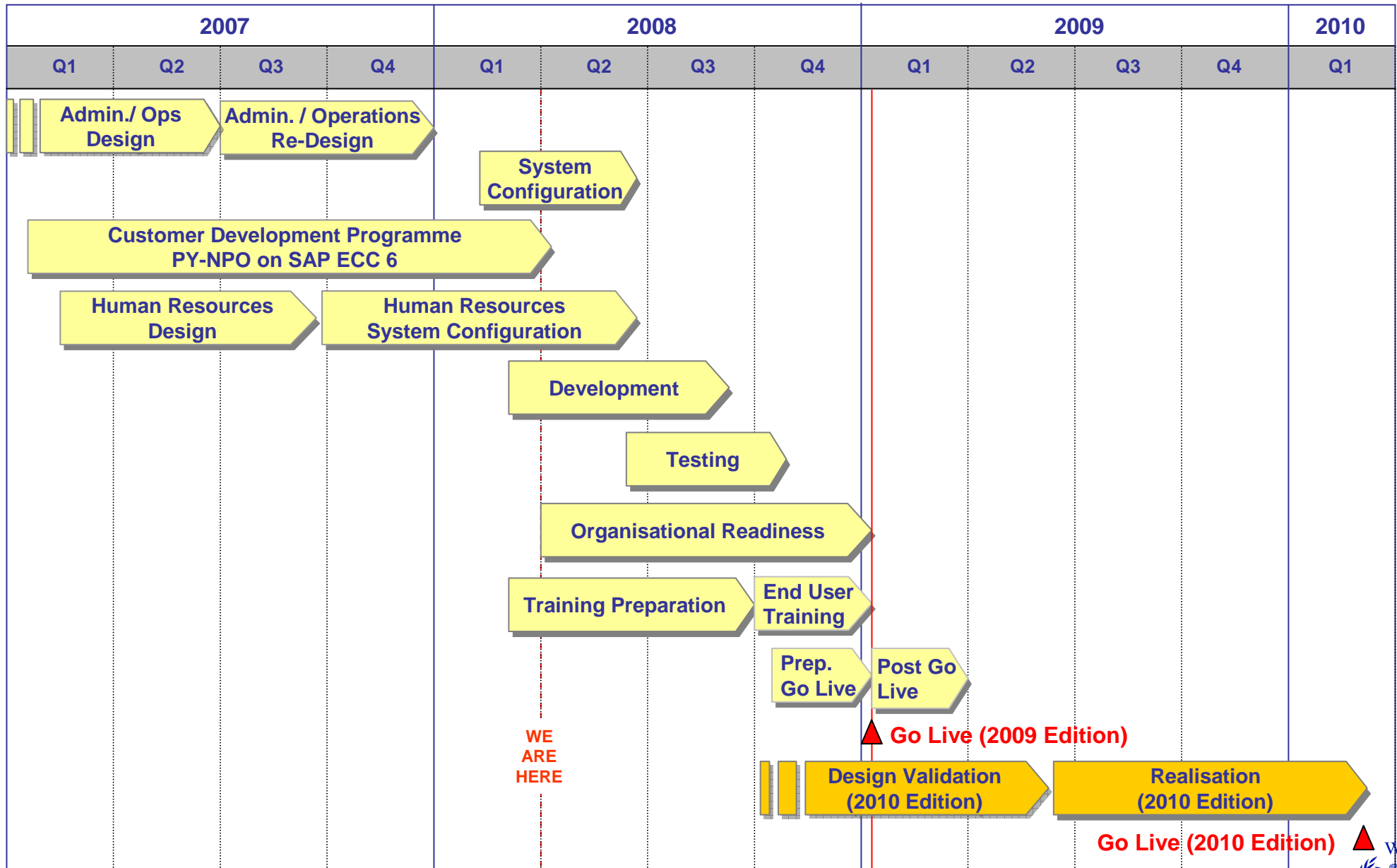TO BE DESIGN

LEARNING SUPPORT SYSTEMS

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# Some key achievements so far

➢ Aligned & integrated various initiatives with the WINGS II into corporate processes & systems

➢ Complete mapping and description of WFP's end-to-end business Processes including roles & responsibilities

➢ First UN organization to design fully IPSAS compliant end-to-end processes and system solutions (SAP-SIG leadership)

➢ Building on work started with UNICEF, collaborated with SAP to design and develop a UN-specific Payroll and HR administration application that can be used by other UN organizations

➢ Large reduction in system customization through re-engineered business processes to use standard functionalities

➢ Built strong internal capacity and capability to manage and sustain future changes to our business processes and systems through the concept of – Business Process Owners, Business Analysts, Business Process Experts, etc.

➢ Streamlined the application architecture to enable orderly introduction of new functionality on yearly basis

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# Some key outcomes of the 2009 Edition

➢ Improved on-time availability of Food aid to beneficiaries for **all** projects through the mainstreaming of the New Business model

➢ Standardized approach to project output monitoring through the introduction of a common Monitoring & Evaluation (M+E) process and application

➢ An improved ability to manage the global WFP workforce through the introduction of staff records for all categories of WFP employees into the corporate system

➢ Transformation of WFP's Country Directors into full business unit managers through the introduction of tools to assist them in being fully accountable for the food, financial, and human resources under their responsibility

➢ Introduction of processes and an ERP system that fully supports IPSAS compliance

# Plan of work for the 2009 (& 2010) Editions

**WINGS II**

| 2007 | | | | 2008 | | | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |

Admin./ Ops Design

Admin. / Operations Re-Design

System Configuration

Customer Development Programme PY-NPO on SAP ECC 6

Human Resources Design

Human Resources System Configuration

Development

Testing

Organisational Readiness

Training Preparation

End User Training

Prep. Go Live

Post Go Live

WE ARE HERE

▲ Go Live (2009 Edition)

Design Validation (2010 Edition)

Realisation (2010 Edition)

Go Live (2010 Edition) ▲
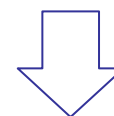
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# Key Challenges

➢ Tight timeframe for introduction of 2009 Edition

➢ High Exposure to Dollar Exchange rate

**By Go-Live date at least $9.4 million of the WINGS II budget would have been lost mainly due to $ Exchange Rate depreciation.**
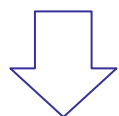
**$3.2 million** in WFP staff standard cost rate increase

**$6.2 million** in non-staff project costs denominated in Euros.

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# Budget request

At the June board we would like to ask the membership to approve an additional $12.5 million budget adjustment from the General Fund to the WINGS II Special account to cover:

- $10 million of the value lost due to the depreciation of Dollar

- $2.5 million (25% for Change Request Contingency) – to provide latitude to incorporate high cost-benefit opportunities identified during the project

We will make best efforts to ensure that the cost of 2009 Edition stays within the original budget allocated.

The request for additional funds will support future editions.

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# Next Steps

➢ Continue to provide trimesterly status updates to the membership

➢ Schedule additional informal consultation sessions closer to the 2009 Edition Go Live date

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# Questions ?

| AREA | PROCESS GROUP | IMPROVEMENTS DEFERRED TO LATER RELEASE | IMPACT |
|---|---|---|---|
| Contribution Management | **Mobilize Resources** | **Donor data maintenance and forecasting decentralized (pilot basis)** | **The postponement avoids the risk of introducing new users at Go-Live. Decentralisation can be easily piloted after Go Live.** |
| Operations | **Manage Projects** | **Integrated project budget planning functionality** | **This is an important improvement that will further standardise and integrate budget planning.**<br>**Introducing this in the first release with other changes would have placed too heavy a burden on country offices.** |
| | | **Fully integrated PPT** | **Introducing this later will allow WFP to assess the requirements in the light of feedback from the PPT pilot exercise and expected changes in new Strategic Plan.** |
| | **Manage Procurement** | **Introduction of e-tendering for applicable procurement processes and subsequent extension to selected country offices** | **Postponement delays the opportunity to increase the efficiency of the procurement processes and to improve transparency of tender processes.** |

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# Deferred Improvements (Human Resources)

**WINGS II**

| AREA | PROCESS GROUP | IMPROVEMENTS DEFERRED TO LATER RELEASE | IMPACT |
|---|---|---|---|
| Human Resources Management | **Human Resources Administration** | **Introduction of employee self-service (as pilot); subsequent extension to entire payroll population** | **Postponement of the pilot delays understanding of whether there is a cost-benefit to be gained from providing certain HR processes in a self-service basis.** |

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# Deferred Improvements (Finance and Administration)

| AREA | PROCESS GROUP | IMPROVEMENTS DEFERRED TO LATER RELEASE | IMPACT |
|---|---|---|---|
| Finance and Administration Management | **Manage Finance** | **Active contribution management in finance (billing and reminder procedures) introduced** | **Delay opportunity to improve cash receipt process.** |
| | | **Use of electronic banking in field offices and HQ extended; subsequent rollout to additional field offices** | **Reason for postponement was that the SWIFTNet contract was not agreed in time to be included.** **Benefits when implemented will include elimination of manual effort and improved cash management data.** |
| | **Manage Treasury** | **Improved cash management tools** | **Delay improvement of cash management and management of exchange rate risks.** |
| | | **Improved financial risk management** | |
| | **Plan Organisational Budget & Costs** | **On-line detailed budget planning and reporting** | **Impacts a small number of budget profile points who will continue to profile budgets manually.** |
| | **Manage Assets** | **Introduction of SAP asset module for asset tracking** | **Postponement allows IPSAS requirements to be met through the new asset accounting module without the risk of initially introducing a new asset tracking module to a large population** |