



Executive Committee

Information Item III-C

November 2, 2023

**Transformation Update:
Human Capital; Procurement;
Diversity, Equity and Inclusion;
Enterprise Resource Planning**

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☐ Action ☒ Information

Document
Number:
205634

Resolution:
☐ Yes ☒ No

Presentation Name:

Transformation Update

Project Manager:

Kimmy Feldbauer

Project Department:

Your Metro Transformation Office

Purpose/Key Highlights:

In this presentation, staff will provide the Board with an overview of the progress in implementing the Strategic Transformation Plan in four key focus areas: Enterprise Resource Planning; Diversity, Equity and Inclusion (DEI), Human Capital and Procurement. The presentation will focus on improvements during the past year to update and modernize systems, streamline processes, and improve both hiring and employee retention.

Interested Parties:

N/A

Background:

Adopted in February 2023, Metro's Strategic Transformation Plan (STP), ***Your Metro, The Way Forward***, guides the organization in its response to the changing world and Metro's own operational challenges. The STP defines Metro's priorities and connects the mission, vision, and goals with actionable initiatives to drive progress, enhance transparency, and build trust with Metro's customers, staff, and stakeholders.

The four overarching goals that drive Metro's process: Service Excellence, Talented Teams, Regional Opportunity and Partnership, and Sustainability. The STP connects each goal to supporting objectives aligned to detailed initiatives. Further, the STP defines specific Key Performance Indicators (KPIs) systematically tracked to monitor and support progress. In addition, the General Manager's Business Plan identifies Metro priorities, provides the foundation for department-specific work plans, and

keeps the agency focused on the long-term goals as outlined in the STP. It outlines necessary actions to achieve priorities, provides measures to monitor success and offers the Board and public with a transparent and accountable framework. The resulting proposed budget and multi-year operating and capital investment plans reflect these priorities.

Using the STP as its guide, this document outlines four internally-focused areas where Metro has made improvements in line with the STP.

Discussion:

Enterprise Resource Planning Modernization

Enterprise resource planning (ERP) is a software solution used by organizations to manage daily business functions such as human capital, payroll, enterprise learning management, procurement, financial management and reporting. ERP enables the flow of data through linked business processes which strengthens data integrity and eliminates duplication. Metro is modernizing its ERP system to ensure sustained fiscal integrity and alignment with the overarching vision to move the region forward.

Since 2006, Metro has utilized PeopleSoft, including version updates and customized modules, as its ERP system. To advance strategic initiatives and streamline administrative functions, Metro will leverage technological improvements by replacing the manual requirements in the legacy system with improved integration and automation of a cloud infrastructure. In addition to improving data analytics, data sharing and governance, the new system will enhance user experience, and optimize business performance.

This ERP implementation is guided by five principles: **focus on the future, drive business value, leverage industry trends, balance risk, and adopt leading practices**. It will focus on high-value areas to automate practices, increase efficiency and drive the greatest business value to Metro. The plan supports Metro's digital transformation. Through continuous improvements and innovation, this implementation will streamline processes, improve reporting, increase data governance, empower users, and align with regulatory and statutory requirements.

The benefits of the improved ERP system include, but are not limited to:

- Optimized agility
- Increased productivity
- Improved talent acquisition tools
- Incorporated leading practices
- Improved stakeholder experience
- Cost efficiencies for maintenance and operations

The updated human capital management and finance platform will meet technology needs for the next 10 to 15 years and provide a modern user experience with mobile

applications, simplified user interface and a scalable digital infrastructure. The integrated cloud ERP will offer operational efficiencies focused on automation, data analytics and self-service tools. It will decrease manual processes and improve integration. Further, this new system will improve agility by minimizing customizations and ensuring the security of critical data paths, while implementing leading practices for human capital management, talent acquisition, learning management and financial reporting and management.

Diversity, Equity & Inclusion

As part of the Strategic Transformation Plan, Metro hired the first Chief Diversity, Equity and Inclusion Officer. Understanding the principle and context of diversity, equity, inclusion and accessibility is critical to our culture and our customers. To truly impact change and actively advance equity and inclusion, the requirement of intentionality, transparency, and accountability must be an enabled and supported by senior leadership.

All leaders at Metro have a need to understand and foster the kind of work environment that attracts and retains top talent, creates a safe, respectful and inclusive culture where all talent can succeed and thrive.

As we share our 2023 Metro Vibes (Valuing Inclusion, Belonging, Equity, and Sustainability) Diversity Strategy, our DEI goals will translate into tangible, actionable progress and outcomes. There is no denying the importance that DEI has on Metro and more importantly the culture. By focusing on our people, our culture, and our business, collectively this will lead to employees feeling empowered, valued, and supported in helping Metro continue to be an employer of choice where DEI is an integral part.

The presence of a visible diversity footprint equates to an organization that attracts talent, develops and retains exceptional people with unique opportunities and career paths; cultivates a workforce rich with innovative ideas; and an organization where internal and external policies and practices support both our workforce and our customers.

Metro is committed to creating and developing a people driven DEI plan that will transform into an exemplary workplace that eliminates systematic barriers felt by underrepresented staff and marginalized groups. It is imperative that we provide an environment that values self-expression and one that offers psychological safety to fosters belonging, creativity and innovation.

Diversity benefits the work we do here at Metro. It is a continuous journey that will require the entirety of our organization to challenge assumptions, conscious and unconscious biases, along with behaviors that creates inequities within our culture. Our DEI guiding principles have been identified as to how we will conduct ourselves and guide our decision-making processes at every level within the organization. As we align our goals with the strategic plan, hold ourselves accountable for failures and successes, and accept that we must create an environment where we can learn and challenge status quo, leads our organization to become a great place to work.

Enterprise Transformational Sprints

In addition, Metro has embarked on "Sprints" around Human Capital and Procurement. A "Sprint" is a focused effort undertaken by a cross-functional team of employees to address high-value problems on an accelerated timeline.

Human Resources Sprint

Improving human capital processes is a key priority for Metro. As such, the goal of Talented Teams is to attract, develop, and retain top talent. Metro employs approximately 13,000 individuals in various roles. Approximately 10,500 of that number are represented employees, with the largest population represented by Amalgamated Transit Union (ATU) Local 689.

Like other agencies across the country, Metro faces challenges when it comes to recruiting and retaining talent. This sprint was initiated to better understand the applicant/staff journey for four personas:

1. Frontline entry level workers navigating the high-volume recruiting/hiring process;
2. Outside hires to managerial roles (Director to SVP Level) navigating the recruiting/hiring process;
3. Internally promoted or appointed managers (Director to SVP Level) navigating promotions/appointments process; and
4. Hiring managers navigating all processes (recruiting/hiring, promotion, appointments) to fill their open positions.

The output of the sprint was the result of baseline data collected from a variety of sources, including:

- 2022 Management survey with 140 respondents (85% of Senior Management team);
- 2020-2023 Exit survey data (2020-23) with 285 respondents; and
- Interviews of 33 staff across the organization from frontline workers to SVP level.

The recommendations include, developing FAQs to clarify processes and procedures, provide guidance documents for developing job descriptions and establishing service level agreements that set expectations for hiring, promotion and appointment processes. In addition, WMATA is investing in an Applicant Tracking System that will provide automation, data and transparency for applicants and hiring managers regarding where they are in the process.

Procurement Sprint

The diagnostic review of procurement processes, tools, and resources identified three overarching challenges of limited visibility and transparency; inefficient processes, tools, and resourcing; and limited strategic partnership engagements.

Addressing the challenges identified during this diagnostic review begins by increasing seamless collaboration between the Procurement Department and its customers. The diagnostic review identified 11 recommendations prioritized across three waves: 1) increase transparency and accountability, 2) optimize processes and resources, and 3) evolve into a strategic partner to drive value.

Increase Transparency and Accountability

Development of reporting dashboards provides performance and workload visibility and enables data driven decision making by improving reports and tracking of Key Performance Indicators. Enhancing visibility into customer priorities enables proactive solutioning and planning, as well as provides process visibility to reduce inefficiencies. Four specific recommendations being actively implemented are:

- Enhance customer visibility into existing processes
- Expand real-time workload and performance reporting
- Improve and expand procurement data accessibility
- Aggregate customer demand and ongoing prioritization

Optimize Efficiency and Productivity

Expanding customer resources and updating policies will continue to reduce pre-solicitation cycle times by improving guidance and process aids to customers. The integration of a new contract lifecycle management platform will improve collaboration, connectivity and efficiency by leveraging software functionality. Updating policies will reduce overall cycle times and improve customer satisfaction by addressing the length of pre-solicitation review and enhancing the ability to define, improve and standardize process steps. Recommendations to advance efficiency and productivity include:

- Update policies and streamline processes
- Expand customer resources
- Integrate new Contract Lifecycle Management platform
- Launch procurement training academy for all buyers

Become a Strategic Partner

As the Procurement department evolves into a strategic partner, it will drive savings and value through strong relationships, deep expertise, and cross-functional collaboration. To achieve these robust goals will require the department to:

- Set clear and ambitious savings targets and develop a supplier strategy
- Develop category expertise and playbooks
- Align organization and adjust incentives to drive savings and customer support

The Procurement department is actively implementing many of these recommendations, with plans to continue implementation of additional recommendations throughout FY2024. The Procurement team's enhanced Procurement Dashboard allows users quick access to check the status of procurement packages throughout the main stages of the procurement lifecycle, as well as provides useful metrics, statistics and reports. Recent accomplishments of the procurement team provide better customer service, faster procurements, cost savings, and more inclusive contracting. Table 1 summarizes the recent accomplishments of the Procurement team.

Table 1. Recent Accomplishments of Procurement Team

Better Customer Service	<ul style="list-style-type: none"> • Implemented ServiceNow for tracking, processing & reporting on service requests • Delivered a series of training seminars to our program customers on new Build America/Buy America domestic content requirements and their impacts • Introduced CFO Report to provide a view into open requests and solicitation awards
Faster Procurements	<ul style="list-style-type: none"> • Expanding the use of Cooperative Contracts to save time and money • Enhancement to the WMATA Supplier Portal for advertising and submission of solicitation responses • Increased CA/CO visibility into programs acquisition planning
Cost Savings	<ul style="list-style-type: none"> • Saved \$2,080,000 on MiFare Smartcards procurement • MetroAccess Paratransit Service with National Express, negotiated a reduction in the contractor's proposed hourly service rate from \$68.84 to \$68.26, which saved ~\$100,000 over the one-year term of the option • Saved \$82,932 by successfully negotiating a 3% annual labor category cap and 8.5% profit maximum for a professional services procurement
More Inclusive Contracting	<ul style="list-style-type: none"> • Certified 69 Minority Business Enterprises (MBE), 37 Small Businesses (SBP), and 29 Micro-Businesses (MBP) • Held Procurement Fair, August 15th, 2023

Funding Impact:

Informational update - no impact on funding.

Previous Actions:

August 2022 - January 2023: Development of Strategic Transformation Plan

February 2023: Board of Directors adoption of "Your Metro, the Way Forward" as Metro's strategic plan

Next Steps:

Continued/ongoing implementation of improvements to Enterprise Resource Planning activities; engagement and implementation of DEI strategy and related activities; implementation of process changes from Human Capital and Procurement sprints.

March 2024: Board Update on STP

Recommendation:

Information Only

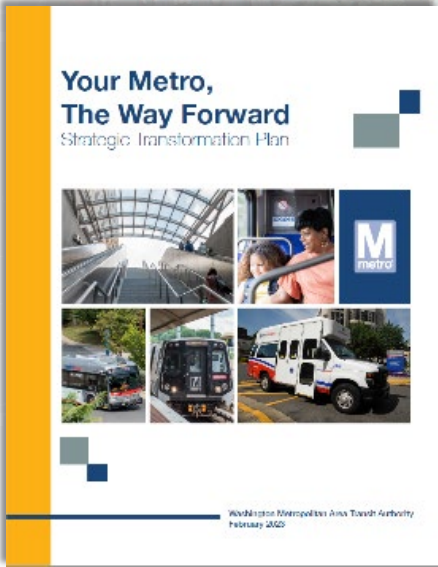
Transformation Update

Executive Committee

November 2, 2023



Strategic Transformation Plan: Guides long term strategy and day-to-day decision making of Metro over the next five + years



Guides



Day-to-day decisions

- Customer interactions
- Service schedules
- Communications



Long-term strategy

- Budget allocation
- Capital improvements
- Priority projects



Goals — Our priorities to achieve the vision

Service Excellence

Talented Teams

Regional Opportunity and Partnership

Sustainability

Agenda

- Enterprise Resource Planning Update
- Diversity, Equity, and Inclusion Update
- Human Capital Sprint
- Procurement Sprint

Service Excellence

Talented Teams

Regional
Opportunity and
Partnership

Sustainability

Enterprise Resource Planning Modernization Program



Purpose

Update the Board on the Enterprise Resource Planning (ERP) Modernization Program

Define the important benefits and necessity for an updated ERP system

Examine how the modern ERP system advances WMATA's Strategic Transformation Plan

Enterprise Resource Planning (ERP)

What is an ERP Software System?

Automates and streamlines core business processes by linking multiple systems and reporting on an integrated digital platform

Metro's ERP Software system includes:

- Human Capital Management
- Financial Management
- Cloud based Information Technology



Why do we need to modernize Metro's ERP system?

	Legacy PeopleSoft ERP Sustainability	Meet technology needs for next 10 to 15 years
	Lack of Modern Cloud Infrastructure Support	Simplify interface, mobile tools, and scalability with cloud infrastructure
	Talent and Workforce Management Challenges	Improve talent acquisition and learning solutions to attract and retain
	Limited Reporting and Business Analytics	Provide ERP analytics and workflows with actionable insights across business and IT management functions
	Evolving Security Compliance	Enhance compliance with cybersecurity and data regulations
	Operations and Cost Efficiency	Increase employee efficiencies and reduce in-house technology maintenance costs
	Limited Stakeholder Engagement	Provide superior tools to employees and suppliers through automation and self-service

ERP Implementation is Guided by Five Principles



**Focus On
The Future**



**Drive Business
Value**



**Leverage Industry
Trends**



Balance Risk

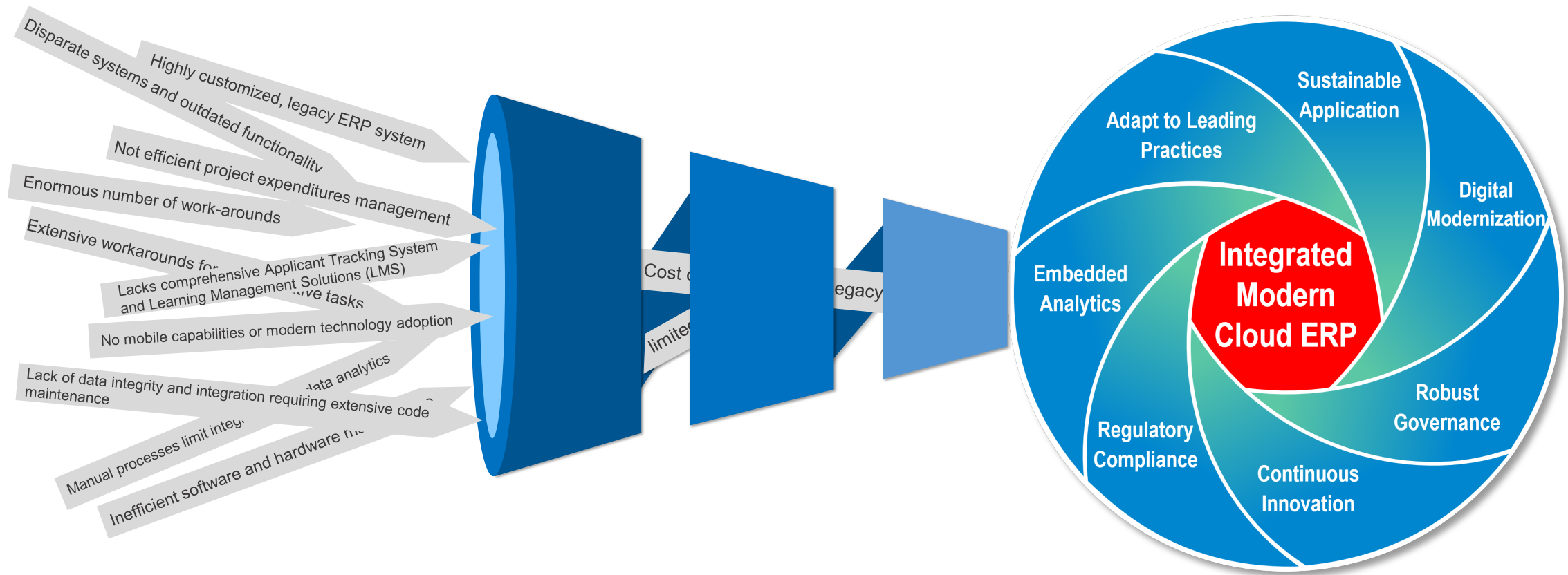


**Adopt Leading
Practices**

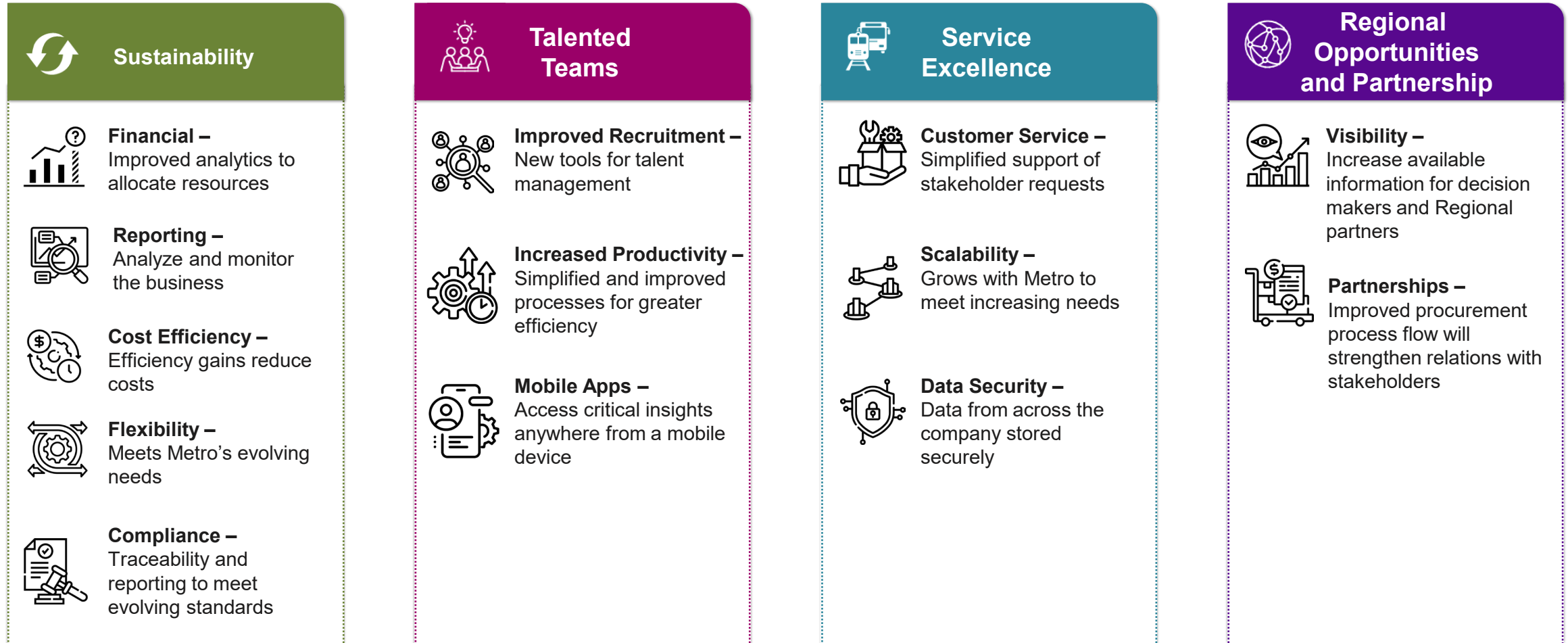
Program's Expected Outcome

- Streamlined, simplified, end-to-end business processes
- Minimized manual processes and improved reporting
- Increased data security, governance and data visualization for data insights
- Empowerment of users through automation and self-service tools
- Continuous improvements and innovation, aligning with regulatory and statutory requirements

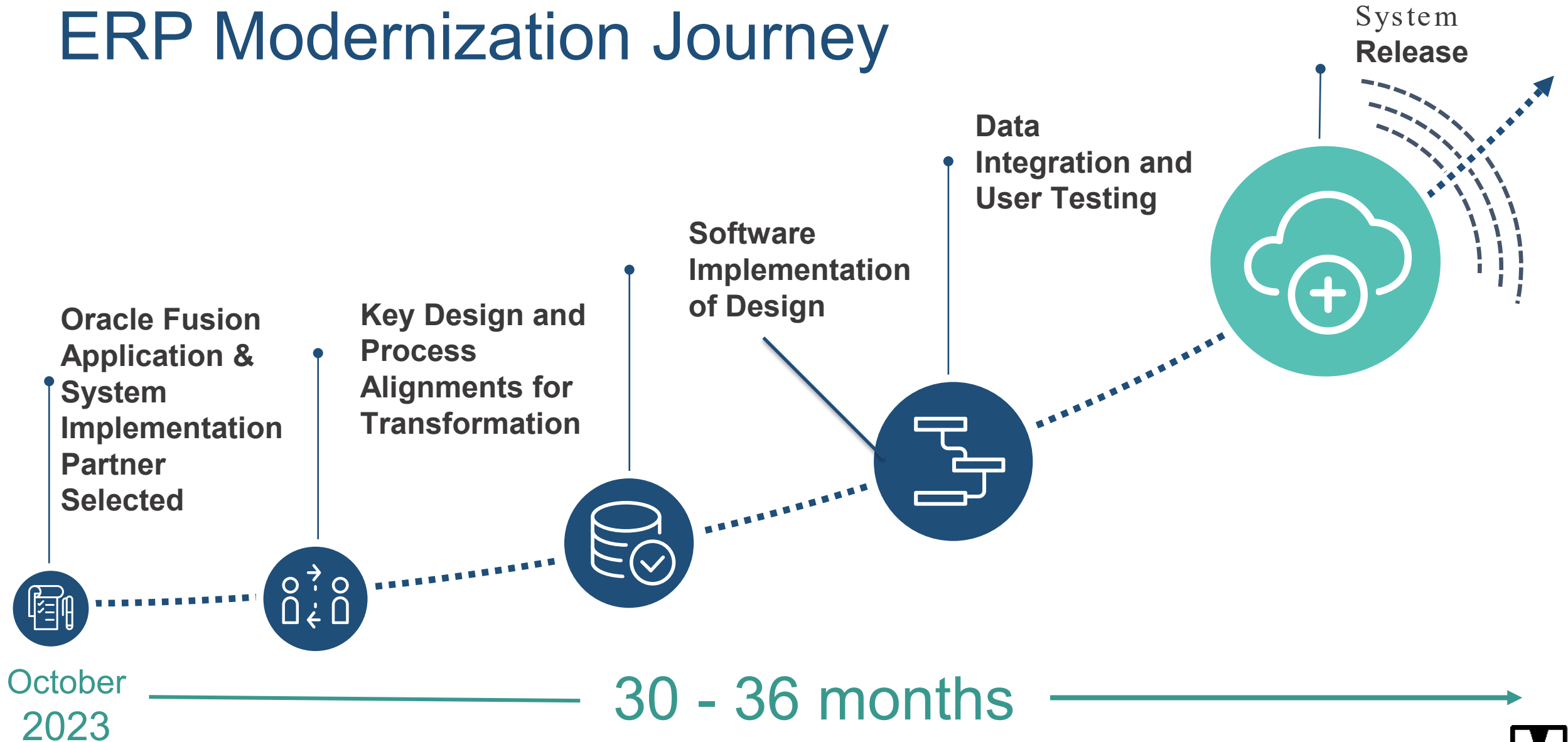
Result: Integrated Modern ERP System



Benefits of the Improved ERP System



ERP Modernization Journey



Diversity, Equity, & Inclusion

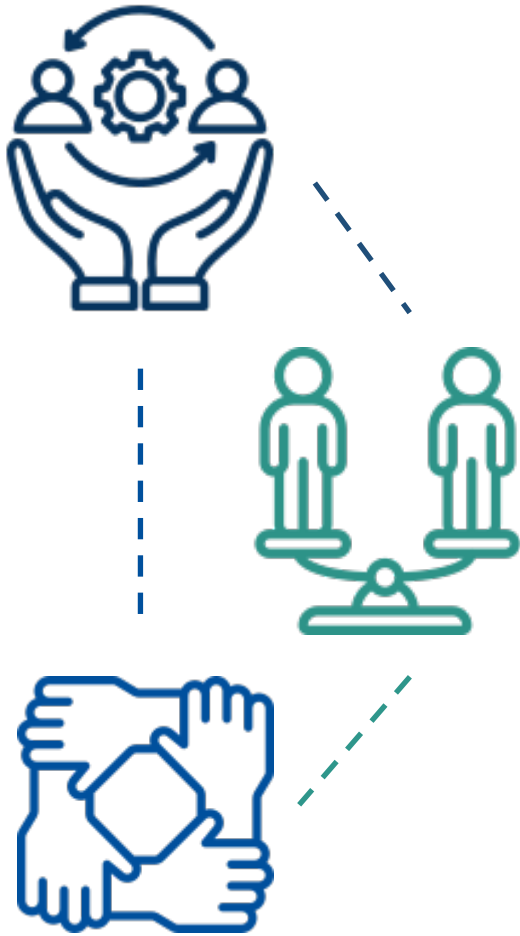


Purpose

To provide the Board with an update on actions that will:

- Enhance Diversity, Equity, and Inclusion at Metro
- Support delivery of Metro's Strategic Transformation Plan

What is Diversity, Equity, and Inclusion?



Diversity: The practice of including various identities, races, ethnicities, abilities, religions and cultures

Equity: The consistent and systematic, fair, just, and impartial treatment of all individuals

Inclusion: The practice or policy of providing equal access to opportunities for people who might otherwise be excluded

Advancing Diversity, Equity, & Inclusion at Metro



What is Metro VIBES?

Valuing Inclusion, Belonging, Equity, and Sustainability

Actions and Recommendations

Leadership and Culture

Create trust and commitment among leaders and consistently prioritize DEI

Talent

Pull DEI efforts through the entire lifecycle

Infrastructure

Build supporting structures, tools, and processes to guide and sustain DEI across the authority

Analytics

Use data to see below the surface and drive meaningful change and impact

Near-term Focus Areas



People

- Integrating DEI and Employee Life Cycle
 - Attracting Talent
 - Developing Talent
 - Retaining Talent
- Building Robust Talent Pipelines
- Increasing HBCU College Recruiting



Culture

- Expanding Employee Resource Groups
- Introducing Executive Diversity Council
- Mentoring and Coaching Opportunities
- Training and Facilitating DEI Conversations



Business

- Building Partnerships Across the Region
- Supporting Equity Projects
- Integrating DEI and Brand Strategy
- Continuing Customer Focus Initiatives

Enterprise Transformational Sprints



Sprints empower cross-functional teams to creatively solve high-value problems



Team addresses defined problem within specific timeframe...



...discovers root causes & value drivers...



...brainstorms & solves problems...



...develops plan to take action



Optimize process and resources
Clarify and provide better visibility into enterprise processes and priorities



Increase Transparency & Accountability
Streamline and modernize our processes and tools to make them quicker, more efficient and accessible

Human Capital Sprint



What we heard



Staff interviews

30+ interviews with staff across the organization from frontline workers to SVP level



Metro Data/Metrics

4 dashboards e.g., including bus missed trips, time to hire



Metro Documentation

20+ Metro documentation outlining existing SOPs, Policies, FAQs, and initiatives



Past surveys

1,000s respondents across multiple surveys – including management and exit surveys



Outside Analytics/Benchmarks

Reviewed outside analytics, peer benchmarks (e.g., job postings)



- Insufficient clarity and visibility into processes and priorities leading to longer timelines, fragmented resourcing



- Complex, manual processes leading to lengthy time to hire, duplicated effort, lost applicants



- Employee attrition due to unclear career pathways and required skills, knowledge, or performance competencies

Current/Ongoing Initiatives to Meet HC Sprint Objectives

	Objectives	Initiatives	Target Completion Date
	Clarify and provide better visibility into hiring processes and priorities	<ul style="list-style-type: none"> Updated, hiring manager, applicant, and bus operator FAQs New hire survey revisions Updated job descriptions Job description guidance Vacancy/prioritization report Updated recruitment dashboard 	<ul style="list-style-type: none"> Completed (Q1 FY24) Q3 FY24 Q4 FY24 Q2 FY24 Q4 FY24 Q4 FY24
		<ul style="list-style-type: none"> New applicant tracking system Automated JDQ process Comp/market assessment tool ERP Process redesign/revamp 	<ul style="list-style-type: none"> Q3 FY24 Q3 FY24 Q3 FY24 Q3 FY25 Q3 FY25
	Clarify role competencies and expand career pathways	<ul style="list-style-type: none"> Comprehensive competency architecture Agency-wide succession plan Expanded learning & development opportunities 	<ul style="list-style-type: none"> Q4 FY24 Q3 FY24 Pilot, FY25 Authority-wide Q4 FY24

Italics = Quick win initiatives with additional detail on next page

Procurement Sprint



What we heard

Limited Visibility/Transparency

- Limited visibility into business priorities
- Inaccessible and incomplete data



Inefficient Processes, Tools and Resourcing

- Numerous iterations of SOWs with limited support;
- Pre-solicitation review process is lengthy

Limited Strategic Partnership

- Limited category expertise and analytical capabilities within procurement
- Customers cite an absence of problem-solving or customer-service mindset



12 Recommendations, Prioritized across three waves

Waves	Recommendations	Status	Expected Start Date
Increase Transparency/ Accountability	1 Enhance customer visibility into existing processes	Complete	August 2023
	2 Expand real-time reporting (workload, performance)	Complete	September 2023
	3 Improve and expand procurement data accessibility (dashBoard)	Active	October 2023
	4 Aggregate customer demand and ongoing prioritization	Active	August 2023
Optimize Process and Resources	5 Update policies and streamline processes	Active	September 2023
	6 Expand customer resources	Active	September 2023
	7 Integrate new Contract Lifecycle Mgmt platform (i.e., new ERP)	Not Started	November 2023
	8 Launch procurement training academy for all buyers	Complete	September 2023
Become Strategic Partner	9 Update Procurement policy, Service Level Agreements	Active	September 2023
	10 Set clear/ ambitious savings targets and develop supplier strategy	Not Started	January 2024
	11 Develop category expertise and playbooks	Not Started	January 2024
	12 Align organization and adjust incentives to drive savings and customer support	Not Started	January 2024

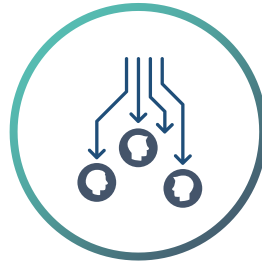
Enterprise Transformational Efforts



Customer focus



Outcome orientation



Empowered teams



Adaptability



Continuous improvement