

Financial, HR, SCM, Tax Systems Overhaul Project Update

NEXTEL-000170
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Paul Saleh – 11/26/02

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
Case Number: C 04-00807 VRW
DEFT EXHIBIT NO. D5403-R
Date Admitted: _____

By: _____

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Why one integrated project?

- Our goal of having one integrated project is to:
 - Leave the key decisions to the business owners
 - Provide world class PMO tools and processes
 - Shorten the delivery window by finding the critical path
 - Lower delivery costs by only modifying systems and processes once
 - Coordinate cross function systems, process and organizational efforts
 - Provide trace-ability to ensure nothing gets lost or forgotten
 - Bring world class vendors into the project to get industry best practices

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Phase 1 functional scope – to be delivered in 2H2003

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Accounting & Finance	Human Resources	Tax	Supply Chain	Other Organizations
Accounts Payable	Benefits	Income & Franchise Tax Prep	Asset Mgmt	Billing
Accounts Receivable	Career Dev/Plan Competency Tracking	Financial Reporting	Auctioning	Analog Billing
Budgeting	Compensation	POS	Item Master Management	Cell Site Tracking
Cash Tracking	Contract Tracking	Service	Contract Management	Collections
Commissions	Employee Administration (Term Proc/Trans/Relos)	Use Tax	Distribution Requirements Planning	Corp. Financial Strategy
Consolidation	Employee Communications	Planning	Procurement	Corporate Comms - Empl Comms
Cost Accounting	Employee Relations	Incentives	Forecasting	Customer Care Productivity
Expense Reporting	Mergers, Acquisitions, Restructurings	Research	Inventory Management	Downstream Reporting Tools from DW
Financial Planning	Performance Mgmt	Accruals	MWBE and Supplier Database	Employee Phone Fulfillment
Financial Reporting	Policies and Procedures	Sales & Transaction Tax Report Filings	Purchase Orders	External Business Relationships
Fixed Assets	Recruiting	Payments	Property Management	Legal Contract Management
Forecasting	Succession Planning	Reconciliations	Receiving Goods	Legal Litigation
General Ledger	Surveys	Adjustments	Requisition	Legal Security / Privacy
Handset Inventory	Training	Unclaimed Property	RFP	Nextel Retail
Journal Entry	Workforce Planning/Staffing	Audits & Litigation	Supplier Scheduling	Product Management - Product Profitability
Payroll	Workforce Deployment	Property Tax Filings	Vendor Evaluation	Revenue Assurance
Project Accounting		Assessment Review & Controls	Work Order Management	Sales Commissions / Direct & Indirect
Revenue Mgmt		Payments & Verification		Sales Distribution/ Direct & Indirect
T&E Processing				Sales SFA
				Spectrum Tracking

Phase 1a, Oracle/PeopleSoft Upgrade

Hackett Recommendation for Phase 1b

No System to Support Function

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Vision of Success

Processes, Technology and Organization should:

- be scalable
- be developed to support end to end integration
- ensure accountability
- move towards a shared services model....and where applicable, promote self service based on functional maturity
 - ❖ Level 1 – lots of autonomy without controls and integration
 - ❖ Level 2 – Centralization (shared service) where controls and integration are put into place
 - ❖ Level 3 – Hybrid of organizational autonomy (self service), where shared service function handles exceptions, strategy and governance
- utilize industry best practices (maximize value and efficiency)
- focus on change management and user acceptance

Project Status

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❖ Completed second round of software demos

➤ Accounting/Finance/Tax survey ratings

- PS – 7.92
- Oracle – 7.75

➤ HR

- PS – 7.28
- Oracle – 6.62

➤ SCM

- PS – 8.12
- Oracle 5.14

Project Status

❖ Conducted Executive Review Sessions with Oracle and PS

➤ Nextel Attendees

- Arendt
- Lefave
- Hinton
- Szpindor
- Cichanowicz

➤ Focus

- Audits and Controls
- Scalability
- Strategic Alliance
- Relationship building

➤ Have not yet conducted post meeting assessments

Update on Software Vendor Selection

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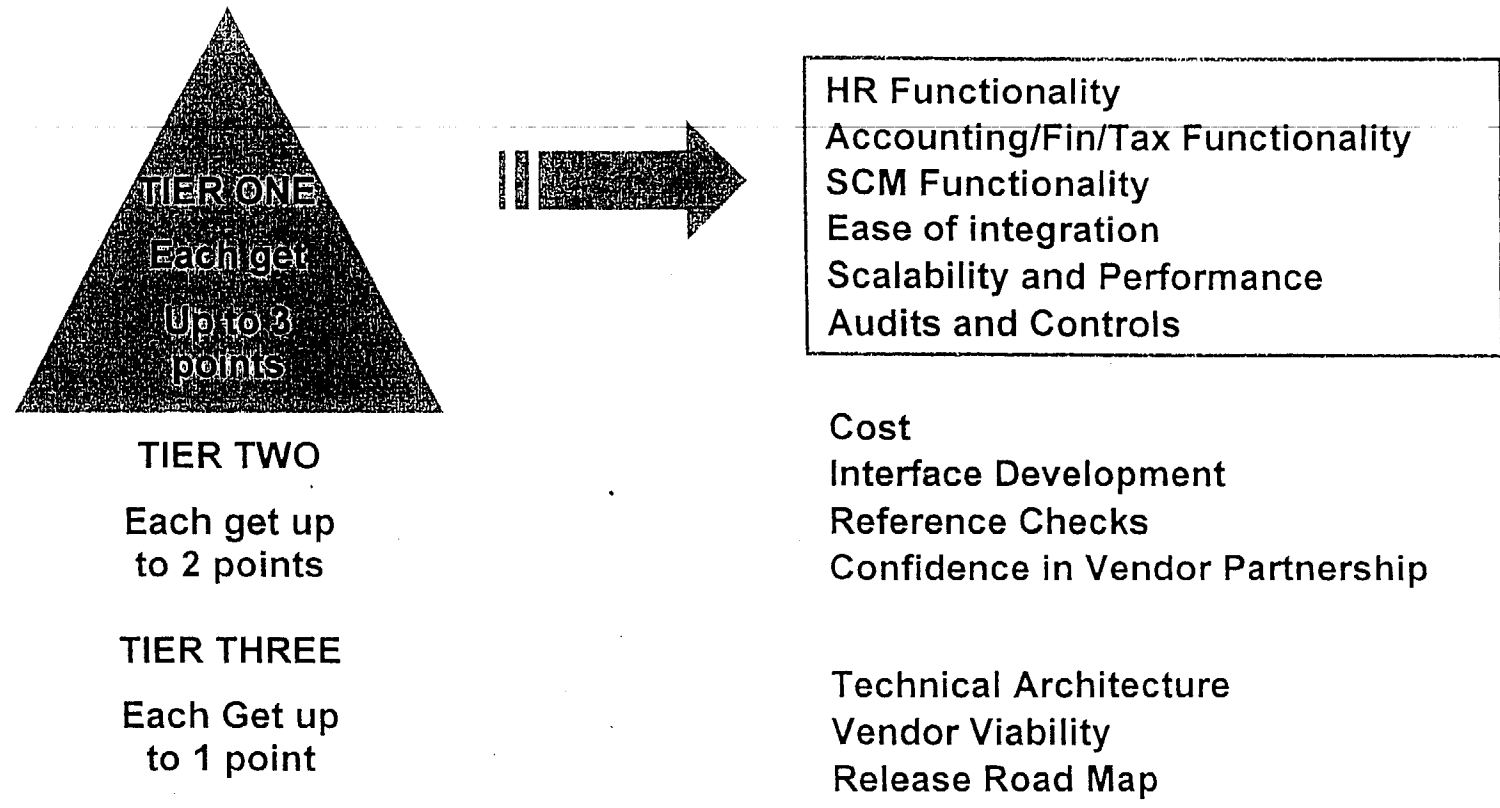
❖ There are 5 options for Software Selection

	HR	Acct/Fin/Tax	SCM
1	ALL PEOPLE SOFT		
2	ALL ORACLE		
3	PEOPLE SOFT	ORACLE	ARIBA
4	PEOPLE SOFT	ORACLE	PEOPLE SOFT
5	PEOPLE SOFT	ORACLE	

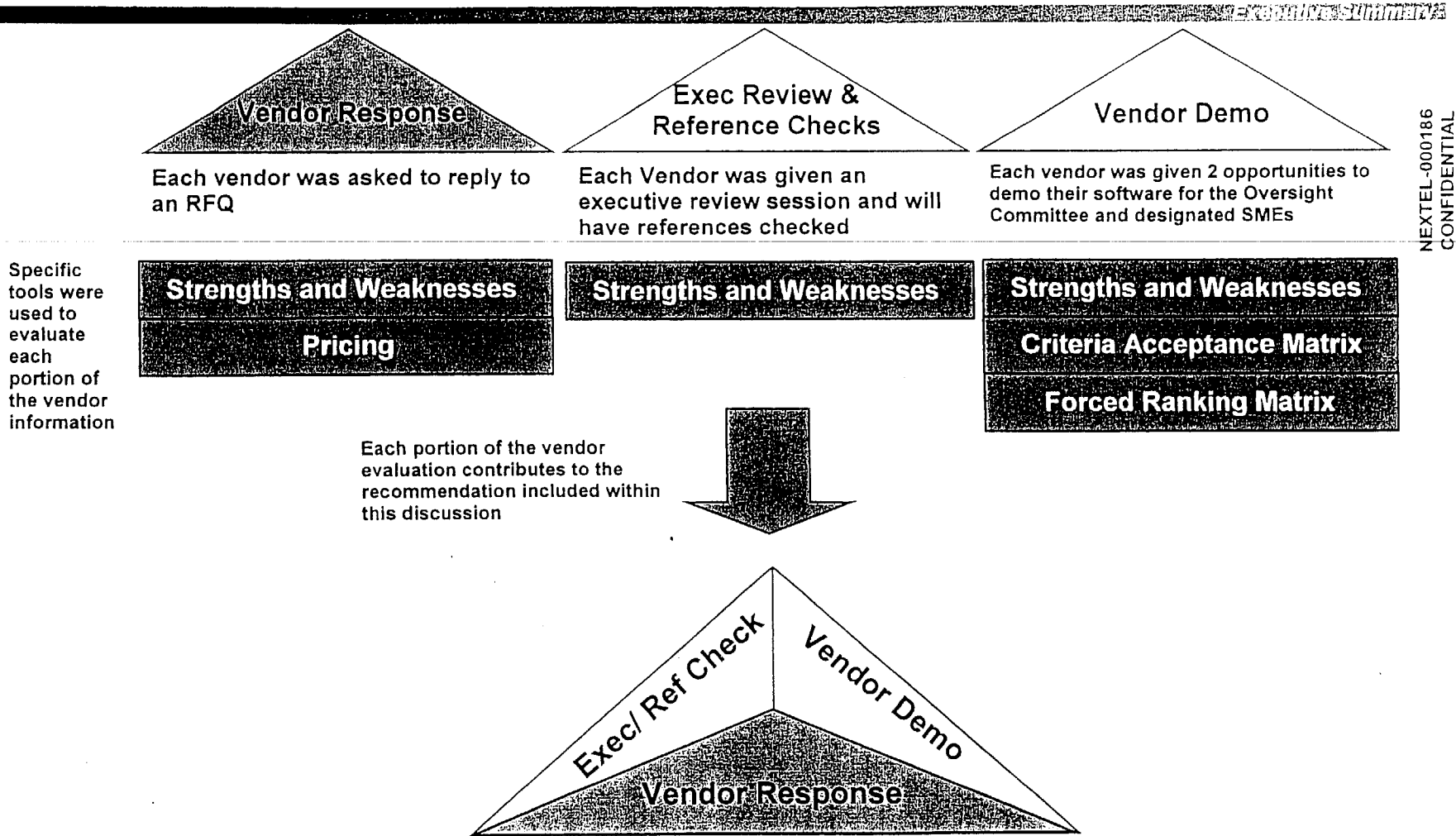
Update on Software Vendor Selection

Executive Summary

Weighted Vendor Criteria



Three primary methods are being used to evaluate each of the vendors.

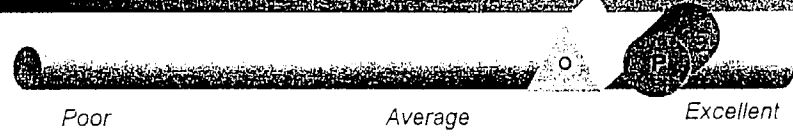


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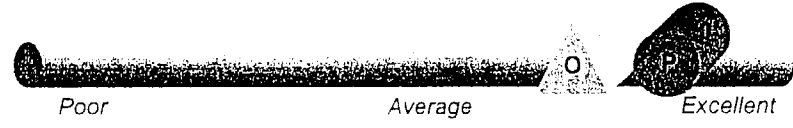
Tier 1 items

Notes

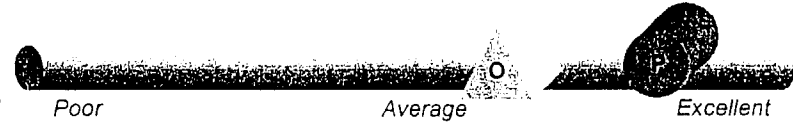
A. HR Functionality



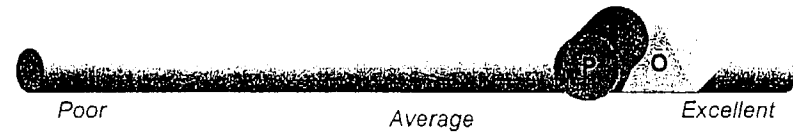
B. Accounting, Fin, Tax Functionality



C. SCM Functionality

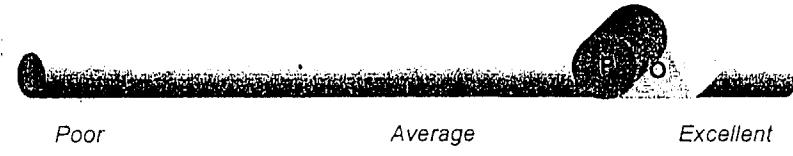


D. Ease of integration

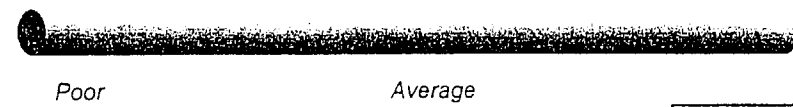


More challenging to replace Oracle Financials than PS HR

E. Scalability and performance



F. Audits and Controls



Still being investigated

Legend:

PeopleSoft Oracle

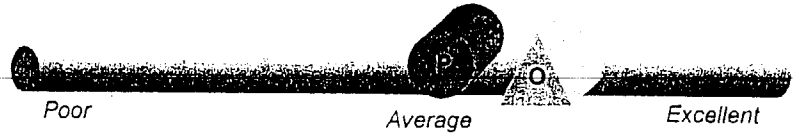
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Tier 2 items

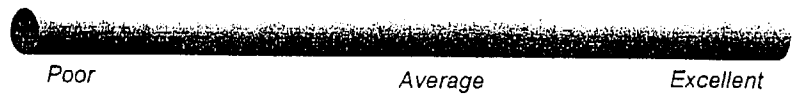
G. Cost (pre-best and final)



H. Interface Development



I. Reference Checks



J. Confidence in Vendor Relationship



Notes

Based on a 5 year projection

Atlas more difficult with PS

Still Being Reviewed

Still Being Investigated

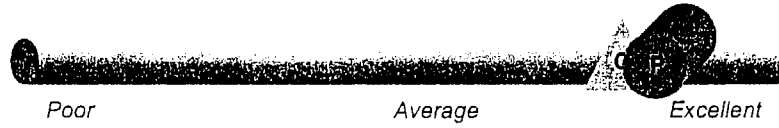
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Legend:

*Cost numbers provided by vendor.

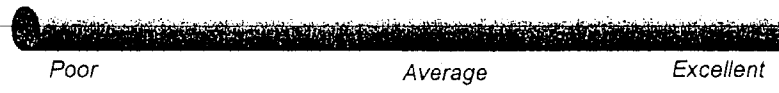
Tier 3 Items

K. Technical Architecture



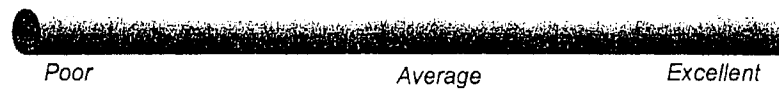
Notes
 Basic reporting can be handled by each vendor. Differentiated by ease of use.

L. Vendor Viability



Still Being Reviewed

M. Release Road Map



Still Being Reviewed

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Legend:

Appendix – high level of what's in scope for phase 1

- ❖ 1. Upgrade PS HR to version 8.3
- ❖ 2. Replace Oracle Financials with PS version 8.4
- ❖ 3. Replace Ariba with PS version 8.4
- ❖ 4. Replace Brass Ring with PS version 8.3
- ❖ 5. Replace half of IT PMO with PS version 8.4
- ❖ 6. Re-write Rent DB function
- ❖ 7. Upgrade current tax function to 80% vs. current 10% financials functional support
- ❖ 8. Replace TM1 with with PS version 8.4
- ❖ 9. Replace On Track with PS version 8.3
- ❖ 10. Implement HR self service with PS version 8.3
- ❖ 11. Implement PS open enrollment capability with PS version 8.3
- ❖ 12. Upgrade all majority of HR, Accounting/Finance, Tax and SCM business processes
- ❖ 13. Upgrade 12 interfaces
- ❖ 14. Replace VAD financials with PS version 8.4
- ❖ 15. Interface to Solar Commissions for direct (we will keep Oracle)
- ❖ 16. Upgrade indirect commissions to Solar
- ❖ 17. Learning Management function with PS version 8.3
- ❖ 18. Transition costs to migrate USI to EDS

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