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September 10, 2021

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In trusted  
hands

Children’s Wisconsin (CW)

KPMG proposal to serve CW with:

Implementation Partner Services –Operating Model transformation enabled by Workday

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1. Executive Summary

KPMGTESTAUS's Vision and Values are a strong reminder of the higher purpose and drivers that make the organisation what it is.

The commitment to the values of Hospitality, Compassion, Respect, Justice, and Excellence, especially to those most in need, provide clear direction as to what is important to KPMGTESTAUS. At KPMG, our vision, purpose, and values align strongly with yours and so we can commit to the SJCHC Vision and Values in partnering with you to deliver your HRIS project to enable your Mission.

We love that central to this implementation of an HRIS is the non-negotiable objective to have a positive impact on caregivers. Like you, we know that caregivers are critical to Patient Experience, Customer Experience, and the Clinical Experience. This single objective for caregivers looms large in our response and our team – we commit to supporting you towards this objective and holding accountability to improve the caregiver experience. This is not a tech slam and we are drawing upon all our private health industry and HR expertise to bring the right team to KPMGTESTAUS.

We recognise in our response and approach your two guiding pprinciples:

* To optimise your processes and relationships – Implementing an HRIS will enable KPMGTESTAUS to improve and drive efficiency in many workforce processes. Further, this project will enable further enhancement of the new operating model for all workforce services. By having an integrated architecture across all workforce systems, KPMGTESTAUS for the first time will be able to truly understand the caregiver baseline, make talent decisions based on real-time data and insight and ensure you are creating meaningful connections within the organisation.
* To strengthen your culture – The data and insight generated by an integrated landscape for workforce data will enable KPMGTESTAUS to better understand key indicators of culture around performance, tenure, engagement, and absence. With a strong analytical platform at its core, HRIS will help Workforce, and leadership better understand indicators of culture and take actions to strengthen where required.

The scene for the criticality of this HRIS implementation is set amongst the key trends driving unprecedented growth in health globally and Australia. Trends we all know well:

* A growing population.
* An ageing population.
* A rise in chronic illness and associated co-morbidities.

Growth in the global health system is set at about 5% per year in an already USD 10 trillion industry. This presents an amazing opportunity for KPMGTESTAUS to continue to fulfil its mission of caring for those most in need.

However, the reality is that this is a challenging time for private hospital and aged care operators:

* The impact and uncertainty of the COVID 19 pandemic continues to loom large over private hospital providers.
* People are moving away from private health insurance – particularly young people. This is reducing demand for elective surgery.
* There is a steady shift of private patients to public hospitals.
* The long-term financial viability of many of the community services you provide is under immense pressure – driven by government regulation, increased service standards, workforce challenges, and the health insurance industry.

Through our work with KPMGTESTAUS Workforce, we know the challenges you face and how important the HRIS implementation is to deliver a contemporary operating model. We can see how the HRIS will help to reduce the risks, including:

* The ability to recruit quickly enough to meet the demand from hospitals and services.
* Understanding the workforce profile and key data and insights that would enable proactive interventions in areas such as performance and engagement.
* The ability to accurately workforce plan and develop learning programs to support KPMGTESTAUS building a future-fit workforce.

With the increase of demand seen through 2021 for Group Workforce, we understand the need to create efficiencies in implementing the HRIS and improving the caregiver experience.

To ensure the project is successful we recognise that Change Management will be critical. This is not a 'Tech Slam', it is about changing the Workforce ecosystem and enabling it through leading technology. Implementing the HRIS impacts the operating model, the processes, the Workforce teams, line leaders, caregivers, and applicants. We are bringing our best in these areas to KPMGTESTAUS. A team that has been integral to the most complex change management projects in health over the past few years.

**We Understand the Healthcare Sector**

KPMG brings its depth of global and local experience working across the Health Sector, specifically within Private Health. We understand the challenges and the nuances of supporting complex transformation in the Health Sector and have experience in engaging with clinicians of various levels and clinical specialities. KPMG’s experts bring significant clinical, administration, management, and leadership experience within the Health Sector. With first-hand experience and knowledge of HRIS systems, processes, awards, and agreements, they will form part of this project, providing challenge and guidance to ensure that the project's outputs are fit-for-purpose and future-fit across KPMGTESTAUS.

We will appoint a senior member from our Health Sector team, Daniel McCluskie to support the engagement as our Healthcare sector Subject Matter Expert (SME). This will enable KPMGTESTAUS to obtain first-hand the required sector knowledge, and expertise from Daniel’s team. Daniel understands the challenges from an end-user perspective as he is a practicing clinician, who works as a casual Registered Nurse in the Intensive Care Unit at KPMGTESTAUS Ballarat. He has led many large-scale system implementations in the health setting including Electronic Medical Record systems and currently an ERP implementation at one of Australia's largest private hospital providers. Daniel comes forearmed with learnings and insights valuable to pre-empt any risks associated with this project.

**We Are a Leading Implementation Partner of Workday in Healthcare**

KPMG and Workday have a strategic global alliance, and this partnership makes KPMG one of the leading implementation partners of Workday in Healthcare. KPMG recently won a Workday Partner Industry Innovation Award for their innovation, expertise, and commitment to bringing accelerated Healthcare industry innovation to customers.

KPMG won the award for its Labour Distribution Enabled by Workday Prism Analytics solution in the Healthcare industry. This solution allows customers to create a customised data source for reporting time and cost through a data hub that blends Workday transactional data with external operational data. We intend to leverage this solution to assist KPMGTESTAUS solve for the Labour Costing analysis and insights, understanding that labour costs carry the significant expense line item for the organisation.

With over 30 Workday implementations in the Health Sector, we have assembled a team for KPMGTESTAUS that brings deep HRIS technical expertise in all the required implementation competencies and the HR consulting expertise.

With a view of opening international borders, KPMG is committed to bringing experienced Workday in Healthcare leaders to Perth to support this implementation. This will augment our Australian healthcare expertise and Workday expertise from other industries. Partnering with KPMGTESTAUS on this HRIS implementation is very important to KPMG and we are committed to doing what is required to ensure our proposal is the best it can be.

Further, we have expanded this capability to incorporate key players within the Healthcare ecosystem to add significant value across the Workday Platform for KPMGTESTAUS. Our Healthcare SME’s will prove valuable by designing and evaluating the reporting and analytic use case requirements and streamlining the business process workflows. We aim to establish a trusted team that will work with you throughout this initiative to deliver a single modern HRIS worthy of the Healthcare community.

**We Bring You a “Model” Answer which is More Then Technology and focus on Change**

KPMG’s Powered Enterprise for Workday is our unique and proven approach to HRIS transformation. KPMG’s Powered Enterprise fuses decades of our HRIS functional experience, leading HRIS practices, and future HRIS trends to develop pre-configured deliverables, including job catalogue, leading practice business processes with embedded controls, test scripts, and scenarios. All these pre-configured assets are aligned to Workday, providing you with 80% of the model answer allowing the project to focus on the remaining 20% unique to KPMGTESTAUS and what will drive you towards being the leading private healthcare provider in Australia by 2025.

KPMG Powered Enterprise is our "secret sauce" designed to bring greater certainty to your business case benefits and the guardrails needed to the budget, timeline, and quality to your HRIS implementation.

Success in this project cannot just focus on the Workday technology and End-User Training, it requires a broader Change Management capability to embed new ways of working and there needs to be a focus on the Service Delivery Model optimised to drive benefits from the Business Case. The Workday implementation requires a focus on people, process, data, integration, and culture to deliver on the business outcomes and caregiver experience.

We know that even the best technical solution is only successful with appropriate engagement, prototyping, testing, and training. We will apply our tried and tested methodologies to secure buy-in to the case for change, deliver against end-user requirements in the Solution Design, promote ease-of-mind during implementation and generate user uptake of the end solution, enhancing the user experience.

Managing the people and change impacts will be critical to success and will need to be a significant focus for the project. At KPMG, we understand that change is personal; individuals experience changes to different extents and process change at different speeds. The impacts and changes to the ways of working will be experienced very differently across Workforce and caregivers and people managers; further these impacts will vary by the care setting in which the caregivers work.

Leveraging KPMG’s ‘Powered Change and Deployment’ methodology, we address the personal needs and look at a holistic solution to manage business change, drive business readiness, and maximise change adoption to deliver against required business outcomes. At the heart of our approach, Change and Training must work together, and we will ensure that Training and Change work shoulder-to-shoulder as one-team.

**We Are Committed to the Long-term**

This project represents the continuation of your digitisation journey, following the implementation of Kronos and now the implementation of Workday. With the revised Workforce operating model being defined and rolled out, this is an exciting time for Workforce as it moves to a more contemporary approach and model.

KPMG are committed to supporting KPMGTESTAUS and Workforce now and in the future. As such we would welcome the opportunity to discuss with you the provision of our AMS for a continued partnership with clearly aligned goals and a commitment to work together. We call our service “Powered Evolution” to focus on evolving your deployment to deliver rapid ongoing improvements and maintain agility and continuous innovation. Our response provides details on our capability and approach on the same.

**A Commercially Competitive Offer**

As a valued KPMG client, we have sought to invest in this significant project for KPMGTESTAUS, bringing the best team to bear and the commercial investment we are willing to make. We are fully committed to work in partnership with KPMGTESTAUS to modernise its technology platforms to transform Workforce to industry “leading practice", to become the best performing healthcare organisation in Australia by 2025. Our investment of $680,000 equivalent to approximately 21% of the services fees comprises the following:

* A discretionary discount to the value of $387,000, already included in our pricing, reflecting the knowledge and experience gained through the prior work we have completed with KPMGTESTAUS and our firm's commitment to work in partnership with you to successfully deliver this project.
* Global Healthcare Workday implementation expertise, equivalent to the value of $93,000, from KPMG's US based practice to provide solution best practice insights during process harmonisation activities and solution design.
* A KPMG advisory panel with a depth of industry experience, Workday implementation, and HR transformation expertise, free of charge to KPMGTESTAUS, to the value of $100,000, discounted from our pricing.
* Commercial discount of $100,000, with the objective of KPMGTESTAUS partnering with KPMG for joint marketing activities in relation to KPMGTESTAUS's HRIS project, discounted from our pricing.

We believe the work we have already done with KPMGTESTAUS will be invaluable during the process harmonisation activities to achieve a unified design for Group Workforce. Based on our depth of knowledge of KPMGTESTAUS's Group Services and hospital operations we have carefully and realistically estimated the work effort and have established a team structure and resource plan accordingly. The team includes Mark Bowden as your Project Director, who you know, and will work side by side with KPMGTESTAUS to make this project a success.

Ultimately, we have challenged ourselves in reviewing projects of a similar scope, complexity, and scale to implementing Workday HCM in the Private Health Sector when estimating this project for KPMGTESTAUS and are confident we have offered a commercially competitive bid for KPMGTESTAUS to consider.

Our offer includes important value-add services that, in our experience, have proven to increase delivery success. It helps you get to a faster outcome as it relates to caregiver adoption and experience, modernising your integration architecture, and increasing payroll resilience.

We would welcome the opportunity to deliver a fixed price offer that is outcome-driven and commercially competitive after a detailed discussion with KPMGTESTAUS to align on the proposed implementation and AMS approach and assumptions. We look forward to shaping our commercial offer with you demonstrating our conviction to partner with you and have “skin in the game”.

We thank you again for the opportunity and look forward to working with KPMGTESTAUS in the following stages of this process and would be pleased to discuss any aspect of our response in further detail with you.

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* 1. **Implementation Approach**
     1. **Our Approach**

KPMG Powered Enterprise is KPMG's approach and methodology to functional transformation. That is business-led and user experience, orientated designed to:

* Engage business users early and throughout the project.
* Start with the model answer to allow the project to focus on those truly unique requirements to KPMGTESTAUS.
* Drive a business outcome that realises benefits.
* Avoid recreation of any exiting disparate or cumbersome processes from legacy applications.

Cloud SaaS solutions offer limited to no ability to customise the product. Where there are unique requirements that cannot be fulfilled through the product's configuration, clients must adapt their operating model (processes, policies, roles) to meet the needs. In response to this, KPMG's approach to a Workday HCM implementation is not just focused on the technology. To achieve user adoption and reap the benefits of Workday, KPMG takes a holistic view of both the technology, the operating model, and workforce management practices.

KPMG leads every Workday implementation using KPMG Powered Enterprise enabled by Workday. Our innovative and proven approach to transformation combines deep Workday HCM functional knowledge, leading HR practices, Change Management enablers and pre-configured Workday HCM business processes coupled with process automation to drive a greater certainty of outcome and sustainable development change.

Fundamental to our approach is the use of KPMG Powered Enterprise for Workday HCM, and we believe that the most significant benefit to KPMGTESTAUS is access to the pre-configured solution, out-of-the-box business processes, and delivery tools, meaning:

* KPMGTESTAUS can adopt 80% of the future state business processes and Workday HCM from the start of the project, which would enable the SMEs and stakeholders to make informed design decisions and achieve greater standardisation.
* KPMG’s implementations focus with KPMGTESTAUS would be more about the user uplift and adoption, refinements to the new operating model and less about the Workday technology itself.
* KPMGTESTAUS will have access to KPMG materials, which have been designed through extensive global research and hands-on experience.
* KPMGTESTAUS can leverage the relevant industry KPMG Powered Enterprise Workday assets developed specifically for Healthcare.

Our implementation framework and validation-based approach through KPMG Powered Enterprise enables KPMGTESTAUS to achieve greater certainty of the outcome on your Return on Investment (ROI).

We’ve made cloud transformation – the new way to create business value that lasts – more straightforward, faster, and more predictable.



**Figure 6: KPMG Powered Enterprise Benefits to KPMGTESTAUS.**

**How Do We Achieve the Best Outcome? We Start With the “Model” Answer.**

KPMG’s Powered HR contains our leading practices and Workday across a six-layer operating model, as described in below. We have codified our experience over decades of HR transformation and Workday programs into the assets, toolsets, and methods to deliver lasting organisational transformation anchored around the Employee Experience.



**Figure 7: KPMG Powered Enterprise Six-Layer TOM Framework.**

While we start with the model answer, we recognise the complexities across Workforce services, Solution Design, and stakeholder groups in KPMGTESTAUS, as such we have allowed for sufficient time between the Plan and Architect stages for business SMEs and stakeholders to align on the future state of the Solution Design, while still benefiting from the KPMG Powered Enterprise assets and methodology of engaging users in the future state processes and technology as early as possible.

Core to the KPMG Powered Enterprise approach is focusing on "validating" business processes with business stakeholders to identify why the process will not work. This is with the objective of focusing on what is unique to KPMGTESTAUS and follows a similar process as to that which was conducted as part of the Corporate Systems Evaluation Project early in 2021.

Note: We have proposed up-front TOM Alignment workshops during a four-week kick start period in order to understand KPMGTESTAUS's new Operating Model in detail to note any alignment required to our Process, People, and Service Delivery layers of the KPMG Powered Enterprise TOM.

This is detailed further below in Section 2.5 Implementation Deliverables.

**Implementation Timeline and System Implementation Approach.**

We have fused leading HR practices and future HR trends to develop pre-configured deliverables, within each layer, most notably the **roles, leading practice business processes with embedded controls, test scripts, scenarios, and the Workday Job Catalogue. A summary of assets within each layer is further outline in** Figure 8 **and** Figure 9 **below.**



**Figure 8: KPMG Powered HR TOM Assets.**

As these are already aligned with Workday, there is no need to start from scratch. We provide you with 80% of the model answer, focusing on the remaining 20% unique to your business and what will make you competitive in the market.



**Figure 9: KPMG Powered HR for Workday Assets.**

Powered Enterprise provides the intellectual property and thought leadership required to design optimal processes alongside the Workday Platform. The result is refining the operating model to support KPMGTESTAUS in enhancing the efficiency and effectiveness of operations.

**Experience Led Approach**

KPMG understands the design of the Workday Platform is crucial to support the Workforce team, caregivers, and line managers. Therefore, with KPMGTESTAUS we would like to allocate six weeks upfront during the plan stage to address the following:

* **Kick Start**: We’ll workshop and agree design principles that will form the basis for the Workday design, align the deployment with the operating model, prepare the basis for Job Architecture design and engage the leadership teams
* **Discovery: We'll workshop process harmonisation and identify any unique requirements which can be built into the first Foundation to support decision making during the architect phase.**

KPMGTESTAUS will have the opportunity to complete transactions in Workday to provide feedback on processes and streamline design decisions which increases platform awareness and saves costs on changes down the track. As part of the Architect phase, we will have localisation workshops at the start of each new wave to drive customisation and align to be fit-for-purpose.

**KPMG Powered Enterprise Enabled by Workday for Healthcare**

KPMG have developed industry assets specific to Healthcare on the Workday Platform – "Powered Healthcare for Workday". While the assets are across HCM, Finance, and Supply Chain Management, the HCM assets would be leveraged for KPMGTESTAUS's HRIS Implementation on Workday.

Powered Healthcare for Workday was launched globally in October 2021 and would be available for KPMGTESTAUS based on KPMG's unique depth of experience globally and locally in the Healthcare sector.

The six-layer KPMG Powered Enterprise TOM assets are updated across a few layers with a unique Healthcare lens:

* **Functional Process:** Process Taxonomy and Role Based Process Flows.
* **Technology:** Supporting Technology Overlay and Application Architecture.
* **Performance Insights and Data:** Diversity and HR Healthcare specific dashboards.

An overview of Powered Healthcare for Workday assets launched is detailed below



**Figure 10: Powered Healthcare for Workday**

* + 1. **Implementation Timeline**

We propose that Workday HCM be implemented to support the centralised HR functions across KPMGTESTAUS, with Kronos remaining as the critical workforce management tool for time and attendance integrated with Ascender Pay. Further details on the integration solution between Workday and the other solutions that sit within your broader application landscape is detailed in this document.

We are confident that our proposed timeline strikes the right balance between the velocity needed to carefully design and deploy the Workday solution and KPMGTESTAUS's decision making timelines and resource capacity to adopt the Workday solution. We believe that our approach will help KPMGTESTAUS balance the right amount of internal resource involvement to drive change and increased adoption, leading to a successful transformation.

This implementation will deploy Workday functionality across the business in a single go-live requiring a robust change and communications project. Our timeline is per the following scope:

* **Establishing the critical foundations.** The functional scope of this phase includes the implementation of Workday‘s Core HCM, Core Compensation, Onboarding, Talent & Performance, Recruiting, Benefits, Absence Management and Cloud Connect Third-Party (Payroll Integration with Ascender Pay). This will be implemented over 15 months with additional interactive workshops in the plan stage and excluding post-go-live support (hypercare) as defined in the figure below.
* **Continuous evolution.** During our hypercare/post go-live stage we ensure your business is working effectively on the ground with the full capability of Workday and integrated systems. To ensure this all runs smoothly, we support with up to 3-month hypercare.

In addition, there is option to explore a phased go-live with HCM and Talent Management however, we would welcome the opportunity to conduct a joint deployment planning session with KPMGTESTAUS to align the assumptions, start dates, and proposed approach.

Our top five fundamental design principles underpinning this approach to deliver the Business Case benefits are as follows:

* Out-of-the-box, Workday solution will be adopted – there is zero product customisation.
* 80% of KPMG's Powered HCM solution will be adopted – there are minimal business process and role variations.
* A unified business Go-Live – reducing the effort required to support the interim states.
* Clear project sponsorship and decision making driving the Solution Design and management of change.
* KPMGTESTAUS caregivers (super users and SME's) actively engaged from the project outset to champion user adoption.

**Project Kick start and Process Harmonisation**

Based on KPMGTESTAUS outlining not being ready to go straight into the technical implementation and the preparation projects you have proposed, such as data cleansing, job architecture etc. We have taken this into consideration combined with the KPMG Powered Enterprise approach and Workday's proven implementation methodology, to architect the proposed process harmonisation activities.

KPMG acknowledges process harmonisation is fundamental to KPMGTESTAUS's objective for caregivers to have consistent processes across the employee life cycle. We have considered the objectives and requirements of the process harmonisation phase of work, including detailed process design, conducting fit / gap analysis, process documentation, and application of industry best practices.

In our experience implementing Workday, there is a unique opportunity for the business stakeholders to have early visibility into how the solution will work for them – in contrast to theoretical paper-based process map documentation. Leveraging this cloud technology and KPMG Powered HR enabled by Workday for Healthcare, we have carefully considered an approach that will meet KPMGTESTAUS's process harmonisation objectives and allow sufficient time to align leadership and stakeholders efficiently and effectively to the required unified future state processes. This includes the following key activities across the Plan and Architect Stages of the proposed implementation timeline:

* Leadership alignment workshops during Plan.
* Operating model alignment workshops during Plan.
* Kick starts any preparation activities in advance of the Foundation Tenant Build, including data initialisation, job architecture etc.
* Leveraging KPMG Powered Enterprise and Powered Healthcare for Workday assets, identify key Level 2 processes with unique requirements for KPMGTESTAUS.
* Conduct Architect Workshops with the objective of validating whether our leading practice processes will work for KPMGTESTAUS or not. If not, this is captured as process deviations (like a fit / gap analysis).
* Once process deviations are captured, we will conduct playback sessions with the relevant stakeholders on how these deviations for KPMGTESTAUS's unique requirements will be addressed and incorporated into the detailed process design workbooks. Business Process Design Workbooks include the process documentation to Level 4/5.
* These targeted activities will allow caregivers to visualise their future state solution early and leverage the KPMG Powered Enterprise approach for the right business outcome.

These activities will be spread across four months to allow for sufficient stakeholder input, review, and alignment to achieve the best outcome for unified processes for KPMGTESTAUS.

**Proposed Plan on a Page**



**Figure 11: KPMG Proposed Timeline.**

Guided by our tried and tested Powered methodology, we have a clear list of deliverables based on project milestones. Along with the key dependencies for each, these are described in detail below.

**Proposed High-Level Schedule**

The proposed schedule including key milestones in line with our proposed Project timeline for KPMGTESTAUS is as set out in Table 8 below. Note: the key milestone dates are indicative and are subject to change based on project start dates and joint planning with SJCHC.

**Functional Scope:** Workday Core HCM, Core Compensation, Onboarding, Recruiting, Absence Management Talent & Performance, Benefits and Cloud Connect Third-Party (Payroll Integration).

**Table 8: KPMG Proposed Schedule.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Milestones** | **Description** | **Estimated Due Date** | **High-Level Dependencies/Approval Requirements** |
| 1 | Project Governance Established | Governance is planned and established for project delivery. |  |

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