

1 **Re: 2009 Capital Projects \$200,000 - \$500,000 p. D-96 - Application**

2 **Enhancements - Hydro Place**

3 Q. a) Can NLH quantify the savings to be realized by way of perceived
4 efficiencies inherent in the implementation of the Corporate Performance
5 Management Application versus the capital cost of the Application?

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7 b) On page D-96, NLH states that the Enterprise Resource Planning (ERP)
8 system provided by JD Edwards is "not intuitive or user friendly", but at page
9 D-98, NLH suggests that Showcase Suite will be maintained, and upgraded,
10 so as to permit continued use of JD Edwards applications. Is the Corporate
11 Performance Management Application a JD Edwards Application, and if not,
12 will the retention of other JD Applications conflict with the Corporate
13 Performance Management Application?

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16 A. a) Direct and indirect savings cannot be accurately measured, however, the
17 efficiencies gained through using a Corporate Performance Management
18 (CPM) tool will free existing staff time from non-value-added activities, such
19 as compiling spreadsheets, and allow them to add value to budget managers
20 through the provision of enhanced information. At present, the budget
21 process is manual and labour intensive. Multiple spreadsheets must be
22 compiled by business units throughout the company and finance personnel
23 must provide assistance to managers by developing budgets and providing
24 supporting information such as past expenditures and variances, since this
25 information is difficult to extract from the ERP system.

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27 The savings from productivity tools such as CPM applications are difficult to
28 measure but do result in reduced employee work effort. These tools also

1 facilitate more timely, better informed decision-making which benefits the
2 ratepayer as well. It is not anticipated that any direct savings will be realized,
3 rather employees will have more time for analysis and planning.

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5 b) No, the Corporate Performance Management (CPM) application is not a
6 JD Edwards application. It will work on top of JD Edwards to extract actual
7 data, which will then be formatted and reported through the CPM application.
8 JD Edwards will remain the transaction-processing system for invoices, work
9 orders, and other transactional data. With the implementation of a CPM
10 application, all budget data will be entered directly into the CPM application,
11 whereas actual transaction data will originate from JD Edwards and be
12 downloaded into the CPM application. The CPM application will allow one-
13 stop access to actual and budgeted financial information that can be
14 accessed easily and with little application-specific training.

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16 The retention of other JD Edwards applications will not conflict with the CPM
17 application, because there are no other applications presently in use that
18 have the same functionality as the CPM application. In general, Enterprise
19 Resource Planning (ERP) software systems such as JD Edwards are
20 transactional databases that allow organizations to enter, count and track
21 activity but have cumbersome reporting and limited planning functionality.
22 CPM applications are designed to facilitate analysis, planning, budgeting and
23 performance monitoring and are designed to be user-friendly.