

The State of Veracruz, Mexico, Improves Financial and Tax Administration Efficiency



Government of the State of Veracruz
Veracruz, Mexico
www.veracruz.gob.mx

Industry:

Public Sector

Annual Budget:

\$3.8 billion

Employees:

2,200

Oracle Products & Services:

Oracle Financials
Oracle Database

Key Benefits:

- Implemented Oracle Financials to provide a single view of data across the agency
- Improved decision-making capabilities
- Enhanced collaboration among departments
- Reduced paper-based processes and improved data accuracy
- Streamlined tax administration by centralizing transaction processing
- Minimized labor time, allowing SEFIPLAN to reallocate staff to mission-critical projects

“Oracle Financials has allowed us to improve our operational effectiveness by leveraging best practices across our organization.” – Juan Octavio Pavón, General Director of Technology Innovation, Secretariat of Finances and Planning, Government of the State of Veracruz, Mexico

The Secretariat of Finances and Planning (SEFIPLAN) of the Government of the State of Veracruz, Mexico, coordinates financial and tributary administration of public taxes. SEFIPLAN maintained different accounting operations for each department within the state--each with its own independent information system. The departments did not work together to integrate information on orders, biddings, or payments, resulting in vast inefficiency and lost cost savings.

At the same time, budgetary control of public investment and tax administration fell under both SEFIPLAN and Dependencies and Organizations of the State Executive authority. Therefore, there was duplication data and information registry between departments, resulting in inconsistency among the varied IT systems. Government departments were unable to fulfill deadline requirements for information integration, causing significant delays in accounting transactions.

SEFIPLAN decided it needed to implement an integrated financial system to improve efficiency and ensure data consistency across the state government. It turned to Oracle for a financial management system and centralized database to ensure state employees made decisions using the same set of data--agency-wide.

Centralizing Data to Improve Financial Administration

Along with managing financial and tax administration, SEFIPLAN also organizes statewide planning, scheduling, and budgeting of state income and expenses with other offices and bodies that integrate the state public administration. Finally, the organization is responsible for the administrative control of human and material resources for the state. Prior to implementing

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Government of the State
of Veracruz, Mexico

the integrated financial system, SEFIPLAN had developed its financial and accounting systems in house, using the Smalltalk programming language and supporting the applications on a Microsoft SQL database in a client-server environment. Each department had its own server, in addition to an independent database. As such, the agency had virtually no visibility into data across the organization, impeding its ability to make effective financial decisions.

SEFIPLAN selected Oracle Financials, and the application set allowed the organization to collaborate among departments more effectively, provide its employees with self-help capabilities, greatly reduce paper-based processes, and--most important--integrate its disparate financial systems. In addition, the agency was impressed with the ability to deploy the solution via the internet, allowing employees to access critical financial data anytime, anywhere.

“Oracle Financials has allowed us to improve our operational effectiveness by leveraging best practices across our organization,” said Juan Octavio Pavón, general director of technology innovation for the secretariat of finances and planning. “The new solution allows us to significantly improve our decision-making processes by using accurate, centralized data and analysis capabilities.”

The new solution also allows SEFIPLAN to make changes in the organizational structure easily without having to alter its technology infrastructure. It allows application configuration based on the business rules of each of the agency’s operational units. In addition, SEFIPLAN was able to roll out the new solution centrally, leveraging Oracle’s internet-based architecture to eliminate the need to install the software at each location separately. Moreover, SEFIPLAN can generate financial reports based on accurate data, allowing it to make decisions for its future. The agency can also safely process financial transactions.

The Oracle solution will also allow SEFIPLAN to integrate its financial solution with additional modules like Oracle Human Resources and Customer Relationship Management. Because these modules work together, SEFIPLAN will be able to provide better services to government officials, who, in turn, will be able to better serve the citizens of Veracruz.

Streamlining Tax Collection to Improve Efficiency and Citizen Service

SEFIPLAN also used Oracle Database and technology to streamline its tax collection system. Employees within a network of 75 tributary offices enter data into the centralized system, processing an average of 9,000 transactions a day in real-time and up to 25,000 transactions on days with high payment flow.

One of the main goals of implementing the State of Veracruz Integral Financial Administration System (SIAFEV) was to modernize the state's administrative processes. Today, SEFIPLAN's Oracle-based financial system is accessible to the secretariats' government administrative offices, located in 14 buildings in Xalapa, Veracruz.

“We achieved our goal of an integrated financial system through careful planning, construction, promotion, and effective use of an integrated IT infrastructure,” said Pavón. “Using this system, we were able to improve resource allocation and integrated technology resource management into our administrative processes.”

SIAFEV has helped SEFIPLAN vastly improve government efficiency by allowing departments to easily share accounting, budgetary, and financial information online and by ensuring data availability. The new system has also eliminated much of the process replication inherent in the agency's previously siloed systems. The enhanced data visibility allows the government agency to operate more efficiently and make more informed decisions.

“The system has saved significant labor time, allowing us to reassign staff to projects that directly impact our mission to better serve the citizens of Veracruz,” said Pavón.

“Prior to implementing the integrated financial system, there was no visibility, no way to provide valid reports, no way to monitor performance across the agency,” continued Pavón. “Now we are standardized. Our data is accurate and supported on a single database that does not require information consolidation. We can generate reports that help us make more effective financial decisions. It has completely changed the way we operate for the better.”

Why Oracle?

SEFIPLAN chose Oracle because it allowed the agency to maintain its data in a single database, allowing more effective and timely information retrieval to support effective decision-making.

“We recommend Oracle because its applications and technology are flexible,” said Pavón. “It is easy to configure the software based on different administrative processes from each state government area, allowing us to improve our efficiency and service without disrupting our established processes.”

SEFIPLAN plans to continue to work with Oracle because it provides a platform for future growth and optimization of services as the agency rolls out new e-government initiatives.

Implementation Process

SEFIPLAN rolled out the new solution in eight months. The agency first developed a general work plan that outlined implementation steps and timeline. The agency then began an extensive information collection process in which it interviewed users and evaluated its business processes prior to adjusting its proposal requirements.

After selecting Oracle, SEFIPLAN worked with the company to install and configure the system. Once installation was complete, the agency embarked on a training initiative in which it introduced the new solution to its users. SEFIPLAN then initiated data loading. The final steps included production and deployment.

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