

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**

**RESOLUTION NO. G24-10**

**RESOLUTION OF THE ALASKA INDUSTRIAL  
DEVELOPMENT AND EXPORT AUTHORITY APPROVING A  
NAVIGATION SYSTEM UPGRADE WITH SERVER UPGRADE**

**WHEREAS**, the Alaska Industrial Development and Export Authority (the "Authority") purchased the Serenic Navigator enterprise software system in 2002 and upgraded it most recently in 2019 to version 14.0;

**WHEREAS**, the Authority's current version of the software will be retired and an upgrade to SylogistMission ERP (enterprise resource program) (formerly known as Serenic Navigator) is necessary in order to maintain adequate support, functionality, and keep up with technological advances and security;

**WHEREAS**, SylogistMission ERP is an integrated system and meets the Authority's report-generation needs and provides compliance with accounting requirements in an efficient manner;

**WHEREAS**, the new version requires updated servers providing increased storage, greater processing speed and memory, increased functionality, as well as hardware warranty and 24/7/365 technical support;

**WHEREAS**, the estimated cost of the upgrade, including the purchase of a new server, is \$360,000;

**WHEREAS**, by providing its own administrative and finance services, the Authority has achieved a Fiscal Year 2025 budget savings of \$125,000 by reducing the annual rate paid to the Department of Administration (DOA) for shared services (e.g., IT, finance, HR, etc.), and is seeking additional savings for Fiscal Year 2026;

**WHEREAS**, the Authority projects that the budget savings related to the reduction of DOA shared services rates will offset the one-time cost of upgrading the software and hardware by Fiscal Year 2027.

**NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:**

Section 1. The Executive Director of the Authority is authorized to take such actions as may be necessary or appropriate to carry out the SylogistMission ERP upgrade including the purchase of a new server.

Section 2. The expenditure of up to \$360,000 for the SylogistMission ERP upgrade and the purchase of a new server is hereby authorized as a necessary action for the Authority to carry out its corporate purposes and exercise its statutory powers. The expenditure shall be from the Revolving Fund as a capital expenditure.

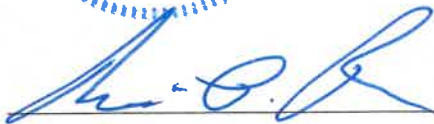
DATED at Anchorage, Alaska on this 11th day of September, 2024.

ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY



  
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Chair

  
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Secretary



## MEMORANDUM

**Date:** September 11, 2024

**To:** AIDEA Board of Directors

**From:** Finance Department  
IT Department

**Re:** Board Resolution G24-10 – Required Enterprise Resource Planning Software Upgrades

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### **Overview**

Since 2002, AIDEA and AEA (the Agencies) have been jointly using Serenic Navigator for their enterprise resource planning (ERP) system, which is an integrated platform that centralizes and automates a company's financial activities, including transactions, invoices, payments, budgets, reporting, and analysis. The Agencies have updated the system multiple times – as recently as 2019 – and need to do a full upgrade to the newest version of the software with new servers. Since the last update, Serenic Navigator has rebranded to SylogistMission ERP, which uses a new coding language, is more versatile for future updates, and cloud compatible.

### **Why is the software upgrade necessary?**

Starting in October 2025, Serenic Navigator (current ERP system) will no longer be supported, which includes any security updates, issue resolutions, and changes to the system. As a result, the Agencies must upgrade to the latest version of software to maintain routine operations. This upgrade is being treated as a complete reimplementing of the software – with minimal data carried-over – in order to: 1) eliminate the highly customized modules and processes that have warped the use of the system over decades; 2) maximize the ERP's workflow and automation processes to match industry standards and best practices; and 3) ultimately be able to split the financial data of AIDEA & AEA going forward. Serenic Navigator and its servers will be maintained for historical record.

### **Timeline**

Sylogist has provided a Statement of Work (SOW) to implement their SylogistMission ERP. The timeline and schedule to implement the ERP will be determined after the SOW is executed, which will depend on the Agencies' ability to provide personnel resources to the project (requirements planning, system setup, training, testing, etc.). This will require time and effort from Finance, IT, HR, AEA Grants, AIDEA Commercial Finance, Procurement, etc., that will need to be allocated – and sometimes dedicated – to this project. Sylogist estimates this will take six months, provided full resources are available from all sides. In the near-term, IT will work with Sylogist on front-end system preparations while Finance continues their work on the annual audit. Upon completion of the annual audit in October 2024, Finance *et al* will then engage with Sylogist and IT to begin the training and implementation process for the new system. The goal is to have the new system in place with enough time before the start of the annual audit in 2025.

**Cost & Annual Budget Savings**

The total amount the Agencies are requesting to upgrade to SylogistMission ERP is a one-time cost of **\$360,000**, which will be split between AIDEA & AEA at a position-adjusted rate of 44% and 56%, respectively (AEA will reimburse AIDEA for its portion of the cost). Sylogist provided an initial estimate of \$247,000 for the new software and implementation, which does not include the cost of any purposeful customizations that may be required. The new servers to host the system on-premises are estimated at \$64,000, which are needed so the current system can be maintained for historical records on the existing server. Additionally, \$49,000 has been budgets for contingency in case any thoroughly justified customizations are required, which amounts to ~20% of the software upgrade and implementation cost.

Finally, it is critical to highlight the importance of maintaining an internal ERP system. Typically, state departments pay a set rate to the Department of Administration for shared core services, such as finance, HR, IT, and procurement. However, maintaining an internal ERP system has allowed AIDEA and AEA to provide these services in-house, which has resulted in the Agencies to realize a 50% reduction, or \$125,000, to the annual amount paid to the Department of Administration for shared core services starting in FY25. Additional budget savings are expected to be achieved by utilizing the ERP system's full capabilities, such as significantly reducing the need to use DocuSign for internal approval processes, which will provide an annual budget savings of ~\$30,000 to \$40,000. Ultimately, the combination of these two annual budget savings will effectively offset the one-time cost for the ERP system upgrade by FY27.

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