As budgets become more strained and as potential consolidation of vendors threaten even more expense, how should institutions using ERP systems approach their strategy in this area? If your institution has ERP systems implemented or if you are considering purchasing such a product, please join us to share perspectives for future planning.

Eight people attended this discussion. Attendees were encouraged to read the ECAR research report on enterprise systems. Discussion topics included the following:

1. How to get more value from your ERP
2. The implementation is never done – how to manage ongoing costs
3. Reliability of implementation processes
4. Customizations – why are we doing them – and how to manage these
5. What do you do with people who cannot change
6. transformation and change – reorganization of the administrative units
7. Internal staffing long term – implementation – specialized skill sets – realignment of staff – can’t just retrain staff – some of them not equipped
8. campuses environment allows individual pursuits of solutions...lot of varied thought about how to solve problems – what processes and practices are right – academics
9. reporting and query needs
10. legacy systems highly customized –
11. spending lot of money – expectations are high to at least do what we had done before
12. obstacles to success

One institution set up a post-implementation support organization – a competency center concept staffed by functional staff - that has processes in place supported by executive management to prioritize additional functionality (like faculty workload) not turned on in the initial implementation. They use the toolset built into their ERP environment. They also are responsible for also ongoing staff training.

The group felt the combination of functional and technical staff to do configuration as modules were implemented is key to success, and the functional staff need to be on board early in the project. Their supervisors are more confident about ERP success with these staff included.

The project team and steering committees and upper administration need to make decisions around scope and defer some things until later. Although there is little institutional willingness to allocate additional funding to turn on more functionality later, there is demand for more functionality. The users want to leverage more value from the system.

Some institutions have a mix of ERP systems. Professional schools have their own drivers, rules and needs. The toolset will extend functionality to accommodate exceptions, and enhancements are better than having departments do their own thing. The software is flexible enough to allow different rules for each school.
Legacy systems were highly customized and users expect this same functionality in these new expensive ERP systems. Some functionality cannot be accommodated and some bolt-on systems are no longer supported, and this fact is upsetting to many users. IT is in the middle negotiating settlements. There is no way around this change management piece, and it takes time for people to change. It is human nature to not like change. This is the price to pay for change to the system and upper administration needs to be supportive about the need for the institution to change. Staff must be trained and all will not be able to make the transition to the new environment.

At one institution embarking on evaluation of ERP systems, they are doing this to address their aging legacy systems, a poor reporting environment, etc. They want one totally integrated system – want one vendor including the data warehouse and portal level. They are looking forward to the vendor responsibility for tracking federal regulation changes.

Some institutions reported the time it took to select a vendor was too long and included expensive consultants and lengthy site visits, but all felt that some process must be done to ensure a broad representation of the institution is included in the decision.

The FSU and Bearing Point partnership was discussed. FSU did a rapid configuration and implementation and were able to decrease their consultant numbers quickly. Theirs was a fundamental philosophical approach realizing that universities make customizations to the software because they don’t take the time to understand what the product is capable of. FSU did no customizations or bolt ons, and they did extensive training early on. The team therefore learned early about the true functionality of the software. This strategy worked well for some schools. The knowledge transfer piece is key. Other institutions remarked that consultants should not be configuring the system, only assisting staff to do this in order to get the maximum amount of technology transfer.

Culture and history are different for all schools. Y2K helped move projects ahead for those institutions who declared they would not retrofit their legacy systems.

It was noted that had ERP projects been in fact in-house developed systems, the institution would have never allocated the types of resources, like backfill, that they did for ERP. Home grown systems do not get that type of respect from upper administration.

Having learned from prior experience in promising huge savings for BPR efforts, institutions are not promising any savings for ERP. In some cases, they are saying this will have a negative rate of return and will not pay for itself. Institutions felt that they could not afford NOT to do ERP, but reorganization and cost savings are not happening. Public institutions must cost justify ERP.

The group agreed that with the vendor uncertainty, that higher education institutions are no longer in charge of their own destiny.

Functional offices need to concentrate and document not just how the software works, but also how they are going to change their business processes in their departments. Many departments complain that things that were done centrally in the past are now pushed down to their departments. In some cases departments were doing elaborate work arounds, crippling the system, or creating shadow systems to keep things the same and not change their business processes. Application forensics was introduced as a need to ensure departments are using the system correctly.

11th hour fears for are common in major systems implementations – let’s turn back – it is human nature to be wary of new processes that may not work like they think and have unforeseen problems. Some institutions bought vendor systems and then customized them to make the system look transparent to the users.
The system is never done. We continue to roll out new functionality, new groups of users, major upgrades, patches and fixes. The cost of training is underestimated.

One problem noted with implementing ERP is that we have made incremental changes in the past to our legacy systems, and ERP is a radical change.