



15 Tips for a Successful ERP Implementation in Higher Education

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Implementing an Enterprise Resource Planning (ERP) system is among the most expensive, time-consuming and complicated initiatives institutions will undertake. By some estimates, half of all implementations fail, nearly 90 percent are finished after stated deadlines, and two-thirds fail to meet institutional goals.¹ Colleges and universities have been caught up in some of these troubled installations—the challenges and level of investment faced by many institutions are splashed across the headlines of blogs and newspapers. However, many institutions have had success in improving the efficiency and effectiveness of business processes, workflow and service levels through focused, well-governed implementations. In an effort to achieve a successful implementation, consider these 15 tips to help guide your organization through the process, from choosing the system, through implementation to maintenance.

Tip #1: Assess the institution's readiness to take on an ERP initiative. It is important to gauge the readiness of the university community to move into such a critical, time-consuming initiative as an ERP implementation. Are there competing initiatives already going on that may result in complaints from members of the community who may already be stretched too thin? Is there the appropriate executive sponsorship and commitment to the initiative? Is there a clear business case for the initiative? Having these types of questions assessed prior to launching an ERP project will help confirm if the university should move forward and identify any potential push-back.

Tip #2: Make sure to get the right ERP system for the institution's needs. In order to properly select an ERP system, organizations should conduct an internal audit of all of their existing processes and policies to best understand the requirements for the new system. It is important to have an evaluation team with representatives from across the enterprise and at several levels of seniority. Different units have different requirements and their representatives should be empowered to challenge vendors to demonstrate how their application can be used to meet the institution's requirements with minimal modification to the base software. The evaluation process should also have quantitative scoring procedures to help standardize assessments by different departments, while also allowing for qualitative comments and evaluation to factor into the scoring.

Don't be overly influenced by the promise of the system. Focus more on how the system will be utilized by end

users. Sometimes it is helpful to engage a vendor-neutral third-party, who has experience implementing ERP solutions at other institutions, to guide this process.

ERP Step Tip #3: Planning (and vision) is everything. Too many organizations, after investing significant resources on software licenses and hardware, skimp on the planning process for the implementation of these critical technologies, relying on small teams from IT or from only a part of the institution to determine the direction for an enterprise-altering project. It is important from the beginning to clearly communicate that this is not strictly a technology project. Successful institutions implement an executive support structure that is composed of both IT and business areas, so that the university community does not view the project as "IT led" or an "IT only" initiative. For an implementation to be a success there must be a greater vision. Don't focus on where you are, but where you want to be. This should start with creating a long-term enterprise system road map for a defined period, say three to five years. This helps guarantee that requirements are accurately documented and the systems and functionality that provided the best value to the institution are implemented first.

Tip #4: The times (and technology) are a changing... The traditional ERP technology platform continues to evolve and progress towards a cloud-based solution that relies more on vendor hosting and support and less on university hardware and support resources. Much like the shift from client-server to web-based architecture, this will result in a fundamental shift in how these systems are managed by IT and presented to end users. Universities will need to evaluate how these new

technologies fit into their technology roadmaps and how the vendors under consideration plan to support and transition clients to new models over time.

Tip #5: Commit to change. ERP solutions have continued to evolve and now provide a more refined user experience that allows organizations to deploy solutions as delivered and avoid costly modifications. But institutions must be willing to invest the time to understand the solution and modify their business processes to align with the delivered functionality. Many institutions approach the implementation looking to mold new technologies into antiquated processes, resulting in a missed opportunity to reduce technical complexity, remove redundancies and improve process efficiency.

Tip #6: Make sure you have an adequate budget and responsible timeline for the project.

“When it comes to estimating ERP implementations, it’s all about the scale of the user base, and the amount of change being conducted. The amount of resources and time required to implement a system and the risk of failure both go up exponentially in relation to the size of the organization and the size of the project,” said Kevin Fitzgerald, Assistant Vice Provost of Project Management at the University of Oklahoma Health Sciences Center. “Rock solid executive leadership, proper planning, and a commitment to providing resources for the long haul are all essential for each project. In order to do this you must make a careful examination of the entire portfolio of projects and change so that you can determine what change you can afford and what change must be delayed, and determine the order of change.”

Tip #7: Buy-in is critical. Just as it is important for a wide variety of departments to be involved in evaluation of a system, an organization needs to assure that the right stakeholders are involved in every aspect of the decision-making and governance processes. The parties involved should include key participants from across the organization, including finance, faculty, research, operations, purchasing, and IT. Key influencers and thought leaders reside at all levels of the organization and engaging these individuals early in the process can help to smooth the change management impact at the time of implementation.

Tip #8: The ERP implementation is a full-time job. Clear the plates of the organization’s ERP project director and team leads for the duration of the project, so they can work closely with external counterparts who contribute relevant industry and technical expertise. It is too important to get the implementation done right to have the

key project resources distracted by conflicting obligations and day-to-day responsibilities. This may require hiring additional staff or part-time help to do the regular day-to-day work of staff dedicated to this implementation. It is vital to have dedicated functional and technical staff as well. When the implementation is underway, there must be a clear communication channel for internal project team members to voice concerns when they feel they are pulled in too many directions due to residual operational responsibilities.

All of this—pulling staff off-line to work full-time on the implementation and hiring an external project team—may result in a higher initial implementation cost, but will significantly reduce post-production support costs and prepare the institution to support the system over the long term.

Tip #9: Don’t underestimate the system integration effort. Universities continue to invest in a myriad of systems in the quest to automate mission critical business processes. This may occur when traditional ERP vendors lack the necessary functionality to address the business need, an institution prefers a best of breed approach to software, or the market affords only a few vendors who lack enterprise-wide solutions. These environments require institutions to carefully plan for the level of effort required to integrate the data across these systems for operational and reporting purposes. This must also be considered from a process perspective to avoid forcing end users into two or three systems to complete a given task.

Tip #10: Invest in training and change management. Along with allowing adequate time to implement a new system, it is important to build trust among the people who will be using the system. They should feel that they have been adequately prepared to do their jobs and that the system change is in their best interest. The implementation should have a clear network of sponsors who can secure commitment from formal and informal, academic and non-academic campus leaders who may exert significant influence over the project’s success or failure.

Additionally, institutions may want to consider recruiting a handful of “super users” who want to explore the limits of a new system for efficiency and usability, and then use them for testing or to conduct training in using the new system. This can set up peer-to-peer connections that will make a difficult transition easier. Training should be done across many formats, including in classrooms, on the web, with video, and in written form. This approach recognizes that different people learn in different ways, but all the formats must reinforce one another.

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An institution also should develop a communications plan to accompany the rollout of the new system. Before the system is implemented, the university should spend time telling its stakeholders why it is being done, and what everyone will gain from it.

Tip #11: Accurate and accessible data is vital.

This might be the most important point of all, since this will be the measuring stick for the success of the new system and its most visible product. Many older enterprise systems lack process and data controls, which allowed data to be incorrectly entered and modified. Modern ERP systems have embedded validations and checkpoints that help guard against this problem. They also capture much more data than the old systems, so institutions need to consider how they will fill in these gaps in data at the time of cutover from the legacy systems to the new ERP system.

Often the new ERP systems have more hierarchical data structures with greater connectivity across business functions. These connections and relationships must be built as part of the conversion and ported into the new system. Organizations must be sure that they have protocols for data entry that are successful and can be accurate over the long term. The system is only useful when the data in it is reliable.

Tip #12: Be realistic. Yes, the new ERP systems are time savers and essential, but they can't do everything.

Like all technology, the ERP system is a tool and an investment for the organization over the long term. ERP systems can make an immediate impact and improve a business, but all levels of the organization must understand that the full potential of the system will be realized over an extended period of time.

Tip #13: Decommission legacy systems. Why did an organization invest in a new ERP system? Certainly it did not want to keep spending money to support and upgrade the old system. Keep the purpose and significant savings opportunity in mind: this new system was meant to replace the old one, not to complement it.

Tip #14: Vigorously test the system before going live. This means more than just having a few users click through the system for a few days. Simulate a typical day. Then, simulate a day that is twice as active, or ten times as active as a typical day. Try to clog the system, and adjust as necessary to relieve choke points in process and technology. Test the process, test the integrations, test the user interface and important processes like payroll, month-end close and year-end close. You don't want to identify critical capacity or process issues on the day the staff is facing a strict deadline.

Tip #15: Installation is important; so is maintenance. Now that your institution has made this investment, it must commit to assuring it is running smoothly and kept up-to-date. If updates are not installed, the new system can quickly become obsolete from a technical perspective. Also, a system that is not maintained and updated does not keep pace with regulatory and reporting requirements. Once the goals of the initial roadmap are achieved, new goals can be set, and the limits of the ERP system can be further stretched. Extension of the system and continued investment in it are critical if an institution is to increase the long-term value of the system, and maximize the return on investment.

CONCLUSION

Universities are under pressures from every direction, from reduced government funding to expectations by students and parents to deliver ever higher quality services for lower costs. ERP systems can help university leaders to better face these challenges by aligning their business processes and providing essential information to facilitate timely more-informed decision making. A successful system is one that starts producing actionable information and insights as soon as it begins operation. That kind of success is usually achieved only at the end of a careful well-planned implementation.

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Assistant Vice Provost,
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¹ <http://www.pomlearning.org/Reno/FullPapers/020-0294%20Managing%20End-user%20Resistance%20in%20ERP%20Installations.pdf>