

SAP Customer Success Story Higher Education & Research

“SAP BI . . . has given us a powerful management tool. The on-demand reporting enabled by SAP NetWeaver has substantially improved management control over the organization.”

Tony Tortorice, Chief Information Officer, LACCD



AT A GLANCE

Organization Name

Los Angeles Community College District (LACCD)
United States
www.laccd.edu

Sector

Higher education and research

Key Challenges

- Simplify and consolidate IT environment
- Provide timely access to financial data and ease of use
- Eliminate paper reports
- Capitalize on better financial reporting

Implementation Partners

- SAP® Consulting, part of SAP Customer Services Network
- BIS America

Solution and Services

SAP NetWeaver™, including SAP Business Intelligence (SAP BI) and SAP Enterprise Portal (SAP EP) components

Existing Environment

SAP R/3® software for financials and human resources (available today in the mySAP™ ERP solution)

Implementation Highlights

- SAP BI implementation in 120 days
- Seamless integration with legacy systems
- Migration of all major financial reports

Key Benefits

- More accurate and timely financial reporting
- Tighter control of budgets by managers due to drill-down capability
- Sharp reductions in procurement life cycle

Hardware

HP Alpha and ProLiant 380 servers

Operating System

- HP True64 UNIX and Microsoft Windows Server 2003
- Oracle V.9.204 and Microsoft SQL Server 2000 databases



L.A. COMMUNITY COLLEGE DISTRICT

U.S. COLLEGE DISTRICT USES SAP NetWeaver™ TO MASTER ITS FINANCIALS AND IMPLEMENT STRATEGIC CHANGE

At Los Angeles Community College District (LACCD), the job of effectively serving a widespread and diverse user base had become cumbersome due to antiquated technology. Financial reporting was routinely late and stovepiped, making enterprise-wide visibility and decision making a manual, and nearly impossible, effort. As a result, LACCD had difficulty with simple tasks such as tracking budget status, as well as more complex tasks, such as determining the effectiveness of its spending.

LACCD is the largest community college district in the United States. With nine colleges in the Los Angeles area, it serves over 130,000 students with lower-division college courses and vocational education programs. In fact, it is the principal provider of such courses and programs in southern California. LACCD estimates that it has the full-time equivalent of 100,000 students enrolled in its programs, one-third of the total number of students in the entire 23-school California State University system. However, in spite of its large service area and student population, LACCD receives less than half the per-student reimbursement that the California State University system receives from the state coffers.

Replacement of the nearly four-decade-old system was hampered by a combination of factors – budgetary constraints, cost, and user inertia. However, the acquisition of SAP® R/3® software for financials and human resources (HR) and the subsequent upgrade to mySAP™ Business Suite – powered by the SAP NetWeaver™ platform – represents the beginning of an organizational transformation to more efficient processes and responsive technology. As a result, LACCD not only enjoys better financial controls and more rapid decision making, but it also has a modernized reporting system with increased access to information that is easy to obtain and view.

SAP BENEFITS ALREADY OBVIOUS

Because of LACCD’s culture, the process of change management has had to be slow and deliberate. To increase user acceptance, the strategy has been to minimize and gradually introduce the changes with which employees are confronted and have to cope. And although the HR and payroll solutions do not go live until the middle of 2005, the changes fostered by the financials, purchasing, business intelligence, and reporting solutions are already obvious.

“The financial reporting is much more accurate,” notes Tony Tortorice, CIO of LACCD. Moreover, the community college district now exercises greater control over its spending. SAP NetWeaver has dramatically improved usability,” adds Tortorice.

REPLACING A BRITTLE, CREAKY SYSTEM

LACCD’s original computer system for financials and HR was installed in the 1960s. The DEC/COBOL system, although state-of-the-art in its time, evolved into an old, brittle, and creaky system that was poorly documented and very expert-dependent. As more functions were added, it became bulky and complex

and increasingly subject to the “indispensable person” syndrome, recalls Tortorice. As the system got older, its inability to respond to real-time needs became not just a frustration, but also a liability in an environment where business people needed accurate information on demand. For example, the ability to track expenses and pay vendors suffered. LACCD was taking 180 days or more to pay vendors who offered industry-standard terms of 30 days to make the net payment.

GAINING USER ACCEPTANCE AND CONFIDENCE

LACCD chose the SAP solution from a field of ERP vendors. The district acquired the SAP software for financials and HR in 2000 and implemented core financial functionality such as general ledger, controlling, materials management, and purchasing the next year. The initial goal was to use the system “out of the box”

without any modification to the screens or the processes. But with a group of users unfamiliar with newer technology, there was heightened resistance. “We knew there was a problem when we had to have a ‘how to

use a mouse’ training,” notes Tortorice. “The technology worked. We just had to find a better way to get it to users.”

POWERED BY THE SAP NetWeaver PLATFORM

It was then that LACCD decided to upgrade their license to the complete mySAP Business Suite family of business solutions. The primary motivation was the desire to use SAP Business Intelligence (SAP BI) and SAP Enterprise Portal (SAP EP), both components of the SAP NetWeaver platform. The thinking was that, by improving usability, this would improve acceptance of an enterprise-wide application system. Also, the gradual installation of the components of the full system would minimize user resistance to forthcoming implementation of the HR solution, mySAP ERP Human Capital Management (mySAP ERP HCM).

“SAP NetWeaver has dramatically improved usability.”

Tony Tortorice, Chief Information Officer, LACCD

ASSIMILATING FORMS AND REPORTS

A major factor in the selection of SAP EP was its capability as the delivery mechanism for HR employee self-service. In keeping with LACCD's gradualist implementation strategy, SAP EP was implemented in small stages. The first step was to attract employees to use the SAP EP knowledge management features and search capabilities by migrating all the district's employee forms and documentation into SAP EP. "When HR goes live, employees will already be accustomed to using the portal. This should substantially reduce the change management effort," says Tortorice.

The second step was to make the portal a central management reporting repository by moving all online reporting from SAP data warehousing functions (in financials and HR) and webFOCUS (legacy student information systems) into SAP EP. "We easily converted webFOCUS reports into portal information views and incorporated them into SAP EP," says Tortorice. "Rather than signing on to separate applications, managers can sign on once to get access to nearly all of their management reports."

LACCD's implementation of SAP BI took 120 days. LACCD concentrated on creating 10 reports across mySAP ERP Financials and legacy HR data sources. There was a conscious effort to limit the scope of the reports and to focus on getting the technology right. The target audience was a small group of users with problem-solving skills.

RADICAL CHANGE AT SLOW, DELIBERATE PACE

Although mySAP ERP HCM will not go live until 2005, and additional SAP BI reporting is also planned for 2005, there has been immediate and substantial improvement in the use and acceptance of the SAP solutions at LACCD. The availability of financial reports and the budget availability report has created a "truth-in-spending" culture. The ability of users to access the system rapidly – "two clicks and you're in" – and the solution's drill-down capability mean that error detection and correction now happen faster. Users can drill down to specific transactions and analyze them without having to traverse the entire system. And because the presentation layer is entirely Web-based, reports can be peeled off and distributed faster than ever.

"The installation of mySAP ERP HCM and the go-live in 2005 is a major exercise in organizational change management," says Tortorice. But it wouldn't have been possible were it not for the slow and deliberate approach taken towards change – after initial resistance from users.

After go-live, LACCD plans to migrate all of its management reporting and analysis into the data warehousing functions of SAP BI. "SAP BI – with its ability to integrate data from previously stovepiped applications, combined with its rapid development framework and user-friendliness – has given us a powerful management tool," says Tortorice. "The on-demand reporting enabled by SAP NetWeaver has substantially improved management control over the organization."

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