

SAP Customer Success Story Higher Education & Research



As resources for higher education continued to shrink, streamlining and optimizing business processes became more important than ever for the **University of Nebraska**. It needed improved solutions to replace inefficient and decentralized finance, human resources, purchasing, and payroll systems. After a thorough evaluation, the university selected mySAP™ Business Suite. Completed on time and under budget, the implementation delivered an integrated solution that helps the university consolidate resources, save money, and improve a variety of business processes.

UNIVERSITY OF
Nebraska



UNIVERSITY OF NEBRASKA

CREATING A UNIFIED BUSINESS ENVIRONMENT WITH mySAP™ BUSINESS SUITE

The University of Nebraska understood that managing a multi-campus university is just as challenging as managing a global enterprise. Systems to handle finance, human resources, purchasing, and inventory were spread throughout its four campuses and administrative offices in isolated departmental silos. A heterogeneous IT system landscape evolved over time, producing inefficient, repetitive processes. Information was inconsistent, with little integration and a reliance on paper-based reporting. In times when academic budgets were tight and resources stretched, the university saw that business optimization was a must.

With a clear mission to improve its business environment and streamline its operations, the University of Nebraska began the considerable effort to evaluate business solutions to replace existing systems. This included several campus and central administrative financial systems, as well as a human resources and payroll system. After a thorough assessment of 10 vendors, the university selected SAP as its business solution provider. It based its choice on three primary criteria: a solid vendor reputation, a strong technical foundation, and an overwhelming preference by university end users. With a team of dedicated professionals from the university and SAP® Consulting, the University of Nebraska completed the implementation not only on time but also under budget.

CLEAR FOCUS, CLEAR OBJECTIVES

Key decision makers were excited about the benefits that SAP would deliver. “Implementing an enterprise-wide software system transformed the business infrastructure of the University of Nebraska,” says Walter Weir, CIO at the university. “For the first time, we had a fully integrated system supporting financial management, human resources, payroll, and related business activities.”

The university wanted to create a single business environment across four diverse campuses, which presented a significant challenge: Each campus had its own business processes and administrative offices supported by legacy systems that did not

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communicate with each other. Each department had its own finance, procurement, and human resources specialists. Moreover, with a paper-based environment for data entry, report generation, purchasing, and more, processes were slow and inflexible, with resulting resource and process inefficiencies – specifically a lack of access to critical information necessary to properly run the university.

“Higher education has such a diverse IT landscape,” says Loren Blinde, implementation finance team lead and director of the administrative systems group. “There are so many different kinds of ERP solutions out there, and you’ll find a lot of them are homegrown solutions – things that have evolved within an insti-

tution over a period of time. A lot more are probably ’80s technology that they’re still struggling with. In fact, that’s where we were before we implemented SAP.”

SMOOTH DEPLOYMENT AND A NEW APPROACH

The university’s first SAP implementation was for procurement and finance, which took 20 months. It next implemented human resources and payroll, which took 24 months. The response at the university to the new system was extremely positive. In the first year, the number of users across the campuses grew from 300 to 1,000, with more than 1,600 users today.

Throughout the implementation, SAP Consulting helped support the university’s “one organization” focus – which created an enhanced atmosphere for collaboration and information sharing among the individual campuses. Decentralization and departmental isolation were replaced by centralization and integration. Departments took ownership and responsibility for their activities and operating results. By examining business processes, they

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Loren Blinde, Implementation Finance Team Lead and Director of the Administrative Systems Group, University of Nebraska

launched a new strategy to streamline operations. For example, business centers were created in which several departments consolidated their administrative activities by pooling resources and giving individual staff members specific operational responsibilities. Consequently, the university eliminated duplicate systems as

departments integrated their business activities within SAP. By centralizing business functions, the University of Nebraska created new efficiencies and reduced administrative costs. “The collaboration between all the team members of SAP Consulting and professionals from the University of Nebraska was outstanding,” notes Blinde. “We have a relationship that is focused on the university achieving its goals. SAP Consulting worked hard with us throughout the project and contributed extensively to its success.”

IMPLEMENTATION BRINGS SPECIFIC BENEFITS

People who are in charge of finance know the importance of managing resources and costs. “With the right ERP system implemented the right way, you can do more with less,” says Blinde. “You can do business better; you can do it with fewer people.”

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David Lechner, Vice President for Business and Finance,
University of Nebraska

Finance was one of the first groups to see benefits from the SAP implementation. “We have a very decentralized user base,” notes Blinde. “SAP allowed us to give users effective tools for entering data and the flexibility to extract information in ways that make sense for their operation.”

Previously, financial system reporting consisted only of hard copy reports generated monthly, which was neither flexible nor timely. That’s all changed. A large variety of reports are now available online in real time with SAP. Users can drill down to view underlying transaction details. They can also customize the reports using online reporting functions or by downloading reports into a spreadsheet for further data manipulation.

The university also greatly improved its procurement processes as a result of implementing SAP. Previously, a time-consuming and cumbersome paper-based ordering procedure required that requisitions be mailed to the campus purchasing department for review. Once approved, users had to enter data into a legacy system before an authorized purchase order could be sent to the vendor. This entire process would take two days. With SAP, the electronic requisitioning process can be completed the very same day. University buyers process and approve purchase orders electronically once end users create their orders. The process was streamlined and costs were reduced. The university uses several “prime” vendors with prenegotiated contracts for certain materials and supplies. Staff can make purchases from specially developed Web sites. Purchase information is transmitted directly into SAP using Electronic Data Interchange (EDI) format, eliminating data reentry and unnecessary paperwork.

The implementation also enabled the university to improve relations with suppliers. Before SAP, payment to vendors was time consuming, with authorized personnel having to sign every invoice and then enter it into the system. With another SAP feature – the parked invoice – the university streamlined the payment process. Today, buyers create a parked document to begin the payment process. Accounts payable then reviews the document online and posts the transaction so payment can be made immediately.

HUMAN RESOURCES BENEFITS

Effective reporting and accurate information are key to a good payroll system. Before the university implemented SAP payroll capabilities, payroll results were stored in temporary files that were discarded after printing preliminary journals. This made reporting and examination of both individual and group results difficult. Plus, employees had to manually calculate and enter payroll adjustments, which often required multiple iterations to get the desired results. Because the SAP system offers multiple correction cycles and online access of payroll results, users now have more confidence and control of the final payroll results. Between payroll runs, departmental payroll offices can use

simulations to determine the impact of payroll changes to an employee, reducing the types of payroll errors that previously occurred.

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Don Mihulka, SAP Technical Lead and Associate CIO, University of Nebraska

IMPROVED INFORMATION ACCESS

For the university, human resources reporting was, for the most part, a centralized operation with departments submitting individual report requests and waiting days for results. Better processes were needed to make managing human resources more effective. The SAP human resources solution solved that information bottleneck by significantly expanding access to personnel data. “Virtually every department of the university now has online access to the human resources records of their faculty and staff,” says Steven Rowley, human resources team leader at the University of Nebraska. “Previously, this access was reserved for human resources administrative staff and payroll offices, so paperwork had to be returned from administrative offices before departments could verify personnel activity. Now they can directly query the system to determine the status of employees.”

Thus, human resources reporting has become a more valuable tool for both administrative and departmental users. With SAP, human resources reporting is provided at the department level with online submission and results returned in minutes instead of days. Additionally, online access to training and development data, equipment checkout information, and a variety of other

activities are now stored centrally in SAP. The bottom line: a reduction in resource costs as a result of eliminating numerous shadow systems.

NEXT STEPS

It’s been more than four years since the University of Nebraska implemented the mySAP™ Business Suite family of solutions – the success of which was reinforced by a dedicated business and technical team focused on training and transferring knowledge. Since then, the university has taken advantage of further SAP capabilities – including time entry, workflow, and employee self-service. “SAP has given us a business environment that provides a basis for our ongoing growth and development as far as we can see into the future,” says Blinde. Adds David Lechner, University of Nebraska vice president for business and finance, “The long-term success of any large ERP system depends on a continued commitment beyond the initial implementation to support both system and process improvements.”

Over the coming year, new capabilities such as employee self-service with mySAP Human Resources for benefit enrollment and personal data maintenance will be fully rolled out. The university also plans to further implement travel management and electronic workflow, streamlining key business processes. It also plans to complete a major system upgrade in 2003 for more functionality and to improve usability. The university will review and implement additional mySAP Business Suite solutions, such as mySAP Enterprise Portal, providing new, value-added functionality to its business community.

The University of Nebraska experienced real gains with SAP and now has a solid platform on which to grow. “From a technical perspective, SAP’s foundation is very stable,” says Don Mihulka, SAP technical lead and associate CIO at the University of Nebraska. “Its technology is state-of-the-art, and it’s certainly one that we will continue to build from.”