

## SAP Customer Success Story

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Neal Wormsley, Associate Vice President, University of Tennessee



### AT A GLANCE

#### Company Name

University of Tennessee,  
United States  
www.tennessee.edu

#### Industry

Higher education

#### Key Challenges

Improve: reporting for federal grants and contracts; salary encumbrance for grants and general funds; annual salary budget preparation; and tenure processing and tracking. Develop electronic forms to support human resources (HR) and payroll

#### Implementation Partners

SAP® Consulting, an integral part of SAP Customer Services Network; BearingPoint

#### Solution and Services

- SAP R/3® and mySAP™ Business Suite software for financials and HR, available today in mySAP ERP
- SAP R/3 and mySAP Business Suite software for materials management, inventory, and purchasing, available today in mySAP ERP, mySAP Supplier Relationship Management, and mySAP Supply Chain Management
- SAP Business Intelligence, a component of the SAP NetWeaver™ platform

- Services provided by the project management group of SAP Consulting
- Educational services provided by SAP Education for project team training and performance support

#### Existing Environment

Legacy systems

#### Implementation Highlights

- Well-managed deployment of experts resulted in positive customer relationships and successful use of ASAP methodology
- Successful knowledge transfer enabled university to develop its own functionality

#### Key Benefits

- Decentralized administration of financial, HR, and payroll systems to the department level, empowering users and improving productivity
- Eliminated 80,000 printed sheets monthly
- Acquired ability to develop functionality in-house
- Reduced total cost of ownership

#### Hardware

IBM

#### Operating System

AIX

## UNIVERSITY OF TENNESSEE

### SAP® SOFTWARE MODERNIZES UNIVERSITY ENTERPRISE

Sometimes the addition of a few good people in the right place at the right time can make the difference between a troublesome implementation and a perfectly smooth one. When they further succeed in transferring their knowledge to in-house staff, enabling staff to operate and maintain the system, and develop additional functionality on their own, the results can provide major benefits to the organization. A case in point is the implementation of SAP® software at the University of Tennessee.

The state's flagship and land-grant institution, the university is the oldest and largest public higher-education establishment in the state of Tennessee, United States. The university traces its beginnings to the founding of Blount College in Knoxville in 1794 – two years before Tennessee became a state. Currently the statewide university system has about 42,000 students on campuses in Knoxville, Memphis, Chattanooga, Martin, and Tullahoma, as well as approximately 25,000 employees in counties across the state. It manages over \$253 million in research and sponsored programs.

“In 1999, we had a legacy system that supported all our financial applications and all our human resources and payroll applications,” recalls Neal Wormsley, associate vice president, University of Tennessee. “These were legacy systems that had been built in the university, and had been modified over a 25-year period. We needed to modernize those and bring them up to the latest technology.



“And we determined that rather than try to do that in-house, it would be much to our advantage if we went out and bought a third-party product.”

Based largely on the success of SAP software at several major universities, including Duke University, the University of Tennessee selected SAP R/3® as well as financials and human resources (HR) software from mySAP™ Business Suite solutions – available today in mySAP ERP – to replace those legacy systems. The implementation began in February of 2000 and, as the university continues to expand, system functionality is enhanced to keep pace.

#### **AMBITIOUS GOALS SET FOR IMPLEMENTATION**

The goals of the project were not modest. They included simplifying processes by eliminating unnecessary paperwork, reviews, approvals, and duplication of efforts; adopting best practices from SAP and other organizations; and implementing electronic routing and approval of documents.

The project charter called for more effective information management by implementation of a real-time processing environment; providing departments with direct and easy access to financials, budgeting, procurement, and HR data; enabling departments to produce their own financial, budgeting, procurement, and HR reports in a variety of formats with SAP Business Intelligence, a component of the SAP NetWeaver™ platform; delegating approval authority to the departmental level wherever possible; providing employees with a variety of self-service capabilities, such as the ability to change their own addresses and other personnel information; implementing interactive, online help; implementing a help desk to assist departments; providing additional business functionality; and establishing secure and reliable systems that are easy to use and maintain.

The university also wanted to establish secure Internet access to its business systems through a framework of authorizations. The plan was to use ASAP as the implementation methodology, and SAP Business Intelligence and its key component, SAP Business Information Warehouse, as a repository for converted legacy data.

#### **SAP CONSULTING EASES THE TRANSITION**

The project charter included a provision that “SAP will provide a consultant to support training and change management and to provide guidance and coaching to the university’s change-management team.” Another objective was to “emphasize knowledge transfer during the implementation.”

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“SAP Consulting was the prime contractor for the implementation of the SAP implementation at the University of Tennessee,” says Wormsley. SAP Consulting is an integral part of SAP Customer Services Network – a single point of access for the most comprehensive SAP solution services, including consulting, education, support, custom development, and hosting. “SAP provided us with an absolutely excellent on-site project manager,” says Wormsley. “He was able to identify and bring to the university the right resources at the right time and the right place to make our implementation successful.”

The implementation proceeded smoothly and on schedule with SAP software for financials in April 2001 and for HR in January 2002. The project also included SAP software for materials management, workflow, and security.

In addition to providing the resources the university needed when and where it needed them, SAP Consulting made another extremely important contribution to the university’s success, by fulfilling its mandate for knowledge transfer. “It was the training

that SAP Consulting provided, and the on-site consultants who helped to transfer that knowledge, that allows us to continue developing additional system functionality here, and now on our own,” says Wormsley.

The fruits of this knowledge transfer are evident today in the number and scope of projects completed or under way at the university. One of the most notable was its development of a nearly paperless “effort certification” application.

#### **EFFORT CERTIFICATION PROCESS RENEWED**

That \$253 million in research grants that the university administers comes with a significant reporting responsibility. Prior to the implementation of SAP software, this reporting chore, called effort certification, was entirely paper-based. Once a semester, the university would poll all grant recipients to verify that they had fulfilled the time requirements specified for their respective research assignments.

Using knowledge acquired from their SAP Consulting mentors, university staff set about replacing the paper-based system with electronic forms. Then they made the forms accessible through the university’s Web site. They prepopulated the forms with as much of the data as possible while allowing researchers the ability to make changes. They provided e-mail notification of outstanding certifications.

The result: certification went from happening once a semester to taking place once a month. The compliance rate improved dramatically. With better data accuracy, grant billings vastly improved and payment of salaries was timelier. Input keying was reduced, and consequently, accuracy improved even further. Outstanding certification reports were converted to electronic forms.

The University of Tennessee has achieved considerable benefit from this application. “The effort certification program is helping us to get our certification done on a regular and timely basis,” says Wormsley. “The validity of the data has increased. The billing to sponsors has been speeded up and its accuracy has

improved. And frankly, it was the expertise of the people that SAP Consulting brought in here that prepared the university to make these kinds of advances.”

One of the most important benefits comes in the form of lower total cost of ownership derived from cost avoidance. Full-time staff is simply far less expensive per project than consultants brought in from outside. So the university saves money on every enhancement it develops in-house.

Besides effort certification, the university has developed applications to address salary encumbrance for grants and general funds, annual salary budget preparation, and tenure processing and tracking.

#### **MAJOR PLANS FOR THE FUTURE**

The University of Tennessee has major plans for the future development and enhancement of its enterprise system. It intends to implement travel functionality, upgrade funds management, apply SAP Business Intelligence to enhance reporting, replace a legacy contract-tracking system, apply training and events management to support the university’s homeland security issues, use employee self-service (ESS) to support the HR department, and continue the development of electronic forms – all in all, an ambitious program. SAP Consulting continues to work with the university to assist it wherever the need arises.

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