UI-Integrate Project Update

Board of Trustees Meeting

March 10, 2005

Questions to Address

- UI-Integrate has been completed, so…
  - Did we accomplish our objectives?
  - Why are there so many complaints?
- Where do we go from here…
  - What are the recurring costs?
 - How do we improve the system?

The Basics

- What is UI-Integrate
  - Software/business process project that replaced over 160 Human Resource, Finance and Student Administration legacy systems
  - Five-year project with approximately 350 team members at peak
  - Budget included companion projects for building data warehouse and improving data networks
- Why did we undertake the project
  - To avoid outright failure of existing systems that were 20-30 years old

Old Approach
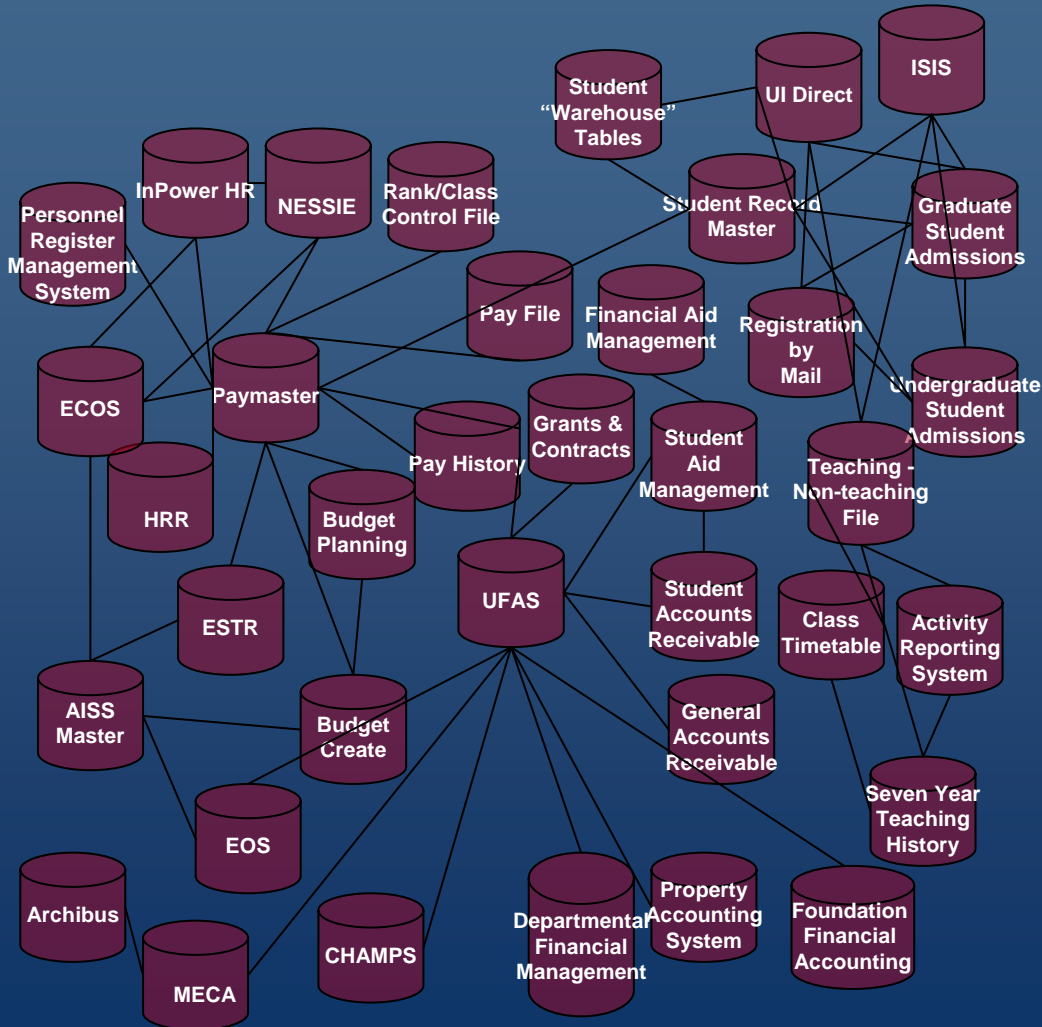
New Approach
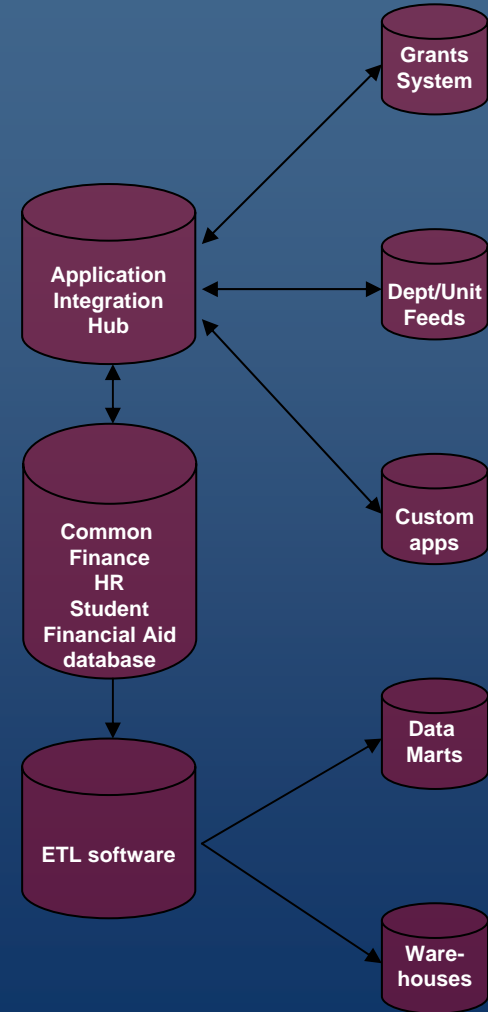
Did We Accomplish Our Objectives?

- Over the past six years, in a very public manner, we did the following:
  - selected a market leading enterprise software suite with an inclusive, comprehensive process
  - completed one of higher education's most complex software implementations, on-time and on-budget
  - completed data warehouse deployment, on-time and on-budget
  - replaced failing outmoded legacy systems with a modern systems foundation that *students like better*

UI-Integrate Budget

Outflow to vendors		Internal Operations costs	
Hardware	$19,381,779	Student Team	$18,990,814
SunGard SCT Software	$12,666,481	Technology Team	$12,506,432
Student Consultants	$11,863,218	Training Team	$10,106,811
HR/Payroll Consultants	$8,167,399	HR/Payroll Team	$8,893,266
Database Software	$8,114,325	Finance Team	$7,773,489
Finance Consultants	$6,875,026	Facilities Rental & Expenses	$6,690,059
Project Office Consultants	$4,470,691	Project Office	$5,380,170
Technical Software	$2,506,688	Communications Team	$917,523
Technology Consultants	$1,941,285	Document Imaging Team	$346,118
Other Consultants	$1,638,380	Help Desk Implementation	$95,863
Supplementary Software	$907,465		
	$78,532,737		$71,700,544
Affiliated Projects		**Contingency Balance**	
Network Infrastructure	$11,878,095	Balance from UI-Integrate	$6,341,730
Decision Support	$17,744,237		

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Perspective on Complaints - 1

Planning	Rollout	"Shock"	Development	Capitalizing

Capital Intensive Phase

- Money spent during preparation and rollout with no tangible benefits, leading to a large initial negative ROI
- Speed of rollout determines level of (over)spending, directly affecting speed to business case ROI

Shock Mitigation

- Productivity decline after "go live" ranging from a few weeks to several months

Business Case ROI Goal (Forecasted)

Pre-ERP Legacy Productivity

"Go Live"

Potential Post-ERP Productivity

Post-ERP Productivity

Actual Implementation ROI

ROI

Targeted pre-live investment of resources can result in smaller initial amplitude and duration and faster achieve-ment of forecasted ROI

65% of companies implementing ERP expect to wait at least a year before achieving a positive ROI, but the average ROI over a 5-6 year period is negative 1.5 million

0-3 Months	12-20 Months	1-3 Months	Variable	Variable

Time to Benefits Capture

Perspective on complaints - 2

- Initial complaints natural with any effort this large and complex

- There is a desire for differentiation at the college level we cannot afford to implement

- Replacing an outmoded single-function pay system with a robust new HR system adds both more work and more functionality

- Additional Human Resource functionality is needed to simplify processing at unit level and we are addressing this issue

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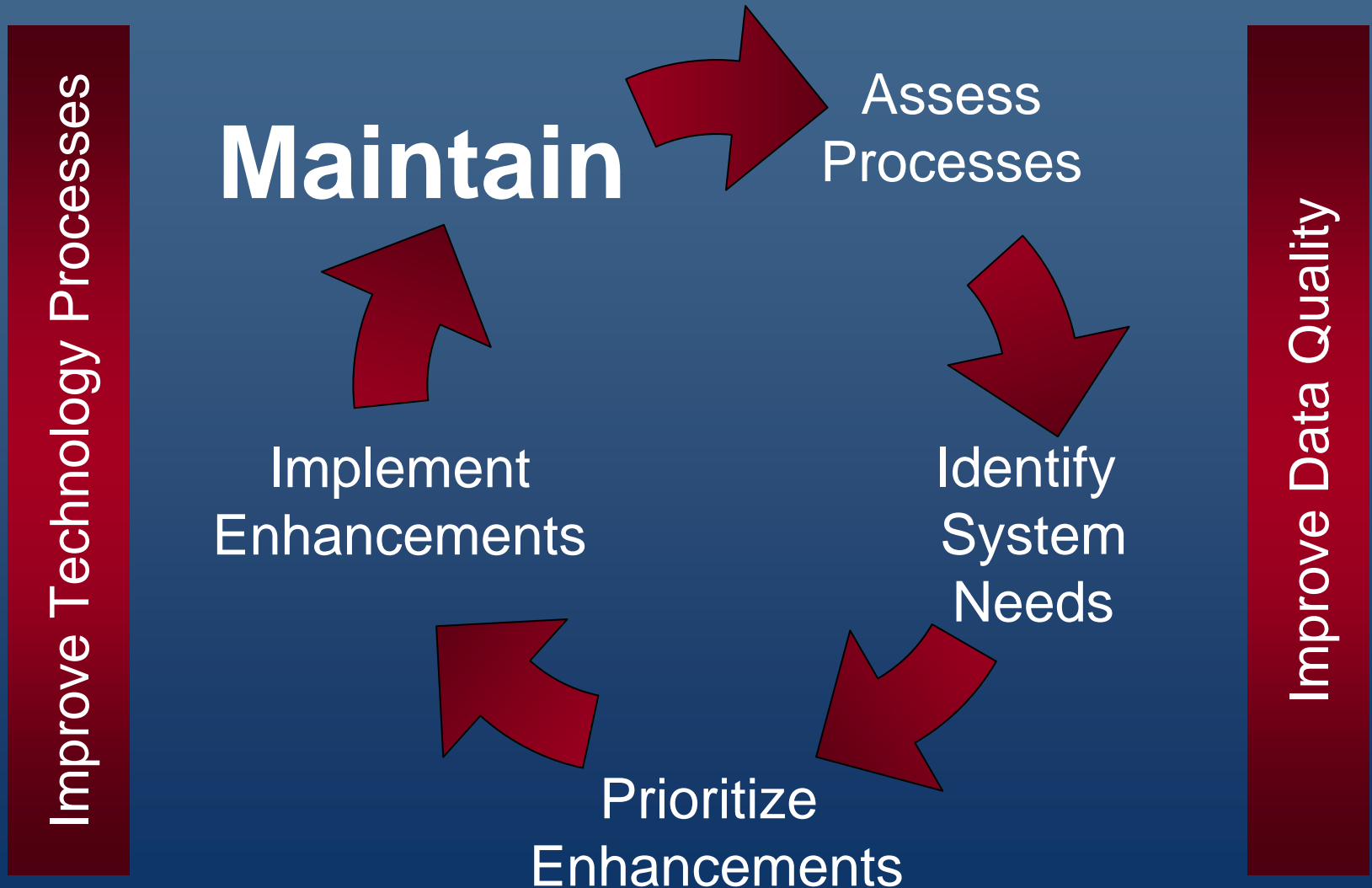CHICAGO · SPRINGFIELD · URBANA-CHAMPAIGN

Timeline and Net GRF support
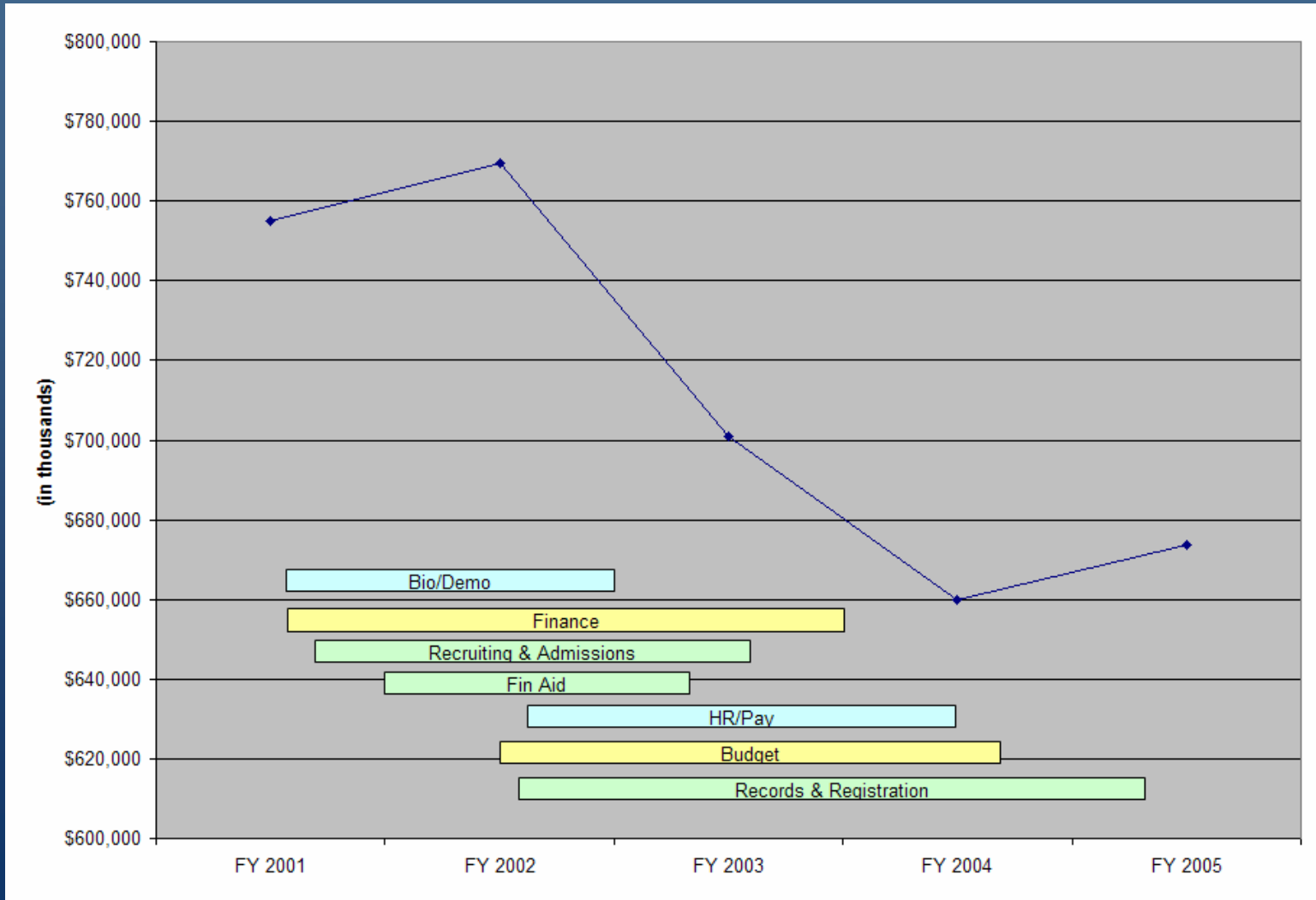
UI-Integrate Recurring Costs

- Costs of maintaining the system have been absorbed, along with 25% budget reduction in administrative areas from FY2002 to FY2005

- New organizational structures are being considered to address different distribution of work that exists under Banner

Areas Receiving Additional Funding

- New systems initiatives and enhancement requests are now documented with a standard "business case template"

- Initiatives compete for funding from a recurring $1.5 million AAMT allocation

  – Examples run the gamut from new HR front end to new reports for Grants and Contracts

- As planned from the start of the project, Decision Support will be allocated $2 million in recurring funds as a new institutional function supporting the Data Warehouse

How Do We Make Our Enterprise Systems Better?

Improve Technology Processes

Maintain

Assess Processes

Improve Data Quality

Identify System Needs

Prioritize Enhancements

Implement Enhancements

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Summary

- Despite budget, scope and institutional challenges, we implemented the SunGard SCT Banner system that over 250 people selected, on time and on budget

- As with any system, Banner has limitations, but it was judged to have fewer limitations than other available options at time of the selection

- University no longer dependent on fragile legacy systems to conduct mission-critical business services

- We have a data warehouse that provides a single integrated source for analysis and ad-hoc reporting

- We need to work to fill gaps in system functionality as rapidly as possible