Strategic Evaluation of ERP

Presented on 25th June, 2013 by:
Yousef Awwad, CPA
Chief Financial Officer
Agenda

Our Purpose

TUSD Enterprise Resource Planning (ERP)
- Timeline
- History
- Lesson’s Learned

Project Overview

Business Case Findings

Recommendation

Time and Attendance Management System (TAMS)

Next Steps
Our Purpose

- Explain ERP
- Incorporate our “Lessons Learned”
- Get direction from TUSD Leadership
- Conduct a Strategic Evaluation of our ERP needs
- Create a Business Case
- Goal: Prepare for the next decade at TUSD
TUSD ERP Timeline

- **Oct 2008**: Decision made to get New ERP System
- **Nov 2008**: RFP 09-51-14 issued
- **Nov 2009**: RFP Process complete in Oct 2009; Governing Board approved award to Lawson
- **April 2011**: WFM did not meet TUSD requirements; HCM suite implementation delayed
- **June 2011**: Go-Live with Lawson Financials & Procurement
- **July 2011**: Turnover in TUSD & Lawson team
- **Dec 2011**: Governing Board approves settlement with Lawson on WFM
- **Feb 2012**: TUSD receives credit in settlement with Lawson; Suspended Lawson HCM Implementation
TUSD ERP History

- Big – Bang Implementation Approach
- TUSD did not conduct a needs assessment
- Business Processes were not re-engineered
- Lack of Organization Change Management Strategy
- District Data Integration needs not evaluated
- Active 2 ERP Systems – PeopleSoft and Lawson
- Ineffective Project Management
Lessons Learned

**People**
- Adequate staffing
- Insufficient expertise
- Training
- Work Culture

**Oversight**
- Management involvement
- Shared Vision
- Enforce discipline of execution
- Deliberate, data driven analysis and decisions

**Processes**
- Re-evaluate Business Processes
- Better matching of ERP to Business needs
- Strategic approach
- Enterprise Data Integration
Project Overview

Project Sponsor
- Chief Financial Officer – Yousef Awwad

Project Team
- Project Manager – Mohit Goel
- Consultant – Matt Knoepke (CEO, Apriant Inc)

Project Timeline
- Jan 2013 – June 2013

Project Milestones
- Survey & Workshop TUSD Teams
- Leadership Mandate
- Gathering internal data on ERP implementation
- Scenario Identification
- Incorporate BPR Project
- Site Visit
- RFI from ERP Vendors
Key Questions

What is it we (TUSD) do?

Do we really need a new ERP?

Where do we want to be as a District and how does the ERP get us there?

Are we ready to implement it?

Do we understand our core business needs?

What tradeoff do we seek between cost and functionality/flexibility?
**Business Case Findings - Mandate**

<table>
<thead>
<tr>
<th>MUST HAVE</th>
<th>ERP System that gives us access to data and performance statistics over a common organizational database platform</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ERP System that has both HCM and Financials with the ability to interface with other subsystems seamlessly like: Student Information System, True North Logic, Sub finder, Time &amp; Absence Management Systems etc…</td>
</tr>
<tr>
<td></td>
<td>We place a high priority on the following thus willing to pay a higher price for it:</td>
</tr>
<tr>
<td></td>
<td>o Agility</td>
</tr>
<tr>
<td></td>
<td>o Flexibility – full integration</td>
</tr>
<tr>
<td></td>
<td>o Scalability/Modification – long term solution. We cannot afford to get a new system every 5 years.</td>
</tr>
<tr>
<td></td>
<td>o Functionality</td>
</tr>
<tr>
<td></td>
<td>o Ease of Use</td>
</tr>
<tr>
<td></td>
<td>o Return on Investment</td>
</tr>
<tr>
<td></td>
<td>High preference to utilize the standard ERP modules to satisfy majority of TUSD Business needs</td>
</tr>
<tr>
<td></td>
<td>o For remaining business needs, evaluate the Best of Breed solution</td>
</tr>
<tr>
<td></td>
<td>Select an ERP Vendor that has a vested long term interest in K-12 Education sector. Also has a secondary support market that will sustain our ERP system if Vendor decides to leave the K-12 segment</td>
</tr>
<tr>
<td></td>
<td>o Embrace new functionality and updates from ERP Vendor to continuously improve and advance at the same rate as the K-12 industry</td>
</tr>
<tr>
<td></td>
<td>To be effective and reduce complexity: we are committed to simplifying the Employee Agreements, incorporating the output from the Business Process Re-engineering Project and inherit best practices before kick-starting any ERP System implementation (in-house or outsourcing)</td>
</tr>
<tr>
<td></td>
<td>We want the team to consider options like: Outsourcing / Robust Hosting solution into their analysis</td>
</tr>
<tr>
<td></td>
<td>Costing out the Risk associated with this scale of implementation</td>
</tr>
<tr>
<td>IMPORTANT</td>
<td>Availability of a cloud-based solution</td>
</tr>
<tr>
<td></td>
<td>A simplifying server infrastructure</td>
</tr>
<tr>
<td></td>
<td>Keeping control of server infrastructure</td>
</tr>
<tr>
<td></td>
<td>Skill-Set analysis on what it will take to implement and maintain the ERP system if it is in-house</td>
</tr>
</tbody>
</table>
Business Case Findings - Scenarios

Scenario I: Lawson HCM & Financials
Scenario II: PeopleSoft HCM & Financials
Scenario III: Other ERP (Tyler Munis)
Scenario IV: Outsourcing HCM

Time & Attendance Management System
Business Case Findings – Site Visit

- District: Pasadena ISD, Texas
  - ERP System: Lawson

- District: Jefferson County Public Schools, CO
  - ERP System: PeopleSoft

- District: Indianapolis Public School, IN
  - ERP System: Tyler Munis

- County: Maricopa County, Phoenix
  - ERP System: ADP (HCM) and CGI (Finance & Procurement)
Business Case Findings – Site Visit

The bar chart illustrates findings across various categories:

- **Category 1: Cost & ROI**
- **Category 2: Functionality**
- **Category 3: Vendor Management**
- **Category 4: Sustainability**
- **Category 5: Infrastructure**
- **Category 6: Risks**

Each category is color-coded, with different shades indicating different subcategories within each main category.
Business Case Findings – RFI Process
## Business Case Findings
### 10 year Cost

<table>
<thead>
<tr>
<th>Scenario</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>10 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario I</td>
<td>$ 7,020,376.83</td>
<td>$ 2,995,963.00</td>
<td>$ 19,656,508.64</td>
</tr>
<tr>
<td>Scenario II</td>
<td>$ 8,563,085.73</td>
<td>$ 1,833,581.00</td>
<td>$ 19,174,080.89</td>
</tr>
<tr>
<td>Scenario III</td>
<td>$ 7,937,839.93</td>
<td>$ 2,307,689.00</td>
<td>$ 15,671,664.67</td>
</tr>
<tr>
<td>Scenario IV</td>
<td>$ 7,909,434.93</td>
<td>$ 1,674,479.00</td>
<td>$ 26,378,984.93</td>
</tr>
</tbody>
</table>
## Recommendation

<table>
<thead>
<tr>
<th></th>
<th>Weight</th>
<th>Scenario 1 Rank</th>
<th>Scenario 1 Score</th>
<th>Scenario 2 Rank</th>
<th>Scenario 2 Score</th>
<th>Scenario 3 Rank</th>
<th>Scenario 3 Score</th>
<th>Scenario 4 Rank</th>
<th>Scenario 4 Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>15.0%</td>
<td>2</td>
<td>0.30</td>
<td>3</td>
<td>0.45</td>
<td>4</td>
<td>0.60</td>
<td>1</td>
<td>0.15</td>
</tr>
<tr>
<td>Functionality</td>
<td>27.5%</td>
<td>2</td>
<td>0.55</td>
<td>4</td>
<td>1.10</td>
<td>1</td>
<td>0.28</td>
<td>3</td>
<td>0.83</td>
</tr>
<tr>
<td>Vendor Management</td>
<td>5.0%</td>
<td>2</td>
<td>0.10</td>
<td>4</td>
<td>0.20</td>
<td>3</td>
<td>0.15</td>
<td>1</td>
<td>0.05</td>
</tr>
<tr>
<td>Sustainability</td>
<td>20.0%</td>
<td>2</td>
<td>0.40</td>
<td>3</td>
<td>0.60</td>
<td>1</td>
<td>0.20</td>
<td>4</td>
<td>0.80</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>5.0%</td>
<td>1</td>
<td>0.05</td>
<td>3</td>
<td>0.15</td>
<td>2</td>
<td>0.10</td>
<td>4</td>
<td>0.20</td>
</tr>
<tr>
<td>Least Risk</td>
<td>27.5%</td>
<td>2</td>
<td>0.55</td>
<td>4</td>
<td>1.10</td>
<td>1</td>
<td>0.28</td>
<td>3</td>
<td>0.83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>1.95</td>
<td>3.60</td>
<td>1.60</td>
<td>2.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Benefits of an ERP

- Single System; one set of skills
- Access to Management Information
- Opportunity for Change: Process & Work Culture
- More integration at lower cost
- Opportunity for continuous improvement
Role of Time & Attendance Management System

- Accountability
- Operational Throughput & Performance Evaluation
- Improve Customer Satisfaction & Payroll Accuracy
- Adherence to Time policies & procedure
Recommendations

- Upgrade People Soft and select best of breed for Time and Attendance Management System
- Implement the upgrade in sections rather than “Big Bang approach” as a whole to mitigate change and ensure effective implementation
“It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something.”
Franklin D. Roosevelt

"The best we can do is size up the chances, calculate the risks involved, estimate our ability to deal with them, and then make our plans with confidence.”
Henry Ford

Thank You