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University of East Anglia

Title:	Finance System Replacement
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Issue

A report presenting the business case for the replacement of the University's finance system.

Recommendation

The Committee is invited to endorse the business case for the replacement of the University's finance system. The finance system replacement project board have endorsed the recommendations within this paper but ISSC will make the final decision.

Resource Implications

Resource implications are set out within the discussion section of this document.

Equality and Diversity

New services arising from the replacement of the finance system will be the subjects of Equality Impact Assessments as they are implemented.

Timing of decisions

A decision is required by the board on the 12th June 2012.

Further Information

Enquiries about the content of the paper should be addressed to Jonathan Richardson (jonathan.richardson@uea.ac.uk) – ext 1029).

Background

An initial paper was presented to ISSC in January in which ISD proposed upgrading the Finance System (QLx). Discussion of the paper resulted in a request for a wider investigation into Enterprise Resource Planning (ERP) tools to see if these would benefit the organization. Since the focus of work has to be centred on replacing the aging finance system we have limited the scope for investigating how finance functions might impact other university systems and processes and how these might be addressed by ERP or reporting tools.

Discussion

Considerations

Finance

At present we use several tools for financial planning and management. These include QLX (general ledger), PMA (Research awards management) and PFACT (project costing) as well as SAM (Debtors). QLX, PMA and PFACT are all supplied by the same company, and as such have some level of integration. There is a strong desire for these to be more integrated – which is something Agresso are moving towards. If we were to use separate suppliers we would need to ensure the integrations between these products, which might not be possible.

The finance system currently underpins much of the planning processes for the university via export of static files. The investigations into alternative planning and reporting tools has highlighted the inadequacy of this approach and is pointing us in the direction of specialist planning and reporting tools. This has been reinforced by looking at tools used by other institutions, who even though they use ERP software still use dedicated planning tools.

Reporting and Planning

There is a need for tools to provide enterprise reporting across all corporate systems. Although use of a single ERP could make this possible it is highly unlikely that we are to migrate all the required applications into a single system within a reasonable time frame or within a sensible budget. Specifically at present we are unlikely to move the student record system. Without embedding student records, HR and finance in an ERP we would not realize the full benefit of the investment.

If we do not have a single ERP then we need a capable suite of enterprise reporting tools. Our current suite of tools around Oracle Data Warehouse and Discoverer are not delivering the extended functionality being sought. Discoverer in particular is nearing end of life and as a result planning, finance and technical staff have begun work to look at suitable alternative planning and reporting tools that could sit alongside our main systems to add this functionality.

IT Strategy Considerations

Although not yet ratified it should be noted that the new IT strategy contains several recommendations relating to:

- Managing down the number of corporate applications we run
- Moving towards a more service oriented architecture
- Moving towards web and cloud based services

From a functionality perspective ABW addresses more than just finance, having (amongst others) modules for:

- Estates Management
- Human Resources
- Customer relationship management

There is a close affiliation between our current FM system and finance system, linking time, orders and stores details to jobs. The current FM system is at end of life - Estates are already in the process of defining a replacement. Estates and ISD have agreed to defer this project until a review of ABW FM functionality has been undertaken since it would be highly desirable to link these systems more closely.

The current HR system is expensive in terms of license costs (approx £75k per annum) and it may be possible to develop a business case for migrating this to ABW on the basis of savings on support and maintenance cost. Additionally we have found it difficult to realise the value of the system, specifically not having been able to rollout new functionality such as:

- Expenses
- Time sheets
- Training records

Training records specifically have been identified in the draft IT strategy as an area for us to develop functionality. We anticipate being able to develop these functions within ABW and consider we could plan to investigate a migration of other functions over time (a ten year review of ResourceLink and contract negotiations would normally occur in 2014/15).

Summary

From investigations into cost, capability and compatibility we consider that Agresso Business World will be a suitable alternative for our current finance system.

We consider that due to previous experience of migrating from QLX to ABW that undertaking a managed upgrade with Agresso will have the least risk and impact for the University.

We consider that at present using Agresso will enable us to achieve the best integration with other applications such as Awards Management and Project Costing.

Based on investigation into additional functionality of the product we consider it potentially a suitable product to form the basis of a future expansion of ERP at the University, with selective products and function being migrated to it over time.

We consider that a range of reporting tools that can sit alongside our corporate applications using a managed data repository will provide solutions for planning and reporting which are more flexible than trying to do all of this through a single ERP solution.

Conclusion

We ask that the board approve a project to enter contract negotiations with Agresso to migrate from QLx to Agresso Business World as endorsed by the Finance System Replacement Project Board.

We ask the board to approve the initiation of a project to seek funding for and manage the replacement of Discoverer with a range of planning and reporting tools.

Appendix A: Agresso Business World Costs

	2012/13	2013/14
Product Implementation		
Project Management	£119,988	
Consultancy	£189,540	
Training	£45,996	
Installation	£11,280	
Subtotal	£366,804	£0
UEA Resource		
Project Manager & Business Analyst	£50,000	£50,000
Developers	£100,000	£100,000
Subtotal	£150,000	£150,000
Maintenance		
ABW License	£90,000	
ABW Support*****		£48,000
QLx Support******	£42,000	-£42,000
Subtotal	£132,000	£6,000
Contingency		
Contingency funds*******	£64,800	
Subtotal	£64,800	£0
TOTAL	£713,604	£156,000

Optional Costs	
ABW Report Training	£6,300
Awards Management Training	£36,000

Note that infrastructure costs are being absorbed within ISD's current budget as the servers are due for replacement in any case
Note that the costings shown exclude any existing PMA and pFACT costs

* Note that support costs are reduced from QLx equivalent at the point we go live with ABW (saving of £48,000 as no fee for implementation phase). All support costs are recurrent.

** Note that QLx support cost savings are made when the switch to ABW has been made

*** Note contingency funds have been allocated and are deemed suitable for a project of this size