

Enterprise Case Study: Moving to a Higher Level of Operational Performance

How Hinds Community College improved operational efficiency with professional services

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Summary

Catalyst

Higher education institutions often spend a substantial amount of time and money implementing enterprise resource planning (ERP) systems. ERP is business process management software that allows institutions to use a system of integrated applications to manage the business and automate many back-office functions related to technology, services, and human resources. These systems can improve access to accurate and timely information, enhance workflow, increase efficiency, streamline processes, and ease adoption of best business practices.

However, if the true value proposition of ERP is not understood, or institutions lack the skill set among their staff to get the most out of the system, then it becomes a costly investment with few benefits. One potential solution is to invest in vendor professional services. Hinds Community College (Hinds) provides an example of how investing in professional services can help to increase the return on investment (ROI) from enterprise applications, and ultimately improve operational and student success. Institutions can use case studies such as this to understand how to achieve similar results.

Ovum view

With the pressure to do more with fewer resources, and to become more business-like in their outlook, institutions have embraced ERP to increase efficiency and focus on the needs of their communities. However, ERP systems are complex and have been written in a generic way that is expected to apply across the board, regardless of the type of institution. Such a "one-size-fits-all" approach disregards how different the business processes of different institutions are, and leaves them with systems that do not help to meet strategic goals.

The challenge for Hinds was to increase operational efficiency to improve student success. However, the generic implementation of the ERP system was not aligned with the organization's specific business processes. The solution was to invest in professional services to maximize the investment. Given that institutions do not always have reference points for how to achieve operational effectiveness, vendors with specialist industry knowledge can provide a wider view of the potential capabilities, and thus allow them to configure their environments to best meet their needs.

Key messages

- Technology and services, particularly ERP, were not serving the needs of students at Hinds Community College.
- Hinds needed to improve operational efficiency to build an environment of student success.
- Hinds invested in Ellucian Professional Services, and through this partnership initiated conversations about strategic change.
- Continuing to increase operational capabilities is a top priority at Hinds.

Recommendations for the higher education industry

Recommendations for institutions

- **Work closely with your ERP provider to understand the capabilities of the solution in a higher education context.** It is critical to find a partner that is not only an expert in ERP implementations but also understands industry best practices. This will help to address issues quickly and effectively.
- **Connect functional areas directly to vendor project managers.** Functional areas need to be willing to take stock of what they do and how they accomplish their tasks, and to determine whether the appropriate efficiencies are in place. By speaking to vendors directly, issues can be resolved and improvement plans can be developed much quicker than they would when mediated through IT. However, IT should still be a facilitator; if they are excluded, there is a danger that the solution is unsupported or locks in an expensive technology provider over a long time.
- **Be relentless in your pursuit of operational success.** Institutions today face financial challenges that threaten to diminish their potential for long-term success and continued organizational growth. However, feeling the pressure of constrained finances should never distract institutions from their core purposes and aspirations, or from the needs of their constituents. Rather, this should be the driving force and motivation behind doing whatever it takes to achieve operational success.

Recommendations for vendors

- **Be candid about what institutions realistically need to spend to be successful.** Acknowledging the cost constraints that the vast majority of institutions are navigating, and that costs can increase or decrease over time, vendors must give institutions the best possible estimate of what they will need to spend to be successful. This includes defining what percentage of the budget needs to be spent on which functional area. By doing this, vendors also build trust with their customers and increase the chances of renewal.
- **Build long-term relationships with institutions.** Faculty and staff tend to stay at institutions for a long time and build relationships over decades. They therefore have expectations that vendors will put those who are passionate – or at the very least knowledgeable – about higher education in front of them. Though high turnover is normal at technology companies, vendors should still try their best to recruit and retain professionals who have a higher education background in order to build long-term relationships with institutions.
- **Understand the importance of reputation in the higher education industry.** As well as the higher education community being tight-knit, the academic technology community is quite small; the same people tend to pop up in multiple settings. If one person has a bad experience with a vendor, or even with an individual employee, then it is common for several institutions to know about it. Conversely, positive experiences and good reputations also travel quickly.

Using professional services to increase operational efficiency

Setting the business context

Increasing operational efficiency to improve student success

Despite dwindling operating budgets, institutions are under constant pressure to improve the student experience. Student expectations are growing, as are external expectations of the performance of institutions. Improving operational efficiency and streamlining outdated processes are emerging as essential tasks for ensuring the long-term viability of institutions. However, increasing efficiency is not an easy task, and many stakeholders across the higher education industry have trouble envisioning what efficiency actually looks like.

Typically, operational efficiency is thought of as involving the back-office business operations: billing, human resources, information technology, and systems. However, these cannot be completely segregated from academic operations. The two are intertwined, and there is an opportunity for efficiencies across the board. The most important thing to do is to focus on the outcome, which for institutions is to help students learn, achieve, complete degrees, and gain credentials – in other words, to improve student success. To improve their processes, institutions such as Hinds must look at the whole picture, as well as at back-office operations and ways in which institutions can be leaner and more efficient, and deploy people and systems in areas that actually add value in terms of the student experience and their success.

The degree to which institutions can serve more students and help them progress toward earning their degrees and credentials in a timely fashion will increase enrollments, which will in turn increase revenues. Overall, this will create more financially sustainable institutions that operate at peak efficiency.

Building an environment of student success is of utmost importance to Hinds

Established in 1917, Hinds is the largest community college in the state of Mississippi. Each year it serves approximately 32,000 students in academic, career/technical, workforce, secondary, and adult education programs. With six locations, the institution draws students from more than 70 Mississippi counties and ranks as the fourth-largest institution of higher learning in the state.

Hinds' mission is to "offer high-quality education through relevant and diverse programs and resources for persons with various interests and abilities." Fundamental to achieving this mission are the individual departments of the institution, particularly Hinds' Information Technology department. Part of this department's service is to provide the information systems that support instructional and administrative departments. In particular, this includes administering, maintaining, and integrating the data and processes of the institution's ERP solution, and providing the technological facilities, tools, and assistance that students need for success.

However, Hinds became increasingly confronted by the need to increase its operational capacity to meet the challenges that were inherently present in this drive for student success.

Moving to a higher level of operational performance required a new approach

Hinds recognized that it would be challenging to build an environment of academic and educational success without operational effectiveness. The institution had purchased and successfully deployed

the Colleague ERP system from Ellucian in 1999; however, by 2012 it was not delivering the operational efficiencies that Hinds needed. This was due in part to not understanding the true value proposition of the system, as well as not having the right internal skill set to exploit the system's capabilities effectively. Student needs were not being met, and their lack of satisfaction was being shared on social media. As a result, Hinds voiced its concerns to multiple people at Ellucian, and discussions continued for over a year about available pathways to move forward. Ultimately, these discussions paved the way for Hinds to engage Ellucian Professional Services.

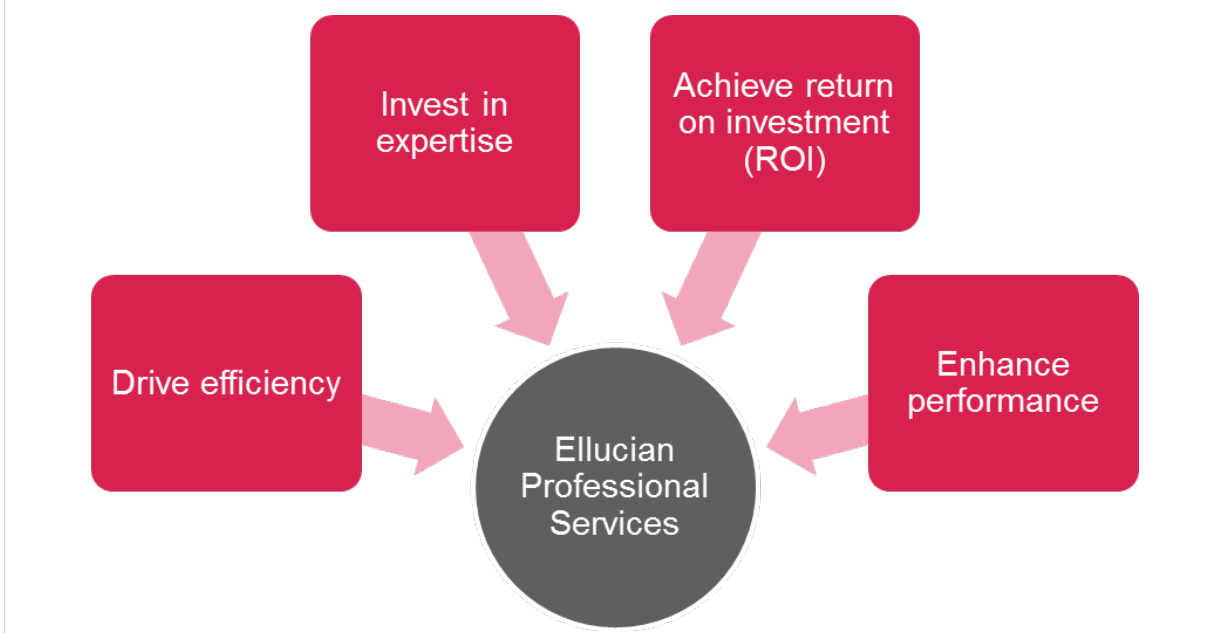
The role of ICT/services in solving the problem

Existing landscape and solution selection

When an institution thinks about what distinguishes it from another, not many would focus on business or administrative processes – that is, the processes used to award financial aid, pay employees, pay bills, collect revenues, and so on. These processes require substantial investment and ongoing support, yet the primary measures of what sets an institution apart are usually the quality of programs and faculty, the quality of student learning, and the institution's outcomes. This is where Hinds was different. The institution realized that it could not build an environment of student success without operational success.

Hinds had made a large investment in its ERP system, and the initial investment was only the beginning. Annual maintenance, hardware purchase and refresh, and technical staffing to support the software were consuming an ever greater percentage of what was already a limited budget at Hinds. Moreover, and to reiterate, without the internal skill set required to derive value from the system, or an action plan for how it could strengthen the institution from an operational perspective, the system became inefficient and costly. To that end, and following the CFO's agreement to give more funding to services, Hinds engaged Ellucian Professional Services to build a stronger base of competencies in all functional areas. The overall aim was to establish a higher-performing operational environment that would better enable student success. The benefits of Ellucian professional services are illustrated in Figure 1.

Figure 1: Benefits of Ellucian Professional Services

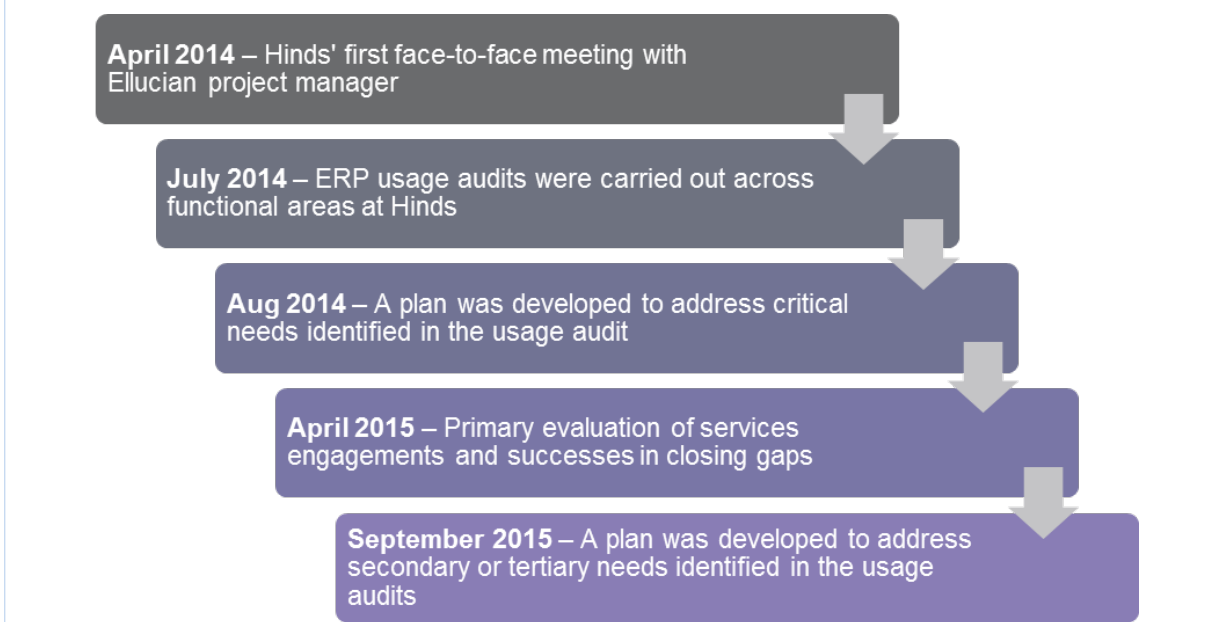


Source: Ovum

Bringing the strategy to life

Prior to the engagement of professional services, the issue at Hinds was explored, and articulated to the project manager at Ellucian's annual conference in 2014 (see timeline in Figure 2).

Figure 2: Ellucian Professional Services implementation timeline



Source: Ovum

The very first step was to set the direction for the operational issues at Hinds, and then to work toward solving them with Ellucian. A new project manager was assigned to Hinds, who the institution found to be much more attentive and responsive, and together they went through a process of reviewing the needs of Hinds' constituents and building a plan to address those needs. ERP usage audits were then carried out across the functional areas at Hinds to see where improvements needed to be made. The

project manager was connected to the director in each functional area, and the directors were asked to articulate to Ellucian exactly what they needed from them. The relationships with the consultants were maintained, and the institution built a model where many of the workgroups on campus now have a direct contact at Ellucian for the area in which they work.

Outcome assessment

Beginning in May 2014, Hinds has experienced a clear increase in its operational capacity to meet the challenges associated with student success, and claims that it is getting its worth out of the investment in professional services. There is a significant divide between any software purchase and the services that come with it, and Hinds essentially built a bridge between the software and services to be successful.

Ellucian has empowered staff in the functional offices at Hinds to make the most of Colleague, and the institution continues to increase operational efficiencies across all functional areas by refreshing staff skills to remain current. Moreover, the consultants have given Hinds a much wider view of Colleague's capabilities, and of operational success in general, based on their experience with other institutions.

Success can also be gauged by the fact that fewer constituents are complaining about the ERP system, and requests are now addressed more quickly and effectively. Although professional services around other Ellucian products such as Recruiter and Portal have not yet fully matured, Hinds is pleased with the progress that has been made for the institution and its use of Colleague with the support of Ellucian Professional Services.

It is evident that Ellucian is spending more time on differentiating between institutions and putting together a custom offering tailored to its customers' needs. The company was committed to solving the issues at Hinds, as evidenced by the progress the institution has made with its ERP system and the rise in operational efficiency.

Lessons learned

Identify a visionary leader

It is important to identify a visionary leader early on, who will serve as an advocate for any student success or IT project and act as a source of long-term support. This leader will bring a strategic focus to the project and persuade stakeholders to support the future vision.

Obtain financial backing

Many institutional CFOs still view IT as a black box, and have limited visibility into the value that IT creates for their institutions. Hinds' CIO realized that more money had to be spent to change operations and the function of IT at the institution. Therefore, it is necessary for institutions to reframe proposals and spending requests to highlight the business value that the technology or service could create to obtain financial support.

Articulate what you need from your vendor

Institutions often have high expectations of their vendors given the high costs attached to technology and services. Therefore, if vendors are to meet those expectations, institutions must also articulate exactly what is needed from them. This includes providing constructive feedback and focusing on solutions to issues, as opposed to simply identifying things that are not working.

Appendix

Methodology

Ovum Enterprise Case Studies leverage in-depth interviews with key enterprise stakeholders as well as a review of any available documentation such as strategic planning, RFP, implementation, and program evaluation documents.

Further reading

Enterprise Case Study: Delivering Exceptional Service Across the Student Lifecycle, IT0008-000257 (December 2015)

2016 Trends to Watch: Higher Education, IT0008-000256 (November 2015)

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