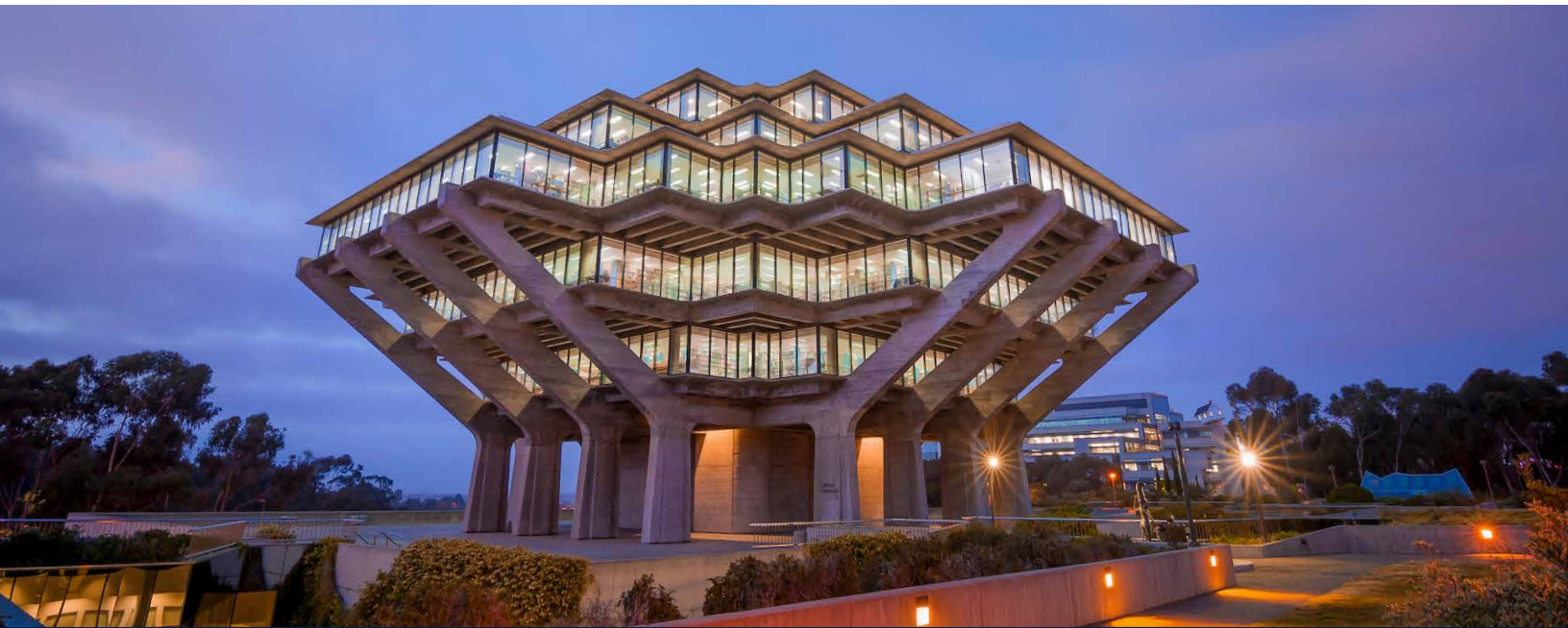TECHNOLOGY SOLUTIONS
CASE STUDY

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Oracle Cloud ERP Self-Implementation: University of California, San Diego

UNIVERSITY OF CALIFORNIA, SAN DIEGO

With roots dating back to the pre-1900s, the University of California, San Diego, was officially established in 1960 and today is one of the leading research universities in the United States and one of the top 20 research universities in the world. UC San Diego has a rich academic portfolio that includes six undergraduate colleges, five academic divisions, and five undergraduate and professional schools. The university has close to 40,000 students and more than 6,000 faculty and received $1.4 billion in sponsored research support for FY2020. *U.S. News and World Report* listed UC San Diego as 19th in its 2020 Best Global Universities rankings.

SELECTION PROCESS AND SCOPE

As part of the Enterprise Systems Renewal (ESR) program, a multi-year strategic initiative to replace its administrative enterprise applications, UC San Diego designed a value-added selection process, which placed a strong emphasis on learning as much as possible during

the selection rather than waiting until implementation. UC San Diego's initial selection process focused on improving the institution's financial processes, supported by a legacy mainframe financial management system, which was developed in the 1990s and was highly customized, complex, and costly to maintain. For this initiative, UC San Diego used a best-of-breed approach focusing primarily on financial management and encompassing the campus, health system, and foundation.

UC San Diego's innovative two-phase selection process engaged more than 100 subject-matter experts across campus functional areas and used a set of 135 gated multiple-choice questions that were electronically weighted and scored. The questions devised by UC San Diego provided insights into which vendor functionality was available out of the box compared to those requiring configuration or customization. An RFP was issued in early 2018, and from that process, UC San Diego selected Kuali, Oracle, and SAP to participate in the second phase, which included contract negotiations and a two-week pilot for each vendor.

UC San Diego went into parallel contract negotiations with each of the down-selected vendors, which took about three months. Upon completion of the negotiations phase, each vendor entered into a two-week conference room pilot. For the pilots, US San Diego subject-matter experts submitted several use-case scenarios via business process diagrams, along with a redesigned chart of accounts, that outlined what UC San Diego wanted to see in each of the solutions. The goal was to allow functional staff to evaluate and test a tangible solution rather than written responses. This process allowed the US San Diego selection team and functional staff to gain deeper insights about each of the solutions and led to a final selection of Oracle Cloud ERP.

The final selection resulted from an aggregated score compiled from the gated questions, the negotiated terms and conditions, and pricing. According to UC San Diego Executive Director of Business Technology Services, Kevin Chou, "Each of the solutions piloted was very different, and the chart of accounts was very different with each solution. The ultimate decision is all about fit." After a thorough evaluation process, the UC San Diego project team was impressed with the maturity they saw in Oracle Cloud ERP. According to the university, throughout the selection process, Oracle consistently met and exceeded the university's needs and demonstrated deep higher education insights.

IMPLEMENTATION

The decision to self-implement the selected financial management solution was made before the RFP process and was influenced by several factors. The main reason was UC San Diego's strong desire to learn as much as possible, as quickly as possible, in order to minimize the total cost of ownership and maximize return on investment in a short period. According to Chou, the longer it takes to learn a software solution, the more costly it is, and the longer it

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takes to realize its benefits. Another critical factor for self-implementing was cost. By assuming responsibility for the implementation, UC San Diego was able to deploy Oracle Cloud ERP for less than $1.5 million in consulting and an estimated $10 million in temporary functional and technical backfill used to free up university staff so they could be involved in the implementation. Experts from Deloitte, Moran Technology Consulting, Slower.ai and Oracle assisted with high-level design consulting, independent verification and validation, product training, and providing necessary resources to help UC San Diego execute its do-it-yourself approach. As stabilization needs dwindle post go-live, functional and technical backfill continue to be phased out as anticipated.

Chou reports that the timeline from selection to go-live was 18 months. The implementation included the launch of Oracle Cloud ERP/Procurement and SAP Concur, with Oracle Enterprise Performance Management (EPM) starting with a pilot six months prior.

Now that UC San Diego is live, Chou and his team expect the university to continue to develop their knowledge of their new systems and processes, refine their configuration and integrations, leverage Oracle's continuous delivery model to adopt quarterly enhancements, and build upon their continuous improvement culture.

UC San Diego is now looking into ways in which their approach can be packaged and shared broadly across higher education.

BEST PRACTICES

UC San Diego's best practices centered around amassing product expertise from subject-matter experts, including internal experts and experts from Deloitte and Oracle. Chou likens this approach to riding a bicycle. The university wanted to be able to ride without assistance as quickly as possible. Part of this impetus was driven by budget pressures, the massive scope of

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the overall system renewal program, and by the recognition that to maximize process efficiency, the university must thoughtfully weave together its people, process and technology. Outsourcing was simply not an option. The team realized that the sooner they could become self-sufficient, the lower the overall costs.

According to Chou, UC San Diego's unique approach to self-implement had its challenges. There was executive pushback in some areas to outsourcing the work. However, as the project got underway and quickly demonstrated progress, there was a groundswell that said, "We can do this!"

UC San Diego handled change management internally. Change management started six to eight months prior to the RFP process, as UC San Diego project team members met with various functional groups across the institution to present the project and their progressive approach. As the project commenced, the project team built a Change Network of key stakeholders in every college, unit, foundation and medical center to provide a local support structure to facilitate communications and feedback. The university's approach to change management leveraged a combination of frequent communications with end-users, crowdsourcing user support, and comprehensive training and knowledge sharing.

Another important best practice centered around program governance. UC San Diego assembled a Program Governance team, which provided leadership to support the project and ensure that all decisions were made following UC San Diego's Guiding Principles. Critical to program governance was ensuring that all aspects of the program operated within its defined constraints (budget, schedule, scope) and risk avoidance and mitigation.

LESSONS LEARNED

With a project of this magnitude, there were many lessons to be learned. One of the main lessons cited by Chou is to avoid setting an unobtainable level of expectation. The UC San Diego team was not seeking perfection in their initial go-live, and that expectation was well understood by the community. Some decisions need more thought and collaboration. Decisions should be made with input from multiple experts providing varying perspectives. Chou recommends seeking expertise from multiple sources and learning from each of the inputs.

UC San Diego started their Financial Information System project with only high-level segments of their new chart of accounts designed. Segment values and mapping to and from their legacy chart of account was just starting. They highly recommend not starting process and configuration design until after the new chart of accounts is complete, well understood, and socialized, to avoid unnecessary rework and potential impact on budget and timeline.

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The UC San Diego Financial Information System project started with Oracle Cloud ERP and Oracle Enterprise Planning and Budgeting Cloud, and as the university became more knowledgeable about the Oracle product and implications of the chart change, the scope quickly expanded to include Oracle Procurement Cloud and SAP Concur. In hindsight, Chou would not recommend extending the project scope mid-project. While the expanded deployment worked for UC San Diego, it created an added level of stress, disruption and risk.

Having a strong executive team who are all on the same page is paramount. Key executives, including the President/Chancellor need to be on board, and an institution needs to build and communicate the belief system from top down and drive organizational change. Conflict resolution processes need to be clear and adopted by all levels of management, with focus around teamwork instead of traversing the org chart. Change management cannot be an afterthought, is more than just communication and training, and must be clearly defined and in place early in the process.

SOLUTION STRENGTHS

US San Diego's Financial Information System project, part of its Enterprise Systems Renewal Program, is the most extensive technology and process improvement program ever undertaken by the institution. According to Chou, the Oracle Cloud ERP implementation is a success, and the university is pleased with the solution's functionality. The finance department is particularly happy with the opportunity to reimagine the aging chart of accounts. The deployment of Oracle Cloud ERP unified the university as one institution with one financial management system and a common chart of accounts and has also streamlined processes. Additionally, Oracle Cloud ERP provides access to real-time data, which will result in improved reporting and decision-making as the university continues to enhance its decision support capabilities through the expansion of its new data management strategy.

Chou reports that moving to a cloud-based SaaS solution was a great decision for the university. It forced UC San Diego to adopt a configuration-only deployment approach, which significantly simplifies the ongoing maintenance. Through a rigorous and value-add selection process, Oracle demonstrated a strong commitment to higher education and continues to release new functionality each quarter. As UC San Diego continues to mature in its use of Oracle Cloud ERP, Oracle Procurement Cloud, and Oracle Planning and Budgeting Cloud, the institution anticipates reaping the benefits of streamlined, uniform, and automated ways of doing business; real-time reporting that is consistent and facilitates operational decision-making; and a modern user experience.

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The purpose of this report is to provide higher education institutions with information about the objectives, solutions, and outcomes related to the utilization of technology in colleges and universities across the US.

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