



# Benefits of Implementing an ERP

## Top 10 Benefits an ERP Implementation Can Bring to Your Institution

*Kay Roman*

An Enterprise Resource Planning (ERP) system implementation project will likely be among the most complex and demanding endeavors a higher education institution will attempt. A project of this size requires significant commitments of money, time, and human resources from departments across the institution.

While a certain level of anxiety is common when planning and preparing for an ERP implementation, many institutions experience a sense of excitement in anticipation of the benefits that come with a modern ERP system. In this article we explore of the most commonly mentioned benefits of a new ERP that were identified by institutional stakeholders.

### Why Understand the Benefits

Understanding how an ERP can positively impact your institution will help you prepare your stakeholders for an ERP implementation. You can build your communications around our top-ten list of benefits to illustrate the paybacks your institution will get from the project and prepare your institution for what lies ahead.

This article reports on data collected from hundreds of stakeholders in twelve higher education institutions<sup>1</sup> preparing to implement an ERP solution

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<sup>1</sup> A description of these institutions as well as description of our data collection method is given in the Post Script to this article.

on their campus. We have rank ordered the most often voiced benefits on the mind of those who will be involved in the projects. These items range from a desire to see the institution be able to provide better customer service to a more personal desire to work with a more user-friendly system.

### Top Ten Benefits

While every institution's top ten lists will vary, we have identified a typical list of benefits from institutions preparing to implement an ERP system.

Table 1 below outlines this list in rank order from the most frequently heard to the least frequently heard benefits. We have also indicated the percentage of institutions reporting each concern in their top ten.

Top 10 Benefits		
Rank	Benefit	% of Institutions Reporting this as a Top 10 Benefit
1	Enhanced Technology	91%
2	Efficiency	91%
3	Integrated Information	66%
4	Reporting	66%
5	User friendly	66%
6	Access to Data	50%
7	Customer Service	50%
8	Functionality	41%
9	Communication	25%
10	Security	25%

## Common Benefits

Although each institution is unique, we have found commonalities in the benefits shared by project stakeholders. For example, we typically see the greatest concentration of responses in the first three categories: enhanced technology for the institution to help compete technologically; increased efficiency and effectiveness of processes; and integrating and streamlining information.

To help further understand the benefits identified, the list below includes typical comments we gathered in our interviews and on-line surveys of stakeholders whose institutions are preparing for the implementation of an ERP system.

Rank	Concern	Typical Responses
1	Enhanced Technology for the Institution	<ul style="list-style-type: none"> <li>▪ <b>Current legacy system is archaic</b></li> <li>▪ <b>Current system can't meet technology needs.</b></li> <li>▪ <b>Will put us technically on a par with other schools</b></li> <li>▪ <b>We will have the speed we need to keep up with operations</b></li> <li>▪ <b>We have been growing on a large scale with our programs, students, employees, but not the technology</b></li> </ul>
2	Efficiency in Processes	<ul style="list-style-type: none"> <li>▪ <b>A new system will eliminate labor-intensive manual processes and current duplication of efforts</b></li> <li>▪ <b>A new system will streamline critical business processes for many departments</b></li> <li>▪ <b>Will make data collection better and more efficient</b></li> <li>▪ <b>More efficient use of bright people in our office</b></li> <li>▪ <b>Don't have to enter things by hand</b></li> </ul>
3	Integrated, Consistent Information	<ul style="list-style-type: none"> <li>▪ <b>A major benefit of a new system will be replacing multiple, disconnected databases with a single, integrated system.</b></li> <li>▪ <b>Integrating different systems and data sources.</b></li> <li>▪ <b>There is the hope that [the system] will be integrated with other systems so that information will not have to be entered into several systems.</b></li> <li>▪ <b>Easier integration and interfacing to internal and external entities</b></li> </ul>
4	Easier Reporting	<ul style="list-style-type: none"> <li>▪ <b>An advantage of a new system will be improved and more customizable reporting</b></li> <li>▪ <b>A great desire for improved reporting capabilities to be better equipped to respond to complex requests for data.</b></li> <li>▪ <b>Need to be able to generate reports without asking IT</b></li> <li>▪ <b>We hope that users will be able to run their own reports and that they will be able to have better access to their data and the ability to manipulate and report on the data</b></li> </ul>
5	User Friendliness of the System	<ul style="list-style-type: none"> <li>▪ <b>A new system will provide easier access to information and overall improvements in its use by students, faculty and staff</b></li> <li>▪ <b>Easier to use for functional staff</b></li> <li>▪ <b>Current system is a dinosaur to use</b></li> <li>▪ <b>There is an expectation that the system will be easier to access</b></li> </ul>
6	Access to Data	<ul style="list-style-type: none"> <li>▪ <b>Increased self-service for data needs</b></li> <li>▪ <b>Eliminate bureaucracy by providing branch campuses direct access</b></li> <li>▪ <b>Real time data.</b></li> <li>▪ <b>Better access to information and decision making</b></li> </ul>

Rank	Concern	Typical Responses
7	Ability to Provide Better Customer Service	<ul style="list-style-type: none"> <li>Provide better and more timely services to students</li> <li>Offer greater range of student services with more flexibility (e.g. Web-based services)</li> <li>Improved services for staff, faculty and students</li> <li>Speedier and more applicant friendly service</li> </ul>
8	Increased Functionality	<ul style="list-style-type: none"> <li>Current system is not robust enough</li> <li>Eliminate problems with out-grown data tables</li> <li>Less workarounds</li> <li>Better functionality for users</li> </ul>
9	Better Communications Across the Institution	<ul style="list-style-type: none"> <li>Improved communication between institutions and regional campuses</li> <li>Promotes more collaboration</li> <li>Enhanced communication to students; better communication across campus; better system for communicating with students</li> </ul>
10	Increased Security of Data	<ul style="list-style-type: none"> <li>A new system will improve data integrity and security</li> <li>Data restrictions can be enhanced</li> </ul>

Knowing the potential ERP project benefits that stakeholders within your institution may foresee is the first step in rallying support for your implementation. Once you understand what may most excite your institution, you can take the next step and begin to emphasize the importance of the project.

## A POST SCRIPT

### Where We Collected Our Data

Our research includes a sampling of 12 diverse higher education institutions planning to implement an ERP software solution. The sample represents a mixture of different types of institutions ranging from four-year institutions to two-year institutions. Our research also includes those institutions that offer graduate degrees and PhD programs.

Ten schools were located in the South. One school was located in the West. Two schools had locations in the Caribbean and one had a location in the Northeast.

Despite the diversities among these institutions, they all had one thing in common: facing the unknowns of an ERP implementation.

### How We Collected Our Data

We used two primary methods for data collection: personal interviews with campus stakeholders and online surveys distributed via email. Both methods were tailored to the individual participant's role at the institution: technical, administrative, executive, or academic.

On average we conducted 60 interviews at each institution, varying by size and complexity. Approximately 60% of interviews were conducted with administrative or executive staff, 30% with technical staff, and 10% with academic staff. Typically a much larger number of stakeholders were invited to participate in an online survey to maximize flexibility and time efficiencies. On average we received 100 completed online surveys at each institution.

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