

# Getting the Full Value of Integrated ERP Solutions

*Using an integrated ERP system to its fullest saves time, money, and frustration.*

By Amy Smith, CPA



Amy Smith, chief operations/financial officer for Woodford County Public Schools in Kentucky, appreciates the way the district's ERP solution streamlines operations, including transportation.

If your district isn't using an enterprise resource planning (ERP) system to its fullest potential, you're in good company.

Leveraging your ERP platform's many features and integrating with other less obvious applications is a process of patient prioritization, but the results are worth it.

Woodford County Public Schools in Kentucky uses an integrated ERP system to manage financial and personnel functions for 550 full-time employees and 4,000 students across six schools, the Safe Harbor Academy, the transportation department, and other support assets.

As would be expected from a modern ERP solution, our core system features a single database that integrates all financial, human resources, and procurement information throughout the district, centralizing data and processes. A single data entry is available on all ERP applications, reducing redundancy, increasing efficiency, and improving data quality and integrity.

Additionally, this ERP solution can integrate with other applications and specialized solutions, thus performing at a higher level. In our case, integration was part of optimizing processes for two priority initiatives:

transforming from a manual purchasing process to e-procurement and automating how we manage field trip transportation planning and financial management.

### Smoothing E-Procurement

From the beginning, the ERP platform brought immediate benefits, but we knew that we could do more, particularly with regard to our cumbersome, antiquated procurement process.

Before a purchase order went to the vendor under the old process, approximately two weeks elapsed between writing a request and receiving approval. Paperwork was moved via interoffice mail that runs only three times a week and sometimes resulted in misplaced orders.

Our ERP solution automates the entire procurement lifecycle, from requisition to purchase. With leverage, the selected integrated e-procurement and document-sharing applications resulted in an automated, paperless system.

Today, our procurement process moves documents electronically. For example, a school principal is prompted to “click” approval of a requisition order that then automatically moves to purchasing staff to execute the next step. A purchase order can generate a hard copy if necessary, but many are electronic and go automatically to vendors that accept them, such as Amazon. Purchase orders automatically sent from one system eliminates the “middle man” vendor.

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Not including vendor fulfillment, our overall procurement process was reduced from weeks to hours. The procurement process made life easier for our accounting department; however, the effect of implementing better processes can help others as well.

In our example of a requisition, the person who needs the product or service receives it faster with fewer ordering and shipping errors. Not having to sign a stack of papers means more time to focus on more important things. With added transparency and lower paper costs, it’s a win-win situation for everyone.

### Integrating with Transportation

Our transportation department needed to improve operational efficiencies, vehicle resources, and usage, and to find a way to better manage a cumbersome financial process for field trips. We integrated a transportation



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software product with our ERP system to achieve all of our goals. After first implementing a system to optimize bus routes, which saved on maintenance and fuel costs, we then tackled the field trip planning and finance.

Previously, a school’s field trip request was submitted to our transportation department far in advance of the date needed. A staff member at the bus garage manually calculated trip distances, fuel costs, and driver labor and sent those figures to the payroll department where the payroll staff manually calculated and submitted driver pay to payroll.

With the “magic” of software, the nightmare of field trip transportation management ended. The transportation software enables a quick, easy calculation of the bus trip cost, and it’s connected to our ERP system so the estimate goes straight into the system.

Once approved, funds are encumbered in the general ledger within a few days (not the six weeks it used to take), and everyone can see where the school’s transportation budget stands in real time, thus allowing easy decision making for scheduling future bus trips.

After the field trip, the final cost is entered into the general ledger and the driver’s labor is automatically recorded into the payroll. Needless to say, our field trip tracking software is one of the most popular purchasing decisions we’ve made lately.

### An Approach for ERP Optimization

If you have a modern integrated ERP system, understanding and using all of its features might seem like a daunting task. By first determining what you’d like the

system to do, you can evaluate and add the applications available to the ERP, thus making it a better-performing system.

Here are a few recommendations for how to start maximizing what your ERP solution can do for your district:

- **Identify problems.** Focus on processes that may be inefficient, waste manpower, appear costly, or are cumbersome. The district may already have a hot list.
- **Identify opportunities.** There may be a better way to do something.
- **Think beyond your department.** Consider not just the accounting department, but everyone in the organization who touches or is involved in the process.
- **Dissect your ERP system.** Study your system to better understand its features as well as complementary applications. Review your vendor's resource materials and case studies for other districts that your vendor has helped.
- **Talk to your vendor.** Make an appointment with your vendor's representative and share your integration goals. Also ask for optimization recommendations. Good reps know your system, what you're doing now, and where you can go.
- **Don't request an RFP just yet.** Don't rush to send a request for proposals until you talk with your vendor! You may be buying something you already have, you may pay more than you would for a plug-in application to your system, or you may acquire an application that won't integrate well with your platform.

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### Selecting a Good ERP System

If you are still using outdated legacy ERP software, read up on today's more robust systems and become a champion for modernization in your district. Change is never easy, but an integrated ERP system will be more efficient, will create cost savings, will improve transparency, and more.

Here are a few recommendations to consider when selecting your system:

- **School-district-ready features.** Make sure your system is designed for the unique aspects of school district finance and includes built-in workflow and productivity tools. It should also be user-friendly and intuitive.
- **Integration.** Evaluate what you need now, but also consider how your district will use the system over

time. Look at the unique features you can leverage and other applications you will want to integrate, such as the transportation management system.

- **Cloud-based computing.** Select a vendor who offers both hosted and on-premise deployment to meet the specific needs of your district.
- **Upgrades.** Be sure you understand how upgrades work and how much, if anything, they cost—most software is upgraded frequently.
- **Quality vendor.** Select an established vendor. You don't want a vendor that is here today and gone tomorrow, leaving you stranded with an expensive system no one else will support. Here's where to find a clue: look at the vendor's R&D commitment to weed out vendors with no tangible commitment to the future.
- **Price.** Don't buy on price alone. You know the old adage: you get what you pay for.
- **Vendor support.** Make sure your vendor offers more than a help desk for support. Ideally, you will have a representative—a person you will come to know—who will be your partner, not just a vendor.

Whether you need a brand-new ERP system or you have untapped capabilities, it's worth taking the time to explore options. In the end, you'll look like the hero, and it will be a big win for your district and your community.

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