

Gonzaga University Conducts Post-Implementation Analysis of Banner; Determines That Solution Is Still the Best for Its Needs

By 1998, Gonzaga University had completed its implementation of Banner Student, Finance, Human Resources, Financial Aid, and Advancement. Although the two-year implementation and the use of Banner were considered successful, a new trustee prompted the University to ask itself whether the solution was still the best one possible.

"We had a desire to look back, to assess our progress, and confirm our course," said Wayne D. Powel, associate vice president for information technology at Gonzaga University. "We also wanted to determine and document the cost of implementation and our ongoing costs."

The University hired a consultant to help them answer these questions. The consultant took the University through an evaluation methodology called Rapid Economic Justification. In addition to measuring Total Cost of Ownership, the methodology considers the effectiveness of the solution in supporting business requirements and its alignment with the University's strategic goals and direction.

The University began by looking at its costs. Like most other institutions, the actual out-of-pocket costs were readily available. But Gonzaga had an added advantage: it also could determine the cost of people's time. "Fortunately, the CIO who was here during the implementation kept meticulous notes so we were able to

document how much time employees spent on implementation and training and the cost of those tasks to the University. The process was tedious, but not difficult. Then we calculated the costs of ongoing support of the system," recalled Mr. Powel.

"As we expected, the implementation cost us more than we had originally estimated. Three factors brought about the increase: one, we made a change in our hardware specifications as we became more familiar with Banner; two, we increased the level of training for our IT and support staff; and three, we did some customization of the system," explained Mr. Powel.

The additional dollars were well spent, said Mr. Powel. "My advice to other institutions considering an ERP implementation is to realize the magnitude of the investment you are making and do not make the mistake of skimping. Make the investment in hardware and training so that the system is up as soon as possible and working well. The dollars will be well spent because eventually you will reach a point where users will say, 'I don't know how we worked without this.'"

The University also attempted to calculate its Return On Investment (ROI), but it did not have the necessary figures and documentation to do so. "An institution needs to plan for determining ROI at the onset so that it

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can gather all the necessary information. However, based on what we do know, we expect to get a return on our investment in five to six years," said Mr. Powel. One example of cost savings attributed to Banner is decreased staffing.

After determining costs, the University considered the effectiveness of Banner in supporting business requirements and its alignment with the University's strategic goals and direction. To do this, a team conducted numerous interviews with users throughout the University. Among the team's findings were that Banner has:

- Enabled a single integrated administrative system
- Enabled a single historical repository of business and student data
- Standardized business processes
- Resulted in increased fundraising
- Met day-to-day functional needs of departments and staff

One evaluation team member said, "The system revolutionized the use of data in the University's environment." Another commented, "Implementation of this system was the single greatest achievement of the last decade at Gonzaga."

Based on its review, the University made some recommendations to improve the use and benefits of Banner. The recommendations include learning to use additional features and functions, adding needed functionality, enhancing the training program, developing additional tools for data extraction and manipulation, and developing a Web portal to Banner.

Another facet of the University's research was to measure the effectiveness and cost of Banner relative to other solutions on the market. The University's research in this area included interviewing institutions of similar size, costing out competitive solutions, and considering alternatives like outsourcing and ASPs.

"We concluded that we would spend more to implement a new product than we did to implement Banner initially. And we did not find a solution with enough advantages in functionality to justify doing that," said Mr. Powel.

Also, the University determined that there would be little to no savings in ongoing support of a different system.

"The evaluation process was definitely valuable," concluded Mr. Powel. "It is worthwhile to survey the field every once in a while to determine if we are doing the best that we can do for our university community. In the end, it was clear that Banner is still the best choice for Gonzaga."