

SAP Customer Success Story
Higher Education and Research – Educational Services



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Dr. K. Mohan, IT Director, Indian School of Business

AT A GLANCE

Company

- Name: Indian School of Business
- Location: Hyderabad, India
- Industry: Higher education and research
- Products and services: Educational services
- Revenue: US\$22.86 million annual budget
- Employees: 620 students and employees
- Web site: www.isb.edu
- Partner: Caritor (India) Pvt. Ltd.

Challenges and Opportunities

- Multiple stand-alone legacy IT systems
- No access to real-time data
- Slow, imprecise decision making

Objectives

- Automate business processes
- Provide a single point of access to all organizational data
- Provide access to real-time data
- Manage operations systematically and collaboratively at the strategic level
- Improve service delivery

SAP® Solutions and Services

- SAP® ERP application
- SAP for Higher Education & Research (SAP for HE&R) solution portfolio, which includes the SAP Student Lifecycle Management application
- SAP NetWeaver® Portal component

Implementation Highlights

- SAP ERP implemented in 6 months
- SAP for HE&R implemented in 6 months

Why SAP

- Large share of India's market
- Market leader
- Excellent customer support
- Established product
- Stable company with continuous improvement program

Benefits

- Projected savings of over US\$45,000 within 3 years
- Projected savings of 10 lacs (US\$23,000) from the elimination of legacy systems
- Real-time access to student data
- Seamless integration of data across all business units
- A single window for the entire organization's data, knowledge, and resources with complete access and control
- Improved communication among faculty and students
- Intangible qualitative benefits

Existing Environment

Legacy software

Third-Party Integration

- Database: SQL
- Hardware: IBM
- Operating system: Microsoft Windows 2003

INDIAN SCHOOL OF BUSINESS

SAP® ERP Helps Organize the Business of Higher Education

Since its founding in 2001, the Indian School of Business (ISB) has grown steadily, from an initial enrollment of 128 students to its current enrollment of approximately 425. Over the years, the Hyderabad, India-based ISB encountered growing pains that placed considerable stress on its business systems. The school found a solution to all its business-system problems by integrating SAP® software such as the SAP ERP application and the SAP for Higher Education & Research (SAP for HE&R) solution portfolio, which includes the SAP Student Lifecycle Management application.

While ISB is a stand-alone institution, it maintains academic associations with some of the world's most prestigious business schools. The Wharton School of the University of Pennsylvania, the Kellogg School of Management, and the London Business School are associated with ISB and help to design and update its curriculum. The institution focuses both on providing a world-class MBA program and performing cutting-edge research in several key areas, including technology management, change management, entrepreneurship, marketing, and analytical finance. It is currently the eighth largest business school in the world.

Unresponsive Business Systems

As the school grew, however, its business systems became increasingly unresponsive. “We used a lot of stand-alone software and applications for various business units,” says Dr. K. Mohan, IT director at ISB. “For example, our admissions team had its own application; the placement team did as well. And the MBA office, which is basically responsible for delivering the curriculum and managing the courses, also used a separate application. So it was all on different islands.”

Further, data was not seamlessly delivered, nor was it real time. Management was constantly waiting to access data from different sections. As a result, decisions were not made in a timely fashion or were incorrect because the basic data was incomplete, incorrect, or out of date.

“From the IT/CIO perspective, it’s a nightmare to deal with so many vendors of different applications,” says Mohan. “Trying to educate people on how to use all these different applications, sending the data from one section to another, and dealing with the data’s compatibility from one system to another created serious issues.”

Selection Criteria Leads to SAP

ISB decided it was time to unify its business systems with a single enterprise resource planning (ERP) application. Project objectives included automating business processes; unifying the data in a single source for all business units; gaining access to data anytime, anywhere; implementing collaborative and systematic operational management; improving service delivery; and integrating data seamlessly across business units.

Researching the market, ISB management looked at all the major ERP software vendors. Invoking several selection criteria led them directly to SAP.

“First, we looked at the customer base,” recalls Mohan. “Then, the relevance of the vendor’s products to our business needs. Also, we were interested in the market share of their products, and the customer support available. We looked at market share in India and abroad, including whether some of the key institutions we know are using them. We also looked at reference sites. And the cost factor played an important role.”

With respect to cost, SAP came in with a surprisingly competitive quote. In addition, SAP has a very strong presence in India, many satisfied customers, and a wide range of business partners ISB could call on for implementation help. “With all their implemen-

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tation partners, after-implementation support is not a problem,” notes Mohan. “And several key institutions are already using it.” ISB was also impressed that SAP offerings include customer-specific solutions and continuous improvement programs, and enable stable operations.

SAP for HE&R is a portfolio of highly scalable solutions designed to meet the unique needs of public and private universities, multi-campus institutions, research agencies, and medical colleges. The solutions are powered by the SAP NetWeaver® platform, which allows educational institutions to create applications on top of existing infrastructure and fully leverage current IT investments – for long-term adaptability, lower costs, and flexible response to

changing strategies. SAP solutions support all organizational processes, including campus management for student and academic services, grants management, student life-cycle management, financials, operations, human capital management, procurement, analytics, research, and asset management. Much of this functionality was selected to be installed by ISB.

Two Implementation Phases, Six Months Each

After selecting SAP ERP and SAP for HE&R, ISB went through a rigorous implementation process with SAP India and implementation partner Caritor (India) Pvt. Ltd. Back-office implementation – including HR, materials management, and finance and controlling software – took six months. Implementation of SAP for HE&R took another six months – one of the fastest implementations of its kind on record. ISB also implemented the SAP NetWeaver Portal component to enable employee and student self-service.

SAP for HE&R incorporates software for student life-cycle management, campus management, and the back office, which provides solutions for staff hiring and exit processes, payroll process, procurement and disbursement processes, budgeting, and plant maintenance. The software went live in 2005.

Additional applications are still being added. ISB is currently implementing funds management and plant maintenance software in SAP ERP.

Cost Savings

With a year and a half of experience ISB has had ample opportunity to evaluate the results and benefits of its SAP implementation. While benefits have been mostly qualitative, ISB has been able to record or project considerable cost savings over a period of three years from go-live.

“In the first year alone, we have calculated cost savings of some 9 lacs (US\$20,000) from efficiencies and improvements in just our back-office systems,” says Mohan. “In addition, we project savings of over US\$45,000 within three years resulting from our implementation of SAP for HE&R.” Mohan also estimates that the elimination of their legacy systems in the second year will result in a savings of 10 lacs (US\$23,000).

Qualitative Improvements

In the domain of qualitative benefits, Mohan cites long lists of improvements in almost every area of ISB’s operations. For example, SAP for HE&R provides ISB with real-time access to student data; seamless integration of data across all business units; a single window with complete access to and control of

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the entire organization’s data, information, knowledge, and resources; and improved communication among faculty and students. These are all significant improvements over the conditions imposed by the previous legacy systems.

“SAP ERP and SAP for HE&R definitely increase our efficiency,” Mohan says, “not only for students and faculty, but also for top management. They no longer have to wait for some department to submit data to them. Financial accounts closing has become easy.”

ISB's experience with SAP ERP and SAP for HE&R mirrors those of other entities in the public sector. While conventional ROI is not always available to these organizations and institutions, a new "public ROI" methodology developed by SAP in collaboration with the Center for Technology in Government of the State

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University of Albany, New York, is helping institutions and organizations acquire a better understanding of how institutional IT investments can deliver substantive if not always quantifiable rewards to the public.

Mohan also likes the demands SAP software makes on users to stay within process. "In other systems you can work around them and beat the system and the result is inconsistency in the data. But with SAP software our people are forced to follow best practices; unless you do step one, you cannot go on to step two. So it requires people to be very systematic and disciplined in the way they work."

Mohan concludes, "All these things lead to a greater amount of satisfaction for our customers, students, and faculty, and to vastly improved decision making for our management. Everything is done so smoothly, everyone can concentrate on core areas rather than wasting time. That leads to quality improvement and customer satisfaction and that's what we were aiming for."