CITY OF PORTLAND, OREGON

ACHIEVING SUSTAINABLE AND MORE EFFICIENT CITY GOVERNMENT

QUICK FACTS

Industry
Public sector – state and local government

Budget
US$2.75 billion

Employees
7,000

Location
Portland, Oregon

Web Site
www.portlandonline.com

SAP® Solutions and Services
Standardizing on the SAP® ERP application

Implementation Partner
SAP Consulting

For the City of Portland, Oregon, sustainable government is more than a catch phrase – it's a commitment. So when the leaders of Oregon's largest city recognized the business risk of continuing to rely on outdated and fragmented legacy systems, they decided to standardize operations on the SAP® ERP application. Today, Portland is serving its citizens with renewed operational efficiency and greater financial transparency.

Key Challenges

- Eliminate business risk associated with the city's outdated financial systems
- Provide a single source of data truth
- Implement standard business processes based on best practices
- Improve productivity, efficiency, and transparency in city operations

Why SAP Was Selected

- Best functional fit for defined requirements offered by SAP® application
- Tight integration of core financials, procurement, and HR software
- SAP Consulting recognized for depth of knowledge and seen as a respected advisor
- Extensible solution that supports city's long-term objectives
- Broad functionality

Implementation Best Practices

- Defined business requirements at outset
- Adopted best practices
- Leveraged project management expertise of SAP Consulting
- Involved bureaus in ensuring business readiness
- Focused on change management
- Provided targeted training in areas such as procurement and personnel administration

Low Total Cost of Ownership

- Eliminated volume and storage requirements for paper-based record keeping
- Focused on managing risks and issues during implementation
- Avoided customizations
- Prepared to leverage lessons learned in future projects

Financial and Strategic Benefits

- Improved transparency of city government
- Increased visibility and consistency of citywide information
- Standardized time evaluations associated with complex labor contracts
- Streamlined financial reconciliations with integrated data
- Improved access to information for city workers with employee self-services

Operational Benefits

- Replaced manual processes and spreadsheets with automated processes
- Eliminated multiple interpretations of bargaining unit contract requirements
- Accelerated payroll processing
- Reduced preparation time for audits of federal grants up to 70%
- Improved purchasing with citywide visibility and automated approval processes
- Improved control of vendor payments with a consolidated contract management system

"Trust in government is important to all citizens. Now with tighter control over the city's financial processes, our civic leaders are better able to demonstrate how the City of Portland is using its financial resources."

Ken Rust, Chief Administrative Officer, City of Portland, Oregon

www.sap.com/contactsap

Outdated Technology Impedes City Operations

The City of Portland, Oregon, is known for scenic beauty, public rose gardens, and a tradition of preserving open space. But as Portland's chief administrative officer Ken Rust can tell you, running a major city is no walk in the park.

Today, Oregon's largest city employs around 7,000 workers in two dozen departments at some 75 locations. "Portland has grown tremendously in terms of complexity and financial scope," says Rust, "and over time we developed informational silos among the various bureaus." This resulted in fragmented, nonintegrated systems that hampered the efficiency of city operations. Of particular concern was an outmoded financial system that Rust describes as "late-1970s technology when it was implemented in 1991." Portland elected to eliminate many of these shadow systems and standardize on the SAP® ERP application.

Focus and Partnership Lead the Way

Portland made its decision after a rigorous selection process. First, the city identified specific business requirements; then product demos narrowed the field down to SAP and Oracle. Ultimately, civic leaders saw SAP ERP as the best fit for Portland's needs and chose to implement a range of integrated functionality including financials, payroll, procurement, and grants management.

As Rust notes, the large-scale project was not without its challenges. For example, the city had to manage rollouts across multiple departments and address complex union contracts. But project leaders overcame these hurdles by focusing on best practices and ensuring participation by the individual bureaus. The city also engaged SAP Consulting to help drive this award-winning project* home with extensive product knowledge and project management expertise.

Standardized Systems Deliver Citywide Benefits

SAP ERP enabled Portland to improve efficiency in operations ranging from purchasing to payroll. "Today purchases are electronically requested, approved, routed, and tracked," says Marty Scott, retired city controller, citing one example. Electronic workflows provide better visibility to approval status, and a single contract management system helps ensure that the bureaus are only paying vendors with valid contracts. As a result, Portland has access to real-time data and the ability to drill down if more detailed information is needed.

The city also reports a huge improvement in grants management – particularly significant as it handled hundreds of federal and state grants for fiscal year 2009 totaling nearly US$40 million. "In the past, with stand-alone systems scattered across the city, it took weeks to manually gather the information required for federal audits," Scott says. "With all of that data now at our fingertips, we have reduced that collection time up to 70%."

Automation and consolidated systems are also driving greater efficiency in the city's time entry and payroll systems. Employees have Web access to payroll information, and bargaining unit and administrative rule provisions are configured in the timekeeping system, ensuring consistent interpretation and compliance.

Future Benefits Built on Past Success

Administrators are now planning further improvements to Portland's IT. For example, they are considering SAP BusinessObjects™ solutions to enhance reporting and support citywide decision making.

Still, there is time to reflect on existing accomplishments. "I'm pleased that we have eliminated what I considered a very big business risk," says Rust. "It would have been irresponsible to continue running the city on such a fragile financial system."

*Recognized as a Computerworld Laureate Award Winner and with a GFOA Award for Excellence, Honorable Mention, from the Government Finance Officers Association.

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