The purpose of these funds is to support a multi-year project to establish a single, unified and standardized information system, based on standardized policies, procedures, data elements and calendars for all campuses and agencies of MSU.

Initiative Objectives:

The objectives of this initiative are to provide a general benefit throughout our University system, given that our focus will be to significantly reduce overhead, simplify multiple enrollment and transferability for students, and to prevent system failure and maintenance costs associated by the burden of unnecessary, multi-campus program modifications.

This initiative supports the goal communicated by President Gamble in his presentation to the Board of Regents on November 19th, 2009 when he shared MSU’s commitment to Reform of the MSU Information System¹.

Additionally, this initiative supports the Regent’s Information Technology Strategic Directions, which sets the expectation for each University to develop an integrated information system with the goal of maximizing administrative efficiencies, allowing for seamless student enrollment between campuses, and promoting consistent business practices across all campuses².

And, finally, this initiative supports a recommendation from MSU’s Accreditation Review by the NW Commission on Colleges and Universities, which specifically focused on the concept of achieving better articulation among the MSU campuses and taking advantage of possible efficiencies through the standardization of processes, realignment of programs, and coordination of calendars.

Initiative Components:

This initiative will consist of at least five distinct components or phases, generally reflecting the five distinct functional areas of our Banner system: Finance, Human Resources, Student Accounts, Financial Aid and Student. In each component or phase, work groups will focus on establishing a single, unified and standardized information system with all related standards, policies, procedures, data elements and calendars consistent across all campuses and agencies of MSU.

An Oversight Committee will be appointed to assume responsibility for coordinating the activities of all work groups, and for ensuring a timely completion of each phase. Numerous work groups will be assigned to various tasks related to each system component, and each campus and/or agency will be represented, in one manner or another. This work group concept is fashioned after the approach used in the successful “common course numbering” initiative that was coordinated by the OCHE.
Specific tasks that work groups will have to address include such things as: the agreement on a common set of definitions for basic data elements, such as the titles for faculty positions; or, finalization of a standard calendar of major dates, such as pay days.

**Initiative Funding:**

The requested funds of $200,000 the first year, with an additional $200,000 the second year, will be used for contracted technical services, computer hardware (servers, storage), meeting costs for work group members, compensated time for faculty members of the work groups, and training.

**Contract technical services will be for such activities as:**
1) facilitating the overall plan development;
2) providing advice in regard to designs and solutions used by peer institutions;
3) offering technical assistance with system coding; and 4) delivering all necessary training for key users. It is estimated that approximately 50% of all costs will be for contract services.

It has been suggested that perhaps funding for this initiative should come from the Regents, since it is a Regents’ strategic item. In fact, there is a small possibility that the Commissioner’s Office may be able to identify some funds for a later element of this project, at some time in the future. However, MSU has the responsibility for beginning work on this commitment, and ultimately completing it — and we are the ones who will benefit from this. So, we must initiate a good faith effort before expecting any support from others.

It has also been suggested that the cost of this initiative should be shared with all other MSU campuses, since all of us are responsible for sharing the administrative information system. However, the fact is that MSU funds all costs of maintaining this system. There is little incentive for our smaller campuses to share in the cost of this system initiative, since they do not share in any of the annual operating costs.

This comprehensive effort will be complemented by two other major efficiency initiatives: WorkFlow and Document Management. WorkFlow is an electronic notification and approval-routing tool, and Document Management is a tool that provides for electronic document storage, retrieval, management and disposal. **The cost of these initiatives ($100,000 – 175,000) will be funded with the Administration & Finance Division’s local investment monies.**

**The Return On Investment from these expenditures will be:**

This initiative will not generate any excess revenues that can be distributed across campus. The value of this investment comes from the significant efficiencies that will be gained — the amount of staff time no longer spent on unnecessary activities — and the resource capacity that will be created, that can be deployed for better purposes.

The University currently spends approximately $250-300,000 per year maintaining customized versions of the Banner software for each of our four campuses to accommodate different policies, procedures, and academic calendars. Standardizing and improving processes and information system architecture and use have been shown to result in efficiency gains as documented through the Business Process Redesign (BPR) initiatives.

A rule of thumb learned from the many cost/benefit analyses done for BPR indicate that a small process improvement (such as reporting improvement) would generate annual returns of $20 - $30K across 4 campuses, a medium size automation (electronic personnel transaction forms or web and departmental time entry) implementation would generate returns of approximately $80 - $100K across 4 campuses, and a full-scale process improvement could generate returns of up to $300K across 4 campuses.

For example, creating a standardized, automated process for invoice payments would show a 5-year return of approximately $1.25 million ($250,000/year) across all MSU campuses and agencies. Much
of these returns result from a reduction in departmental accountant/administrator time spent in processing and storing documents. While this number seems large, it translates to roughly $14.00 in savings per transaction on invoice payments (~17,000 transactions/year). These savings would be scalable to other processes.

In addition to the above described returns, there are multiple intangible benefits, which include faster issue resolution, reduced exposure to disaster due to electronic storage and backup, better regulatory/policy compliance and increased stakeholder satisfaction due to transaction speed and ease.

Footnotes:

1. Excerpt from President’s Remarks, BOR, November 19th, 2009

   Another high priority initiative involves our Banner enterprise information system that is used by all the MSU campuses and agencies. Bozeman spends $250 – 300,000 each year maintaining a customized version of the software, for each of our campuses, to accommodate differing business processes.

   Because of this, and in response to the Regents’ Information Technology Strategic Plan, MSU is committed to the Reform of the MSU Administrative Information System. This effort, to begin as soon as possible, will be a multi-year project to establish a single, unified and standardized administrative information system – with all related standards, policies, procedures and calendars – for all campuses and agencies of MSU. This will be done to significantly reduce overhead, simplify multiple enrollment and transferability for students, as well as to prevent system failure caused by the burden of unnecessary, multi-campus program modifications. This need for reform was also identified in the University accreditation review that was just completed.

   As we move forward with this initiative, we would like the Regents’ support – as well as any OTO program enhancement grants or funding that the Commissioner’s Office may be able to help us with.

2. Montana Board of Regents’ Strategic Plan, Appendix A, Information Technology Strategic Directions

   In order to meet the three primary goals outlined in the Board of Regents’ Strategic Plan, the Montana University System will strive to implement the following Information Technology Strategic Directions:

   1. Enterprise Information Systems

      Develop an integrated information system with the goal of maximizing administrative efficiencies, allowing for seamless student enrollment between campuses, and promoting consistent business practices across all institutions.

      Assumptions:

      - The MUS will continue to make incremental steps toward developing a single integrated information system.
      - Incremental steps include, but are not limited to, the following:

      o Utilizing a single instance of the administrative information software that is hosted and managed by the main campus on each side of the system (i.e. UM and MSU host a single instance of Banner for their affiliated campuses, with the potential for including the community colleges, as well as tribal colleges).
      o Allowing for multi-institutional functionality to enable (for example): enrollments from more than one campus on students’ schedules and transcripts, financial aid based on combined enrollment at more than one institution, centralized administrative services, such as, a single source for payroll generation.
      o Standardizing codes and data elements, as well as aligning business rules and practices.