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Victoria University continues digital transformation journey with Oracle Cloud ERP
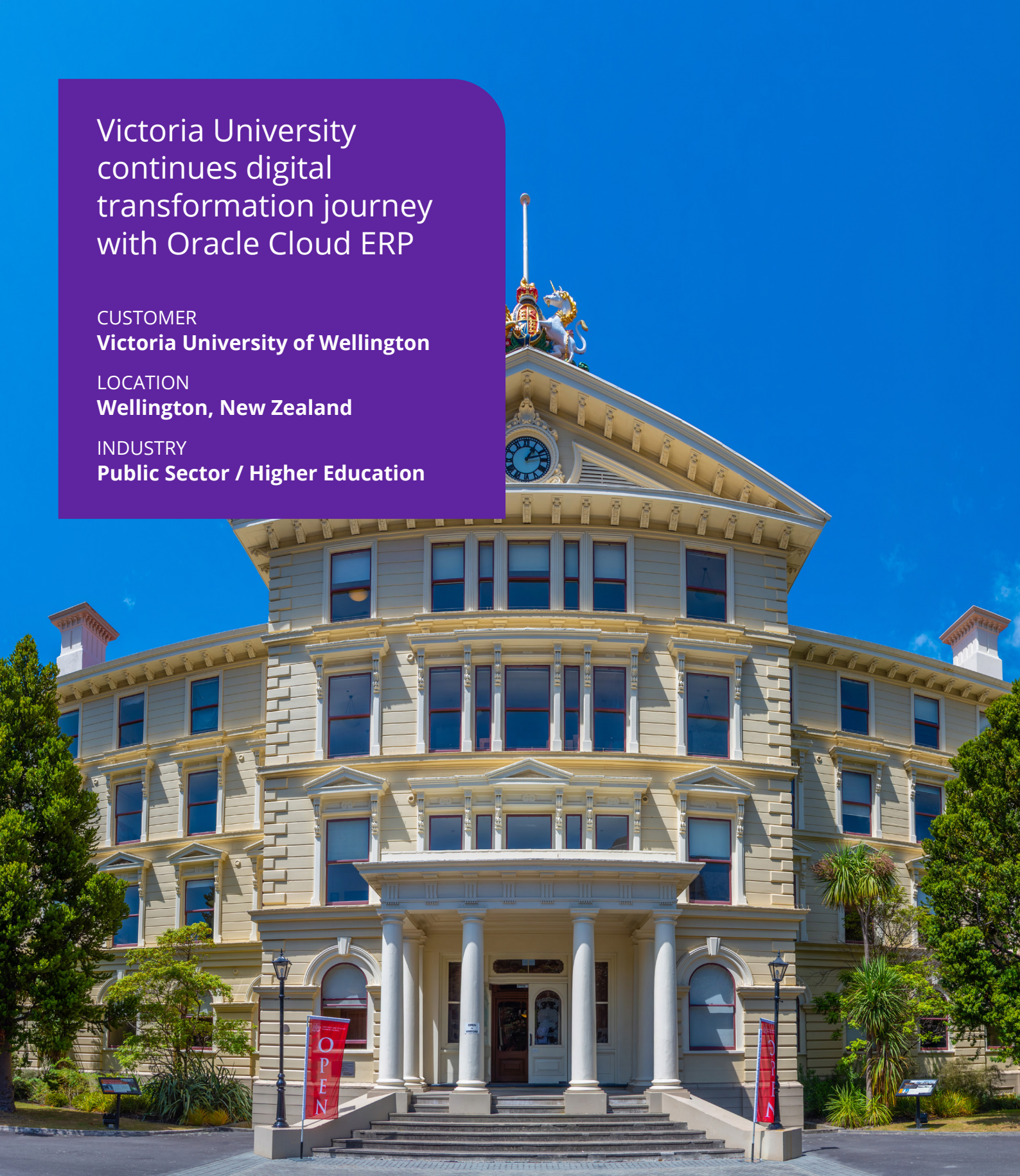
CUSTOMER
Victoria University of Wellington

LOCATION
Wellington, New Zealand

INDUSTRY
Public Sector / Higher Education

Challenge

- System modifications of the existing on-premise solution were difficult to maintain
- Critical patch updates were an ongoing pain point
- Ongoing infrastructure costs

Solution

- Oracle Cloud ERP, PPM and EPM with Standard Oracle Cloud functionality
- Oracle Transactional Business Intelligence (OTBI)
- ERP to manage core financial processes

Results

- Automation of administrative and financial practices
- Single source of truth
- Real-time insights and user-friendly dashboards
- Automated, real-time links between critical line-of-business systems
- Reduced infrastructure and support costs

Victoria University continues digital transformation journey with Oracle Cloud ERP

Founded in 1897, Victoria University of Wellington (VUoW) is one of New Zealand's oldest tertiary institutions. With more than 22,000 students, VUoW comprises three campuses and eight faculties.

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> FMIS Manager, Victoria University of Wellington

Business challenge

The genesis for moving its key business management systems to the cloud began in 2012 when VUoW went to upgrade its on-premise Oracle e-Business Enterprise Resource Planning (ERP) suite to the latest version.

That was extremely challenging," says Grant Gullery, Financial Management Information Systems (FMIS) Manager for VuoW . "We had upgraded the system many times previously, but because we had undertaken modifications and touched on so many of the system's data points, the upgrade turned into more of a reimplementation.

With Oracle's Fusion Cloud suite entering the market, a strategic plan was launched to migrate the University's core operating systems to the cloud. Having successfully partnered with DXC Technology on its Oracle Enterprise Performance Management (EPM) implementation in 2020, VUoW turned to DXC again to position the business case for the ERP implementation.

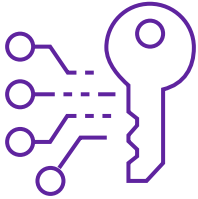By then, VUoW had been on Oracle e-Business Suite for 20 years, explains Gullery, and undertaking critical patch updates was becoming an ongoing pain point.

"Whenever we had to do a patch, it required a major outage and a significant testing period. Another big catalyst for moving to the cloud was the ongoing infrastructure costs we were experiencing."

Gullery had already outsourced the management of the University's Oracle servers to external database administrators, but the next step was to eliminate that cost altogether.

"That hardware was approaching the end of life, so it made sense to put our investment into a longer-term business model rather than sink money into new on-premise infrastructure."

Moving to a cloud ERP allowed VUoW to move from a 'manage and maintain' technology paradigm to one where they could 'consume' it. "We wanted to improve the cost-benefit equation," says Gullery. "The continued maintenance of on-premise solutions where you are only as good as the last major upgrade was a drag on efficiency. We automatically receive new features and enhancements quarterly by adopting Oracle Cloud, making uptake much easier."

Solution

Moving to a public tenancy ERP application from an on-premise solution with 20 years' worth of modifications was both an opportunity and a challenge, says Gullery. His team worked with DXC to define requirements and adapt to the new cloud-based model.

"We set out explicitly to avoid doing any code extensions to the SaaS application. That entailed unpicking some of our customisations and using the standard Oracle Cloud functionality. But we were prepared for that. It allowed us to reassess how processes are executed and standardise more of them."

Oracle Cloud ERP's inherent configuration flexibility helped manage some gaps between the two systems.

One of the business objectives that motivated the University to move from on-premise to the cloud was a desire to change how it managed core financial processes.

Gullery explains: "We want to instil a new ethos by moving away from labour intensive, manual execution of, for example, month-end financial reconciliations, to the point where our accountants can manage by exception."

VUoW enthusiastically embraced the opportunity to free up time by automating administrative and financial practices.

As part of the project, the University also implemented Oracle Procurement and Project Portfolio Management (PPM), which Gullery describes as one of the "big deltas" between what the University had before and what it moved to in the new system.

Managing research grants is an important activity, explains Gullery, as they account for a large proportion of the University's income. However, with academics continually applying for internal and external research monies, grants management is a complex area with budgets, time and costs needing to be accurately monitored.

Prior to moving to Oracle Cloud, the process VUoW used to manage grants was split between the project accounting functionality of Oracle e-Business and an extension that managed the grants application process itself.

"We provided each project leader with customised reporting so they could see a history of all their grants and summarised expenditure for each current project."

Moving to the cloud, the University decided to split off the grants application process to another system and concentrate on replicating the budget and transactional information that academics needed to track the financial progress of their research projects.

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"We had quite a few customisations in our legacy finance system to extract the reporting we needed and manage the grants application process—we didn't want to replicate that complexity in the new solution, explains Gullery. "Neither did we want to incur the cost of full user licences, which as project managers, each academic running a grant would attract."

The University brought in external business analysts to help rationalise the grants process and analyse the best way to extract transactional data from the finance system. The implementation team successfully reproduced the financial information required by the academics by leveraging Oracle Transactional Business Intelligence (OTBI). This flexible tool extracts real-time insights into transactional data and makes them easily visible through user-friendly dashboards.

"We have made significant gains in managing grants activity," says Gullery. "We have good project billing and costing capabilities plus more task-based functionality should we need it.

That, combined with splitting off the grant application process, means we are now using the finance system purely for what it is intended for. As a result, everything is less convoluted to execute."

Implementation

Gullery selected DXC for the ERP implementation based on his favourable experience using the system integrator on the University's Oracle EPM project.

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According to Gullery, the migration of existing integrations to the SaaS application was one of the highlights of the implementation. As a result, the University was able to replace manual database integrations with more automated, real-time links between critical line-of-business systems.

"Our student payment portal for accommodation and tuition fees is a good example. Before the new ERP, we had no integration other than a report from which we made a journal entry into the ERP system. Now we have miscellaneous receipts data integration fed directly into the accounts receivables. It gives us much more up-to-date data. Having a finance system is one thing, but at a university, it has to speak to many other specialist applications, such as accommodation and student administration systems."

The VUoW go-live went smoothly, and it is now beginning to reap the benefits of a system that has streamlined processes and reduced costs.

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Results and benefits

Over the last decade, VUoW has advanced its digital transformation journey significantly. With the successful completion of the latest project, it now has what Gullery calls a "holy trinity" of cloud-enabled Oracle applications. These include Oracle Cloud HCM for human resources management, EPM for planning and budgeting and now Oracle Cloud ERP.

Gullery says the results speak for themselves. The VUoW go-live went smoothly, and it is now beginning to reap the benefits of a system that has streamlined processes and reduced costs.

"While it is still early for us to leverage everything available with the new system, I can already see that our infrastructure and support costs will fall dramatically."

Gullery says the new system is also much more intuitive, with single sign-on that allows academics to quickly access the reports they need with a few simple clicks.

The institution also benefits from the fully integrated Oracle Cloud standard data model, with all financial and project information flowing from one source.

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Longer-term, Gullery believes time and labour savings will only improve.

"We will streamline more processes and learn to manage by exception as we bed in the system further. And now that we are on a continual upgrade path, it gives us opportunities to take on new functionality—without downing tools for oppressive upgrades."

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