



# Duke University

- 15,100 students – 6,500 Undergraduate, 8,600 Graduate and Professional
- 10 schools including School of Medicine
- Multi-hospital Health System
- 39,000 employees
- \$6.44 billion in annual revenue
- \$1.15 billion in sponsored research revenue
- \$9.7 billion endowment



# SAP at Duke

- SAP is a shared service for the University (DU) and the Health System (DUHS)
- Financial System (FI/CO/FM/AM/PCA) for DU & DUHS
- HR/Payroll System (HCM) for DU & DUHS
- Procurement & Supply Chain (MM/INV/SRM) for DU & DUHS
- Post-Award Sponsored Research (PS) for DU
- Fund Raising (CRM/FRM) for DU and DUHS
- BW for DU



# SAP History at Duke

- 1999: SAP Financials and Procurement live for DU & DUHS
- 2002: SAP Payroll live for DU & DUHS
- 2003: Implemented SAP BW
- 2006: Implemented SAP ESS/MSS
- 2011: SAP Supplier Relationship Management for DU Research buying
- 2012: SAP CRM live for Fund Raising
- 2017: Migrated SAP from Oracle to Hana database



# Future of Duke and SAP

- Duke is committed to migrating our current SAP footprint to SAP's modern solutions (on-prem and cloud)
- Investigated three options:
  - **Migrate to SAP's modern solutions by 2025**
  - Replace SAP with another ERP system
  - Stay with SAP beyond 2025 but not modernize – make SAP a custom solution



# S/4 Planning Effort

- Appointed Steering Committee in Sept. 2017
- 13 working groups - review S/4 capabilities & opportunities for business process improvements
  - Financial Master Data & Structure
  - Payments & Banking
  - Custom Financial Systems
  - Inventory
  - Core HR/Payroll
  - Sponsored Research
  - Data Warehouse/Analytics
  - Travel & Allocations
  - Accounts Payable
  - Procurement
  - Talent Management
  - Fund Raising
  - Training/Change Mgt



# SAP Planning Support

- Grants Management Overview
- S/4 Financial Overview
- SuccessFactors Roadmap Overview/Demo
- SRM Roadmap Discussion
- SuccessFactors Employee Central Demo
- S/4 Planning & Analytics Demo
- S/4 Cash Management Demo
- Concur Demo
- SAP Analytics Cloud Demo



# Consulting Support

- LSI – review of S/4 implementation options and discussion of S/4 Finance and BW/4 Hana
- Epi-Use – review of our S/4 implementation estimates and lessons learned from Purdue



# Key Assumptions

- CRM/FRM future plans excluded from S/4 plan
- Duke will host SAP on-premise in all cases possible
- Preserve custom SAP applications
- S/4 cannot be phased organizationally
- Migrate SAP finance to New G/L before S/4
- S/4 Financial implementation decisions determined during New G/L migration phase





# SAP Custom Modules

- 40 custom modules developed with SAP tools
- Financial – **Endowment Management**, Security Administration, Contract Labor, Escheating
- HR/Payroll – **Faculty Appoint/Promotion/Tenure**, DUHS Labor Mgt, Employee Tuition Assistance
- Spon Research – **Closeout Mgt**, Projection tools, Subrecipient Mgt, Letter of Credit Support
- Procurement – **A/P Check Request**, Pyxis Support, Norikkon – A/P Management



# Implementation Approach

- System Conversion (brownfield)
- Significant debate on Big Bang vs. Phased implementation approach
- Investigated three options:
  1. Big Bang
  2. All to On Premise
  3. Early Cloud



# Option 1 - Big Bang

Bring all components of SAP landscape into modern solution at the same time

	2018	2019				2020				2021				2022				2023				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Phase I - New GL																						
Phase II - Big Bang																						
S/4 Finance																						
S/4 Procurement																						
HCM to SuccessFactors																						
Travel to Concur																						
BW/4 Hana																						
SBP Cloud																						



# Option 2 - All to On Prem

Migrate all SAP components to the S/4 on-prem system at one time – including components that will eventually go to the cloud

	2018	2019				2020				2021				2022				2023				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Phase I - New GL</b>																						
<b>Phase II - All to On Prem</b>																						
S/4 Finance																						
S/4 Procurement																						
HCM to S/4 Compatability																						
Travel to S/4 Compatability																						
BW/4 Hana																						
SBP Cloud																						
<b>Phase III - Move to Cloud</b>																						
SuccessFactors - Core																						
SuccessFactors - Payroll																						
Implement Concur																						

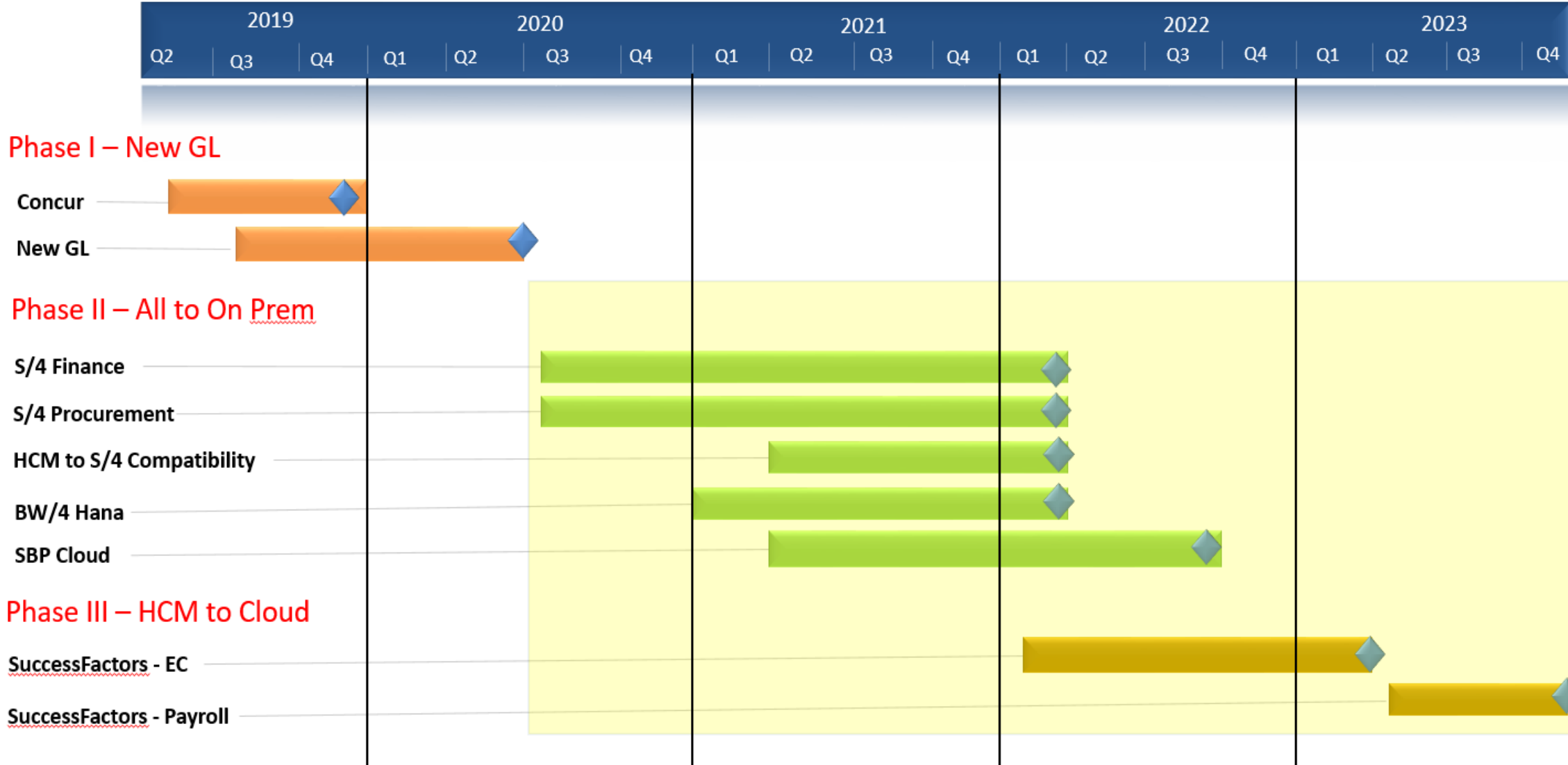


# Option 3 – Early Cloud

Same as Option 2 with Concur implemented early

	2018	2019				2020				2021				2022				2023				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Phase I - New GL</b>																						
Implement Concur					◆																	
New GL							◆															
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SBP Cloud																						
<b>Phase III - Move to Cloud</b>																						
SuccessFactors - Core																						
SuccessFactors - Payroll																						

# Final Decision – Option 3





# Challenges/Issues

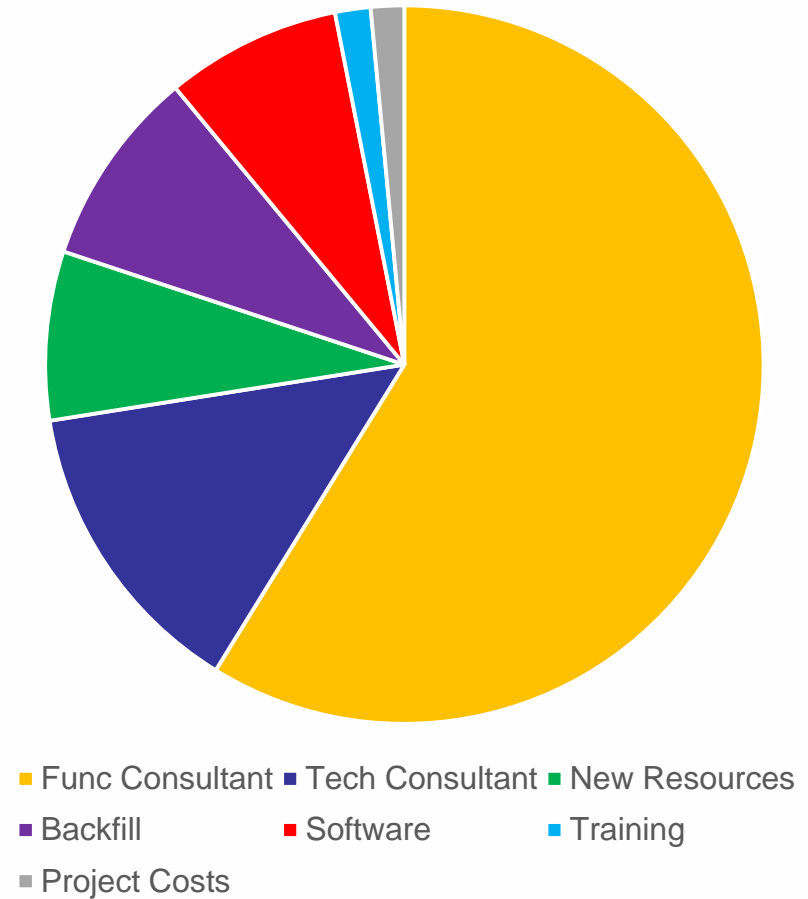
- How much data do we convert?
- Company code consolidation
- University master data/reporting structure – keep sight intelligence?
- SRM going away – loss of functionality
- Org structure in S/4 and relationship to SF
- SF Manager's Self Service maturity
- Project staffing and planning for future staffing



# Cost Estimates

- 10 new employees in ASM & OIT
- 60-70% of ASM/OIT time to S/4
- No new ECC projects after 2019
- No full-time Functional resources on project; but some backfill required

S/4 Project Budget







# What's Next?

- **S/4 Migration Approved by Senior Leadership and Funded – December 2018**
- Start a Concur implementation in March 2019 – target go live in Fall 2019 (phased)
- Prepare for New G/L and S/4 Financial Planning project to start in summer 2019
- RFI for Implementation Partner – February 2019
- Prepare for full project launch in the summer of 2020



# Questions