

Workday ERP/SIS Selection Process: Questions & Answers

1. What is an ERP/SIS?

An enterprise resource planning (ERP) system is business management software, usually a suite of integrated applications, that a company can use to collect, store, manage, and interpret data from many business activities. ERP's provide an integrated view of core business processes and are used to track business resources such as cash, assets, and personnel, as well as the status of business commitments such as orders, purchase orders, and payroll. In Higher Education, a student information system (SIS) incorporates standard ERP functionality with the additional specialized tools necessary for managing a university. SIS's provide capabilities for essential functions, such as building student schedules, recording student grades, generating student bills, entering student assessment data, and managing data for many other student-related activities of a university.

2. Why did we evaluate other SIS systems?

PLNU's current system, Jenzabar CX, is being replaced by a new project. As a result, in a few years Jenzabar will no longer provide any enhancements or changes for this system. Thus even if PLNU were to continue to use Jenzabar as its SIS vendor, we would need to switch to their new system, Jenzabar JX. Jenzabar is making such fundamental changes in its software, workflow and business processes, that a transition to Jenzabar JX would be equivalent to moving to a completely different SIS. Since most organizations only change their SIS once every 20-30 years, the time was right to evaluate a number of SIS vendors to determine the best long-term partner for PLNU's future.

3. What if we didn't change systems?

We could continue running Jenzabar CX for some time. However, since Jenzabar is building JX as a replacement to CX, they have begun slowing development on the CX product. Once JX is fully mature, CX will only receive minor enhancements and regulatory changes rather than ongoing product enhancements. CX is not currently meeting PLNU's need for easy access to real-time data for decision making, it is having difficulty adapting to new programs being introduced from Extended Learning, and it does not function well with mobile devices (smart phones, iPads, etc.). With PLNU's new initiatives in Extended Learning it is imperative that we use a student information system (SIS) that continues to be developed to meet our changing needs.

4. What was the process for determining the systems to be reviewed?

Point Loma's Information Technology (IT) department did an initial high-level comparison of the major SIS products. For schools our size, there are only 6-7 competitive systems that are appropriate. Further research narrowed the field down to three systems for consideration. These are:

- Jenzabar JX, which is the new product from PLNU's current SIS vendor;
- Ellucian Colleague (previously Datatel), which has the largest market share for schools Point Loma's size; and

- Workday, which has a significantly different software model from any other system in the market. Workday is developing an innovative, cloud-based SIS with a strong emphasis on mobile technology and real time data-analytics.

5. What were the important considerations in reviewing the systems?

There have been several challenges with our existing SIS, Jenzabar CX. Several key areas of concern include: the inability to access real-time data for decision making, the inability of the system to meet the needs of Extended Learning (different class schedules and billing methods), the need to customize the software to obtain the functionality that is essential (requiring heavy personnel resources), completely inadequate or missing functionality that has caused us to purchase software from other companies (e.g. software for admissions, housing, fundraising, financial aid) and lack of an extensive mobile interface. PLNU's review criteria can be summed up with two general questions:

- Does the SIS meet our existing needs with their standard software (i.e., not needing to be customized)?
- Does it appear that the SIS vendor has products that will address PLNU's needs in the future as we grow and establish new programs?

6. How were the candidate systems reviewed?

For the past two years, Point Loma's IT office has been reviewing and evaluating the major SIS systems at trade shows, talking to peer institutions, and communicating with the sales teams from various companies. In February of 2014, PLNU's Cabinet made a formal decision to evaluate alternative SIS options. In April, Jenzabar completed a thorough evaluation of our use of their system, including an assessment of what steps would be required to move to their new system Jenzabar JX. Ellucian and Workday each spent several days interviewing campus leaders to learn about PLNU's business processes and assess our student information system needs. In October of 2014, each of the three vendors came to PLNU for a two-day demonstration of their SIS. Each administrative and academic office had representatives at the demonstrations. Feedback was solicited from all participants and in late October a large group of academic and administrative leaders met with the Cabinet to discuss the benefits and drawbacks of each candidate system. The result of this session was to narrow the list of potential products from three to two. Those two systems were Workday and Ellucian.

A great amount of effort went in to following up with these two vendors, their current customers, previous customers, and software implementation partners (the people who install the software). The results of this investigation were reviewed by the Cabinet and a smaller group of administrative and academic leaders. Several of the critical criteria for the final review of Ellucian and Workday were: the ability to produce dashboard reports; the functionality of a self-service portal; the availability of tools for academic planning, predictive modeling and measuring student success; the functionality of financial tools that would allow for viewing expense and income information from a number of different perspectives; a robust mobile interface; and a seamless flow of data between offices to reduce the amount of paper and extra spreadsheets that are an essential part of our current business processes.

7. Why was Workday selected to be our new ERP/SIS?

After extensive product demonstrations, customer feedback, and follow-up with Workday leadership and product managers, it was clear that Workday stood apart from both Jenzabar and Ellucian in several ways:

- Workday excels above their competitors because they make use of current technology that provides:
 - Data structure improvements that allow for extensive analysis of the information gathered by the system;
 - “Mobile-first” interface design which is key for meeting the PLNU Mobile portion of PLNU Vision 2025. Our incoming students expect access to university systems from smartphones and tablets; and
 - Cloud-based technology which means that the system is not hosted on PLNU computers; this brings new efficiencies and personnel savings within PLNU’s IT department.
- Workday has a robust analytical and reporting platform which will make data instantly accessible to academic and administrative leaders.
- Workday provides a unified system that addresses the majority of our business needs and thus will allow us to simplify our business processes and unify our data so that it is in a single location. These efficiencies would allow for the reduction or repurposing of some staff.
- Workday has the flexibility to meet the needs of non-traditional academic programs such as those being developed through PLNU’s Extended Learning office.

Many of these attributes mirror those of the new Learning Management System (LMS), Instructure Canvas, which was selected a year and a half ago to replace Blackboard Learn. The LMS change moved PLNU from having an on-premise server solution to a mobile-friendly cloud-based system that gives students instant access to course content. The transition to Canvas was extremely smooth and the improvements in the system have been widely embraced across the university community.

Based on the extensive post-demonstration follow-up with SIS vendors and additional research done by several PLNU offices, a small advisory group of administrative and academic leadership indicated to the Cabinet that Workday appeared to be the only SIS option that will meet our current and future needs. The Cabinet approved moving forward with price and contractual negotiations with Workday and its implementation partner, Meteorix.

8. How secure is Point Loma’s data in the Workday’s cloud?

Workday offers a cloud software environment where security, encryption, and archiving are maintained and managed by their highly trained and focused security teams. Because Workday has staffing to maintain and update the software, including its security, this situation creates an economy of scale where customers like Point Loma can support larger computer infrastructure and resources than could otherwise be afforded with only on-premise systems. Workday has several protective measures in place to ensure both physical and data security:

- Physical Security
 - Multiple layers of card access require to get to server areas
 - Critical areas require biometric authentication
 - Camera surveillance at all internal and external entry points
 - On site security personnel
 - Unauthorized access attempts are logged and monitored

- Data Security
 - ISO 27001:2005 Certification – International standards assessing security risks, designing and implementing comprehensive security controls
 - Safe Harbor Framework Self-Certification – The European Union has strict standards on data access of individual’s personal information. Safe Harbor certification demonstrates that Workday provides adequate privacy protection based on the European Commission’s Directive on Data Protection, which is more restrictive than US privacy protection laws.
 - External Audits – Workday publishes annual reports for Service Organization Controls 1 (SOC 1) and Service Organization Controls 2 (SOC 2) performed by one of the “Big Four” auditing firms. These audits are a series of accounting standards that measure the control of financial information for a service organization. The SOC 1 covers control objectives relevant to customers’ internal control over financial reporting, whereas the SOC 2 addresses the specific set of Criteria defined for the selected Trust Services Principles. The audits are conducted every six months by an independent third-party auditor and made available to customers.
 - Customers can select to put into place two-factor authentication for all or portions of Workday that contain more sensitive data. When two-factor authentication is required, the person accessing the data is required to have both a valid username and password with permissions to the data and a physical security token that regenerates a new random number every 30 seconds before accessing the requested location.
 - Workday encrypts data as it is transmitted (in transit) from client to Workday with industry-standard SSL and TLS encryption. Additionally, data is encrypted when it is stored on their servers (at rest) with 256-bit AES encryption. Every single element of customer data is encrypted (as opposed to just limited data types such as SSN) with a customer-unique encryption key before it is stored.
 - Complete audit trail of changes made to all application data and configurations within a company’s tenant.

While Point Loma’s IT department employs several of these security measures for on-premise systems, it is impossible to do so with the same rigor as Workday due to limited resources.

9. What happens if there is a data breach?

Data breaches can take a multitude of forms. Hacking, malware and physical attacks are still the most common; incidents of cyber theft can vary, from hackers stealing customer or employee email addresses and passwords, to cybercriminals accessing company financials. Even with best of breed security measures in place, cyber criminals continue to bypass some of the most sophisticated security systems.

In the event of a data breach, Workday is obligated to conduct forensics that will help preserve evidence and information relating the unauthorized disclosure, and help to determine the root cause of the unauthorized disclosure. As soon as reasonably practicable after any such unauthorized disclosure, Point Loma and Workday will consult in good faith regarding the root cause analysis and any remediation efforts.

If Workday believes that there has been a disclosure of Point Loma's data to anyone other than an authorized party, Workday must promptly notify Point Loma. If it is determined that Workday's negligence is the cause of the data breach, they will be responsible for reimbursing Point Loma with any applicable notification, credit monitoring fees, as well as any associated administrative costs and outside legal fees. If Point Loma's negligence led to a data breach, we do carry cyber liability insurance that will cover any applicable notification, credit monitoring, and outside legal fees.

10. How long has Workday been established?

Workday was established in 2005, with its first products released the following year. For the first several years their focus was on creating a world-class Human Resources and Finance ERP product. Workday has over 850 customers; several major corporations use Workday's ERP (AAA, Bank of America, HP, Toyota, Google, Avon, Trip Advisor, Visa, and CareFusion). In October 2013 Workday announced their entry into the SIS market to meet the needs of Higher Education enterprise applications. Portions of this product have been released and development will continue throughout 2015 and 2016.

11. Why is Point Loma working with a young company whose SIS is still in development?

Based on extensive discussions with Workday leadership, product managers, and current customers we believe that Workday is developing a product that can significantly enhance the way PLNU does business. This is clearly true in the products they have already released in Human Resources and Finance. Additionally, in student products that Workday has released, and in the detailed development plans for new components of the SIS, it is evident that the system will be a significant improvement over the product we have today (Jenzabar CX). However, if Workday fails to deliver an on-time product or one that does not meet our expectations, the contract is structured in such a way that our only commitment is to the Human Resource and Finance products for the duration of the contract (5 years) and we have the option in two years to either proceed with adding the student functionality to the system (what makes it an SIS rather than an ERP) or to not proceed. If we do not proceed, there is no financial penalty. As with any software product, future annual subscription fees increase year over year, so it is important to have lower rates established now in order for future years to benefit from the lower initial base rate. These rates have already been negotiated due to being an early adopter of the SIS and participating in Workday's Strategic Influencer program.

In the course of the next few years Point Loma will participate in a Workday Strategic Influencer program which allows us to have direct influence on their product development for the SIS system. There are already 10 institutions in their intensive advisory group and an additional 10-12 institutions joining the less-intensive Strategic Influencer program to help provide Workday with perspectives from a wide variety of institution types. We believe that having this level of influence in the product design means that Workday will produce a system that will meet our needs more effectively than any other option.

12. What other Higher Education customers does Workday have?

Workday already has 40 Higher Education customers on their Human Resource and Finance products. Since they do not currently have a complete SIS solution, this is an impressive number of institutions that have already committed to their product. In the past year Workday had eight higher educational institutions agree to become Design Partners. These institutions have committed a significant amount of time to advising Workday about their product development plans and their input has been the basis for a number of the new features in Workday's software. The eight Design Partner institutions are: Stevens Institute of Technology, Yale University, University of Rochester, Southern New Hampshire University, New York University Shanghai, Tallahassee Community College, Barry University, and Broward Community College. The wide variety of institutions types represented by these eight schools helps ensure that the product will be able to meet the existing needs of all institution types and also the needs as the higher education market changes (note that Southern New Hampshire university is a "cutting edge" institution experimenting with competency-based degrees and a variety of online programs).

PLNU has become a Strategic Influencer partner of Workday. This means that PLNU will provide input into the development of the student services part of the product without being a “beta tester” of the product. Our input will help to assure that the final system is well suited to addressing PLNU’s specific circumstances and needs. Other Strategic Influencers include: The Claremont Colleges (7 Schools), Florida Atlantic University, Suffolk University, Simmons College, Indian River College, South Orange County Community College and California College of the Arts.

13. How long will the transition to Workday take?

Implementation for Human Resource and Finance (ERP functionality) would begin in February, 2015 and be complete in July, 2016. The implementation of the SIS functionality would begin in late 2016 and likely last 1.5-2 years.

14. How will we assure that the transition goes as smoothly as possible?

The transition to Workday will be a complex campus-wide project. Two project managers from PLNU (Corey Fling and Maria Zack) have been assigned to the project and they will be joined by two project managers from the implementation partner, Meteorix, and one project manager from Workday. Administrative leadership will participate in weekly meetings to review project timelines. Individual contributors in all affected departments will be heavily involved in the planning and implementation of Workday. In addition, the process will require the full-time attention of one leader from PLNU’s Human Resource Office and one leader from PLNU’s financial staff. The budget for this project takes into account the need to backfill staff work during the implementation process.

In addition, key staff will participate in training and there will be ongoing staff access to online training. Workday will assist PLNU with developing a university-wide communication strategy so that all employees and students are familiar with the transition process and its major milestones.

15. How did we assure that we received the best pricing available on the product?

Because purchasing a SIS is not something that the University does regularly, PLNU has hired The Tambellini Group (TTG) to provide guidance and assistance with the contract negotiations with both Workday and their implementation partner, Meteorix. These negotiations were led by Vicki Tambellini, who has 30 years of experience working in the ERP industry. Ms. Tambellini spent a significant amount of time devoted to negotiating both price reductions and contractual terms for PLNU. The value of the reductions in the contract pricing was approximately ten times what we paid TTG for their services.

16. Did we have a legal review of the contracts?

Part of our contract with The Tambellini Group included legal services from Leslie Spasser, J.D., who has 24 years of experience in handling intellectual property-related transactions. Contracts from Workday and Meteorix were reviewed by PLNU, TTG, and Leslie Spasser to ensure that the contract terms best protected PLNU’s interest. Ms. Spasser did a significant amount of negotiation with both Workday and Meteorix to obtain more favorable contractual terms for PLNU.