



Software Performance Systems, Inc.

CASE STUDY

# Smithsonian Institution - ERP Financials Implementation

## Situation

Smithsonian Institution's financial systems and applications were unable to meet the needs of users distributed throughout the Institution or those of the Office of Comptroller (OC). Museum staff was unable to work solely within the existing system or rely upon data generated in the various reports. To facilitate functional operations, staff utilized a system of cuff records and manual reconciliations. OC staff relied on a variety of manual manipulations in conjunction with ad hoc processes to produce the necessary reports and information needed by both internal and external (e.g., auditors, Treasury, and OMB) customers. Not all information requested was available, and extensive amounts of time were expended throughout the Institution to reconcile cuff and official systems. In addition, common business practices, such as closing open purchase orders for which final payment had been made, authorizing payments, and moving funds between accounts, were problematic due to the current system limitations.

Furthermore, the absence of real-time information about financial activities limited the ability of the Smithsonian to develop a

complete picture to support sound business decisions. Its primary financial system, the Smithsonian Financial System (SFS), was based on a technologically obsolete, commercial financial management software product that could no longer be supported by its vendor. Costly and difficult to maintain, SFS could not take advantage of advances in technology or be adapted to serve the needs of Institutional Units.

## SPS – Problem Solved.

In June 2001, SPS won a competitive contract with the Smithsonian Institution to perform a comprehensive and full implementation of the PeopleSoft V7.5 General Ledger (GL), Purchasing (PO), and Accounts Payable (AP) modules.

## Methodology

The implementation team provided a complete configuration of the hardware architecture, database environments, and application fit-gap analysis as required for PeopleSoft V7.5. In April 2002, when PeopleSoft released V8.4, the SPS team shifted its development effort to incorporate the enhanced capabilities of the web-based architecture of V8.4.

### Processes and Tools:

A major key to ERP implementation success is conducting effective and well-prepared fit/gap sessions. Our preferred project life cycle tool is the Rational Tool Suite, an IBM product. As an IBM partner, we successfully use Rational tools for business modeling, requirements management, configuration management, and defect tracking and reporting on the majority of our projects. In particular, Rational tools we used for the Smithsonian ERP project included ReqPro for

## CASE FACTS

### Sector

Federal Government

### Organization

Smithsonian Institution

### Customer Profile

14 museums and research facilities. Receives funding from both federal and trust sources.

### Business Challenge

Existing core financial management system was outdated. Data entry was manually intensive and prone to errors leading to difficult reconciliation efforts.

### Solution

Implemented an effective ERP core financial management solution, which allowed reengineering of business processes, elimination of cuff systems, and development of accurate, user-friendly reports.

### Client Benefits

Increased efficiency of operations create organizational synergies; Improved accuracy, reliability, and timeliness; Increased internal controls for maintaining system and data integrity; and Enhanced organizational communications.



requirements management, ClearCase for configuration management, and ClearQuest for defect tracking and reporting.

The SPS implementation team successfully performed the planning, development, training, and testing to complete the migration to V8.4 in time to meet the scheduled deployment of the GL, PO, and AP modules in October 2002. Only through customer and SPS staff dedication and the inherent teamwork therein was it possible for this success to be realized.

## Lessons Learned

Many risks were encountered during the implementation, such as the amount and type of data to be converted and which "cuff" interfaces were no longer required, but the primary risk encountered with the SI ERP project was the ERP application itself. Within the ERP world, application baselines are dynamic in nature because of the continual balancing act between maintaining a homogeneous customer support profile and providing customers with the latest bug fixes.

For the SI, the original PeopleSoft baseline was V7.5 - a client/server architecture. From the start of the project, SPS maintained close ties to the progress of the new V8.4 Internet architecture. When the new V8.4 baseline was formally released, ten months after project start and 6 months before "go live", the major risk was realized. Following changes to the

environment and configuration of the new software baseline, new fit/gap analyses were completed, project schedules were fast-tracked, and customizations were further minimized. Only through these proactive steps and continued teamwork was the project able to circumvent the impact of this risk.

## Results

The initial deployment's success, under a severely compressed schedule, was validated by an "unqualified" audit opinion to SI for its FY03 accounting year, the first audit opinion issued under the new system. Following up on the success of Phase I, the SPS team is scheduled to implement additional financial modules (Asset Management, Accounts Receivable, Projects, Billing, Inventory, Budget, and Grants/Contracts) throughout FY05 and FY 06.

***"The competence and maturity displayed by the SPS team of technical experts and financial business analysts were critical to the successful implementation and user acceptance of the PeopleSoft Financials ERP project."***

*—Deron Burba, Director, Office of System Modernization, Smithsonian Institution*



## ABOUT SPS

Software Performance Systems, Inc. (SPS), a small business based in Maryland, is a privately held information technology services provider. Established in 1995, SPS specializes in the design and integration of large Web-based solutions for State and Local Governments and commercial clients. SPS has been honored with many national awards, including: #10 ranking in the Computerworld Top 100 Best Places to Work in IT, Deloitte's Virginia Technology Fast 50 and North America Technology Fast 500, and as a SBA Exporter of the Year. More importantly, SPS solutions helped our clients win prestigious awards, including the Grace Hopper Federal Government Technology Leadership Award, the E-Gov Pioneer Award, the Excellence.gov Grand Prize Award, and the Government IT Agency Award for Excellence in Government. **SPS. . .proven over time.**

## CONTACT INFORMATION



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