

Case #1: Business Services and Human Resources Systems The Madison Metropolitan School District (WI)

In 2003, the Madison Metropolitan School District (MMSD) solicited bids to conduct a business process review, develop technical and functional specifications, prepare a business case, create an RFP, and provide assistance with vendor selection and contract negotiations. Davidson Services was selected as the most qualified, cost-effective vendor to provide these services, based on their experience working with school districts; extensive understanding of operations and processes; and their knowledge of financial and human resource application software vendors.

Work started with a team of five people interviewing personnel in critical processing areas for the district's financial, human resources, and payroll systems. Based on the interviews, observations of key processes, and a review of existing forms, Davidson Services documented each of the main business processes. The information collected during the business process review was used to itemize critical software requirements for a new Business Services and Human Resources System. It was also used

"Davidson Services helped reduce software and implementation costs by over \$500,000, and then reduced hardware costs by another \$150,000" to identify areas for short and long term process improvement. Enhancements were prioritized based on their impact on reducing FTE headcount and their ability to provide improved services to the end users of the district.

Next, the Davidson Services team developed an initial budget which projected major implementation costs including hardware, software, project management, installation, training, maintenance and conversion over a 5-year planning horizon. Using savings identified during the process review phase for business process improvements and reductions in full-time equivalent head counts, a business case was developed that justified the installation of a new system within a 7-year time frame.

A formal RFP was developed using MMSD's standard RFP template and incorporating requirements identified

through the process review. Davidson Services managed the proposal evaluation process, answered questions, assisted in the initial review of vendor proposals, managed the vendor demonstration process and reported on the final scoring results from the district's evaluation team. The district then selected a winning vendor and Davidson Services assisted in vendor negotiations.



MMSD was able to achieve their overall project objectives and realized a number of benefits by having Davidson Services as a partner during this evaluation, selection and negotiation process. Benefits realized were:

- Incorporating changes into the base software agreement that supported the State of Wisconsin General Ledger account code format.
- Reducing software and implementation services cost by over \$500,000 through detail line item cost reviews, comparison with other vendor rates, and tailoring services to match the needs of MMSD.
- Eliminating software modules recommended by the vendor that duplicated functionality provided in other solutions being purchased and/or currently owned by the district.
- Reducing hardware costs \$150,000 by including specifications for web-only software as part of the software requirements.