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Open Source, Community Developed

**Enterprise Resource Planning Software
for Higher Education**

Jennifer Foutty

Executive Director,

Kuali Foundation

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Agenda

- Why Kuali?

- Kuali Project Update

- "Marketecture of Community"

- Q&A

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Putting Their Money Where Their Mission Is
Indiana University

IU saves $20 million with Kuali open source financial system

Our Kuali savings more than covered these investments in our core mission:

- Major expansion of our **Supercomputing systems**

- **Massive storage** systems

- **Most advanced** undergraduate collaborative learning theater ever

Putting Their Money Where Their Mission Is
University of Maryland

"Our costs for KFS are about $4M. If we chose vended software, we're talking about 4-5 times more cost."

Our Kuali savings more than covered these investments in our core mission:

- **A campus-bridging supercomputer** and funding for its next 3 upgrades

- Buying a building in the **tech park** to establish CyberCenterMaryland

- Established and staffed for 5 years an **improved Center for Teaching Excellence**

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Who We Are

The Kuali Foundation provides an efficient way to pool investments and achieve sustainable software at a total cost of ownership that is **superior to all other options**.

- More than 70 education-focused organizations collaborating to build software that solves the challenges of higher ed ERP.

- Member organizations invest money, resources, and development towards 8 software products/services.

- This collaboration is delivering a full suite that meets the specific needs of ERP for higher ed institutions.

Kuali Foundation At A Glance

- $25M organization
- $100M+ invested in product dev
- 8 software systems
- 70+ member institutions
- 50+ implementations
- 10 commercial affiliates

What We Do

Kuali ERP Suite for Higher Ed, by Higher Ed
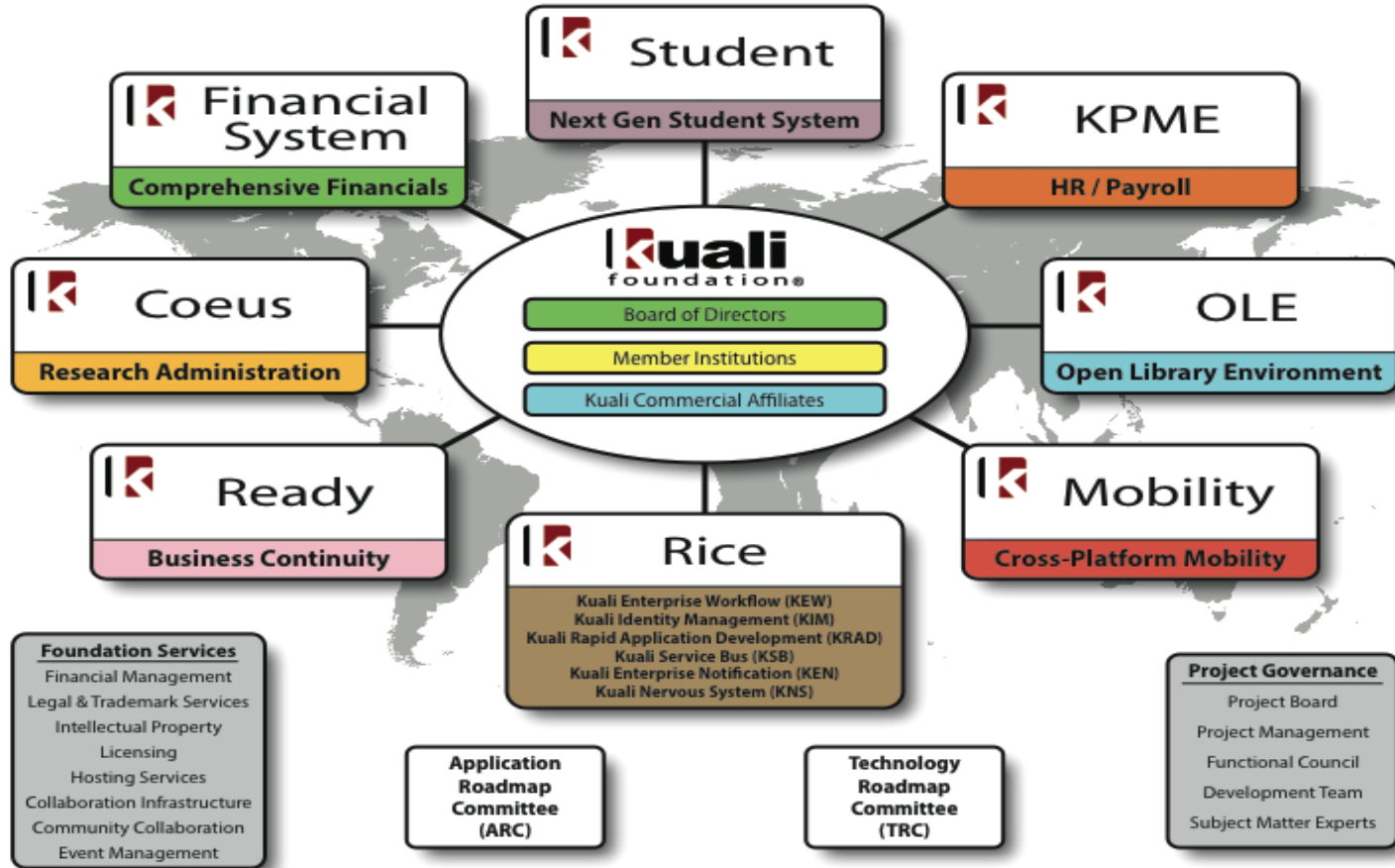
Why You Should Care

We're saving colleges and universities millions of dollars that they're putting back into their core missions.

THE BENEFITS TO YOU.

✓ **Save millions** with low acquisition, implementation, maintenance, and upgrade costs.

✓ **Customize less. Deploy faster. Adopt easier** with software that's built just for you, not banking or manufacturing.

✓ **Reduce risk and improve success** with software that cannot be taken away, closed down, or discontinued.

Affordable Now and In the Future

Typical Costs:	Traditional, Vended Software	Kuali Open-Source, Community Built Software
Software Acquisition: Licensing, hardware, databases…	$$$ Expensive software licensing fees.	$ Open source = no licensing fees.
Implementation: Customization, deployment, training…	$$$ Requires a lot of customization and training.	$ Already works for your institution and is intuitive for higher ed.
Maintenance and Upgrades: Upgrades, support…	$$$ Expensive and disruptive.	$ Free upgrades. Minimal disruption. Choice.

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Together We Build Something Better

- **Higher Ed Best Practices Built-In**
  - **Immediate Alignment to Your Needs**: Optimal best practices and business processes from 50+ universities, large and small, embedded in Kuali
  - **Customize Less**: It's developed for higher ed, not banking or manufacturing.

- **Built by Higher Ed, for Higher Ed**
  - **Deploy Faster**: It already works for you because it's been built for you, so deployment is faster.
  - **Adopt Easier**: It's made for you and addresses all of the uniqueness that is higher ed. You'll find it's quite intuitive, and so will your users.

You're In Control

- **Kuali software cannot be taken away, closed down, or discontinued as a product line**
  - Reduce risk and improve success

- **Product destiny is in your hands and the hands of your peers**
  - You and your peers control product development and the roadmap / future

- **Community collaboration reduces recurring costs**
  - Free information sharing among institutions for data models, implementation templates, reporting structures, and training materials

- Development is amortized across contributors.

- Open standards reduce vendor lock-in.

- Licenses give free access to the code.

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Proven and In Production
A Growing Community of Universities, Large and Small

Options for Rich Support

Kuali Commercial Affiliates (KCAs) provide:

- **Services**
  - Planning
  - Implementation
  - Cloud Delivery
- **Support**

Engagement with Kuali

Member

Partner

Adopter
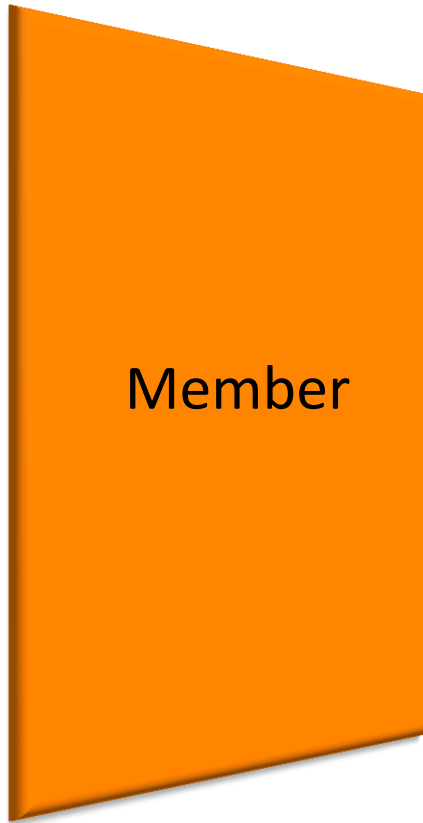
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Why become a Foundation Member?

- Support community source as an option
- Ensure control of our own destiny
- Guidance to the overall Kuali community
- Suggest/choose new projects
- Participate in our events, including Kuali Days
- Network with like-minded institutions

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Why become a Project Partner?

- Participate on the Board and Functional Council, which provides direct influence on the direction and priorities of the system
- Assign you own developers to the team, which results in many benefits:
  - Networking with others
  - Learning the software, both technically and functionally
  - Buying down implementation and training costs back home
  - Participating in best practices
  - Increasing professional development
- Get pre-releases of the software
- Receive support from the community
- Participate in additional collaboration activities which provide intensive discussions, both technical and functional

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Adopter

- Download the software

- Can communicate with the community through collaboration lists

- May or may not use a Commercial Affiliate for support, either during implementation or ongoing

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How to become an Adopter?

- Go to www.kuali.org

- Download the software and documentation
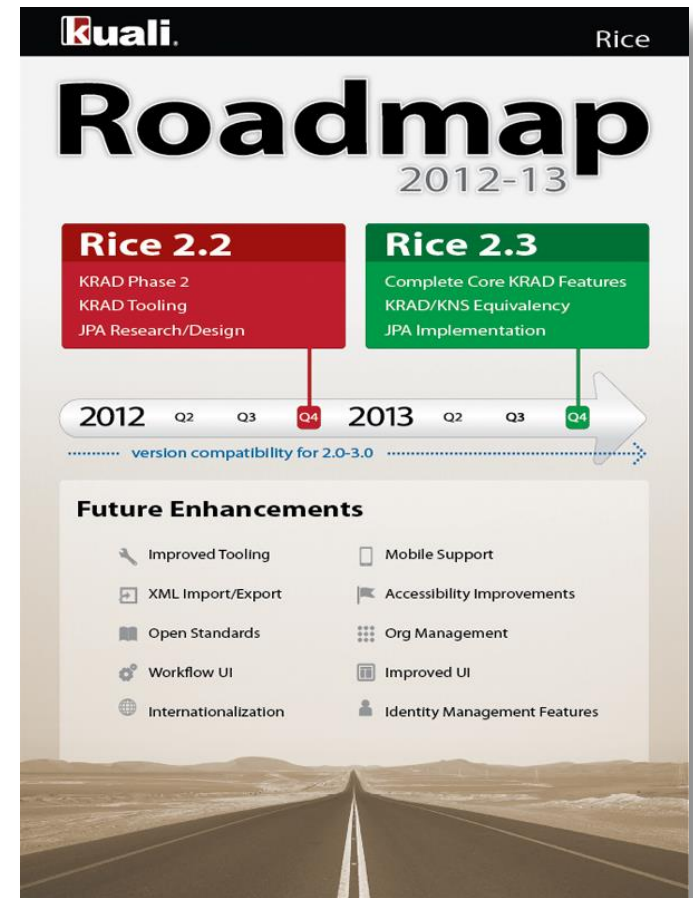
- Engage a Commercial Affiliate if needed

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Update on Kuali Projects
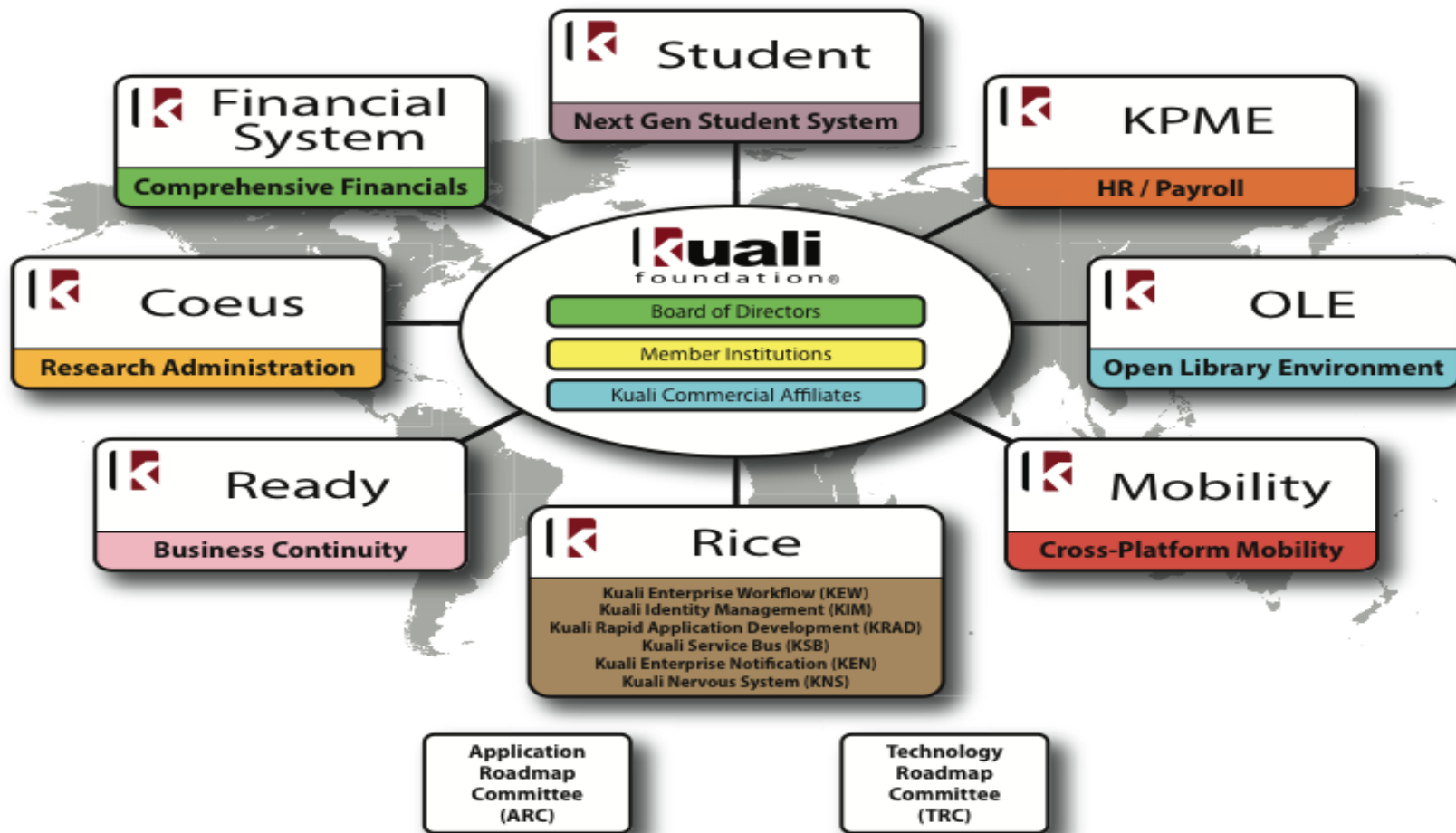
Kuali Rice

Modules

- Enterprise Notification
- Enterprise Workflow
- Enterprise Identity Management
- Enterprise Nervous System
- Rapid Application Development
- Rules Management System
- Service Bus

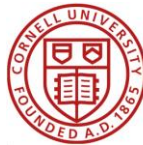# Kuali Rice Implementations

Kuali Financial System (KFS)

Modules
- Account Receivable
- Budget Construction
- Capital Assets
- Chart of Accounts
- Contracts & Grants
- Effort Certification
- Endowment Management
- General Ledger
- Labor Ledger
- Purchasing/Accounts Payable

kuali KFS

Roadmap

Release 5.0.2 – May 2013
- Rice 2.1.6 Functionality
- Enhancements to REQs, POs & Super User Functionality

Future Enhancements
- Travel & Entertainment
- Contracts & Grants Billing
- KRAD Conversion
- Check Writer
- Stores

KFS Implementations

Kuali Coeus (KC)

Modules
- Award
- Conflict of Interest
- Grants.gov S2S Submission
- IACUC
- IRB Human Subjects
- Institutional Proposal
- Negotiations
- Proposal Log
- Proposal & Budget Development
- Questionnaire
- Report Tracking
- Subawards

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Roadmap

Release 5.0.1 – August 2012
- Rice 2.1.1 Support
- Full Equivalency to MIT Coeus
- IACUC Funtionality

Future Enhancements
- Proposal Development Subaward Budget
- Subaward Boilerplate Agreements
- BIRT Intergration
- Data Extract Tool
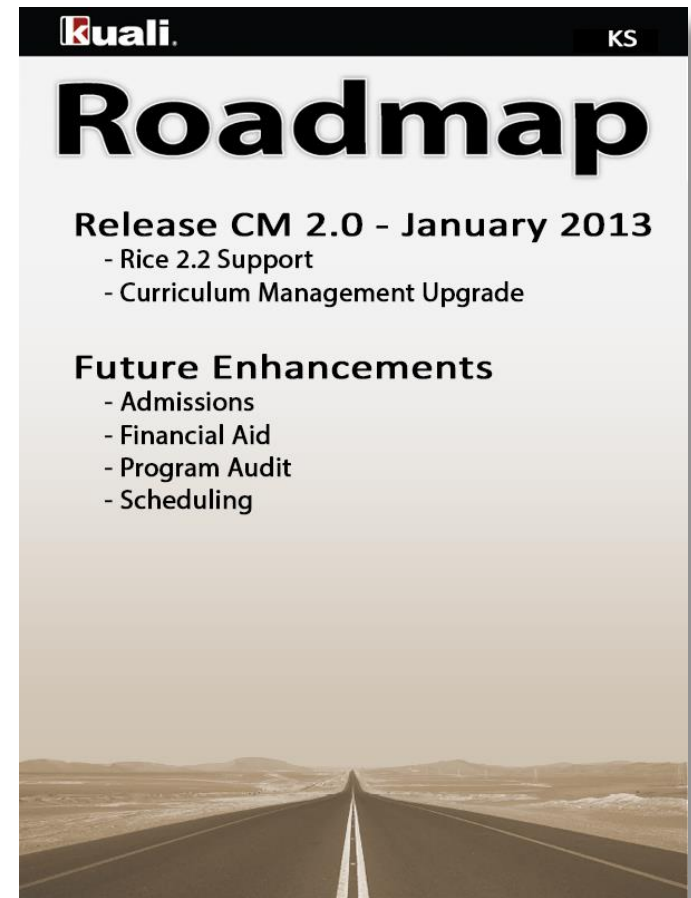- SF284/SF295 Reporting

Kuali Coeus Implementations

Kuali Student

Modules

- Academic Planning

- Accounts

- Course Offering/ Registration

- Curriculum Management

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Roadmap

Release CM 2.0 – January 2013
- Rice 2.2 Support
- Curriculum Management Upgrade

Future Enhancements
- Admissions
- Financial Aid
- Program Audit
- Scheduling

Kuali People Management for the Enterprise (KPME)

Modules

- Financial System/ Labor Ledger Integration

- Time Keeping

- Leave Management

Kuali Open Library Environment (OLE)

Modules

- Purchase Item

- Checkin, Checkout, Request & Renew

- Patron Management

kuali OLE

Roadmap

Pre-release 0.8 - May 2013
- Checkin, Checkout, Request, Renew
- Patron Management
- Overdue & Courtesy Notices
- Circulation Standards: SRU/Z39.50

Future Enhancements
- Patron Self-Services
- Circulation Standards: NCIP
- Integration with ILL & Course Reserve Systems

Marketecture of Community

The **Market**ecture of Commun ity

of

By Brad Wheeler and James L. Hilton

S ocrates argued that the unexamined life is not worth living. For the past decade, the two of us—along with many colleagues, organizations, and commercial firms—have been immersed in the booming, buzzing confusion that is the community landscape of higher education. We have communities that build software (e.g., Jasig, Kuali, Moodle, Sakai), communities that buy together (e.g., Internet2, Net+), and communities that create services unique to the academy (e.g., Digital Preservation Network, DuraSpace, HathiTrust).[1] Some of these communities are thriving as they solve common institutional problems, whereas some remain short of their aspirations. For others, it is still far too early to discern if they will reach critical mass and succeed.
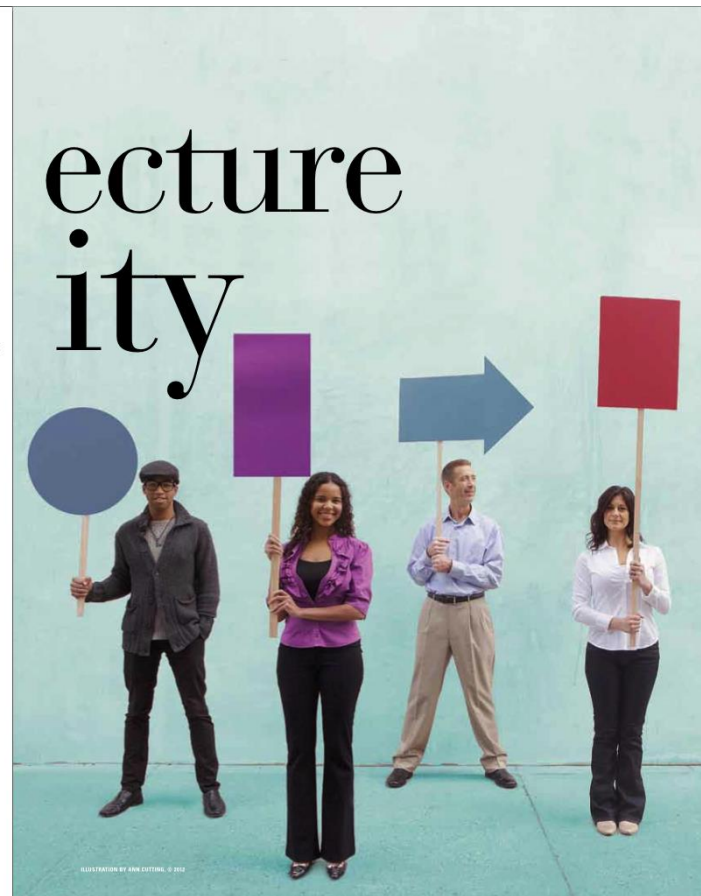
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Challenges
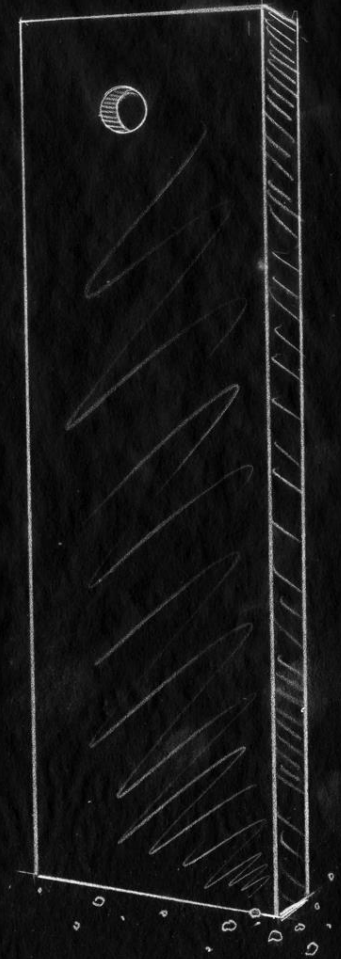
Collectively, colleges and universities do _not_ have a _money_ problem. We have a _coordination_ problem.
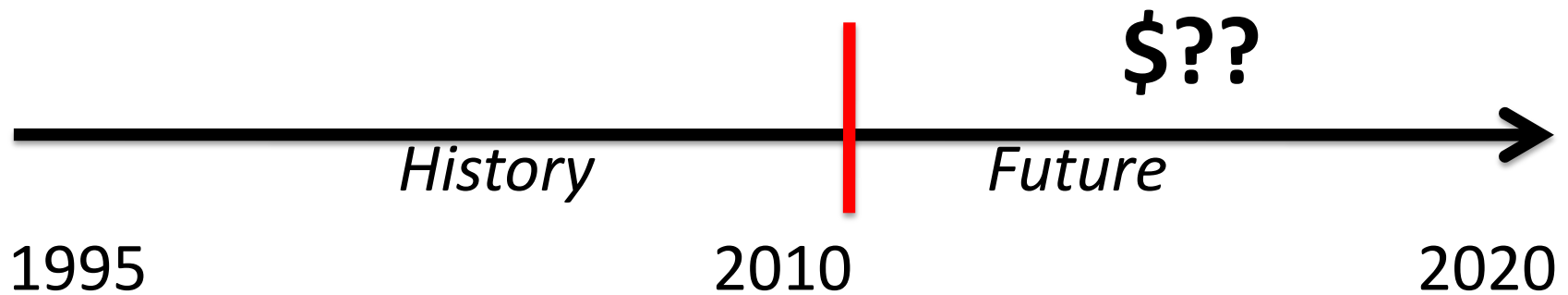
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The Island Era
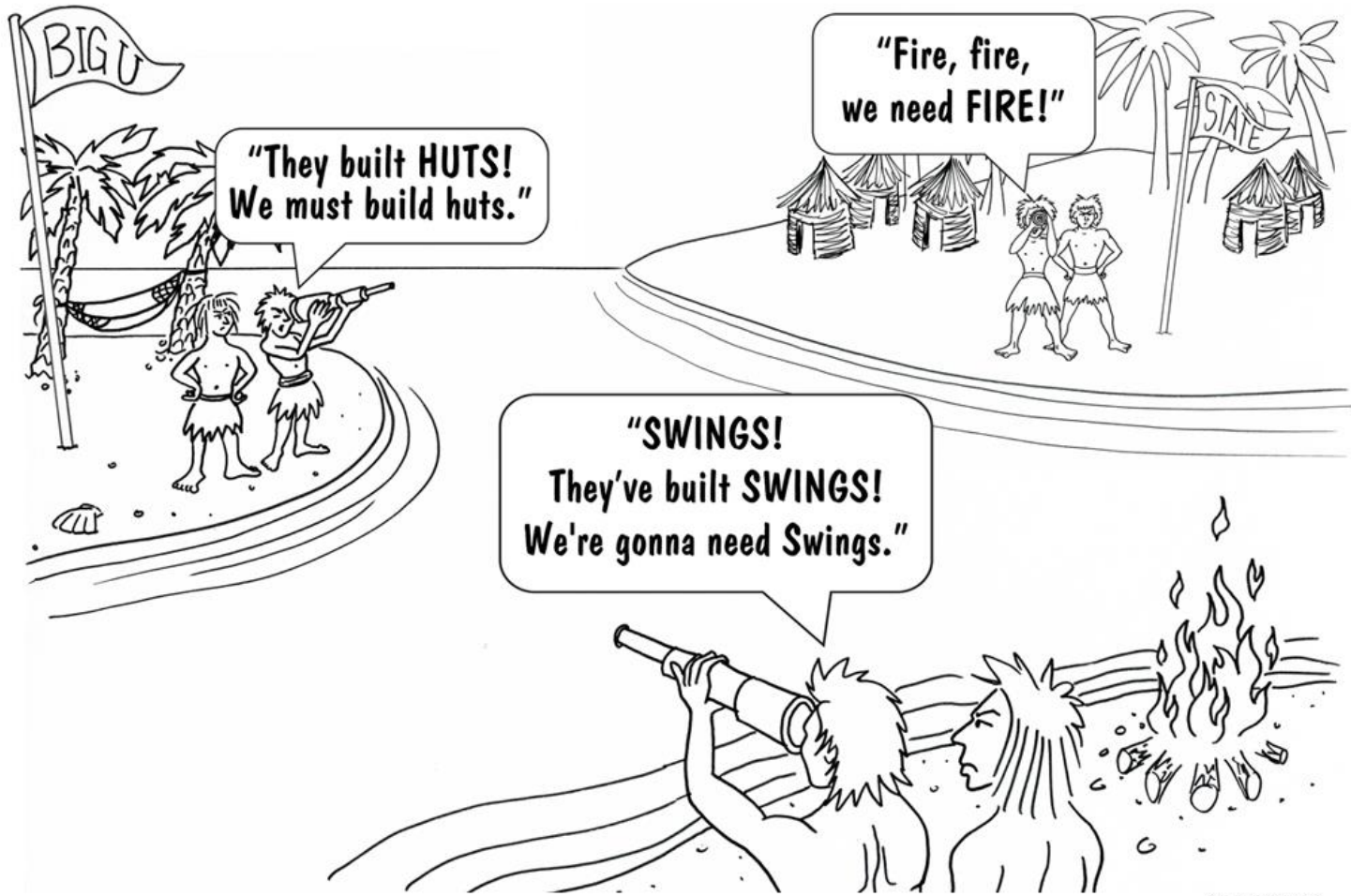
Goal:

Increase your confidence that we can change the game

and we must...

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The Economic Context for Higher Ed has Changed
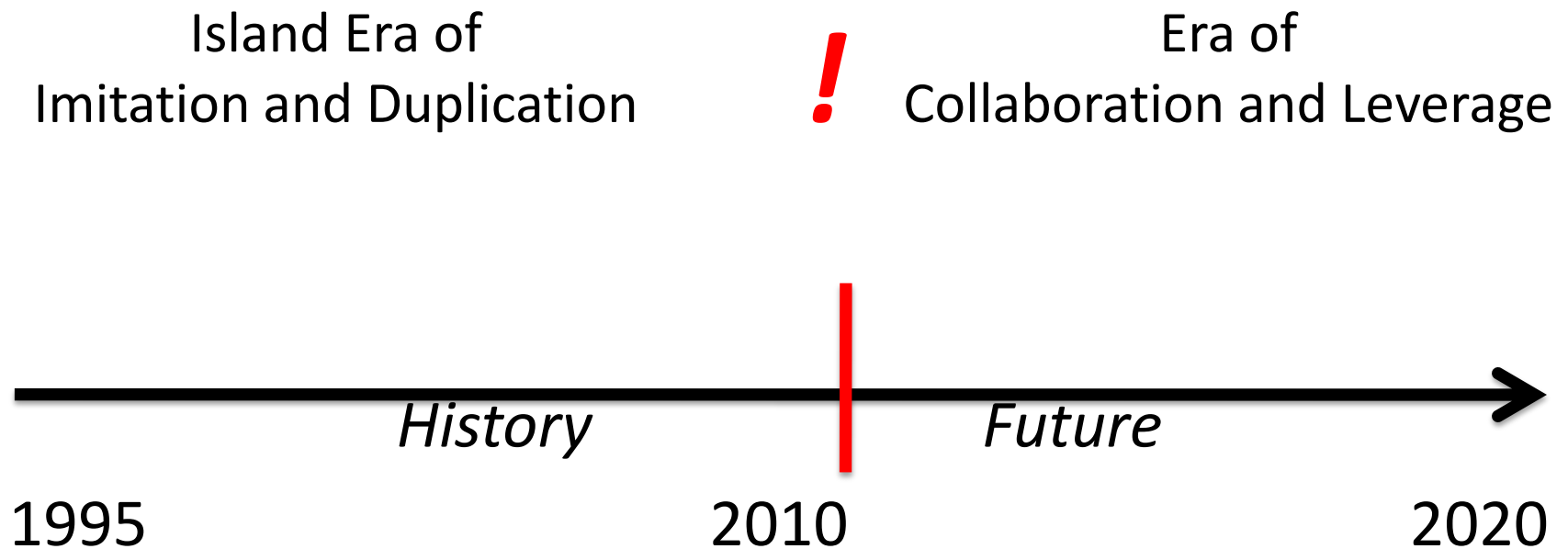
But so have the tools and possibilities

$??

History | Future

1995   2010   2020

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At the end of the twentieth century and into the twenty-first, higher education has invested, by a conservative estimate, $5 billion in administrative and enterprise resource planning (ERP) systems. ERP — three letters that represent the tremendous time, energy, and money consumed by hundreds of institutions over the past decade.

Systems

Island Era of
Imitation and Duplication

! Era of
Collaboration and Leverage

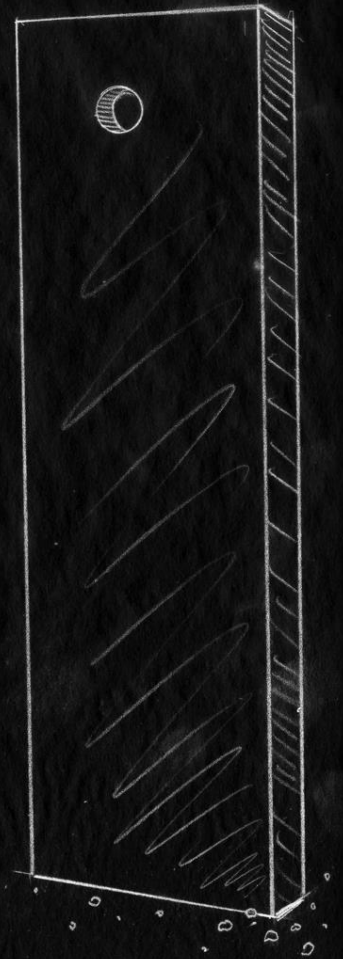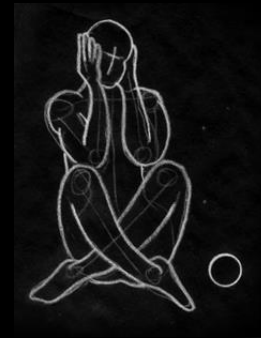*History* *Future*

1995 2010 2020

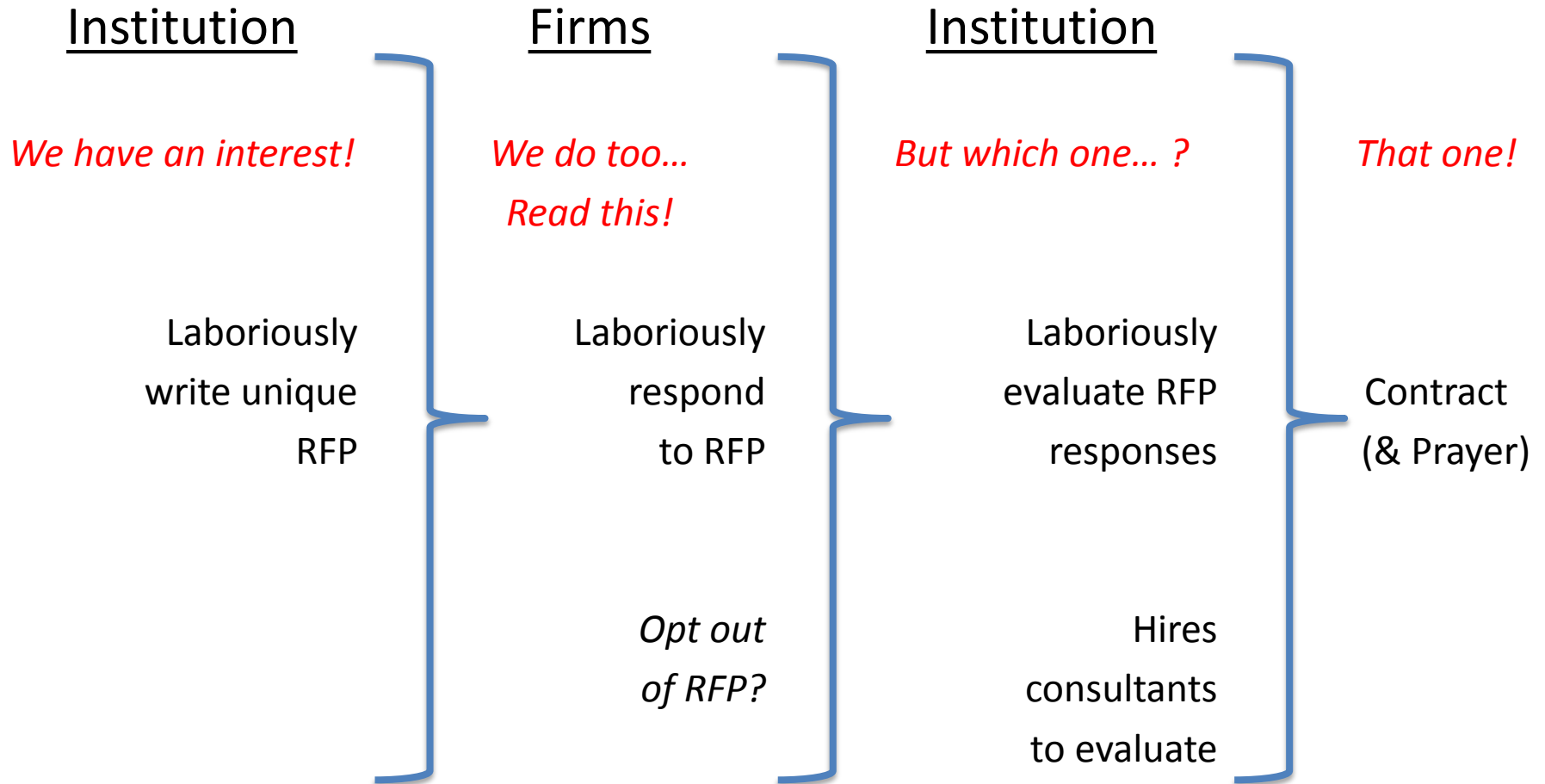kuali®

Systems

As the internet drives down <u>coordination</u> and <u>distribution</u> costs at an unprecedented scale worldwide, colleges and universities have the deep cultural <u>values</u> and <u>scale</u> to change the game to our advantage.

The question is…do we have the <u>will</u> to do it?

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A Tale of Two Matrices

Traditional Process

Institution	Firms	Institution	
We have an interest!	*We do too…* *Read this!*	*But which one… ?*	*That one!*
Laboriously write unique RFP	Laboriously respond to RFP	Laboriously evaluate RFP responses	Contract (& Prayer)
	Opt out of RFP?	Hires consultants to evaluate	

A Silly Matrix

RFP Responses and Evaluation

Criterion / Vendor	BigCo A	BigCo B	CloudCo A	HomeGrown
Feature A	3.2	2.9	5.0	3.0
Feature B	1.6	1.8	4.8	5.0
... Soft Factor Z	4.0	2.0	0.0	1.0
Risk	-3.0	-2.5	-0.0	-1.3
Cost	-1.2	-1.0	-5.0	-3.0
	4.6	**3.1**	**4.8**	**4.7**

Winner!

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Indiana University's Process

Indiana Univ.   **Firms**   **Us**

We have an interest!   *We do too...*   *But which one... ?*   *None of*
                           Read this!   *the above*

We need a   Just $23M   Ugh!   No
new financial   (wink)   thanks!
system

                                                                            Think
                                                                            differently!

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Indiana Saves $20 Million

By doing the "Magic of Collaboration and Partnership"

...via a different matrix

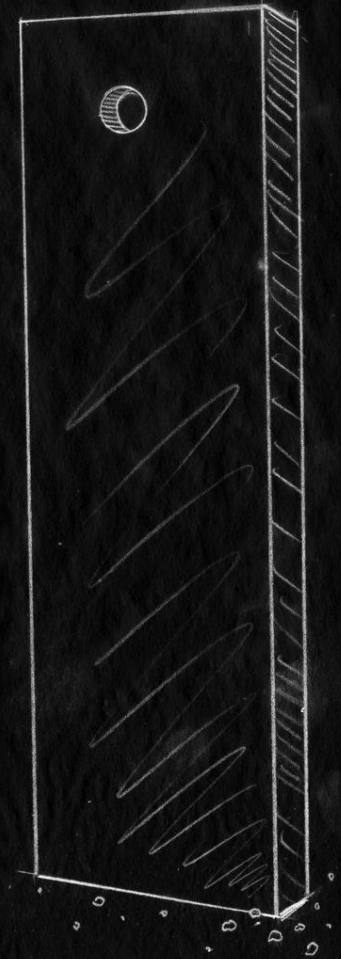# A Different Matrix...a *Marketecture Matrix*

Clubs

Collaborative

Contracts

Cooperative

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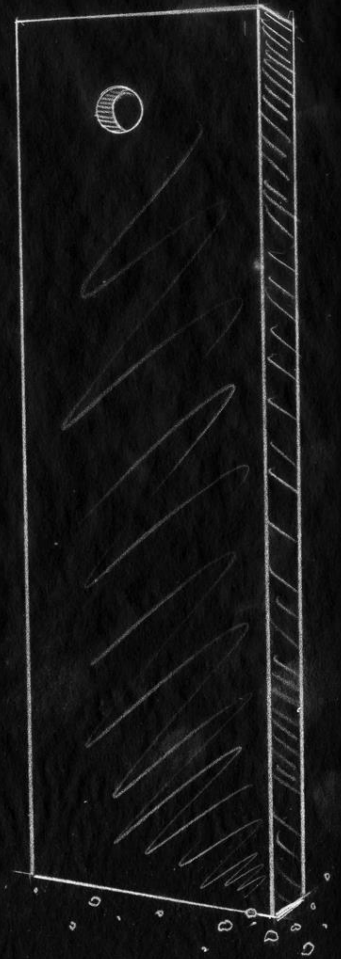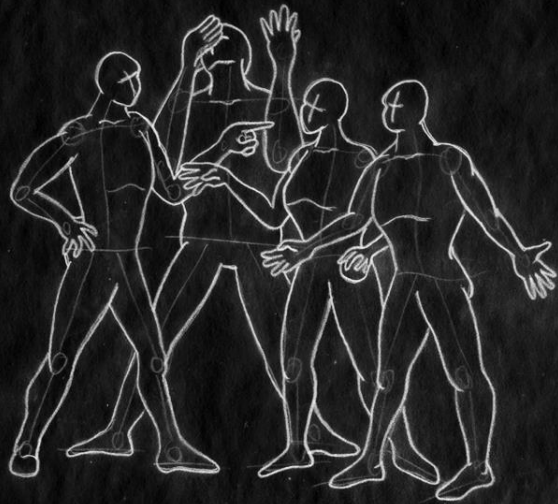|	
Clubs	**Collaborative**
Contracts	**Cooperative**

Marketecture of Communities

Aspiration

Conflict

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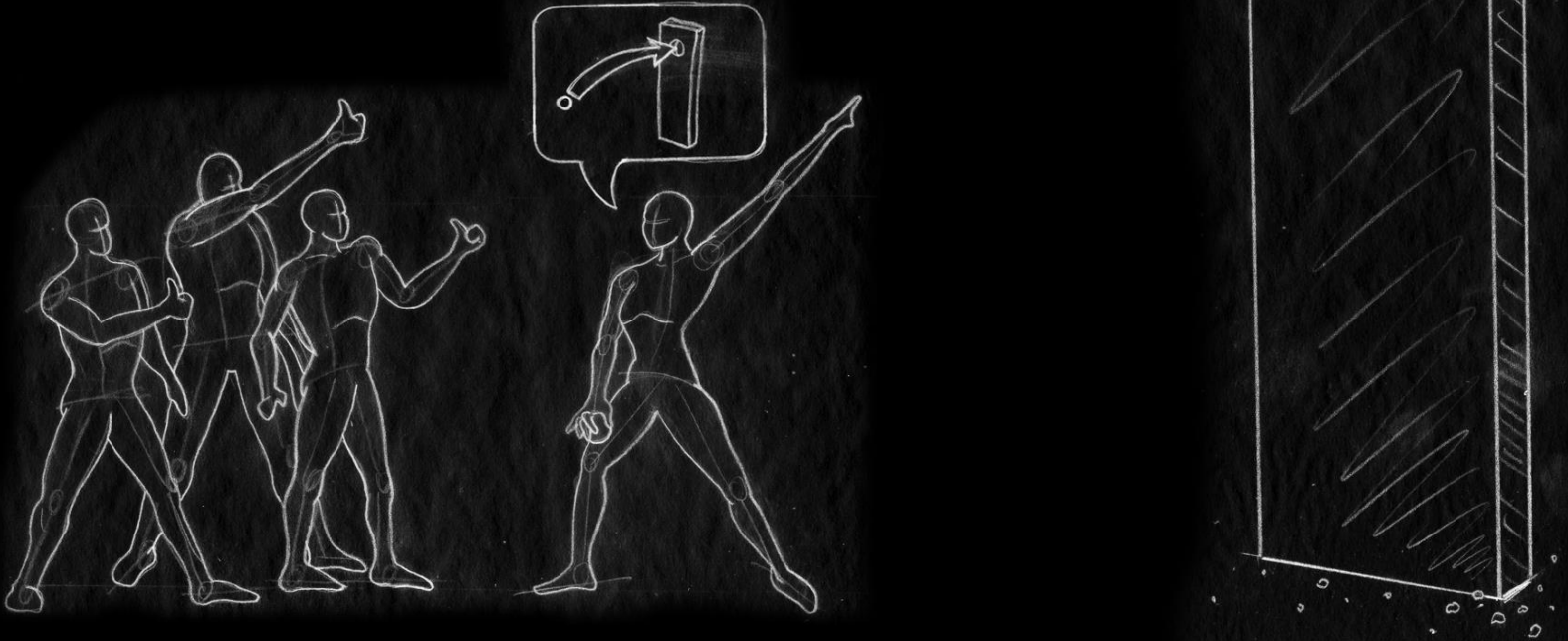
Authority

Authority

Ownership

or Influence

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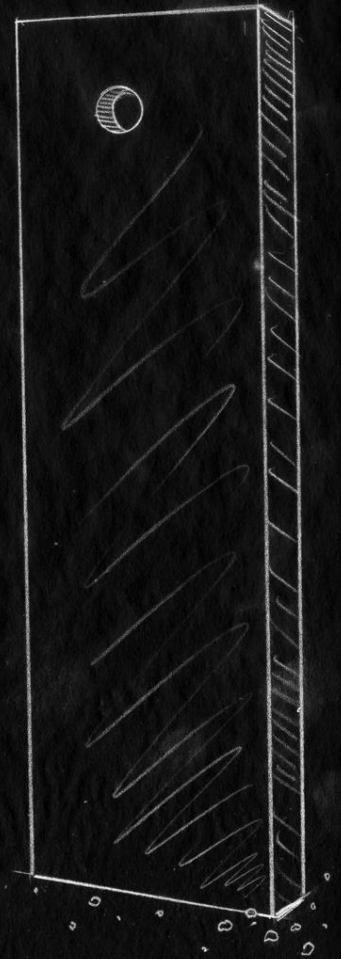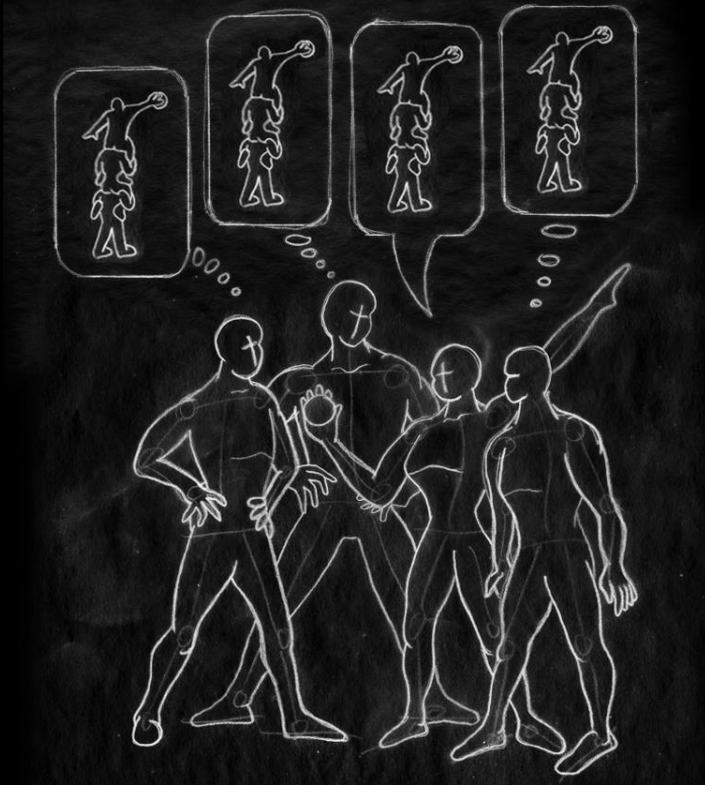
Achieve!

Repeat?
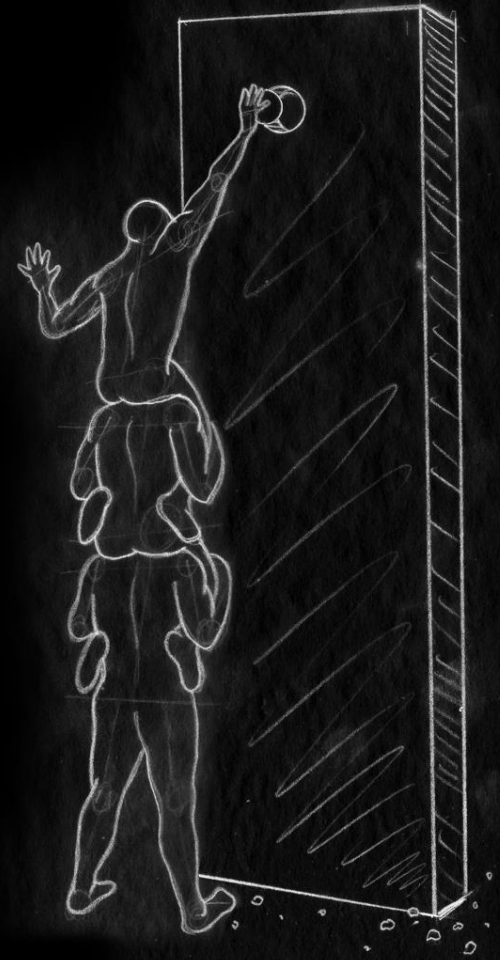
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__Marketplace__ of ideas for Communities, but they need a strong ***Architecture*** to help resolve inevitable **Conflicts**.

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Marketecture Matrix

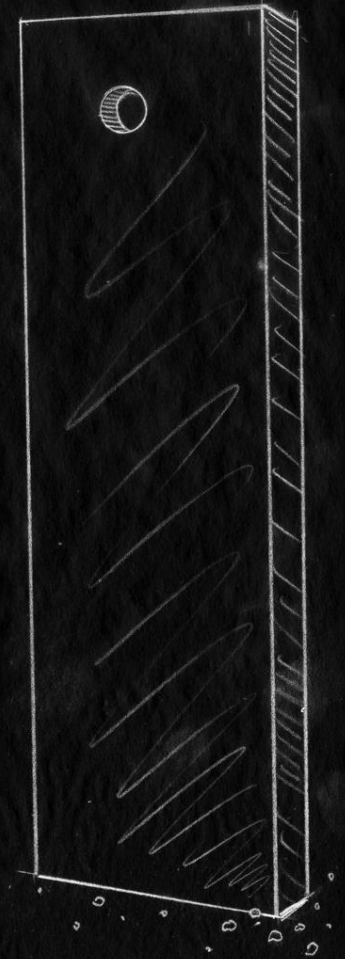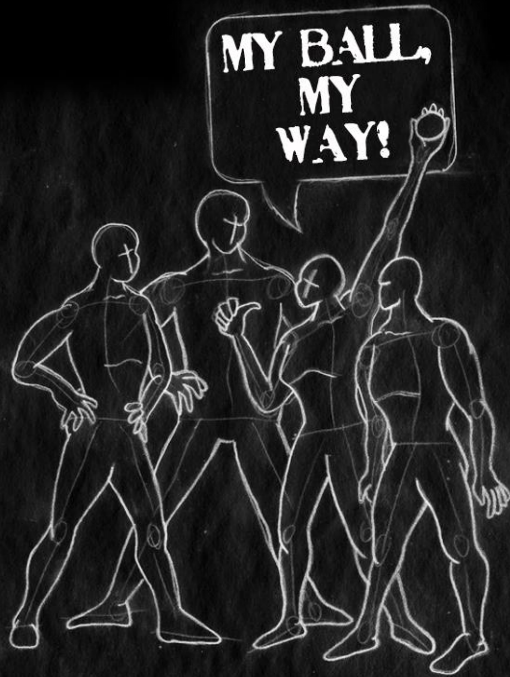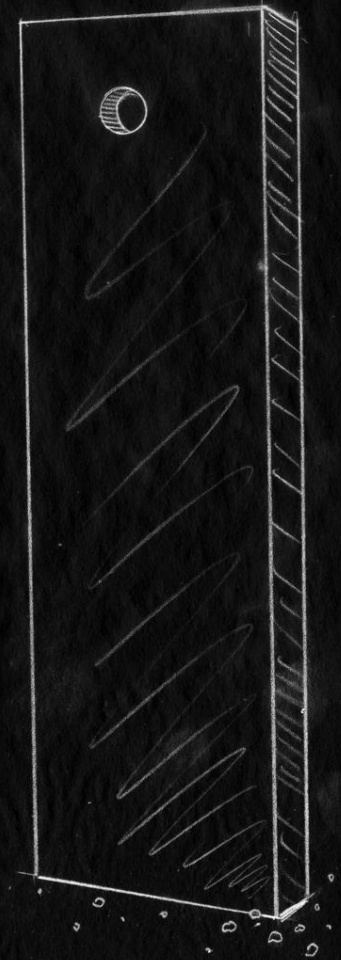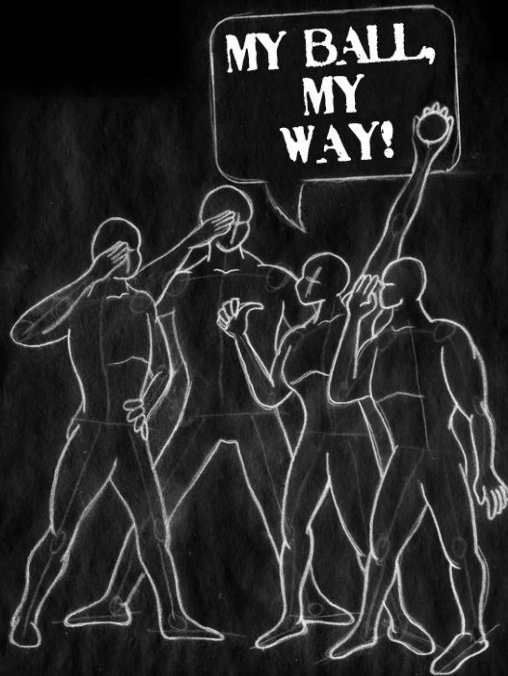Wheeler & Hilton, *EDUCAUSE Review*, Nov/Dec 2012
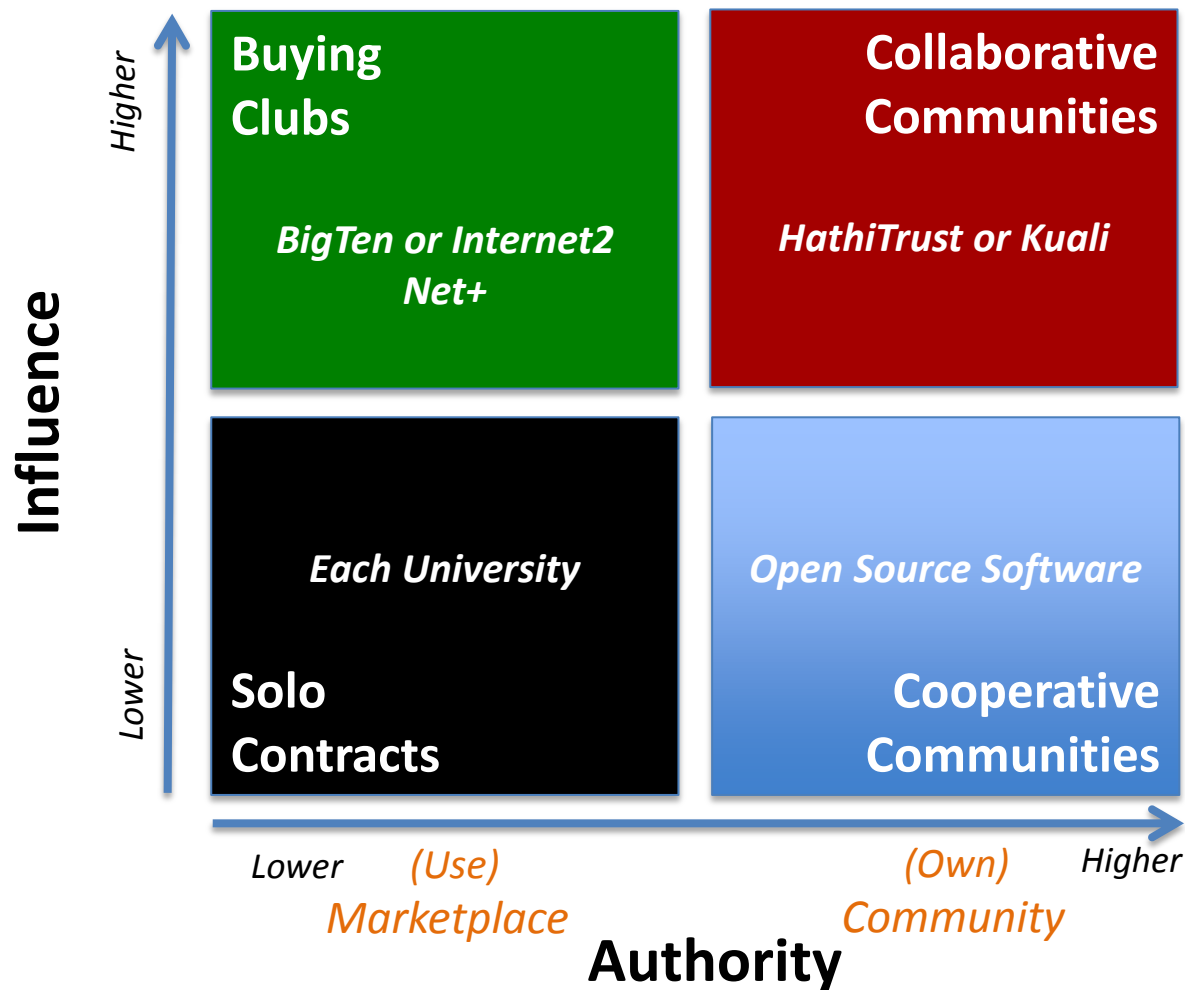
Marketecture of Community

Are you really serious about reducing the cost of higher education?

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Are you willing to collaborate to change the game?

Behavior changes required

Challenge #1

Using locally based approaches in a global world…

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Pretending that "Hide the Risk" actually reduces it…

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Forgetting who we are…

Collaboration is in our DNA!

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Collaboration at Scale Example

What to Do?

Buying the Future Differently

1) Adopt a 'Beyond My Island' mindset

   - Local optimization *is* sub-optimization

Now Internet2 Net+ Services

Above Campus Services
Shaping the Promise of Cloud Computing for Higher Education

by Brad Wheeler and Shelton Waggener

Illustration by Randy Lyhus ©2009
EDUCAUSE Review, Nov/Dec 2009

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Michael McRobbie
President, Indiana University

"Some proffer that 'The Cloud' – and particularly the commercial cloud – will solve our problems. To me, this pitch sounds very familiar to the promises of the past 15 years that proved to be very expensive and quite constraining over time.

Even *The Economist* writes to 'beware the cloud' as the next form of vendor lock in and loss of control (28 May 2009), and that problem only gets worse as firms become distracted in buying and selling each other over time."

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Buying the Future Differently

2) Solutions as **Paths**, *not just Products*

"Some of us have seen fortunes slip through our hands as we learned how to implement these kinds of systems in universities."

MIT, Cambridge, February 2000

"Mitigating the Risks of Big Systems"
NACUBO Business Officer Magazine
July-August 2007

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Game Changers for Higher Ed

3) Rethink the Old Matrix

- Procurement Dependence

	Product 1	Product 2	Product 3
Feature X	-1	+2	-2.4723
Feature Y	+2.7	-.5	+2.1111
Feature Z	N/A	+1	+2.4722
	1.7	**2.5**	**+2.111**

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Asserting an Offer to Buy

Request for Proposals
New Financial System Needed

Qualified offers <u>must not exceed</u> the following terms:

a) Fully-paid up, unmetered license, perpetual use
Less than $10,000, paid upon successful go-live

b) 10 year maintenance/support agreement
Not to exceed $50,000 per year for 10 years…

c) Up to 2,000 consulting hours @ $130 per
Additional 1,000 hours @ $100 per
Additional 1,000 hours @ $60 per

Why Buy Software You Already Own?

Asserting an Offer to Buy Services ONLY

**Request for Proposals
New Financial System Needed**

Qualified offers <u>must not exceed</u> the following terms:

a)   ~~Fully-paid up, unmetered license, perpetual use~~
      ~~Less than $10,000, paid upon successful go-live~~

b)   10 year maintenance/support agreement
      Not to exceed $50,000 per year for 10 years…

c)   Up to 2,000 consulting hours @ $130 per

      Additional 1,000 hours @ $100 per

      Additional 1,000 hours @ $60 per

RFP for these?

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Fair Questions...

(Circa 2004)

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Q: Can disparate institutions agree on software design?

✓ Yes

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Fair Questions…

Q: Can distributed development teams code ***enterprise scale*** quality software?

✔   Yes

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Fair Questions…

Q: What about commercial support?

✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓

6/28/2013

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Fair Questions…

Q: Will it work?

✓ Yes

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Fair Questions...

Q: Will it really cost less to implement and sustain?

✓ Yes...(and soon to be) Yes x 15

Fair Questions…

Q: Is the community model extensible to other software/services needs?

✓ Definitely Yes

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...Another Question

Q: How many faculty lines and scholarships did that buy decision cost you over a collaborative path?

?

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Ante Up! (Just $5B to Play)

Recent / Current Projects:

- ERP Upgrade $ 83 M
- HR System Replacement (Big U) $ 100-200 M
- HR System Replacement $ 83 M
- Student System Replacement (Small Institution) $ 20-40 M

Here we go to another $5B…

Questions?

- www.kuali.org

- Jennifer: jfoutty@kuali.org
- Barry: walsh@kuali.org

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