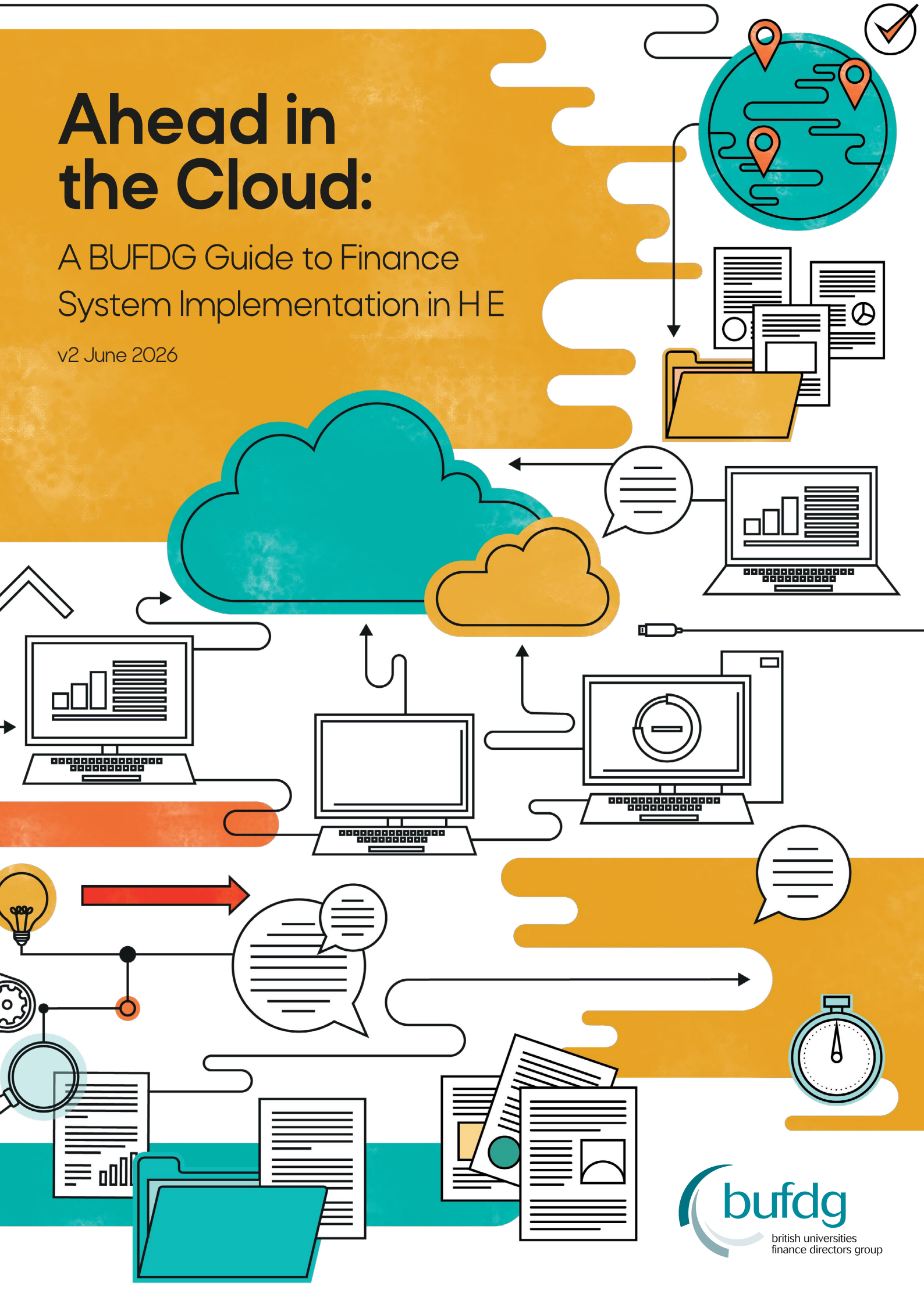
Ahead in the Cloud:

A BUFDG Guide to Finance System Implementation in HE

v2 June 2026



bufdg
british universities finance directors group

Ahead in the Cloud:

A BUFDG Guide to Finance System Implementation in H E

Contents

Foreword 1
Acknowledgements 3
Glossary of Terms 4
Introduction 5
Executive Summary 6
Learning from the lessons of others 7
Four key things to remember 9
Future of your finance service delivery 10
What does this guide cover? 12
Not just finance systems 13
Chapter 1. Vision and Case for Change 14
Key takeaways 20
Chapter 2. Preparatory Activity 21
Key takeaways 34
Chapter 3. Procurement 36
Key takeaways 47
Chapter 4. Delivery 49
Key takeaways 61
Chapter 5. Post Implementation Support 63
Key takeaways 66
Chapter 6. Benefits Realisation 67
Key takeaways 71
Concluding Summary 72
Appendix 78
Insights from HR 78
Tips from HR colleagues 80

Foreword

The benefits and rewards of moving to a modern, cloud-enabled, software as a service (SaaS) set-up can be enormous, but it can be a daunting and difficult process. This guide is designed to help you achieve those rewards with minimum of stress, complexity and unexpected setbacks.

The efficiency, functionality and power of core finance and other ERP systems has hugely increased. The cost proposition has changed too – moving from a largely one-off capital spend profile to a subscription-based model.

BUFDG, together with KPMG, has undertaken a refresh of the guidance in 2023 and now in 2026 to take account of today's technology, market, and sector trends. The key areas of focus for the updates to the 2026 version of the guide include;

- Considerations on the future of finance and how you will deliver services in the long term,
- How technology is changing, including the role of AI,
- An increased focus on procurement with tips on how to go to market to ensure you select the right technology vendor and implementation partners,
- Post implementation support and what this should look like for your institution, and
- The need to get tax right when implementing your new ERP.

We have drawn on the experience of several senior Finance, IT and transformation leads in a sample of universities around the country. Their thoughts and advice has informed the contents of this report and are reflected throughout. We also welcomed the input from university HR Directors, who have provided their thoughts on how Finance and HR can work together on systems implementations – these are summarised in the Appendix (see page 78).

We hope that this guide will have a long shelf life and will be truly helpful to finance teams, university leaders, and anyone else in the world of Higher Education who is contemplating changing, upgrading, or otherwise modifying their finance and/or other key operating system(s).

If you would like to discuss any of the issues or have any feedback please contact us at info@bufdg.ac.uk

With thanks to the Education team at KPMG who have helped us prepare this guide.

Acknowledgments

This guide has been prepared by KPMG and BUFDG, based on the insight kindly provided by:

Glossary of Terms

CoA Chart of Accounts

A list of all the accounts in an organisation's general ledger

Cloud

Remote servers that host software and infrastructure

ERP Enterprise Resource Planning

Software used by an organisation to manage key parts of operations, including for example accounting and resource management

HCM Human Capital Management

Practices related to people resource management

HEP Higher Education Providers

IP Intellectual Property

PIN Prior Information Notice

Public notices which can be used by buyers of complex products and services

SaaS Software as a Service

Allows users to connect to and use cloud-based apps over the Internet rather than centrally hosted software

SI System integrator

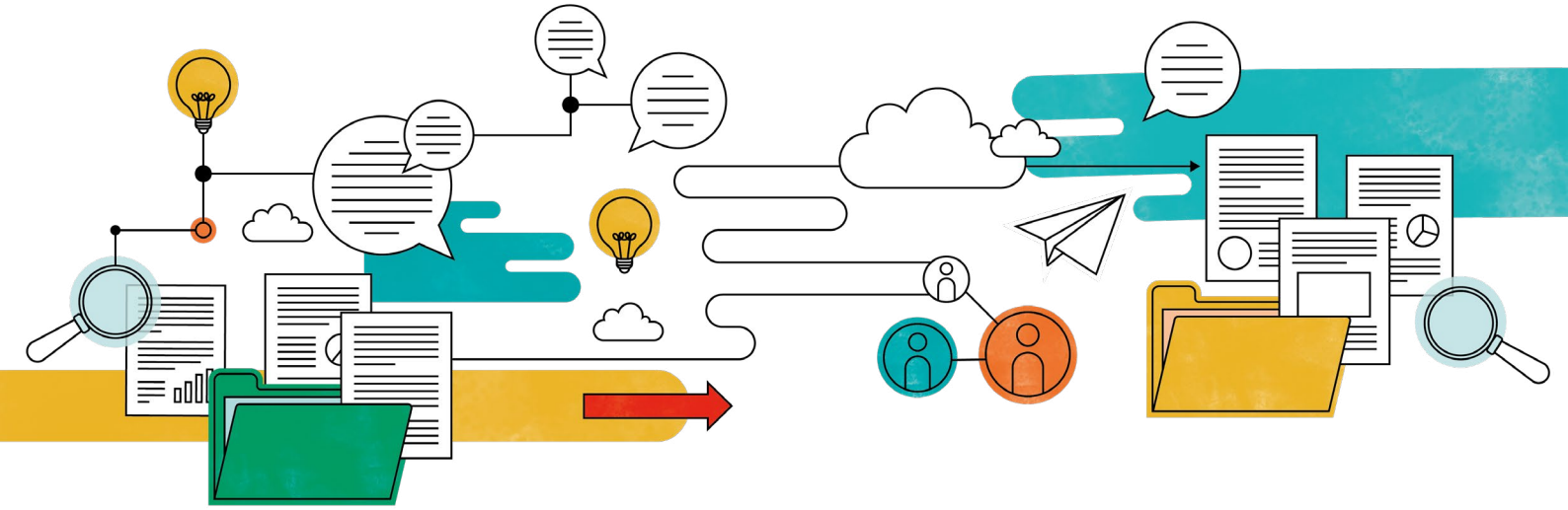
An individual or business that builds computing systems for clients by combining products from multiple vendors

VfM Value for Money

FTE Full time equivalent

Cutover

The point of change from old computer systems to new ones



Introduction

Replacing or updating any core system can feel like a daunting challenge. These systems often underpin an organisation's entire operation, and technological advancements in recent years mean that new systems and ways of working may be radically different from how things have been done before. The scale and costs often run into the millions, or tens of millions of pounds.

This is made even more complex when the core IT system being replaced is a finance or Enterprise Resource Planning (ERP) system. Work may involve highly technical financial know-how (as anyone who's considered the redesign of their Chart of Accounts (CoA) will be all too aware); decisions about migrating, preserving, or deleting old data have complex consequences; and there is a need to manage substantial security risks.

As if these challenges weren't enough already, Higher Education also lends its own unique blend of complexity to the mix: the specific requirements of our regulators; the need to marry research and student tuition fee requirements; the challenge of implementing change in an inherently consultative and inquisitive environment; as well as the myriad of integrated legacy systems (not least your Student Record System) in a typical institution.

That said, the benefits that institutions can achieve as a result of modern, cloud-hosted finance systems can more than justify the effort and the angst. The trick is to do it well.

We hope this guide will help you on that journey.

Executive Summary

When considering the potential cost, risks and complexity of migrating your core finance system(s) to the cloud, it's tempting to ask why you would do it at all. For decades, university IT functions have become increasingly adept at propping-up and extending the lifespan of legacy, on-premise technology as competing business priorities vie for the same limited pot of investment. So, why not simply continue in this vein?

The simple answer is that in the current climate, given the myriad pressures and trends that universities are subject to, the option to 'make do and mend' is fast running out of road. Senior leaders are being challenged on how their functions deliver services, with a push for increased collaboration and to find new ways of working that deliver efficiencies and optimize performance. Shared services, managed services, outsourcing and joint technology procurement are some of the options being discussed, but the sector is yet to see significant take up.

In many instances, senior leaders are finding themselves with little option but to renew IT infrastructure. Compelled by existing systems that are unable to adequately support current or future business needs, heightened end-user expectations around data availability and self-service, and the inexorable shift towards Software-as-a-Service (SaaS) by most, if not all, of the major ERP vendors, the choice around cloud migration is increasingly made for you.

But this is by no means a bad news story. For those that approach the challenge as an opportunity to rethink and improve, rather than as reluctant victims of circumstance, the potential benefits are great. Whilst cloud adoption requires a real shift in mentality and an acceptance that you can no longer bend the technology to fit every vagary and nuance of your business, what it does provide is the opportunity to learn from global leading practice, significantly bolster the quality of both your data security and management information, and take advantage of continual updates and improvements in a way that does not necessitate major systems upheaval every 10 – 15 years.

If done well, systems change can be a catalyst for improved service delivery on a number of levels, and whilst the Higher Education sector is replete with salient warnings about the perils of getting it wrong, it's also full of fantastic examples of how modern cloud technology has significantly improved day-to-day finance operations. The key point is to make sure that you approach SaaS for what it is – i.e. markedly different from how things used to be done.

Learning from the lessons of others:

Whilst the UK Higher Education sector is in the midst of a major wave of mass migration to the cloud, there is a great deal of learning that can be garnered from other industries and sectors. Although universities are different in many ways, and operate within their own unique regulatory landscape, a lot of their core processes and functions are no different from any other enterprise. For all the H E-specific challenges – e.g. statutory reporting, pre-award research, management of endowments, and depreciation of research assets etc. – that will need to be carefully managed and considered, there is an enormous amount that can be borrowed from other industries, their vendors and their partners.

What has also become clear is that many of the implementation challenges that you're likely to face are also equally common regardless of geography or technology. For example, we consistently find that:

- Major systems replacement programmes rarely fail because of the technology. They fail because the business does not change its activities and behaviours to take full advantage of the switch.
- In order take full advantage of the opportunities that the cloud has to offer, you need to achieve a change in organisational mind-set – moving from 'adapting' new technology to 'adopting' it.
- Adopting new technology requires your business to embrace standardised systems functionality, tailored to your sector but within the bounds of available configuration. Not customisation.
- To achieve true business change and improvement, you need to address your whole delivery model – not just the technology that sits behind it.

In Higher Education in particular, the real challenge isn't technical, it's gaining institutional buy-in to change.

Four key things to remember:

In the process of compiling this guidance document, we have had the opportunity to speak to many different universities about their lived experiences of modern ERP replacement. Whilst the following document provides specific tips and pointers on what to do (and what not to do) throughout the lifecycle of a typical change programme, there were four key themes that repeatedly emerged:

1. **Effective preparation is key.** Fail to prepare, prepare to fail. To give your implementation the best possible chance of success, you will need to ensure that you are absolutely clear about the reasons for change, the strength and depth of your in-house capability, the support you'll require, the resources available for your system implementation and beyond to support the ongoing management of system, the business outcomes you're looking to achieve, the available timescales, and the systems landscape into which your new ERP / finance system will dock.

2. **Adequate investment in business change is crucial.** Cloud migration projects aren't simply IT projects, they're people projects – sometimes referred to as 'technology-enabled transformation programmes'. This means that gaining early organisational buy-in is as crucial to success as the technical implementation itself - both at an Executive level and amongst end-users.

3. **Adopt, don't adapt.** All too often, organisations fall into the trap of attempting to replicate their current processes on a new platform. Firstly, your current processes are unlikely to be perfect, and secondly - as has been shown in a number of recent, high-profile implementations in other comparable sectors, such as Local Government – that's really not how SaaS works best.

4. **There are lots of dependencies to consider.** To achieve true business change and improvement, you need to address your whole delivery model – not just the technology behind it. This means taking the time to consider all of the other key dependencies that will make your implementation either succeed or fail – e.g. CoA alignment, financial controls, tax bridge, statutory reporting, consistent role-based process flows, data flows and ownership, etc.

Future of your finance service delivery

For institutions considering embarking on a finance system implementation, it is important to not only think about the advantages new cloud technology will bring, but to take a step back and respond to a broader question on how best to deliver your finance services into the future. The Post 16 Education and Skills White Paper published in October 2025 encourages institutions to consider opportunities for increased collaboration and new ways of working with a view to making service delivery more efficient and cost effective. There are a number of alternate service delivery models available in the marketplace that are currently being discussed across the sector, and these may evolve and new models may come into the market. Current models are as follows.

- Shared services – collaborating with other Higher Education providers to deliver services.
- Shared technology platforms – Higher Education institutions collaborating to share a single technology platform (single-tenant or multi-tenant) or working together to procure and contract one technology supplier for multiple institutions.
- Managed services – outsourcing day to day management responsibilities and functions to a third-party specialist (often used for IT infrastructure).
- Outsourcing – a third-party service provider performing tasks, handling operations or providing services that were previously delivered in house.

There are third-party suppliers, technology companies and system integrators available in the marketplace to deliver these models, although further work needs to be done to set up shared services and shared technology platforms within the sector.

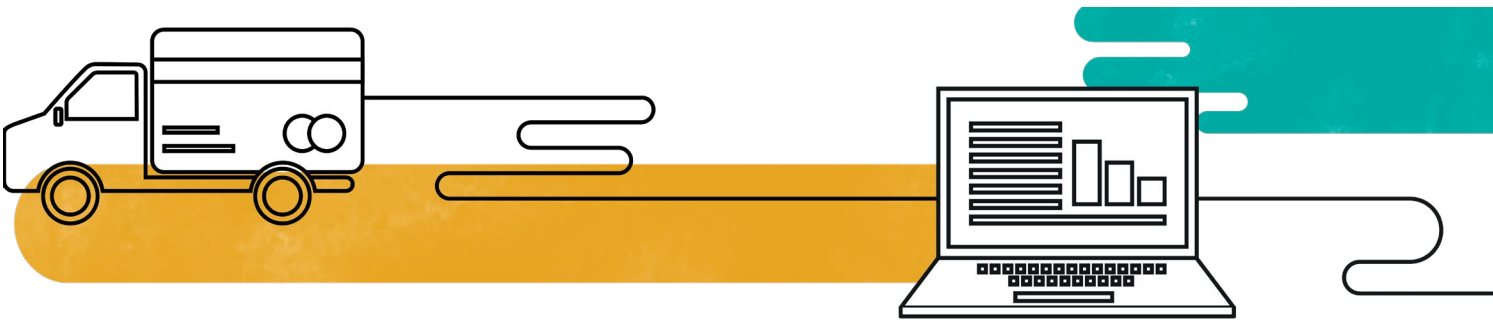
When thinking about how best to deliver your finance services into the future there are some key areas to consider:

- The types of services you would be seeking a third-party supplier to deliver.
- The third-party suppliers available in the marketplace and their approach to service delivery (including the technology platforms used).

- Supplier delivery standards and resources.
- Supplier contract flexibility.
- Potential value of third-party service delivery (cost vs savings).
- Your institution's ability to manage third-party contracts and performance.
- Impacts on your staffing.
- Impacts on your existing technology stack (would you be willing to use a shared technology platform, would you need to integrate your technology with a third-party or would they use their own systems, would you be able to decommission any systems to save cost?).
- Ability to successfully deliver cultural change ensuring the institution adopts new processes based on supplier standards.

Alternate delivery models, in particular shared services, is a hot topic in the sector but we are yet to see significant take up. You need to explore all options in detail to ensure the right fit for your institution and that any change would deliver financial and operational benefits.

The approach to implementing and transitioning to an alternate service delivery model differs depending on the model e.g. if you transition to an outsourcing model then you may no longer need your own finance system, whereas purchasing a shared technology platform with other Higher Education providers will influence how you procure and implement the system. The information provided in this document focuses on how to implement a finance system should you choose to proceed with retaining the delivery of finance services in-house, but many of the insights could be applied when choosing an alternate service delivery model.



What does this guide cover?

Whilst the available technology has continued to improve, the inherent risks and complexity of changing finance systems have not abated, they've simply evolved. The purpose of this document therefore is to try and provide Finance, IT and other senior Higher Education leaders with the requisite guidance and lessons learnt to approach such programmes in a sensible, structured, and proportionate manner, reducing risk and maximising the chances of success.

This guidance outlines six phases, from initial scoping through to successful embedding of your new technology and ways of working into day-to-day operations. It draws on real life case studies from across the Higher Education sector as well as other relevant industries. Specifically, it will cover:

1. The development of your **Case for Change**, in order to help you define the underlying motivations for change, ensure you're clear on the business outcomes you're looking to achieve, and develop a consistent benefits narrative to win the hearts and minds of your institutional colleagues;

2. **Preparatory activity** and **business case** development in order to ensure that you set off on the right foot and secure the necessary funding and support to deliver;

3. Effective management of your end-to-end **Procurement** process, including the identification and articulation of your overall support requirements, proactive engagement with the vendor and systems integrator (SI) market, and robust selection of the right partner(s) to fit your needs;

4. Successful **Delivery**, including the engagement and involvement of your key stakeholders, the right approach for requirements validation, and the effective management of day-to-day budget and risks;

5. Successful set up of your **Post Implementation Support Model**, ensuring you have the right product roadmap, budget, resources, and governance to maximise the longevity of your finance system; and

6. Ongoing **Benefits Realisation**, in order to effectively embed your new application(s) into business-as-usual, and deliver the key business benefits that you set out to achieve.

   In each chapter, we'll explore what leading practice looks like, the key lessons learnt by your peers, and the critical dependencies that you'll need to focus on to succeed.

Not just finance systems:

It's worth noting at the outset that a lot of the lessons learnt and advice consolidated in this document can apply more broadly to other cloud migrations and technology-enabled transformations in a Higher Education setting. For the purpose of this exercise however, we have focused on the finance systems landscape and all of the key technology, data, business and people considerations that will ultimately contribute to programme success.

01 Vision and Case for Change

Being clear on what you are looking to achieve before you begin is a fundamental requirement of any major change initiative, especially where end-user expectations are high, the funding climate in H E is challenging, and programme budgets are constrained.

One of the most common complaints levelled at cloud migration programmes, regardless of sector or the perceived success of the technical implementation, is that business benefits fail to live up to what was originally promised.

Whilst simple replication of your current business processes on a new cloud-hosted platform would likely be seen as a missed opportunity, that doesn't mean that the wholesale transformation of your entire end-to-end finance delivery model is the only justifiable option. A lot will depend on the extent and severity of your current business challenges, available timescales, and basic affordability. Ensuring that your Case

For Change clearly aligns with this reality is key. From an end-user perspective, the only hard and fast rules are that:

- The end result justifies the inevitable pain that will accompany the change, and;
- That you don't over-promise and under-deliver.

This messaging came out very strongly from the majority of institutions that contributed to this assessment.

1. Don't over-promise

Any finance system implementation programme requires a single, clear vision that university leaders and staff can buy into. The vision should be future focused, articulate your ambition, and outline a brief snapshot of how you will get there.

> "What worked really well was not framing this as a technology discussion. The HR Director stood up and talked about why HR needed to change. The Finance Director did the same for Finance. Leadership then came in and said, 'this is why the institution needs to change'. That completely shifted the lens."
>
> Tyrrell Basson, Director of IT Services, University of York

When attempting to convince a university executive team to invest in anything that would be considered either high-risk or a significant drain on resources, it's always tempting to try and paint as rosy a picture as possible of the potential benefits. Yet one of the common criticisms levelled at university business cases – often at the point of re-scoping or during post-implementation review – is excessive optimism bias; guaranteed 'sunny uplands' with limited investment risk and enormous faith in the institution's ability to deliver. Universities are incredible, innovative and often highly-energised communities of talented people, but most are still maturing as intelligent customers of SaaS.

It's important to remember that perceived project failure isn't always about failure to deliver. It's often about failure to meet the ambitious expectations that have been set – and this was a recurring theme across a number of institutions that contributed to this guidance document.

The majority of the institutions that were interviewed had started off the process of cloud migration with a very clear set of drivers. In most instances this included the business impact of ailing legacy systems and a clear timeline for the cessation of on-premise support from their incumbent suppliers, but a number flagged that the initial Case for Change went well beyond any 'future-proofing' agenda, leading to a number of challenges further down the line. One university noted that an over-emphasis on the likely financial return of a move to the cloud was ultimately unhelpful. This was echoed by another institution where a conscious decision was made not to link the move to a SaaS model with direct financial savings.

Several institutions also flagged the importance of avoiding over-promising on the experiential and functional benefits that a new system is likely to deliver. Whilst the move to a SaaS model offers enormous potential for long-term continuous improvement, many cloud-hosted finance systems still bear a lot of recognisable traits and similarities (e.g. look, feel, core functionality) inherited from their on-premise predecessors.

> "You're simply not going to get buy-in from your Finance team if they know that the systems change is likely to lead to job cuts, and it's very difficult to get the data that proves that the system had directly contributed towards reduced workload. It's much better to talk in terms of freed-up time and the reinvestment potential of that effort."
>
> Anonymous

Without significant changes to the underlying processes, accountabilities, approval flows or user interfaces during your first few patch cycles, many end-users could be forgiven for thinking that the transformational benefits of a new system have been overplayed.

So, while enthusiasm and optimism are crucial to make the case for transformation, there's a balance to strike.

2. Galvanise senior support

As with any significant change programme it's very easy to fall into the trap of assuming that everyone is "on the same page" when it comes to motivation and desired business outcomes. Whilst the broad benefit categories are likely to be the same in almost every institution – e.g.

improved end-user experience, greater efficiency, long-term platform sustainability, improved data quality, greater standardisation etc. – subtle variations in the balance of these priorities can have an enormous impact on the perceived success of a programme, especially at an executive level. For example, a programme where the primary intention is to save money and to improve user experience is likely to be very different from a programme where end-user experience is the focus and improved efficiency a 'nice to have'.

Finance system replacement projects are rarely quick, cheap, or easy. Over the course of a typical implementation it's likely that unforeseen issues will arise, budgets may tighten, timescales may slip, and supplier relationships may come under strain, so it's crucial that your executive team are fully committed to and supportive of what you're trying to achieve. If not, and if belief in the overall value of the investment wanes, it's very likely that you'll experience:

- The descoping of the programme – either in terms of functional modules or ambition;
- A switch from leading practice adoption to replication of the status quo; or
- The rebranding of the programme as an IT replacement rather than an opportunity for business improvement.

And this is why a clear, realistic and well-articulated Case for Change is so important.

As the team at Kingston University reflected, you "can't just say you are spending millions on a new system, you need tangible business benefits". Right from the start, the strategy was always to utilise the fact that ailing legacy tech meant that systems replacement was inevitable, and to carefully choreograph the benefits narrative to align with the various stages of release. By evidencing incremental improvements with each release and ensuring that end-users were comfortable with the change, the programme team were able to keep their executive sponsors engaged and on board throughout the process.

Similarly, in Staffordshire, investing time up front in ensuring that senior leaders were well briefed on lessons learnt from other UK Higher

Education Providers (HEPs) and starting off with a single shared vision, meant that the project began with a "grounded sense of what was achievable". Consequently, even when some inevitable issues arose during data migration, there was never any loss of senior faith in the value of the investment.

3. Employ consistent, continuous messaging

As well as providing a clear rationale for embarking down the path of core systems replacement, the Case for Change is also a useful anchor point for ensuring that all of your communication with end-users is consistent and impactful.

In Higher Education in particular, the process of end-user engagement needs to start well in advance of project kick-off. One of the most common pitfalls that institutions encounter is a loss of key stakeholder buy-in due to insufficient communication. Whilst it's tempting to take a perfectionist approach and only share progress and solution information when you're 100% certain that what you're sharing is correct, the reality is that it's very unlikely that you'll ever be in a position to have all of the answers to all of the questions that you could be asked – at least not until your new application is in and has been operating for a number of cycles.

Not having all the answers is fine - pausing communication until you get them is not. Invariably, if you're not keeping people informed about what you're doing and why you're doing it, they'll simply invent their own narrative to fill the gap. It's crucial therefore, that you set out a clear timetable for messaging and let people know when they're going to receive further detail, even if you might not know exactly what that detail is at the start. To do this, you need a very clear explanation for why you're embarking on the change (Case for Change), and you need to ensure that every message that you deliver ties back to this rationale. In conversation with us, the University of Hull stressed the importance of having a consistent narrative, and of being transparent and upfront with what is going to change and what this means for staff.

At Jisc, the internal team tasked with delivering its systems change, reflected on the very positive experience that they'd had in bringing

colleagues along the journey with them. Based on a well-developed set of business benefits, enshrined within a simple vision statement, every staff update, every training session and every scoping workshop began with the same consistent mantra:

> "[Every] conversation that we had started in the same way, with the vision: robust financial controls, integrity of data, and well-trained staff."
>
> Nicola Arnold, Chief Financial Officer, Jisc

Obviously, this requires that you stick to the benefits that you set out to achieve. But assuming you do, even if not every decision is popular with every member of your end-user community, they will understand why that decision has been made. For Jisc, as with many universities, whilst the move to a single source of truth (or 'golden copy') for financial data meant that locally held management information and spreadsheets needed to be phased out, the overall benefit to the organisation in terms of data consistency and accuracy was clearly understood.

One good example from outside the Higher Education sector came from the ERP replacement programme undertaken by a large broadcaster. As well as linking its Case for Change to a number of commonly recognised operational pain points the broadcaster used a consistent set of user 'personas' to evidence the need for change and demonstrate how what was being implemented directly aligned with their users' needs. At the outset, these personas were used to help articulate the key problems with the existing system, they were then used to develop scenarios that explained how things could be improved, before finally helping shape the detailed customer journeys that were used to inform systems training.

The success of end-user adoption was in a large part due to the consistent messaging and clear golden thread back to the original Case for Change.

01. VISION AND CASE FOR CHANGE

Key takeaways

1. Don't overpromise

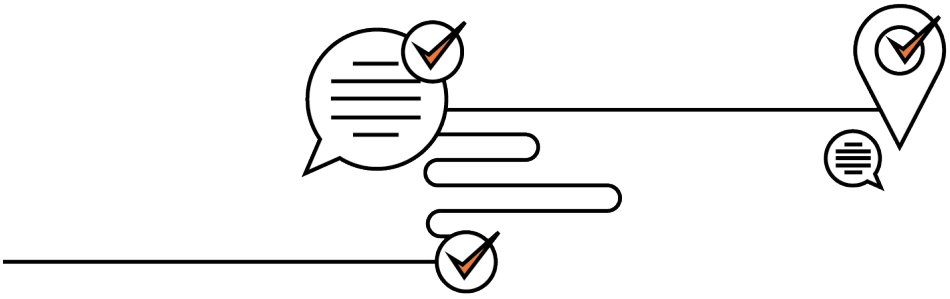
Make sure the business outcomes that you're intending to deliver are realistic, timebound, and widely understood. Be honest at the outset that this is a fundamental shift, not just an IT project, to get the most out of any change colleagues will have to adopt new ways of working and new processes. This will help with the perceived success of your project and help to manage colleagues' expectations throughout the change.

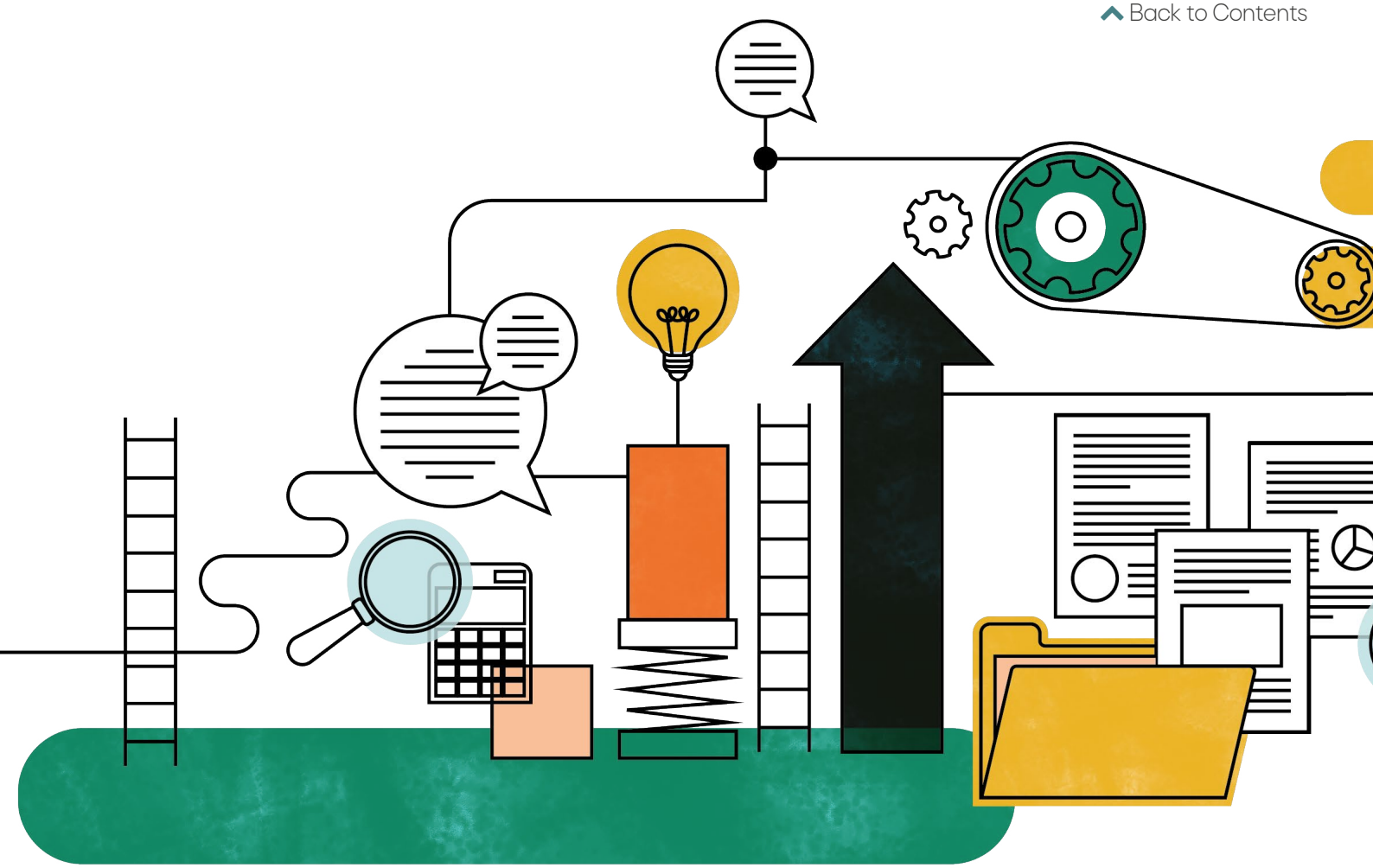
2. Galvanise senior support

Make sure you have strong buy-in and shared vision from your senior team. This will give the project the right level of support and significance as decisions are required.

3. Employ consistent, continuous messaging

Stick to your key messages throughout the lifecycle of the programme and continually refer back to what it is you're trying to achieve for the institution. Understand who your key stakeholders are, what their motivations and interests in the change are, and use this to develop your communications so that you can pinpoint and share information effectively at the right times.





02 Preparatory Activity

Most modern ERP replacement programmes start well in advance of any vendor or SI selection. In fact, before laying the foundations for effective delivery, there is typically a large amount of 'path clearing' work that can and should be initiated long before the formal mobilisation of your implementation team or engagement with any third-party providers.

Whilst this has always been the case, the nature and focus of this preparatory activity has changed somewhat over time. In years gone by, universities would typically embark on a root and branch assessment of their current state business processes, to ensure that their documented requirements accurately aligned with existing ways of working. Now, with the move to SaaS delivery models requiring 'out of the box' systems adoption, such activity has become largely superfluous.

Instead, much more focus is being given to critical dependencies such as understanding the legacy application landscape, organisational cloud-readiness, soft market testing, and people transition planning – to name but a few.

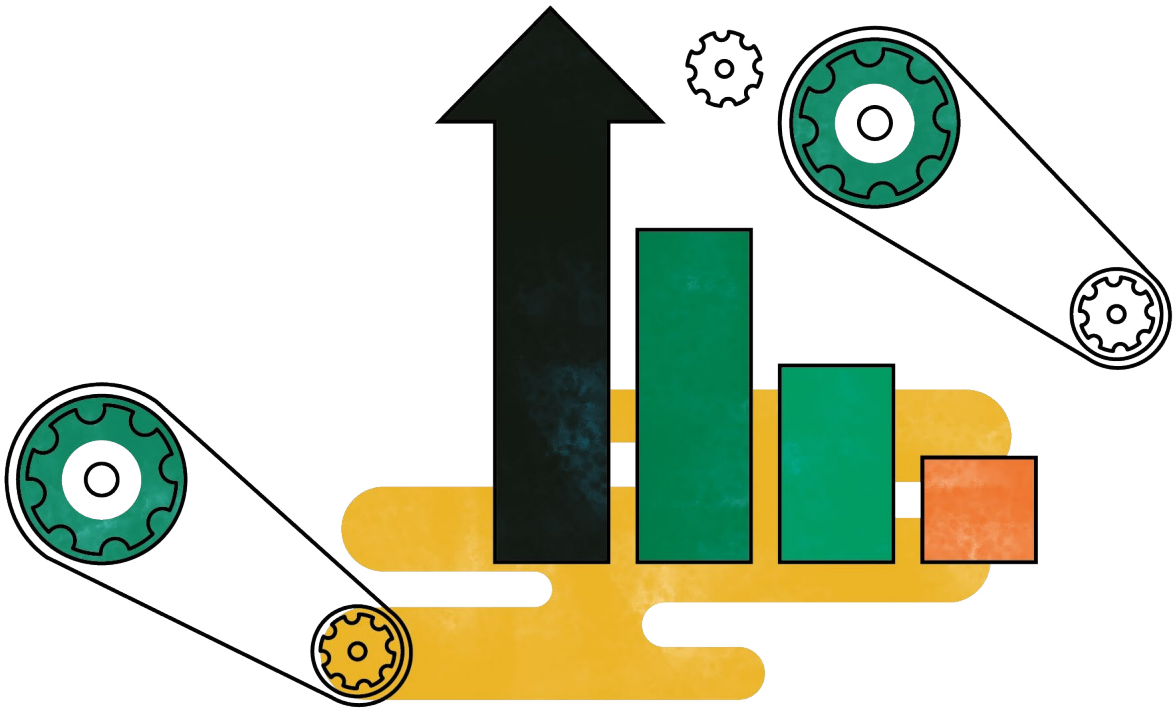
In addition to the need for a robust Case for Change and related business case (covered in the previous chapter), organisations are now spending more time and energy on key considerations which, if left unaddressed, are likely to result in project challenges and overruns later down the line. These may include:

- Gaining a better understanding of the technology market and the products available.
- The accurate cataloguing of required integrations.
- Data strategy development – data mapping, usage, governance, and warehousing.
- The strategy for managing the service post-implementation.
- Programme management set-up.
- The identification of dependencies with other projects and change capacity.
- Full-life costing.
- Procurement strategy development.
- Implementation sequencing and project resource forecasting.

Whilst this is by no means an exhaustive list, the sheer breadth of activity required demonstrates the need for proper planning and forethought across a range of areas, not simply application selection. The universities we spoke to emphasised the following:

1. Understanding the technology market

When implementing a finance system, it is essential to start by understanding your institution's enterprise architecture and the specific requirements of the technology solution. Universities often operate within complex ecosystems that include student systems, HR platforms,



research management tools, and legacy finance applications. A clear picture of how these systems interact will help you identify integration points, avoid duplication, and ensure that any new solution aligns with your strategic objectives. Without this foundational understanding, technology decisions risk being driven by short-term needs rather than long-term institutional goals.

The technology market for finance systems offers several options, typically grouped into Tier 1 enterprise vendors, Tier 2 vendors, and best-of-breed providers. Tier 1 vendors, such as those offering comprehensive ERP suites, provide broad functionality and strong integration capabilities across multiple business areas. These solutions often deliver scalability and global support but can be complex and costly to implement. Tier 2 vendors generally offer mid-market solutions that can be attractive for smaller institutions due to lower cost and simpler deployment. However, they may not be suitable for many universities because of the complex nature of their organisational structures and the need for deep integration across multiple systems. In contrast, best-of-breed solutions focus on specialised functionality, offering agility and innovation in specific domains like budgeting or

procurement. While these can deliver faster deployment and tailored features, they may introduce integration challenges and require additional vendor management. Understanding these trade-offs is critical to selecting the right approach for your university. Current leading practice leans towards modern SaaS platforms which provide all of the core functionality required to run a significant proportion of the requirements.

Innovation is reshaping the finance technology landscape, particularly through AI-driven capabilities and advanced analytics. Universities should evaluate how vendors incorporate AI into their product roadmaps—whether for automating routine processes, enhancing decision-making, or improving compliance. Aligning these innovations with your institutional vision ensures that technology investments support long-term goals such as operational efficiency and data-driven strategy. Reviewing vendor roadmaps also helps you anticipate future functionality and avoid solutions that may become obsolete or fail to keep pace with sector trends.

Finally, leading practice in managing costs and commercials is essential to maximise value. Universities should adopt a structured approach to procurement, including clear requirements, competitive tendering, and rigorous evaluation of total cost of ownership—not just upfront licensing fees. Negotiating flexible contracting terms, such as scalability options and exit clauses, can protect your institution from unforeseen changes. Leveraging relevant frameworks can also deliver cost efficiencies and reduce risk. By taking a strategic view of the contracting process, you can secure a solution that meets your needs while delivering long-term financial sustainability.

> "Pick the right product by fully understanding what you're buying and why. Make sure you do a proper market appraisal - selecting a solution that aligns with the organisation's scale and complexity is fundamental."
>
> David Hill, Chief Information Officer, University of Cambridge

2. Understand your data architecture and integrations

A good understanding of your current data flows, customisations and integration landscape, and a clearly defined strategy around

data migration are all key to effective programme scoping and cost management. For example, an underestimation of the number of integrations that you'll need to include within scope could well result in the need for significant change requests and delays.

Many of the universities that we spoke to acknowledged that they had, at best, an incomplete picture of their current enterprise landscape and mixed levels of maturity of effective data governance across their broader HR and finance systems. In some cases, this led to unexpected overruns as additional effort was required to undertake more detailed data mapping, cleansing, and integration that was not adequately accounted for. This challenge can also be exacerbated where there's a reliance on an additional third-party vendor (i.e. student records / information system) to support the process.

As one CFO that we spoke to reflected, "some of these firms aren't very big and aren't geared up to respond quickly. You're going to need to give them a significant amount of advanced notice if you're going to rely on them for timely input".

It's important that you consider your overall readiness and understanding in these areas to ensure that you cover any additional scope / support requirements as early as possible in your thinking. As both Kingston University and the Liverpool School of Tropical Medicine (LSTM) discovered, this preparation and planning was equally important for historic data management as it was for live data migration.

In Kingston's instance, insufficient internal capacity meant that they were reliant on their legacy systems for far longer than had originally been intended. At LSTM, the biggest learning was how strict they needed to be from a data governance perspective, actively challenging the need to migrate aged or non-essential data at all, and ensuring that whatever was transferred aligned with required target data standards:

"Data migration posed a challenge for us. We did a lot of data cleansing but didn't focus enough resource or time. We ended up keeping legacy systems, which we'd agreed would be on a best-endeavours basis, for 7 years. Because we hadn't migrated all of our data we didn't have all of our integrations in place in time for go-live."

Steve Watson, Application Delivery Manager, Kingston University

"Some of our research projects are 10 years old – we reached a compromise of setting up a historic project ledger for transactional data, but had to be quite strict that if data was not tidied up, it would not be brought across. Take as little as you can into the new system."

Jodi Robinson, Programme Manager, Liverpool School of Tropical Medicine

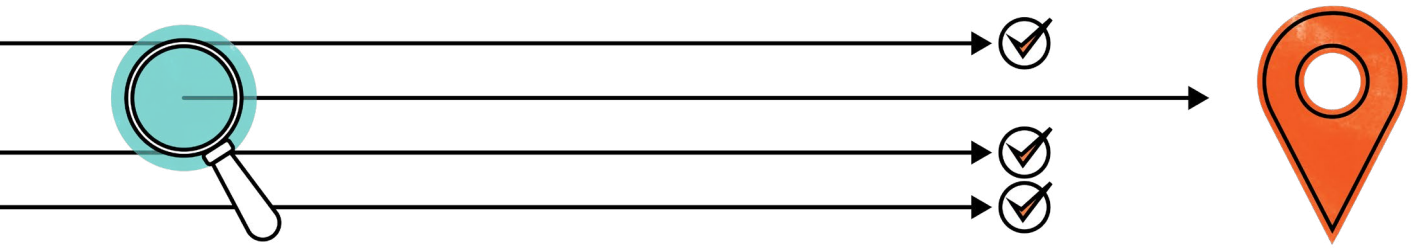
3. Sequence effectively

No matter the scope of your core systems replacement, it's important to ensure that you take the necessary time to consider the various trade-offs for how you intend to sequence your roll out, especially where you're embarking on a change that extends beyond a single professional services function. Where your finance systems replacement is part of a broader ERP replacement / migration you'll need to decide:

- Whether to go for a 'Big Bang' or phased implementation approach, and;
- If phased, which function(s) you'll start with – e.g. HR, HR & Payroll, Finance, Finance & Procurement, EPM etc.

If you're just focusing on a finance system replacement in isolation, you'll still need to decide whether it would be better to take an incremental modular approach, a whole-of-finance approach, or a minimum viable product (MVP) first approach, as is increasingly becoming the norm.

There are many different, and equally defensible, viewpoints about where and how to start. Many will say that your finance system, typically linked to a revised and simplified (CoA), should form the backbone of any broader ERP strategy, whilst others will say that your finance system will always need to align to your hierarchies and be based on a foundation of robust people data. Either way, as evidenced by the interviews that were undertaken as part of this review, there are some good practice rules which you should first consider:



- Regardless of how you phase your configuration and roll out, it's important to make sure your visioning and design work aligns across functions (e.g. HR and Finance) in order to maximise the opportunities for improved interoperability;
- The emotional capacity and willingness of your impacted functional teams needs to be strongly considered; and
- The amount of time and budget that you have, driven by legacy vendor support timescales and current business demands.

Whilst it's always sensible to design all of the moving parts in parallel, if your finance team (for example) has just undergone a major organisational reshuffle and needs time to settle, or if you're on a fixed timeframe for the end of legacy systems support, the sequencing options that you have may be limited. Either way, it's important to understand them, consider them carefully, and model the implications from a capacity perspective:

"Higher Education is a busy environment – our schools and departments have a considerable amount of change during the year, so when delivering major transformation initiatives... it makes sense to do so using continuous development. Implement the core and layer on additional features and functions to enable users time to familiarise and gain confidence with the new services."

Anonymous

4. Getting tax right

H E tax rules are notoriously complicated and university tax functions are therefore often among the strongest advocates for finance system modernisation as they need to hold a complete, accurate, end-to-end view of institutional activity through a tax-specific lens. This means that tax teams are typically the first to experience the consequences of fragmented data, inconsistent processes, and disconnected systems across departments, and are quick to recognise the value that consistent, integrated Software-as-a-Service (SaaS) solutions can bring.

After staffing and estates, tax - and specifically VAT – is frequently one of the largest single cost categories that universities need to manage. With regulatory focus and scrutiny now firmly fixed on getting tax 'right first time', the onus on universities to treat tax as a fundamental component of operational delivery, and not just a bolt-on or afterthought, has never been greater.

> "Having worked with University Tax Teams for over a decade and now working with them on ERP and finance transformation programmes, it is easy to see the opportunities offered by a tax sensitised implementation. Underclaimed VAT relief and VAT not being captured for recovery purposes have (for years) created unnecessary costs for the sector. This is often picked up retrospectively but does no favours for cash flow... a system that does this from the get go would."
>
> Emily-Rose Jones, Senior Manager, Tax, KPMG UK

Whilst HMRC's guidance, Guidelines for Compliance 8 (Help with VAT compliance controls) and Guidelines for Compliance 13 (Help ensuring documents filed with HMRC are correct and complete) are certainly helpful, for many institutions it has also highlighted an uncomfortable truth that legacy systems and processes are not set up to meet these requirements. As several recent case studies have highlighted, a simple replication of existing approaches on new SaaS technology may perpetuate or even exacerbate the risk of overpayment, underpayment or punitive charges. It also creates the risk that institutions will be found to have failed to take reasonable care in their submissions.

Designing tax effectively within a new ERP landscape - and, critically, embedding tax determination as early as possible within transactional processes - provides two clear benefits that can materially support the wider change programme. For non-tax users, it removes the responsibility (and risk) of making tax determinations as part of their day-to-day activity. For tax teams, it delivers greater control, improved data confidence, and a significant reduction in inconsistency arising from local interpretation and workarounds.

Failure to address tax effectively prior to procurement and design can have significant downstream consequences. All too often however, insufficient understanding of the complexity of in-country and overseas tax determinations and a failure to involve tax colleagues early enough in process have meant that tax has become a costly afterthought:

- Incorrect GL mapping to tax code structures;
- Overly onerous overseas tax compliance processes;
- Inadequate custom reporting for such things as PE calculations, recoverability and reverse charging;
- Delays or failures in meeting legislative obligations;
- Incorrect revenue and expenditure reporting;
- Proliferation of off-systems and manual calculation processes; and
- Exposure to HMRC penalties and interest arising from system-driven errors.

"Tax needs to be included in almost every workstream and decision as almost everything has a tax impact or is impacted by tax! VAT has a nasty habit of being relevant to most transactions - even where there's no VAT applicable, the reason (zero-rated, exempt, out of scope) may impact on input VAT recovery. With HMRC having released their GfC13 in 2025, expectations are clear about tax compliance being built into financial systems design, processes and policies - so there's no excuse for not involving tax."

Matt Hodgson, Head of Tax, University of Cambridge

5. Staffing: get the balance right

Having the right people for your programme team at the outset can make a big difference to the tone and momentum of your project, and also in ensuring that you adequately de-risk delivery. As the University of Liverpool discovered, if you don't get the right level of expert input at the right time you can end up with significant levels of rework:

"One of the important things we did early was make a decision about how we were going to resource this. The only way to resource it adequately was to have a dedicated project team and backfill their roles."

Andrew Dyer, Interim Chief Operating Officer, London School of Hygiene and Tropical Medicine

"We're 18 months in and not fully happy with some of the reporting. There was some lack of clarity as to what colleagues wanted from the reporting and we have had to spend a lot of time going back and reiterating on the reporting to get out of it exactly what we want."

Nicola Davies, Chief Financial Officer, University of Liverpool

Many of the universities that we spoke to also advised that there is still an important balance to be struck between having the right mindset and the right expertise - i.e. an enthusiastic, inquisitive disposition and willingness to challenge the status quo is often as important as technical knowledge or seniority. For the core team, and especially those who will be seconded, it's important to get the right mix.

As well as mindset, the other two specific points that came out particularly strongly through this exercise were:

1. The importance of good internal / client-side Programme Management, and;
2. Adequate consideration, planning, and back-fill for business-as-usual staff required to input into solution design and testing.

In relation to the former, it was made absolutely clear that a good Programme Manager is crucial to the effective interface between the institution, vendor, and transformation party / SI. To do this, they will need to have sufficient relevant experience to foster credibility, understand where the likely risks and pitfalls will be, manage the inevitable nerves that will accompany the change, and support your executive team to ask the right questions at the right time:

"It makes a big difference having an experienced Programme Manager in place. Try and get the right person at the start... If you don't do this, you risk the information not being relayed appropriately or at the right time. A good PM will provide critical challenge - delving into the detail and not taking information at face value."

Andy Goor, Chief Financial Officer, University of St. Andrews

City St Georges mobilised different iterations of programme management, ultimately creating a PMO team that achieved the right balance of administrative and governance support, functional and technical leadership, and cross programme engagement to ensure a set of effective inter-programme relationships and a unified team working towards a clear and common goal.

Almost everyone we spoke to emphasised the importance of both freeing up your best people to contribute to the project, and making sure that you plan around key peaks in demand and have sufficient back-fill in place to keep business-as-usual going.

6 Involve your key stakeholders

In a busy university setting, a big programme on the horizon can easily feel like 'tomorrow's challenge', and something that your programme team will need to worry about rather than your day-to-day delivery teams. Making sure that key stakeholders across all levels of the institution give input in the early stages - e.g. through the Case for Change, inputting into maturity assessments, feeding into resource profiling, etc. - will create a sense of ownership within the business, and help reduce the risk of unexpected pockets of resistance at decision points in the programme.

Having a clear view of the skills, capability, and mindset in your current finance team will be beneficial when you are identifying change champions and undertaking your resource planning e.g., will you second staff, go to the contractor market, or both? What skills do you want your partner to bring?

"One of our functional areas wasn't happy with the product we selected and what it delivers for them – the product isn't as mature as they would like. We had challenges with representation from that area from the outset, which were compounded by a change in management. We should have considered the level of buy-in that was needed for the Steering Group and pushed harder to get it."

Steve Watson, Application Delivery Manager, Kingston University

7 Get your governance right

Effective governance is absolutely critical to successful delivery. The ability to interrogate, understand, and critically challenge programme progress at a strategic level will enable an institution to understand the cost and value trade-offs between different decisions and ensure that delivery remains on track. However, as in many large, complex organisations, university leaders often have limited experience of overseeing large-scale systems transformation programmes and can lack the technical know-how to perform the role of critical friend effectively. Whilst your CIO or IT Director will likely have the requisite skills and experience to perform this function, their role as 'senior supplier' to the programme can throw up potential conflicts and send the wrong message about change ownership.

In order to operate effectively you need two things in place: a robust design authority, and an adequately experienced programme lead. The programme lead will need to act as an intermediary between your project team and suppliers, coach your senior executives on the key questions to ask, and ensure that your Steering Committee and governance structure comprises the right balance of business and technical subject matter experts, and stays on track:

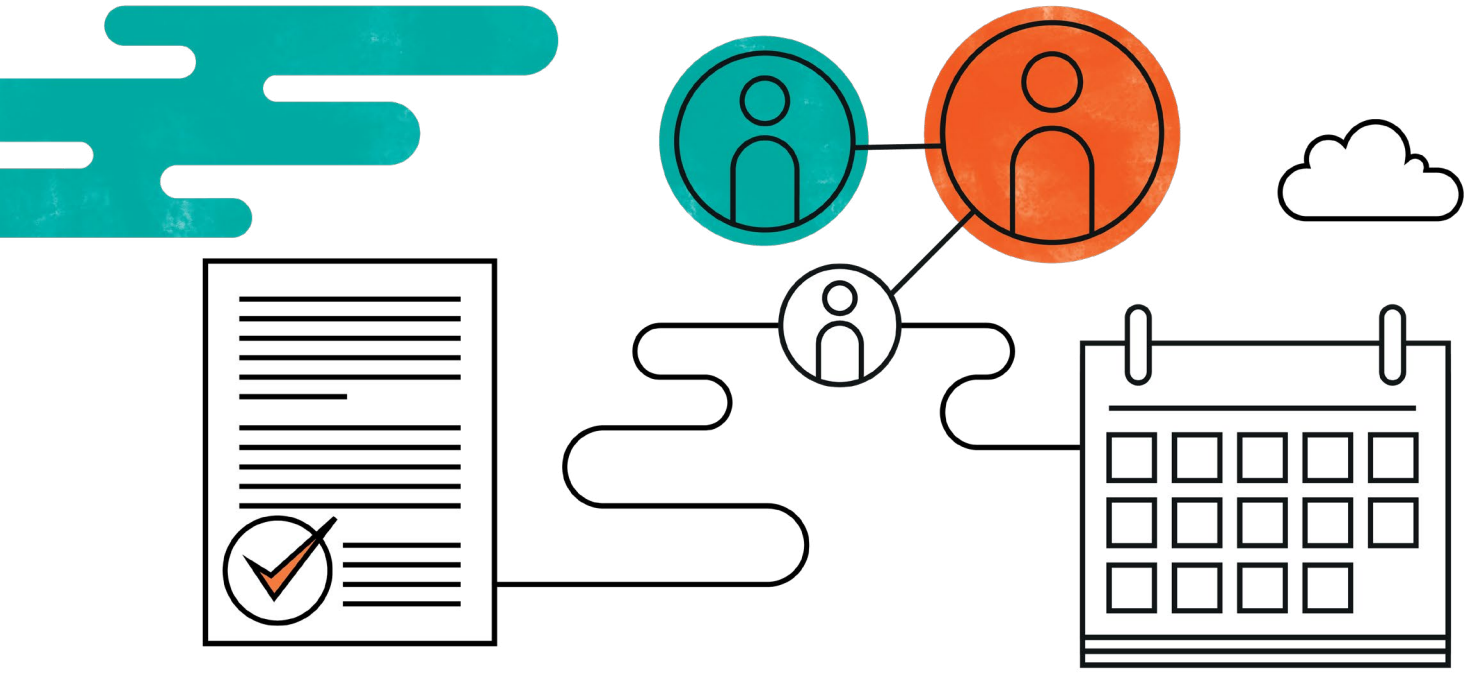
"We had a lot of 'doers' within our steering group. This meant that we had the detail covered but occasionally the group's focus got waylaid on discussing technical detail. You need the right balance and governance model to make sure you are getting the strategic test and challenge needed for this ambitious undertaking."

Nicola Davies, Chief Financial Officer, University of Liverpool

While each institution determines their own governance model, some key forums we often see set up include:

- Steering Committee (monthly) - provides project governance and ensures alignment with the institution's strategic objectives. Escalation for issues and ensures programme adheres to quality standards.
- Executive Sponsor meetings (monthly/ fortnightly) – update on project status, discuss financial matters, address risks, and engage stakeholders.

- Technical Design Authority (monthly) – ensures integrity, consistency and compliance of technical and architectural design. This committee often feeds into any institutional CAD or technical design authorities.
- Business Design Authority (monthly) – oversight of business and technical design ensuring the solution is fit for purpose and meets the institution's objectives.
- Project Team meetings (weekly) – day to day management of the project discussing project goals, tracking progress, addressing challenges, and making decisions.



02. PREPARATORY ACTIVITY

Key takeaways

1. Understand the technology market

SaaS solutions offer scalability, regular updates, and access to innovation such as AI-driven automation and advanced analytics without the burden of on-premise maintenance. By selecting a vendor with a clear product roadmap and strong integration capabilities, you can future-proof your investment and ensure interoperability across complex university systems. Effective procurement remains critical—focus on transparent costs, flexible contracting, and leveraging sector frameworks to maximise value and minimise risk. A modern SaaS approach enables agility, compliance, and long-term sustainability for your finance operations.

2. Understand your data architecture and integrations

Take the time to accurately map all of the data flows and integration points with your legacy systems to avoid costly scope creep later. Invest whatever time is needed to get a detailed understanding of your enterprise architecture, and to define your data migration strategy.

3.Sequence effectively

Consider the cost implications and your capacity to change when deciding how to sequence the roll-out of your new system. Understand the trade-offs of different sequencing options and make sure that the approach you take lines up with your Case for Change.

4. Getting tax right

It is important to address tax effectively prior to procurement and design as it can have significant downstream consequences. Treat tax not as a peripheral consideration, but as an integral part of ERP design, governance, and delivery.

5. Staffing: get the balance right

Ensure that you invest your best people in the programme without undermining business-as-usual activity. This will require careful impact planning and backfill considerations. Look for a blend of skills and mindset / attitude when identifying people for your programme team.

6. Involve your key stakeholders

The people who will be using your new system need to have a real sense of influence and ownership over the design and roll out. Get key stakeholders involved as early as possible to create a sense of business ownership for the programme.

7. Get your governance right

Make sure you put in place expert coaching and advice to support your executive team and sponsor through the implementation process.

03 Procurement

"Universities can improve the way they implement finance systems by embracing an open, fair and transparent approach to supplier engagement. By adopting these principles - ensuring clear communication, honest competition, and consistent evaluation - universities can foster a healthier, more sustainable cloud services market that benefits institutions and suppliers alike."

Ashley Shelbrooke, Procurement Specialist, BUFDG

Major systems procurement has undergone significant change in recent years, especially within the Higher Education sector. On the one hand, with the government's new Procurement Act (2023) coming into effect at the beginning of 2025, we have seen a concerted effort to reduce the constraints on public purchasing with greater flexibility and transparency of process, whilst on the other – owing to the way in which

universities are now predominantly funded - we have seen an increasing number of HEIs opting out of public procurement rules altogether.

This has resulted in a number of intended and unintended consequences, in part due to varying interpretations around the rules and intent of the new act. Firstly, we have seen a range of different approaches to pre-market engagement, ranging from earlier 'soft market testing' through to palpable nervousness around pre-competition dialogue for fear of giving individual bidders undue advantage. Secondly, we have also seen a proliferation of tendering exercises outside of typical government framework routes.

Whatever your preferred approach to market, a number of factors have remained constant:

- Early market engagement is essential to help shape institutional understanding and requirements;
- A focus on outcomes, rather than inputs – i.e. business benefits over functional spec – is likely to foster innovation and drive better long-term value; and
- Adherence to the core principles of effective and equitable procurements, is as important now as it has ever been: *Value for Money (VfM); Maximisation of Public Benefit, Transparency, Integrity, Equal Treatment & Non-discrimination* and the *Removal of Barriers for SMEs*.

When the potential cost and scale of change are so high - especially if you get it wrong – the process of selecting a cloud vendor / SI transformation partner, managed service provider, or assurance partner can feel daunting. With so many potential choices and with so many perceived horror stories, striking the right balance between trust and risk, internal capability and third-party expenditure, cost and benefits, is crucial.

The move to SaaS is all about becoming an 'intelligent customer' of services rather than a traditional internal supplier of technology to your business. In the past a university would typically outline its detailed requirements to align with its current business processes, purchase and host its own instance of its preferred system and, over time, customise,

fix and build on this product to meet changing end-user demands. With the advent of SaaS this has all changed. Success is no longer measured in terms of how far you can warp or bend a system to fit your needs, but in terms of how you can standardise and align your business processes to make best use of the evolving technology.

As evidenced by the experiences of those institutions that contributed to this guidance, the trick to successful procurement is being very clear on what you want to achieve, aligning your process to deliver these outcomes, and engaging with prospective partners in a way that engenders a positive working relationship.

There are several options to think about and rarely a single supplier to select. From a procurement perspective you will need to consider:

- A cloud vendor: the SaaS application / license provider.
- A systems integrator (SI): who will support you from a technical delivery and is familiar with your chosen ERP.
- A transformation partner: who will work alongside you, the cloud vendor, and the SI (in some cases the SI and transformation partner may be the same supplier, in other cases separate).
- A managed service provider: who will support post-implementation.
- An assurance partner: someone independent who can act in a formal assurance and critical-friend role, giving assurance to your executive and board that the project is on track (and also early warning and advice when it inevitably goes off track). This may be call off and not with you all the time or someone who has been through the journey recently.

There is no one-size-fits-all procurement process.

The specific combination of the above will be wholly dependent on the outcome of the Case for Change and preparatory activity taken in steps 1 and 2. This will enable you to determine your primary drivers, internal capacity, budget, and timeframe, and that in turn will enable the right partners to be procured.

However, whichever route you take the following key lessons come to the fore:

1. Don't over-simplify

Procurement processes can be time consuming and costly for all those involved, and if you get them wrong it's very easy to deter prospective bidders from engaging. Whilst it might seem tempting to try and bundle all of your different support requirements into one contract, a number of the institutions that we spoke to flagged this as a false economy and warned against this course of action. Don't assume that just because the overall contract value is high and your institutional brand is strong, that vendors and SIs will automatically decide to bid.

If the costs and the win probability don't stack up against the likely commercial return, you may find that a number of bidders drop out of the running at an early stage.

The relationship that you're likely to have with your preferred vendor (i.e. a 10 -15 year+ licensing arrangement) is completely different in nature to the one that you're going to have with your chosen SI or transformation partner (1 – 3 year fixed duration services contract).

Equally, just because your preferred SI has strong pedigree and credentials in the implementation space it doesn't mean that they'll be best placed to manage your ongoing service support – if you even know what managed service set-up you're going to want at the outset. (N.B. It's often difficult to define this before you are in delivery, unless you are running a completely outsourced model already and know that you want to establish an in-house capability).

To compound this challenge, if your procurement is based on low level functional requirements (which can easily run into the thousands when considering combined ERP solutions) rather than business outcomes

it's very hard to differentiate between most of the leading technologies currently on the market. It's only when you start to consider inter-operability, integrations, user experience, and other industry-specific add-ons that the real differences become clear (more on this below).

"Our initial approach of running a single tender simply did not work. Coupling the technology and implementation partner into a single tender bought risk to the institution. It is easy to confuse the services of the technology vendor and those of the implementation partner – leading to scoring challenges.

By running separate technology and implementation partner procurements, City has developed direct relationships with both the technology provider and Implementation partner, and is embarking on a journey, with clarity on the services expected of each as a collaborative partnership..."

Helen Watson, Chief Operating Officer, City St George's, University of London

2. Be clear about your intended outcomes

At this stage in the evolution of cloud, there is little difference in the essential functionality of most of the major systems, and so it's hard to differentiate between them on this basis alone. The value lies in the additional innovation that providers offer, whether that be in terms of AI and automation, management of information, or improved operating model design. So, when thinking through your procurement approach, you need to be laser-focused on the outcomes you're looking to achieve, and ensure that your weightings and general evaluations of competitive tenders see past the base requirements and allows the most strategically-aligned responses to cut through.

If you don't get this right, and if you're not seen to act with transparency, you're very likely to find yourself in one of two situations:

1. You select the wrong technology or SI, or;
2. You open yourself up to procurement challenge.

This lack of alignment can manifest itself in many different ways, for example:

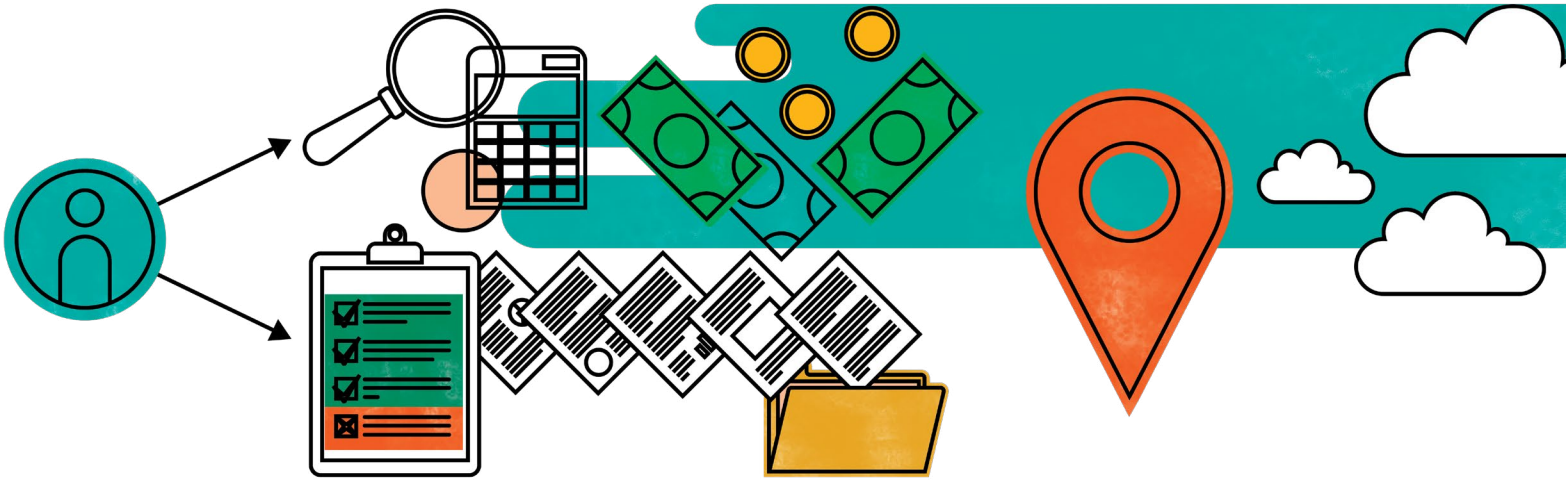
- Cost vs. scope - Weighting the tender evaluation criteria heavily in favour of cost whilst simultaneously insisting on a full range or transformation support services. In many instances, this will result in either a contraction of scope post-award or (where behaviours aren't effectively managed) a slew of change requests to increase the fee. Remember, you get what you pay for;
- Transformation vs. technology - Sharing a vision of transformed end-user experience and then limiting the scope for external support for technical integration activity. This will often result in the replication of existing technology on a new platform and little or no business benefit to show from the cost;

"Be cautious of fixed price contracts and ensure they allow for quality resources and the impact of delays, and that you are very clear on assumptions and the impact of those assumptions made in the Statement of Works."

Anonymous

- Proven expertise vs. new entrant opportunity - An insistence on a range of very specific supplier requirements - proven UK sector experience, provision of leading practice Higher Education assets, in-depth expertise in areas such as tax, change and data migration - but a desire to explore new market entrants. Such confusion will likely either result in a missed opportunity or (in the worst-case scenario) difficulties evidencing the justification for your preferred tender selection.
- Leading practice vs. requirements gathering - Perhaps the most common challenge, especially where vendor and SI selection have been grouped together, is aligning a desire for external suppliers to showcase global leading practice with an historic tendency to either:

  1. over-specify all conceivable functional requirements to a very specific level of detail, or;
  2. insist upon bottom-up requirements gathering as the preferred approach for design.



Clearly, these different approaches are not compatible, and either of the latter permutations will make it much harder to differentiate between partners.

Ultimately, whether or not you choose to take a transformative or purely technical approach, any areas which you choose to de-scope, either to save cost or accommodate a preferred partner – e.g. change, testing, data migration etc. – will likely need to be delivered by someone, so it's worth making sure that internal resource provision is lined up as early as possible in the process (see also point 3, below).

3. Be realistic about your support requirements

The most obvious ways to reduce the overall cost of your finance system implementation are either to reduce the number of functional modules within the scope of your bill of materials or to try and increase the proportion of internal or lower cost resources on your implementation team. These are very sensible options if they align with both the benefits that you're trying to deliver, and the capacity and experience of your in-house capability.

Involving your internal subject matter experts in the design and roll out of your new finance system is crucial to ensuring that your chosen technology works and is adopted by the business. In many instances these will also be the same individuals that will be tasked with overseeing the delivery of your core finance processes in the future, so they need to have a real sense of ownership and familiarity with the product and its usage.

However, you need to be realistic about the amount of work that you can do yourself. Many of your staff will never have been through a core systems replacement programme or cloud migration in the past, and in Higher Education it's likely that a lot of them will have only limited experience of what 'good' looks like from outside the sector. Once you've made this determination, outline the internal capacity that has been allocated to the programme, and any specialist roles that will be required in your procurement documentation. This could include ensuring you have qualified finance or HR staff in your SI partner or vendor deployment team so they can understand what you need to achieve, and map this into the new technology.

4. Engage with your prospective suppliers

Pre-tender engagement (or 'soft market testing') with suppliers is one of the best ways to understand what's possible and the unique assets and IP that they can bring to your programme. It's also one of the best ways to assess the ability of the individuals involved to come together and work collaboratively for a common goal. This 'chemistry' is the hardest of all the implementation suppliers' characteristics to measure.

> "We could have been clearer about requirements before reaching the procurement stage. By the time you go out to procurement you should already have a strong idea of what you want."
>
> Andy Goor, Chief Financial Officer, University of St Andrews

Beyond simplistic functional demos - which all vendors and SIs are likely to be able to satisfy – it's worth building in mechanisms in your procurement process to understand what it would actually feel like to work with your prospective suppliers day-to-day. If your procurement cycle is set up to filter early to fewer suppliers, you will then have the time to engage in meaningful dialogue. Assessing cultural fit to your own organisation can be subjective, especially when only observed in a final presentation round. Spending time together is the only way to assess what it would really be like to work together, and which of your prospective partners and vendors you would feel most comfortable having the (inevitable) difficult conversations with.

Unfortunately, it's also often prudent to undertake some level of informal due diligence to validate the experience of your prospective suppliers before progressing to award or contract. This might even include reference site visits. Specifically, it's worth checking:

- Veracity - On a large-scale programme spanning multiple years, it's very easy for a vendor or SI to find someone somewhere within a client organisation who'll be willing to act as a referee, regardless of the overall strategic success of the programme. In addition, a number of institutions flagged that it was not uncommon for them to receive multiple credentials for the same implementation from different SIs who had performed very differing roles on a programme over the course of multiple years.
- Relevance - Universities are not all the same, and so just because a case study relates to another HEP, it doesn't mean that it's directly relevant or comparable to your own institution. Similarly, experience and assets from other geographies aren't always directly relevant to a UK context either, as different countries may have different financial reporting, statutory reporting, tax regimes, fee income regimes, and language or multi-language requirements.

"We noticed that multiple bidders cited the same institutions as part of their proposals. It was important for us to contact the institutions to discover the actual roles the bidder played. Separately, we have also found suppliers citing City as part of their customer base for products that are being transitioned out."

Anonymous

"[We] should have been more critical in looking at what they [the vendor/SI] were telling us. Look at their track record. Look at their references. Do that upfront. Have they delivered what they say they will deliver?"

Anonymous

Always ask for named senior references, ideally from comparable HEPs, and take the time to actually speak with them. Use the BUFDG staff team and network to find people who can help you.

Early engagement with your prospective suppliers, perhaps utilising a Prior Information Notice (PIN), will also help to set expectations around things such as anticipated timescales, alignment with other internal change initiatives (where relevant), and tendering behaviours. For example, a number of the institutions

that we spoke to flagged the importance of being very clear with their prospective SaaS vendors about the need to provide proactive guidance and advice in terms of SI / transformation partner selection, and warned against allowing what they saw as a 'bombardment' approach – i.e. having as many horses in the race as possible to stack the odds:

> "We ended up with one vendor putting in seven bids - each with different implementation partners. This made it difficult for us because we wanted to know who their preferred implementation partner was - or at least a top three. It was very difficult to wade through the responses and difficult to differentiate."
>
> Anonymous

Finally, beware the term 'cloud upgrade'. Whilst sticking with your incumbent vendor is often a very good thing for reasons of product familiarity and relationship continuity, all cloud migrations should be seen and treated as full systems replacements requiring the same levels of effort and input as they would if you were migrating to an entirely new product.

5. Make the process fit for purpose

As outlined at the start of this section, whilst undertaking a programme as complicated as a finance system replacement will always throw up challenges, that doesn't mean that risk should be the only consideration on your mind when determining your preferred procurement process. There will be a cost to your institution of running any partner selection and the longer and more complicated the process the greater the cost. You may also discourage prospective partners from bidding – even if the potential 'prize' is significant. As outlined above, if the win probability and costs to bid don't stack up then some vendors and transformation partners may choose not to engage.

When considering what the optimal process looks like for you, remember the outcomes that you're looking to achieve. If you have a compressed timeline within which to work because of a technical 'burning platform' – i.e. the impending cessation of vendor support – then your process will likely be different to the process you would

employ if your ambitions were to deliver a whole of Finance function transformation.

The procurement route or framework that you employ will also need to be carefully considered. For example, there are multiple Crown Commercial Services (CCS) frameworks through which prospective tenderers have already been value for money (VfM) assessed, however, not all of them are fit for purpose in every instance. For example:

- The advent of SaaS means that many vendors and SIs now bring considerable leading practice intellectual property (IP) to the table when bidding. This is undoubtedly a benefit for you as it can help accelerate your implementation and focus time and effort where it matters, but it also means that if you don't allow suppliers to retain ownership of their pre-existing IP they're unlikely to be able to bid.
- Whilst it may be appealing to try and push the balance or risk to your suppliers by insisting on one-sided liability clauses, the experience that many SIs have had of working in the Higher Education sector means that very few will sign-up to contracts where they have no means of redress should a university fail to meet its contractual obligations – e.g. timely decision-making, availability of key resources, and access to appropriate data etc.
- Finally, while requesting license resale via your chosen implementation partner may seem pragmatic, many larger providers are not set-up in this capacity and will struggle to accommodate this request. This is especially the case given that there is very little business rationale for prolonging your relationship with your chosen SI beyond the point of successful go-live. There is also little to gain from insisting on a 'soft-priming' arrangement; including these elements as key stipulations is only likely to dissuade certain providers from competing.

03. PROCUREMENT

Key takeaways

1. Don't over-simplify

Don't try and shoehorn all of your support requirements into a single contract. The long-term relationship that you'll have with your license vendor is likely to be very different from that of your SI or managed service provider. Design a process that will recognise the differences in the relationships that you are procuring and will be a manageable effort for both you and prospective partners.

2. Be realistic about your support requirements

If you've got the capacity and experience to do it yourself, do it yourself. If you don't, recognise the fact and factor in the necessary cost to plug any gaps. Provide as much information as possible about your specific situation in your procurement specification so that vendors can provide a more tailored price, and you will have a foundation on which to manage any changes down the line.

3. Be clear about your intended outcomes

Make sure your contractual relationship with your preferred transformation partner or SI is outcomes-based rather than inputs-based (i.e. time and materials). Be clear about your outcomes, not just the technical or functional requirements you want the system to deliver. Work this into the evaluation criteria used to score submissions so you can differentiate potential partners.

4. Engage with your prospective suppliers

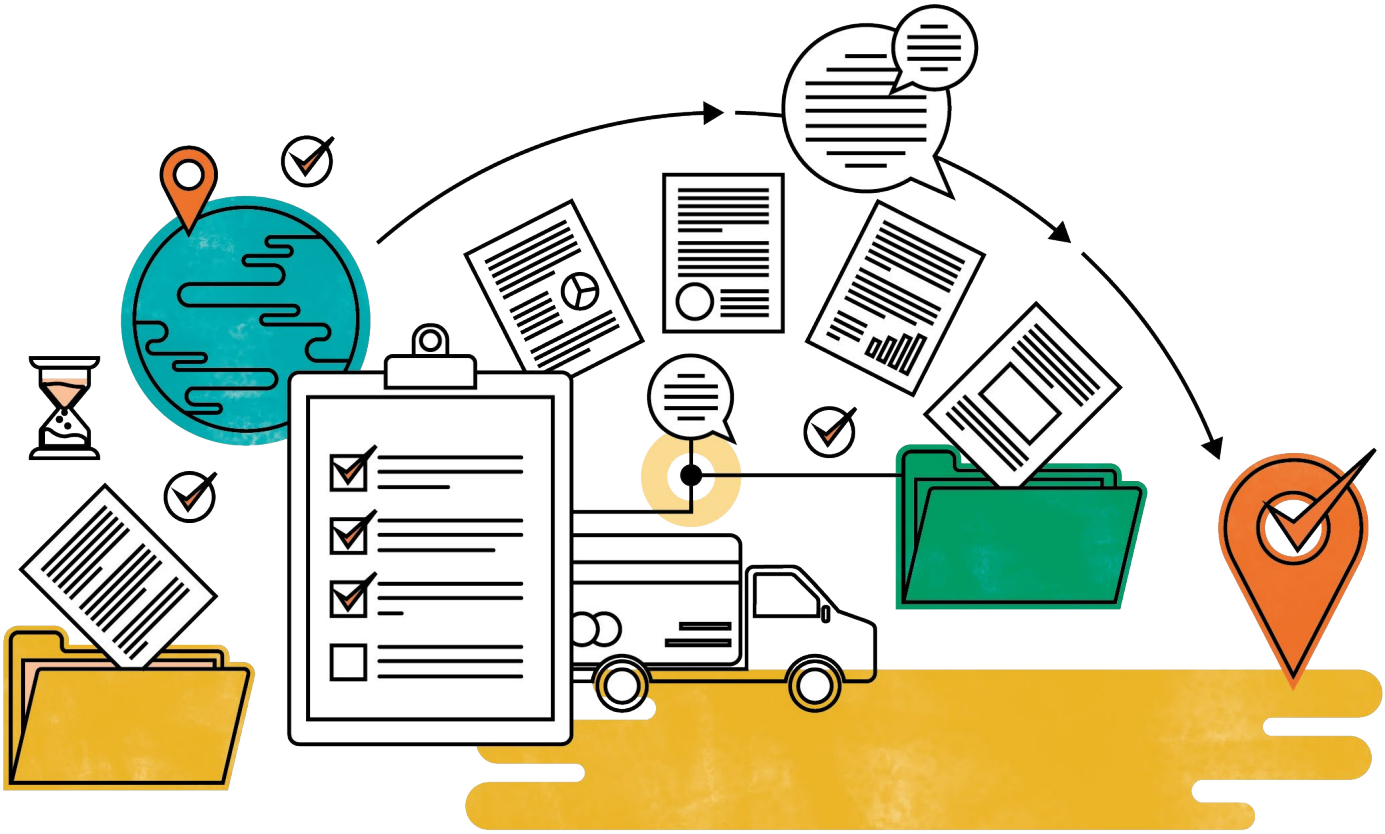
To make the right choice of partner you need to actively engage with them throughout the procurement process. Rather than taking a traditional stance of prohibiting business engagement you should look to use this period to test their offerings and capability and assess their cultural fit with your institution. Do your due diligence on the credentials and experience of your partner and find ways to spend time together to assess 'what it would be like' to work together day-to-day - in good times and tricky ones.

5. Make the process fit for purpose

Procurement processes are costly. To attract the right volume and calibre of vendors and SIs you need to make sure that the required effort is proportionate, your process is transparent, and that you have addressed key contractual considerations such as IP ownership, liability, and license resale. Challenge vendors on the product roadmap and current functionality so that you ground your decision in what's possible today – and don't risk compromising your delivery timelines based on projections.

"Cloud procurement must be firmly aligned with the university's wider digital and corporate strategy. Best practise highlights the importance of linking cloud decisions with organisational priorities around security, sustainability and innovation; for Contracting Authorities this can also reflect emerging expectations under the Procurement Act 2023. By ensuring that procurement, digital and strategic teams work collaboratively from the outset, institutions can implement cloud services that support long-term transformation goals rather than short-term fixes. This alignment strengthens decision-making, reduces risk, and helps universities implement more future-ready finance systems."

Ashley Shelbrooke, Procurement Specialist, BUFDG



04 Delivery

The cost, complexity and sheer effort required to migrate successfully to a new application have always been significant, but the added dimension of now having to move from a traditional on-premise maintenance model to a cloud-hosted one has made the process feel even more daunting. When you consider the number of high-profile implementation failures across different sectors in recent years, it's easy to see why universities would be reticent to rush headlong into such a change.

For those that have embraced the need to successfully move to a SaaS delivery model, the potential advantages are significant. As evidenced during the initial stages of the COVID-19 lockdown, those institutions that had already successfully migrated to the cloud were able to ensure business continuity far more effectively than would otherwise have been the case, utilising secure remote access, consistent finance processing, and transparent workload management.

In talking to institutions that had successfully migrated to the cloud about their delivery approaches, several consistent themes / lessons emerged. These are best summarised as follows:

1. Align your timescales and capacity

There is nothing easy about delivering any transformation project and unexpected challenges will always arise. Many of the institutions that were interviewed had started off with an overly ambitious delivery plan and made the mistake of assuming that their implementations would simply run to time without sufficient contingency for delays. At Staffordshire University however, they took the time to reflect on lessons learnt from other institutions and were careful to set a realistic delivery roadmap and release plan, based on the capacity of their delivery team.

It's worth taking the time to clearly define what "successful" delivery means to your institution and what level of resourcing you will need to achieve it. For some universities, this may mean restricting the scope to the minimum viable product (MVP) in the first instance, whilst for others it could be freeing up a significant amount of business-critical resource to give the programme the best possible chance of delivering genuine change.

> "We had a small team and didn't have the resources to handle a lot of stakeholders at the same time. We didn't promise lots of things on go-live. So we were able to deliver on time and demonstrate the benefits rapidly."
>
> Keith Humphreys, Director of Finance, Staffordshire University

Once you have clearly defined your scope and the capacity that you're going to need to deliver that ambition, you need to make sure you have the right team in place to fulfil it. The universities we engaged with all reflected on the obvious - "delivery is hard". This means you need to have the right people involved and you need to give them the time and space to deliver. A large university highlighted a number of areas where, with the benefit of hindsight, they would have bolstered capacity earlier in the process, whilst at Kingston they recognised that by backfilling their finance team and allowing them to be full-time on the project was incredibly beneficial in fostering long-term business ownership. The university highlighted a number or areas they would have improved earlier in the process:

"[In retrospect] we would have bolstered our Finance capacity, doubled the Accounts Payable team a year out and taken the cost hit. We would have invested in five G8 [Management Accountants] on standby to solve problems and had them in place for up to a year before."

Anonymous

Importantly, there is also a staff welfare aspect that cannot be ignored if you want to resource the project appropriately without overburdening your team.

2. Invest in change management

Effective change management, communication, and training are essential to achieving institutional buy-in. This is especially relevant for universities. Change management needs equal billing and the same investment of time and money as your technical integration and the future design of your processes. If it's treated as an afterthought, the programme runs a very high risk of failure. A lot of the universities we spoke with learned this lesson the hard way. We can summarise their message in a simple quote from the University of Dundee – "when the change is coming, make sure you communicate to people what it will mean for them". A lot of change-resistant behaviours are driven by fear of the unknown. It's also important that, once you start communicating, you maintain that momentum throughout delivery.

"Communication is critical, not just positive stories but honest updates about challenges and fixes. It's not just having a consistent narrative; it's about being really upfront about what the change is and how it's going to impact."

Chris Ince, University Secretary, Registrar and Chief Compliance Officer, University of Hull

"The assumption that staff would have the necessary digital skills and desire to engage with a new way of working based on modern best practice was simply too ambitious."

Estelle Long, Senior Change Accountant, University of Derby

"Plan for the change from the start and ensure that it is well communicated with extensive user engagement to support adoption. If this is a technical project measured by a go live date without a measure of adoption, it will be just that: a technical delivery only..."

Anonymous

Delivering tangible business benefit requires not just technology but also a change in process, mindset and behaviours. Whilst these would be significant challenges in any environment, in Higher Education they are particularly acute. Ultimately, it won't be the technology that determines if this programme succeeds, it will be your people. Change management needs to be a core element of the end-to-end transformation journey.

3. Adopt don't adapt

To achieve long-term benefit it's important you stick as closely as possible to the 'out of the box' product, push for process standardisation and simplification, and only adapt the application through permissible configuration. In many instances, an over-reliance on traditional bottom-up requirements gathering has resulted in:

- Delays, as different parts of the business fail to agree on requirements;
- Spiralling costs, where requirements gathering workshops require rework when the technology cannot be configured as desired, and / or;
- Replication of the status quo, which is often inefficient and of mixed quality to start with.

This was certainly the case for a large local metropolitan council whose intention had been to adopt the 'out of the box' functionality of its new cloud ERP solution and change its existing business processes to fit this model. Ultimately, the decision of its programme team to 'adapt' rather than 'adopt' the application and customise it to replicate the existing functionality of their legacy system resulted in numerous challenges. This adaption approach severely impacted the council's ability to properly implement their new system, resulting in reduced end-user benefits and spiralling implementation costs.

The primary finding of the council review was that the new solution was so customised that it did not meet the original vision, to adopt leading practice processes, as outlined by Cabinet and the Council Leadership Team.

It's common for universities to have used their legacy finance systems for such a long period of time that they don't realise that some of the ways that they do thing are the result of complex, and often unplanned, customisations to the underlying functionality. Rather than trying to recreate your current processes in the new system, it's commonly accepted good practice to start off by asking yourselves: "is there a better way of doing it?" Of course, there will be genuine instances where you need to adapt the solution to fit the nuances and vagaries of Higher Education, but in most instances that won't be the case. The University of Birmingham, for example, reflected that, having built the HR module of the system first, the biggest learning for Finance was to minimise complexity by adopting the base solution as far as possible 'out of the box': another leading university heavily scrutinized customisations through robust governance, recognizing that this process required discipline to ensure that they remained focused on the principles of 'adopt not adapt'.

> "We built HR first and did a lot of configurations, which caused delays and limited benefits realisation. We then moved on to look at Finance and stuck to what was in the box as much as possible."
>
> Erica Conway, Chief Financial Officer, University of Birmingham

The University of Derby echoed this sentiment and actively sought to change their processes when adopting cloud:

> "The implementation of a modern best practice business processes solution, delivered on a Software as a Service (SaaS/cloud) model, meant we undertook the required changes and did not continue old practices."
>
> Estelle Long, Senior Change Accountant, University of Derby

This was a common sentiment shared amongst many of the universities that contributed. LSTM translated it into a mantra of "adopt, not adapt, config only, not coding". The team reflected that this clear direction from leadership really helped them maintain focus and deliver the transformation successfully.

4. Don't treat it as an IT problem

For cloud solutions to embed and be used effectively you will need to ensure that your operating model is geared towards supporting this change – e.g. your end-to-end processes (both off-system and on), your roles and accountabilities, your data and reporting framework, and your governance and controls. If you focus too much on the technology and not enough on the people, they'll very quickly revert to localised workarounds and old ways of working.

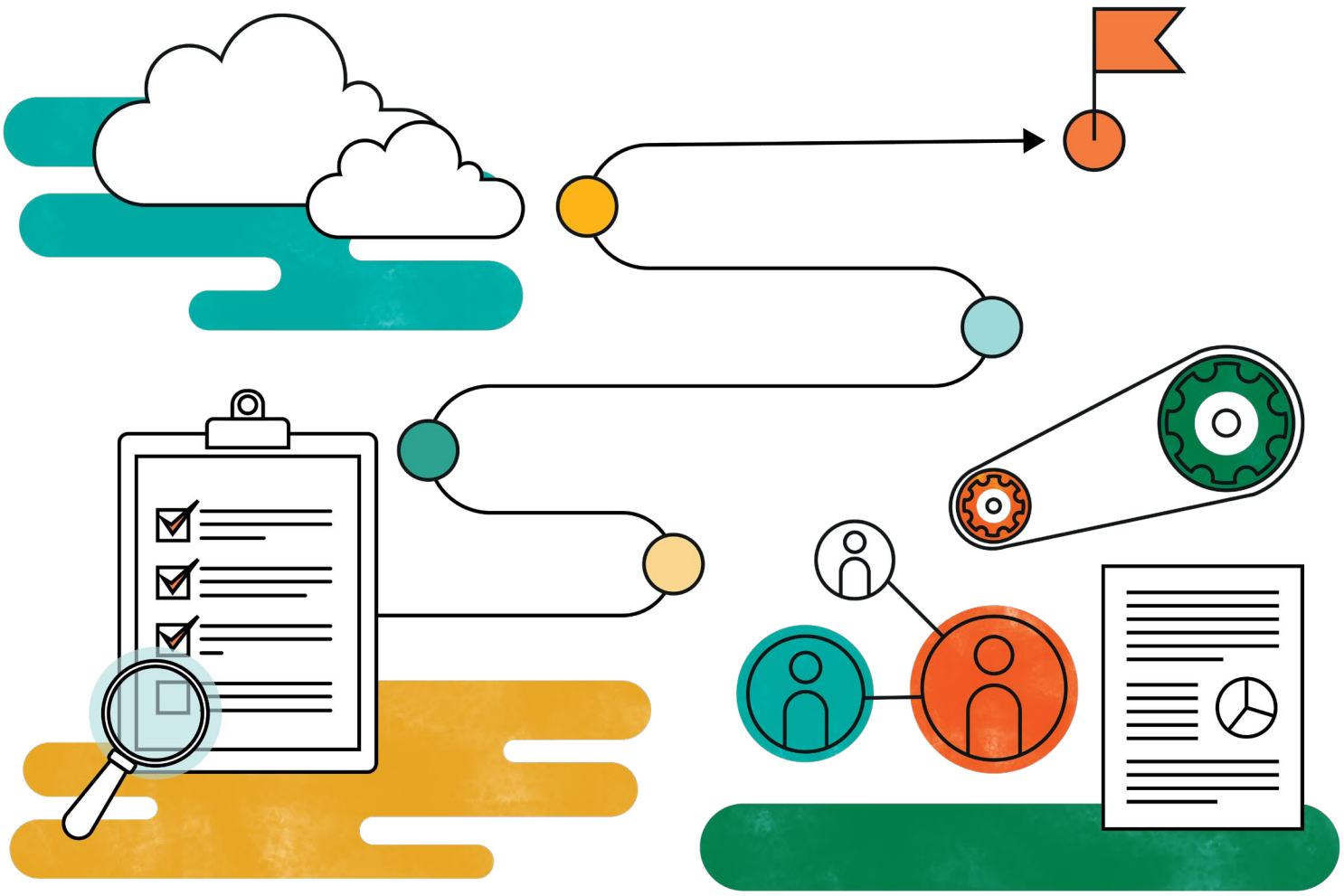
The most effective transformation projects are generally treated as business-led and technology enabled. As well as focusing on the technology, the universities that were most successful at embedding the change, also looked at:

- The Service Delivery Model - it is beneficial to have a clear view of where the finance services are going to be delivered. For example, via a centralised team or embedded in the faculties.
- All people considerations (e.g. roles, hierarchies etc) - a common challenge was that the delegation of authorities had become out of step with in-system security permissions/workflows. Implementing a new finance system represents an opportunity to bring your system controls in line with your policies.
- How does the system fit into your broader end-to-end business process i.e. the off-system activities as well as the on-system activities.
- Performance insights and data - this is often a big opportunity for universities. It can be challenging in a devolved operating structure to ensure there is a single source of data. As part of your transformation, having a clear view of the quality of your data, your reporting requirements, and how you are going to measure performance will generate long-term benefits.
- A complete governance framework.

By looking at the operating model as part of your transformation, you will be able to maximise the benefits and ensure that you are delivering with the desired future state in mind. Basically, a key outcome of the transformation should be to fundamentally improve the way Finance operates, not just implement a new system.

"These aren't IT projects, they're people projects, it's that simple. The technology is important but if you don't embed it into how people think and operate on a day-to-day basis it simply won't work. You need to think beyond the system and look at all of the other enabling factors that will make it a success: your required roles, approvals and accountabilities, your operating structures, your off-system processes and all of the controls, KPIs and reporting that end-users will need in order to operate."

Anonymous



5. Free-up your best people

Often, as soon as "technology" is mentioned as part of a transformation programme there's an uncertainty as to who is leading the programme. Once business needs are understood, does your technology team disappear into a dark room and come back with a solution that fulfils all your needs? The reality is that the business' involvement, drive and ownership needs to continue throughout the programme. It is hugely beneficial, therefore, to ensure that your programme governance has empowered business representation from the outset, not just as a contributory voice at the table, but as active participants in decision-making.

By way of example from another sector, EXA Infrastructure, one of Europe's leading digital infrastructure platform providers, offers an interesting case study in to how to get the most out of business engagement. EXA's executive sponsors were extremely passionate about ensuring that the programme was business benefit and outcome driven, with IT function support, rather than the other way around. To achieve this, not only did they make a conscious decision to second a number of business-critical resources on to the delivery team, accepting that this would pose some level of risk to business-as-usual operations, but they also made sure there was strong end-user representation in all governance forums. This provided the finance function and user community with an empowered voice right from the outset and helped maintain buy-in and assurance throughout:

> "Empower your people to make decisions quickly. Trusting the people with prior implementation and accounting operations experience, drives timely and accurate decision-making which in turn supports overall program delivery."
>
> Vicky Gor, Global Financial Controller and Project Sponsor, EXA Infrastructure

If you don't select, and empower, the right team there is a risk that decisions will constantly be re-opened and re-interrogated, slowing the process and casting doubt upon the overall strategic direct of travel. Several universities that contributed to this guidance also echoed this sentiment. For example:

"We seconded four key staff from finance, IT and research to work closely with a project manager and consultants from their implementation partner who ran workshops and managed the design documentation. The seconded staff were able to convey where the institutional 'quirkiness' lay, and this married together the right blend of institutional understanding with external capability."

Jodi Robinson, Programme Manager, Liverpool School of Tropical Medicine

6. Identify what makes you unique (and what doesn't)

Although the finance needs of most institutions are no different from any other business, when it comes to organisational set-up, culture, and institutional memory, universities are often quite unique. Over time, the highly devolved and independent nature of your academic departments, schools and institutions can result in:

- High levels of process disparity;
- Resistance to "corporate standards", and;
- Far greater proliferation of specialist or bespoke IT systems.

It is important to recognise the differences in Higher Education and focus your time and energy in the areas that are most likely to require industry or institution-specific tailoring. For example, the management of research projects differs significantly from the management of typical estates or transformation projects in other sectors, and your statutory reporting requirements will need to be carefully considered and mapped to your CoA. The challenges associated with the simplification and improvement of university CoAs, for example, was a common theme across all of the institutions involved. As LSTM highlighted, after years of organic evolution:

"Getting the chart of accounts has been a challenge... time consuming to make sure different codes are linked in a way that can work."

Jodi Robinson, Programme Manager, Liverpool School of Tropical Medicine

The key message from all those we spoke to was that, whilst there are significant business benefits to adopting industry-agnostic leading practice in many areas of your business, it's really worth investing your time and effort on those areas of genuine difference that make you unique. For example, the treatment of endowments, donations, and grant income is likely to require the development of specific use cases and functionality.

The following issues are worth considering when setting off on your finance system replacement journey – please note, this is by no means an exhaustive list:

- Integrations to your pre-award research and student record system (SRS), especially where student fees are managed through your SRS.
- HESA compliance and other statutory reporting requirements - e.g. the capture of multiple funding sources and treatment of the depreciation of research assets.
- Purchasing controls given the large volume of decentralised buying activity. For example, the University of Birmingham discovered they had multiple legacy processes for raising a purchase order, limiting the effectiveness of their controls.
- Central data management.
- Higher Education-specific tax considerations.

It will save you time and energy if you focus on the genuine differences, get them right, and strive to adopt the 'out of the box' product for finance processes that are largely standard across sectors.

7. Avoid siloed thinking

Your finance system sits at the heart of a complex web of inter-related business applications, ideally linked to a single data platform and aligned via a consistent integration strategy, using a common approach to identity and access management – if only life were that simple.

Replacing or migrating this system requires careful consideration of all the key user journeys, data flows and the myriad other 'tendrils' that

link it to the rest of your IT estate. Whilst it might appear daunting to expand your ambition to encompass a broader Enterprise Resource Planning (ERP) footprint – i.e. including HR (see the Appendix), payroll, procurement, EPM and event student records – there are sound business reasons for considering consolidating multiple systems onto a single platform. Ease of integration, a common data model, and simplified vendor management, to name but a few.

Equally, such an approach also brings added cost and complexity, not to mention the potential pitfalls of over-reliance on a single vendor.

Whatever, you choose to do (and there is no right or wrong answer) it's really important that you don't restrict your thinking to just the scope of your finance function. Many of the day-to-day processes and interactions that your end-users will have with Finance also span HR, procurement, and student administration (among others), and it's important to ensure that you minimise the need for your people to navigate between functions. Put simply, they don't care how the business operates behind the scenes. They simply want a joined-up answer to their query or support request.

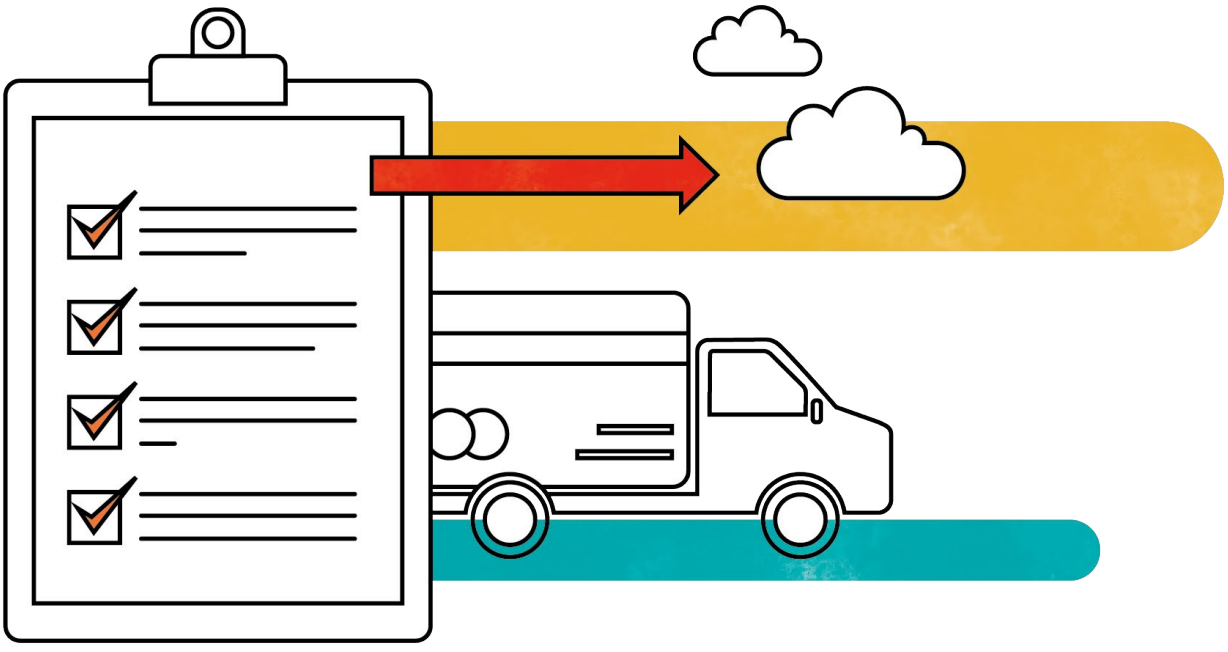
In most universities, staff costs (i.e. HR / people data) make up over half of all expenditure. From a technical perspective it's therefore important that, for the purposes of budgeting, integration, and organisational planning, there is a high degree of integration and alignment between your finance and HR systems (please see the Appendix for thoughts on this from the HR perspective).

However, as the institutions we spoke with confirmed, it's also worth investing time in properly thinking through:

- How do your support services (finance services to the business, but especially project costing and accounting) align with those of your Research Office?
- Where should finance data and analytics sit? (e.g., IT or Finance)
- Can Finance and HR align more closely on FTE management and approvals ahead of budget setting?
- Where should finance systems support roles sit? (e.g., IT or Finance)

- How can Finance work with your academic registry and planning function to improve recruitment and admissions modelling and align this with course profitability?

  There will undoubtedly be opportunities at the outset to engage with your broader stakeholder base across the university, understand their needs, and improve the inter-connectedness of your overall service delivery model. It may require a mindset shift, but more and more universities are embracing this concept and taking a customer-centric approach to professional services transformation projects, as has long been the norm in the private sector.



04. DELIVERY

Key takeaways

1. Align your timescales and capacity

You can only move as quickly as your capacity will allow. Be realistic about internal capability, capacity, and competing demands when setting out your delivery timelines. Be realistic about the timeframes, define what success means for you, and resource the project appropriately.

2. Invest in change management

The implementation of a new finance system is unlikely to succeed or fail due to the technology. Programme success will largely be down to user buy-in and adoption, so effective change management will be key.

3. Adopt don't adapt

To transition to a SaaS operating model effectively you need to adopt the functionality of your chosen application and not try and adapt it to fit your existing business processes. There will be some things that you are doing in your current system that are the result of complex customisations over time.

4. Don't treat it as an IT project

IT is only one element of a successful finance system replacement or cloud migration programme. To be successful you need to consider all the other dimensions of change required for your system to embed. Don't shy away from change management. Engage early and often throughout the transformation journey.

5. Free-up your best people

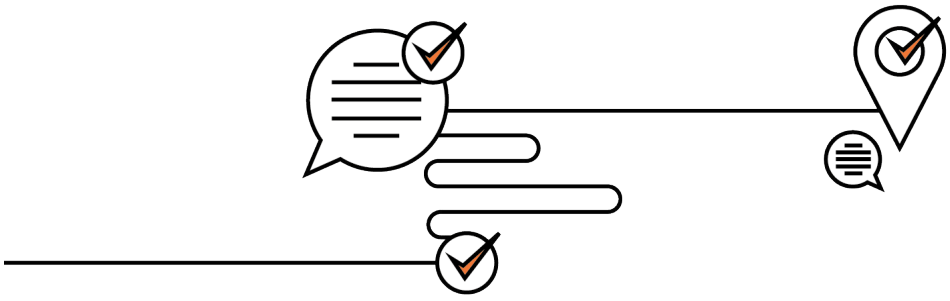
The successful implementation of your new systems will be critical to the overall success of your finance function. To maximise the chance of success you need to make sure that you're putting your best people on the project and managing the short-term impact on business-as-usual activity.

6. Identify what makes you unique (and what doesn't)

Most of what a university finance function does is not unique. Some of what you do is – e.g. research finance, statutory reporting. Focus your time and effort on getting the 20% that's specific to Higher Education right and recognise that the 80% won't differentiate your business. Don't over-engineer the system where it's not necessary.

7. Avoid siloed thinking

Wherever possible, take an end-to-end 'user journey' perspective and engage other colleagues from around the business as required to meet your users' needs. Avoid working in silos and look for broader opportunities across the university to maximise the benefits of the transformation.



05 Post Implementation Support

It is critical that you continue to enhance your finance system post implementation. Committing to ongoing investment will ensure that the system you implement is fit for purpose long into the future, and that you continue to realise benefits. It is important to think about post implementation activities at the start of your programme while developing your Case for Change. When moving to a SaaS product you will need to consider how to manage the regular system updates required by your technology vendor, and have a plan for implementing new features and functionality that will enhance the system based on your own view and the vendor's product innovation roadmap. Managing this successfully requires you to develop a long term system roadmap that has the required funding and institutional oversight.

1. Developing a long term system roadmap

The implementation of your finance system is the first step to realising benefits for your institution. Many universities capture a backlog of features during implementation and post 'go—live', identifying opportunities to enhance and optimise their finance system. Your technology vendor will provide a release schedule and innovation roadmap highlighting the functionality changes and improvements they are looking to make to their system. Many Tier 1 technology vendors seek input from their customers into their innovation roadmap so it is helpful to get involved in user groups and other forums to ensure your ideas are captured.

It is important to develop your own strategic roadmap for system development. The roadmap should include the regular product updates delivered by your technology vendor and continuous improvement. The university needs to align on the roadmap, ensuring that any changes made are strategic and add business value.

2. Post implementation delivery models and budget

Institutions are considering different resourcing models for the delivery of their long term system roadmap, with options including building an in-house team or moving to an outsourced or managed service model. Key considerations for each option include; access to the right technical resources; availability and flexibility of the resources; and the cost of service delivery. We have seen an increasing number of institutions consider managed services as the technical skills can be difficult to recruit in-house and costly, and due to a need for greater flexibility as the scale of resources required at different times may vary. A managed service necessitates a different way of working as you now need to operate within the bounds of a contract with a third-party, and enhances your need for effective supplier and contract management.

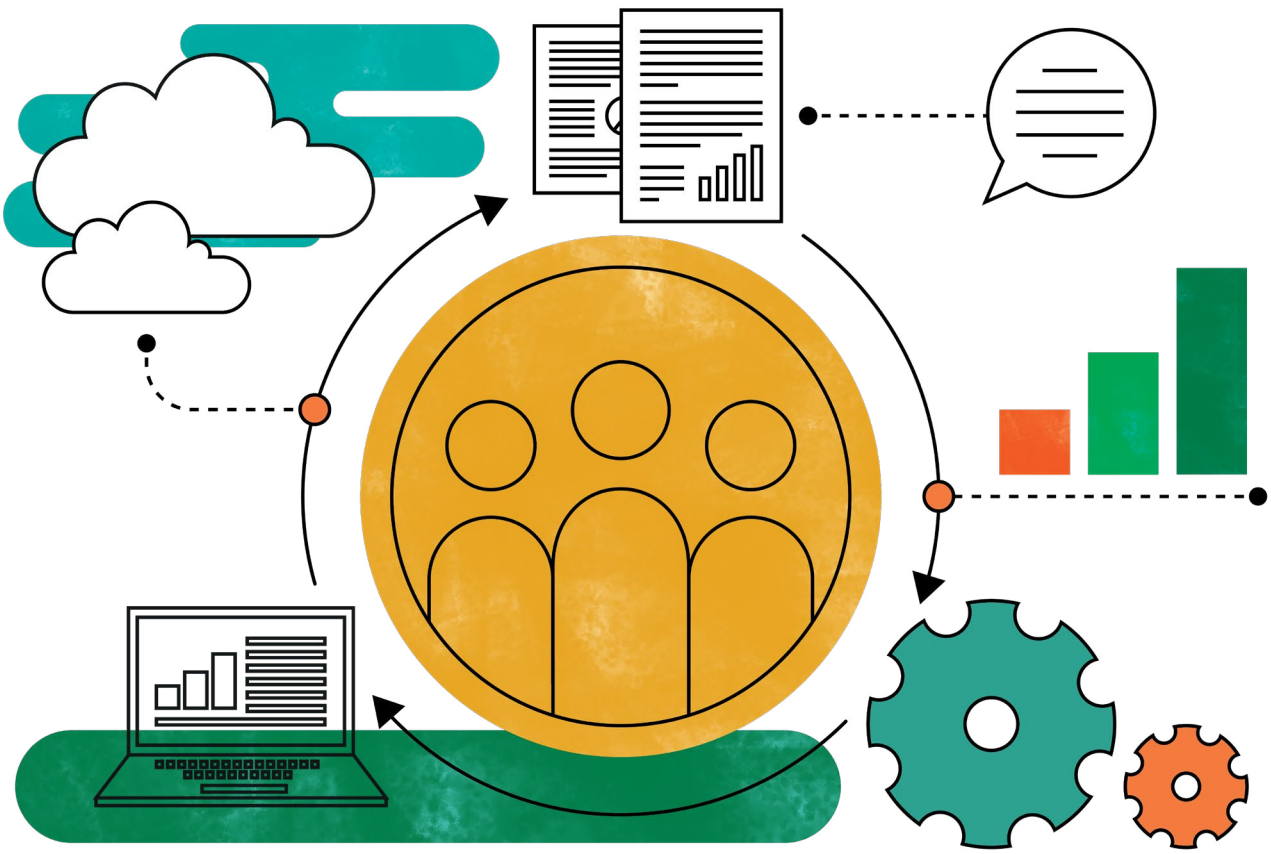
It is important when developing your business case to include an ongoing request for funding. This should not be seen as a cost, but as a value driver, as the benefits should be mapped against the funding and provide a return on investment in the short, medium and long term.

Ongoing incremental investment in your product will ensure that in 10 to 15 years' time you are not facing the burden or cost of another system upgrade or replacement.

3. Governance

Delivery on your long term system roadmap requires oversight through the establishment of a robust governance model that is led by university senior leadership. Successful governance models consider both strategic and operational oversight, with the inclusion of both finance and IT stakeholders, and other university representatives as required. It is important that the governance model is focused on driving strategic change to the system, as it is easy for institutions to get caught up in making minor changes that are costly and deliver minimal impact.

A key focus of your governance model is to ensure delivery of the system roadmap, including the prioritisation of system changes, oversight of the ongoing management of the system including product releases and patching, budget management, and benefits realisation. Transparency in reporting, visibility on progress, and ongoing delivery of benefits is key to continuing to maintain university commitment to and investment in your finance system.



05. BENEFITS REALISATION

Key takeaways

1. Define your long term product roadmap

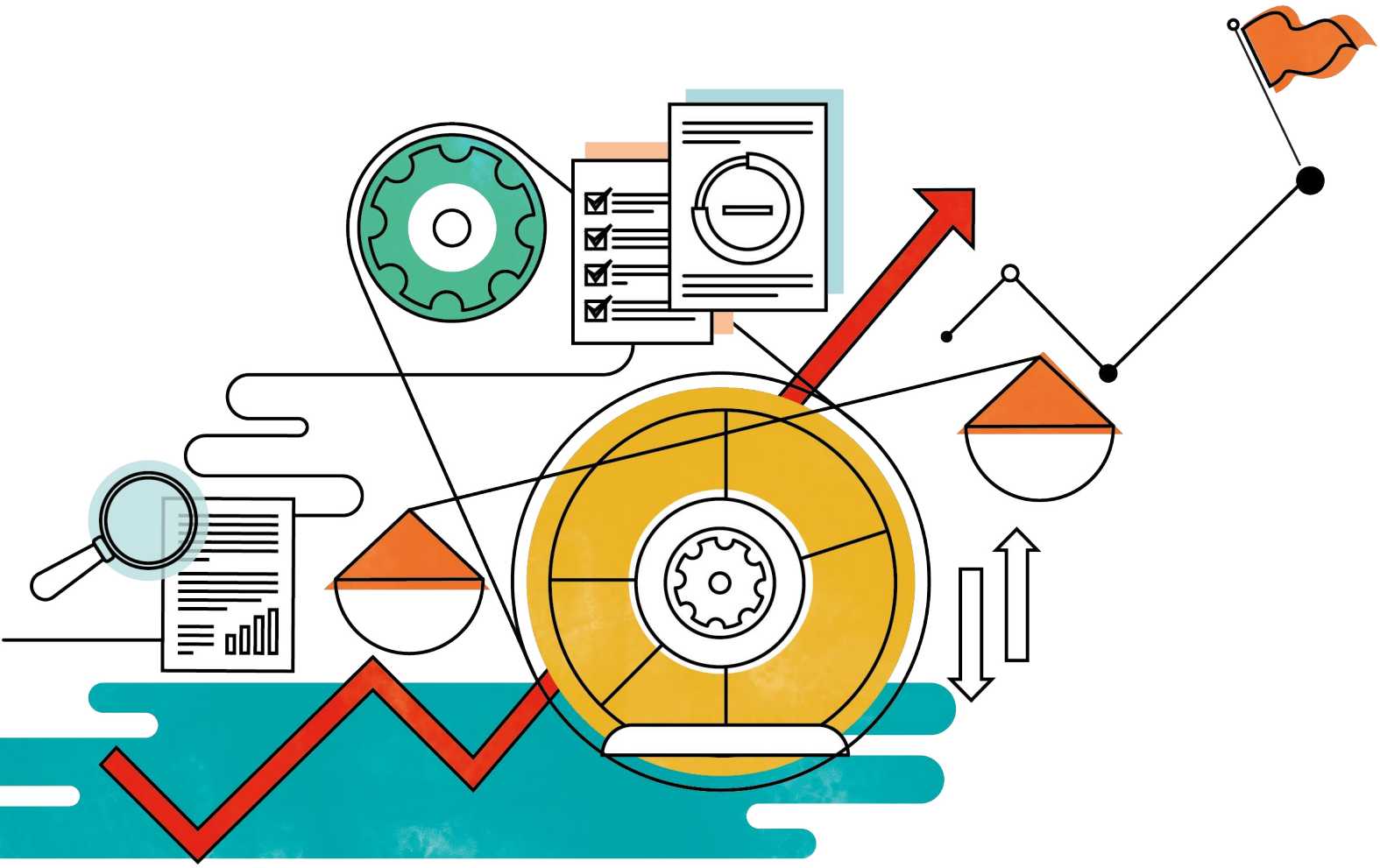
The work on your finance system does not stop at 'go-live'. To ensure the longevity of your finance system you need continued investment aligned to a long term system roadmap. The system roadmap will be informed by a backlog of continuous improvement activity captured during implementation, alongside regular product updates and enhancements as provided by your technology vendor.

2. Agree your delivery model and budget

When developing your business case it is important to consider the long term investment needed to continue to enhance your new finance system. This should be included in the business case alongside a benefits realisation plan that shows a return on investment. You should consider the best model for resourcing and delivering on your long term system roadmap, with consideration to the skills needed either in-house or via a third-party.

3. Define your governance model

Setting up the right governance model is critical for successful management long term of your finance system. It is important to ensure that you have senior leadership involvement from both finance and IT, and a focus on making strategic system enhancements that deliver benefit for your institution.



06 Benefits Realisation

There's an old adage that Higher Education change programmes are often 'doomed to success' because so little effort and attention is invested in post-implementation benefits validation. After the herculean effort required to get to go-live, there will almost inevitably be a slowing of momentum as you move into the business-as-usual phase of the programme, the workload reduces and everyone breathes a collective sigh of relief. But it's exactly at this point, as you move through immediate post-implementation support and into your new managed service set-up, that you need to be redoubling your efforts to address real-time issues and concerns (and there will be some), monitor the shift in activities and behaviours, and ensure that the business case that you set out to deliver is actually delivered.

Successful cutover is a notable outcome in its own right and should be celebrated, but the effort doesn't stop there - as evidenced by a number of the case studies shared below.

1. Be clear upfront

In order to measure how far you've come you need to know where you started. There's often a false distinction made between pre-go live and post-go live activity, and effective benefits management is certainly one of those areas. Whilst the advent of SaaS has largely negated the need for wholesale, bottom-up 'as is' process mapping, the need to understand how well your current processes are working is still as relevant as ever, especially where your benefits case is tied to efficiency. Any effective benefits management framework requires:

a. A robust baseline of current performance against which to measure;

b. The right combination of qualitative and quantitative measures;

c. Clear oversight, ownership and accountability, including planned escalation pathways if for any reason things don't go to plan;

d. A mature benefits framework, as outlined above, needs to be in place and operating effectively well in advance of go-live, with clear benefit owners who are responsible for making them happen;

e. A clear understanding of when and (more importantly) how you're going to capture and interpret this information; and

f. A clear, concise and transparent means of reporting progress in an ongoing and meaningful way.

A mature benefits framework, as outlined above, needs to be in place and operating effectively well in advance of go-live, both to ensure that you have sufficient legacy data to evidence improvement (or, at the very least, change) and that the monitoring of business benefits has become business as usual by the time you migrate to your new model.

At Jisc, for example, an early focus on establishing a robust benefits model proved invaluable in helping to deliver honest messaging and direct required remediation activity:

"From a very early stage we thought about how we would measure the benefits our new system would bring. We had an agreed upon list of benefits and for each we logged whether they were measurable and in what fashion i.e: financial, observable etc. This has enabled us to direct efforts towards areas where full benefits are still a bit murky and celebrate other areas which are already reaping the rewards.

Nicola Arnold, Chief Financial Officer, Jisc

2. Be patient - it's a marathon not a sprint

It can take time to get to your desired levels of performance and adoption, even where legacy systems and workarounds have been switched-off. It can take even longer for your end-users to take full advantage of what your new finance system has to offer – in fact, as your move into the mindset of continuous improvement that SaaS necessitates, one could argue that they never will. And that's not a bad thing.

This often means that you have to allow enough time for the dust to settle and a meaningful assessment to be made. Many of the institutions that were interviewed as part of this exercise specifically raised this point and would, with the benefit of hindsight, have invested significantly more effort in managing the inevitable volume of issues (whether real or perceived) that will always arise post-go live, and effectively understanding whether or not these efforts were positively impacting performance. At one university, whilst the programme team was probably overly optimistic abound benefits timescales at the outset, a number of unforeseen issues meant that the process of accurate benefits capture took much longer than expected:

"The business case that we laid out was optimistic and relied on how quickly the system would... be functionally in a 'good' steady state. After the implementation we didn't take into account teething issues and challenges."

Anonymous

In other instances, where an ethos of continuous improvement has really flourished, institutions have been able to ring-fence part of their core implementation team to invest time and effort in ensuring these types of teething issues are effectively dealt with and that benefits are accurately tracked and realised:

"The collaborative ethos we stood up during the project delivery phase has now continued into the future. Teams that collaborated to deliver the system still meet every two weeks to work through any issues. Because the same people are involved and they are invested we are finding that benefits realisation and continuous improvement is coming naturally."

Andrea Whiting, Unified Systems Manager, Kingston University

3. Keep a look out for other benefits

Creating an effective benefits narrative is not just about the volume of activities you successfully process or the number of minutes and hours that you save, it can also be about the other smaller or unforeseen good news stories that emerge. This not only provides a more rounded picture of the outcomes that you deliver but also help make the change "real" for those who are less familiar with the functional or technical workings of your new system.

"One area we didn't focus around initially were unexpected benefits, these weren't measured or tracked so we began to start capturing these. For benefits that couldn't be 'measured' we still gathered some evidence - e.g. case studies.

By doing this we were able to showcase examples of where people really do like the change, during this stage of the project there can be more credence given to negative comment. Doing this will allow more positivity to be embedded into the culture."

Anonymous

04. DELIVERY

Key takeaways

1. Be clear upfront

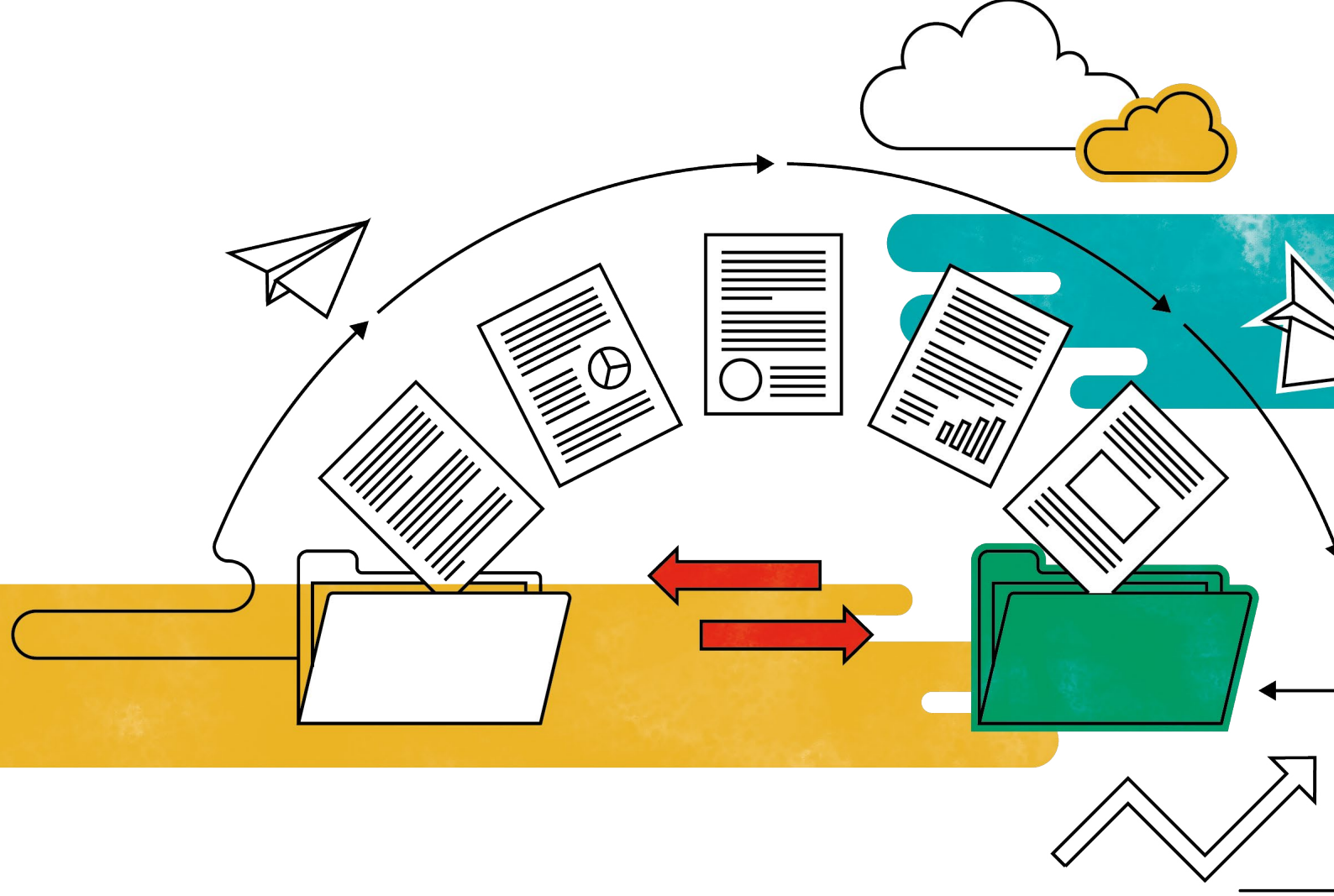
Success can take many (often competing) forms, so it's essential that you understand the outcomes that you're looking to achieve right from the outset. A mature benefits framework that you use throughout your project will ensure that you have sufficient legacy data to evidence improvement, and that the monitoring of business benefits has become business as usual by the time you migrate to your new model.

2. Be patient - it's a marathon not a sprint

Not all your intended benefits will be delivered on day one. New processes and ways of working will take time to embed and there will be challenges along the way, so be realistic about the timescales that you're working to. Consider and plan for managing the inevitable volume of issues (whether real or perceived) that will always arise post-go live.

3. Look out for other benefits

Finance system implementation programmes often deliver unforeseen benefits, especially improved collaboration and data usage. An effective benefits narrative should also include some of the benefits you didn't foresee occurring, or the compounding positive changes of lots of small improvements you wouldn't usually capture. Make sure you record all the good news stories, as this is particularly relevant for board assurance and governance.

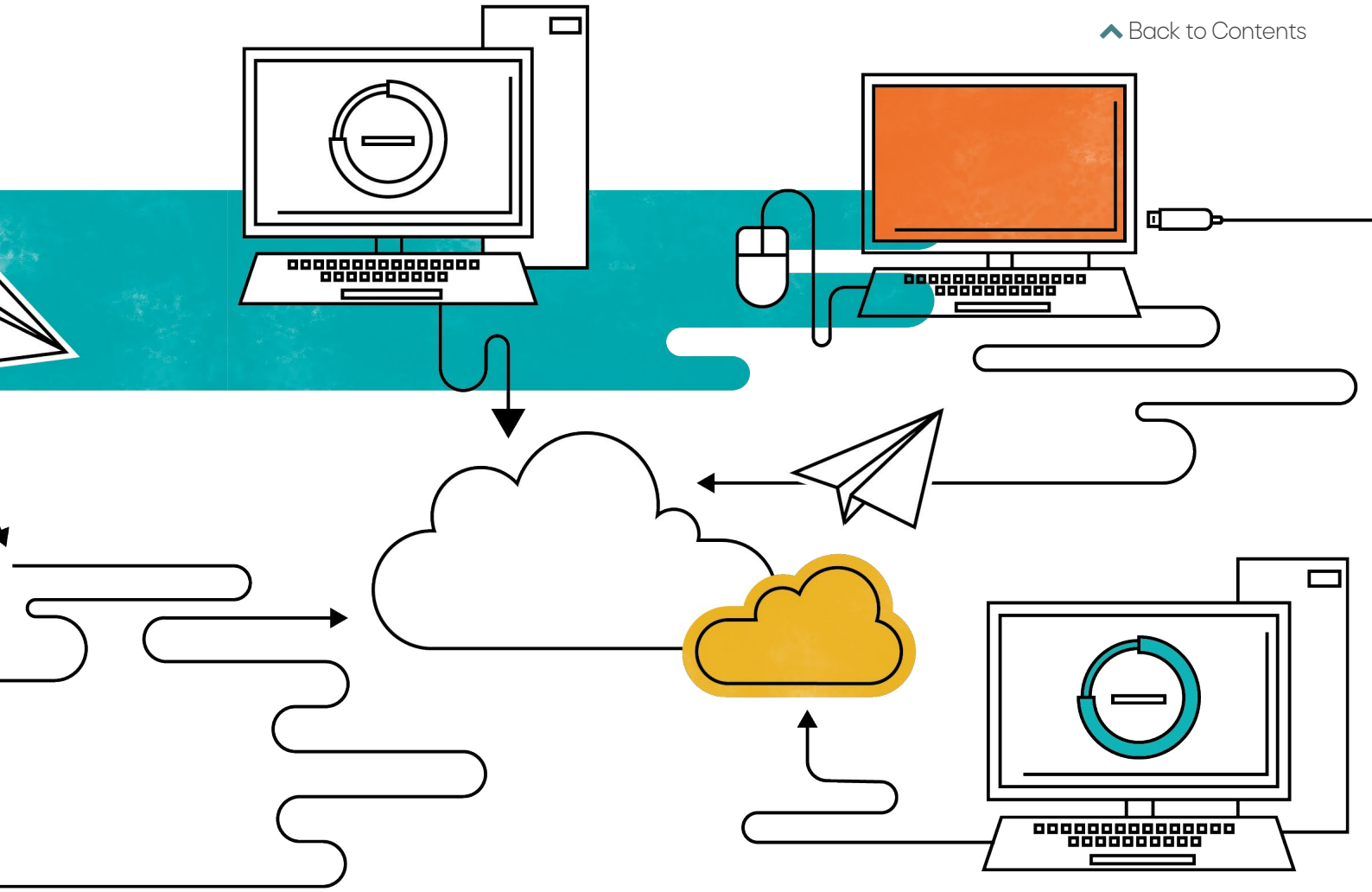


Concluding Summary

As outlined at the start of this document, when considering the potential cost, risks and complexity of migrating your core finance system(s) to the cloud, it's tempting to ask why you'd do it at all.

What has come through loud and clear from all of those who contributed is that, if done properly, and with due consideration of the lessons of others, there is no reason why you shouldn't be able to achieve significant benefits from your finance or ERP systems replacement.

The lessons learnt by others within the sector (often painfully) have been many and varied (see table below). Even with the benefit of these insights, no migration or implementation project will ever run completely smoothly. Yet there are consistent rules that will help you avoid the biggest pitfalls:



1. Investment in business change

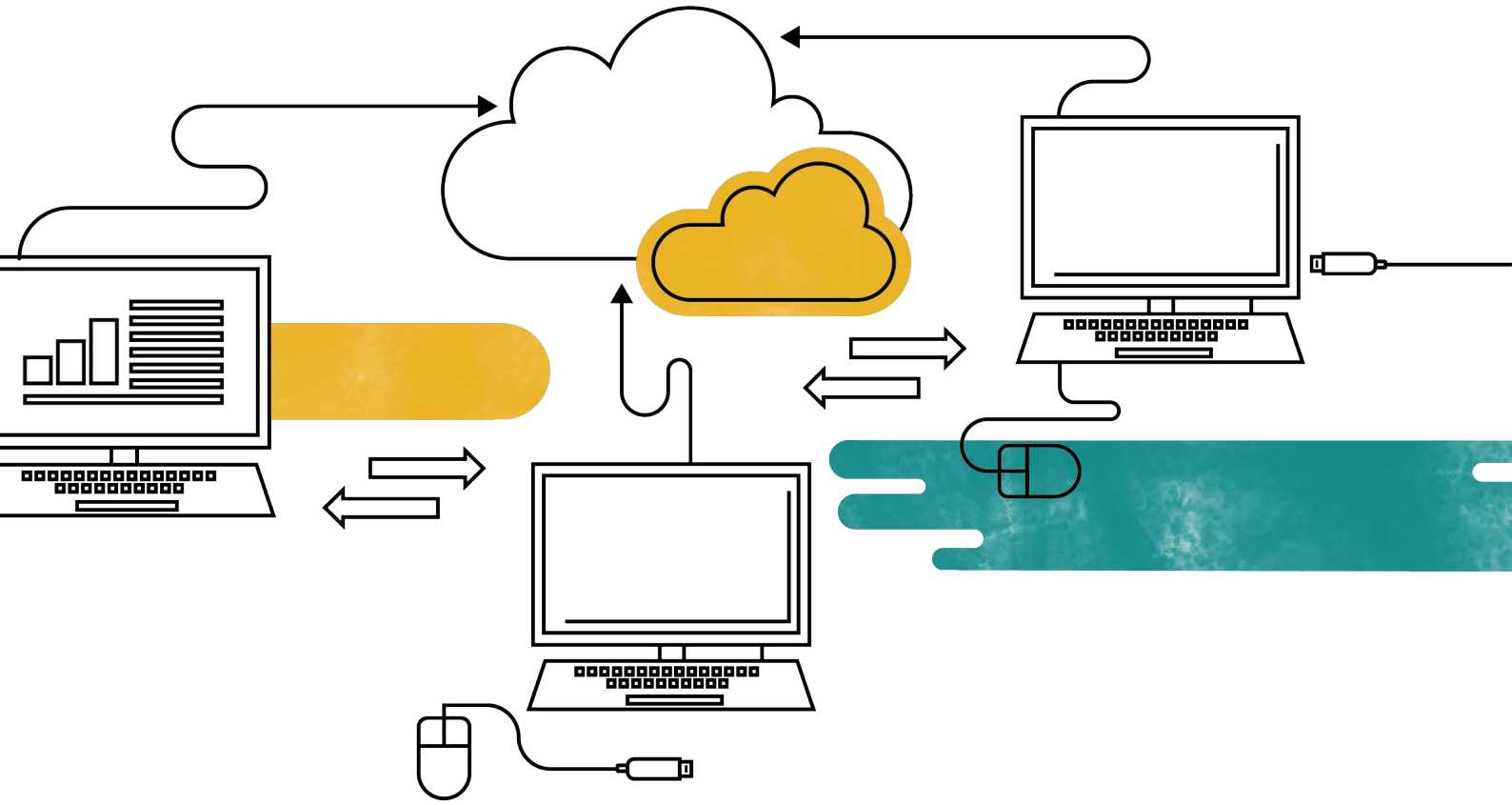
Effective migration to the cloud isn't simply about making the technology work. It's about embedding that technology effectively into the way in which people think and operate on a day-to-day basis. Without effective change management, your new application(s) will not be used to the full of its potential.

2. Adopt, don't adapt

Linked to the point above, in order to get the most out of your transition to the cloud, you need to shift to a mindset whereby you adopt the leading practice and thinking that your SaaS vendor and product have to offer, and don't try to adapt the technology to fit how you currently work.

3. Consider all the key dependencies

For your new technology to be actively adopted and embedded into your day-to-day operations, you need to make sure that you don't treat the change as just another 'IT project'. To work effectively, you will



need to invest as much time and attention on the design of all the other elements that constitute your overall Finance operating model – e.g. CoA alignment, financial controls, tax bridge, statutory reporting, consistent role-based process flows etc – as you do on the technology itself.

4. Effective preparation is key

Almost everyone we spoke to showed some frustration that they had not invested more time and effort into effective 'path clearing' activity before starting their finance systems replacement projects. Whether that be in terms of team set-up and composition, effective integration mapping ,or just clarity of messaging, the work you do before the programme begins can often be as important as the implementation itself.

For ease of reference, all these lessons and others are provided below in high-level summary.

We very much hope they will prove useful to you as you start to prepare for your own finance system replacement or cloud migration journeys.

Phase	Lesson Learnt	Summary
Vision & Case for Change	1. Don't overpromise	Make sure the business outcomes that you're intending to deliver are realistic, timebound, and widely understood.
	2. Galvanise senior support	Make sure that your broader executive team are fully supportive of your vision and understand their responsibility to enable and support this endeavour.
	3. Employ consistent, continuous messaging	Stick to your key messages throughout the programme and continually review what you're trying to achieve for the institution.
Preparatory Activity	1. Understanding the technology market	The technology market for finance systems offers several options, and it is important that you have a clear understanding of your requirements and technical architecture so that you select a system that best meets your needs.
	2. Understand your data architecture & integrations	Take the time to accurately map all the data flows and integration points with your legacy systems to avoid costly scope creep later.
	3. Sequence effectively	Consider the cost implications and your capacity to change when deciding how to sequence the roll-out of your new system.
	4. Getting tax right	It is important that tax is not treated as a peripheral consideration, but as an integral part of ERP design, governance, and delivery.
	5. Staffing: get the balance right	Ensure that you invest your best people in the programme without undermining business-as-usual activity. This will require careful impact planning and backfill considerations.
	6. Involve your key stakeholders	The people who will be using your new system need to have a real sense of influence and ownership over the design and roll out.
	7. Get your governance right	Make sure you put in place expert coaching and advice to support your executive team and sponsor through the implementation process.
Procurement	1. Don't over-simplify	Don't try and shoehorn all your support requirements into a single contract. The long-term relationship that you'll have with your license vendor is likely to be very different from that of your SI or managed service provider.
	2. Be realistic about your support requirements	If you've got the capacity and experience to do it yourself, do it yourself. If you don't, recognise the fact and factor in the necessary cost to plug any gaps.
	3. Be clear about your intended outcomes	Make sure your contractual relationship with your preferred transformation partner or SI is outcomes based rather than inputs based (i.e. time and materials).
	4. Engage with your prospective suppliers	To make the right choice of partner you need to actively engage with them throughout the procurement process. Rather than taking a traditional stance of prohibiting business engagement you should look to use this period to test their offerings and capability and assess their cultural fit with your institution.
	5. Make the process fit for purpose	Procurement processes are costly. To attract the right volume and calibre of vendors and SIs you need to make sure that the required effort is proportionate, your process is transparent, and that you have addressed key contractual considerations such as IP ownership, liability, and license resale.

Phase	Lesson Learnt	Summary
Delivery	1. Align your timescales and capacity	You can only move as quickly as your capacity will allow. Be realistic about internal capability, capacity, and competing demands when setting out your delivery timelines.
	2. Invest in change management	The implementation of a new finance system is unlikely to succeed or fail due to the technology. Programme success will largely be down to user buy-in and adoption, so effective change management will be key.
	3. Adopt, don't adapt	To transition to a SaaS operating model effectively you need to adopt the functionality of your chosen application and not try and adapt it to fit your existing business processes.
	4. Don't treat it as an IT project	IT is only one element of a successful finance systems replacement or cloud migration programme. To be successful you need to consider all the other dimensions of change required for your system to embed.
	5. Free-up your best people	The successful implementation of your new systems will be critical to the overall success of your finance function. To maximise the chance of success put your best people on the project and manage the short-term impact on BAU activity.
	6. Identify what makes you unique	Most of what a university finance function does is not unique. Some of what you do is - e.g. research finance, statutory reporting, tax. Focus your time and effort on getting the 20% right and recognize that the 80% won't differentiate your business.
	7. Avoid siloed thinking	Wherever possible, take an end-to-end 'user journey' perspective and engage other colleagues from around the business as required to meet your users' needs.
Post Implementation Support	1. Define your long term product roadmap	The work on your finance system does not stop at 'go-live'. To ensure the longevity of your finance system you a long term system development roadmap.
	2. Agree your delivery model and budget	When developing your business case it is important to consider the long term investment needed to continue to enhance your new finance system, and the best resourcing model for delivery.
	3. Define your governance model	Setting up the right governance model is critical for successful on-going management of your finance system, and this should include senior leadership and representation from finance and IT.
Benefits Realisation	1. Be clear upfront	Success can take many (often competing) forms, so it's essential that you understand the outcomes that you're looking to achieve right from the outset.
	2. Be patient, it's a marathon, not a sprint	Not all your intended benefits will be delivered on day one. New processes and ways of working will take time to embed and there will be challenges along the way, so be realistic about the timescales that you're working to.
	3. Look out for other benefits	Finance system replacement programmes often deliver unforeseen benefits, especially improved collaboration and data usage. Make sure you capture all the good news stories as well as issues.

Many thanks to all the institutions and experts that have contributed to this guidance document.

We hope that you find it of help and assistance as you undertake your own finance systems transformation journeys. We would welcome any feedback on the above at info@bufdg.ac.uk.

For more information please contact:

Matt Sisson
Projects and Membership Manager BUFDG
matt@bufdg.ac.uk

Sam Sanders
Partner, Head of Education KPMG
Samuel.Sanders@KPMG.co.uk

Andrea Turley
Partner, Education KPMG
Andrea.Turley@KPMG.co.uk

Appendix

Insights from HR

In most universities, staff costs make up over half of all expenditure. It's therefore important that, for the purposes of budgeting, integration, and organisational planning, there is a high degree of integration between Finance and HR systems. There is no single 'right' way of doing this – the ideal implementation for some institutions may see Finance, Payroll, and HR as just separate parts of the same system. For others, the most effective solution will have separate finance and HR systems, but with a huge amount of thinking and effort put in to ensure they communicate seamlessly and consistently.

For this to happen, it's important that both Finance and HR teams are heavily involved in the implementation project. While this guide focuses on a Finance perspective, Universities Human Resources (UHR) has kindly surveyed its members for their thoughts on recent finance system implementations at their universities, and their responses are summarised below.

Collaboration, collaboration, collaboration

From the responses, it's evident that HR colleagues are not always seen as equal – or even important – partners in all finance system implementations. In some implementations, HR were not consulted in any meaningful way, and in others, they were "informed, rather than involved". Where HR have not been consulted, this appears to be to the detriment of the project, with reports of, for example, HR and Finance ending up with different methods of determining headcount and FTE, causing confusion at planning meetings. In a few best-case scenarios, 'People and Finance' have been equal partners in the implementation team.

Where HR have not been consulted, this appears to be to the detriment of the project.

The benefits of close collaboration can run beyond the finance system

itself. Where the implementation also involves aspects of wider organisational transformation, it can be hugely valuable to have HR on the implementation team. HR colleagues are more likely to be able to ensure the project is inclusive, adheres to existing policies, and should spot any people issues sooner, ensuring that it runs more smoothly and is lower-risk. In addition, HR may have particular roles to play post-project, in training, ongoing support, and communication.

HR colleagues are more likely to be able to ensure the project is inclusive, adheres to existing policies, and should spot any people issues sooner.

The high cost of not getting it right

Only half of the respondents to the survey felt that the finance system implementation project was a success from an HR perspective. Where it wasn't, respondents reported that not enough thought was given to the data needed to enable workforce planning; that trying to undertake a system implementation and change project at the same time was too ambitious and beyond the resources allocated; that strong resistance from some stakeholders was never really addressed and became problematic; or simply that HR requirements for the project were seen as less important and so superseded by the perceived needs of Finance. In one case, the new system was put in after the previous system was implemented unsatisfactorily a decade ago. The financial – and broader – costs to the institution of ten years of 'muddling through' are painful to consider.

Where systems have been reported to have been a success from the HR point of view, we tend to see one of two things: the new finance and HR system have been put in together, or the finance system has been implemented first but with the collaboration, communication and involvement of HR colleagues from the outset.

Tips from HR colleagues:

Respondents to the survey were generous with suggestions of what project teams need to prioritise if they want to oversee a successful implementation:

Start right

Get clarity upfront of the problem statement, the plan, the objectives and the outputs. Reporting can often be an afterthought and is very difficult to fix at the end. Talk to HR and make sure you start with a shared understanding of the integration and coding of both systems.

Get buy-in at all levels

It's great having a mixed project team, but you also need visible ownership, mutual respect between, and full support of, the most senior stakeholders.

Don't bite off more than you can chew

Be pragmatic about what you can achieve – in all likelihood it will cost twice as much, take twice as long and be twice as complex as you first think. Don't think you can do it alongside the day job, and don't try and do it all in one go.

Make use of everything you can

Ask around and learn from other projects at other institutions that have gone before. If possible, enlist a programme manager who has managed the same system implementation elsewhere. Make sure you put your most trusted people on the project, and partially backfill them so they have a foot in both camps.

Think of the 'customer'

It's very easy to lose sight of the customer need and design a system based just around what 'the organisation' needs. The user really matters, so talk to them, and don't sacrifice on testing and training time later in the process.

It's transformational...

This can be truly transformational for your institution – not just an IT project. So allocate your resources accordingly. If you approach it as a system project, you won't reap the benefits and could spend years trying to fix the gaps.

And...

Buy a hard hat and develop a rhino hide. Good luck!