eUP forum 2012:
"Yung mga umaangal sa eUP Monday morning quarterbacking na lang yan!"

-     VP Popoy De Vera

- **Urban Dictionary**
- *monday morning quarterback*
- A person who analyzes the mistakes they made they day after they've made them. Derived from complaining over quarterbacks on monday morning after the sunday game.

- eUP is Inevitable: It's already there.
- We already spent gazillions!
- We must make it work!
- UP's pride is at stake!

HOME   I.T. NEWS   BUSINESS I.T.   RESEARCH REPORTS   E-SECURITY   E-LEARNING   GADGETS

UP rolls out ambitious P752-M digital project

Posted on August 6, 2012

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In a bid to make the country's national university at par with the best schools in Asia and the world, the University of the Philippines (UP) unveiled on Monday, Aug. 6, a massive digital interconnection project that is expected to link its various campuses and streamline its operations.

Dubbed as eUP, the project has a budget allocation of P751.9 million in the next five years, although the interconnection component is expected to be completed by 2014.

The IT initiative, which had its kick-off at the National Institute of Physics Auditorium in UP Diliman, will be undertaken mainly with ePLDT, the Internet arm of telco giant PLDT, and Beacon Systems for system integration. Another PLDT subsidiary, Smart Communications, will provide the Wi-Fi and connectivity solutions.

In his speech during the launch, UP president Alfredo Pascual said emphatically that it was high time for the country's premier university to overhaul its processes and be able to pull out crucial data easily to aid in policy development.
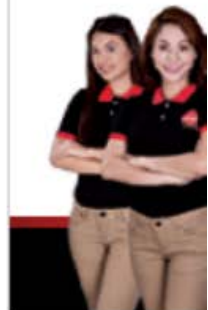
The promises of eUP:

We were assured that everything we needed was in that off-the-shelf box!

How was the Oracle Enterprise Resource Planning (ERP) software selected?

Simple lang: "Benchmarking" with the National University of Singapore (NUS)

✓ Benchmarking exercises were conducted in Singapore in November 2011, funded by the UP System IT Foundation (UPSITF). The following were visited:
  ➢ National University of Singapore (NUS)
  ➢ Ngee Ann Polytechnic

Benchmarking…

	Average Annual Salary of Full-Time Faculty
National University of Singapore	$101,667.00 (P4,723,786.35)
University of the Philippines	?

Delays… Delays… Delays…

## Component 3: Acquisition/Development and Installation of Appropriate Information Systems

GO LIVE

PHASE	SAIS	FMIS	HRIS	SPCMIS
PHASE 1				
→ **UP System (System Offices)**		MAY 2013		MAY 2013
→ **UP Manila**	JUL 2013	MAY 2013	APR 2013	MAY 2013
→ **UP Open University**	JUL 2013	MAY 2013	APR 2013	MAY 2013
→ **UP Diliman**			APR 2013	
PHASE 2				
→ **UP Diliman**	NOV 2013	NOV 2013		NOV 2013
→ **UP Baguio**	NOV 2013	NOV 2013	NOV 2013	NOV 2013
→ **UP Los Banos**	NOV 2013	NOV 2013	NOV 2013	NOV 2013
PHASE 3				
→ **UP Mindanao**	APR 2014	APR 2014	APR 2014	APR 2014
→ **UP Cebu**	APR 2014	APR 2014	APR 2014	APR 2014
→ **UP Visayas**	APR 2014	APR 2014	APR 2014	APR 2014

Delays... Delays... Delays...
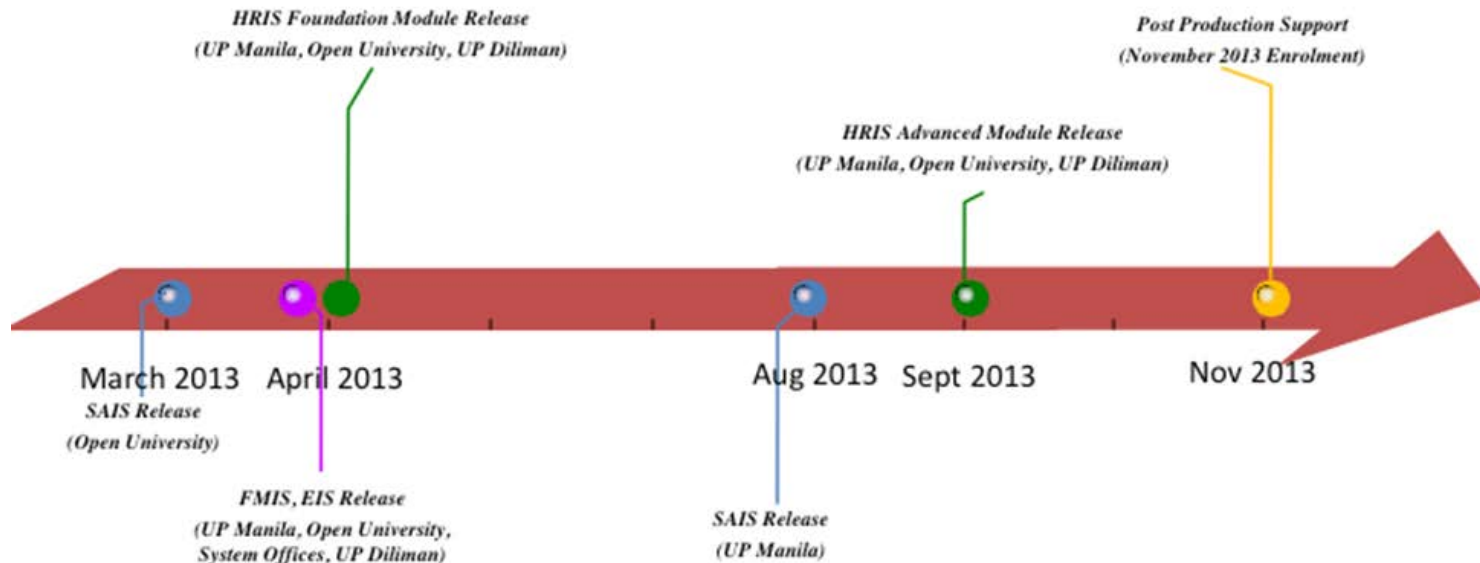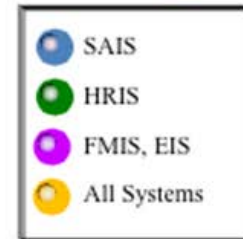
Customization?

SAIS pa lamang...

- **Goodbye Student numbers!**
- Sorry, di kaya ng eUP student numbers eh.

Grades?

Ewan.

Class	Description	Units	Grading	Grade
CHEM 14	Fundamentals of General Chemis	3.00	Graded	**100**
CHEM 14.1	Fundamentals of General Chemis	1.00	Graded	**200**
CWTS 2	Community Welfare Training Ser	3.00	Pass/Fail	**P**
KOM II	Kasanayan Sa Komunikasyon II	3.00	Graded	

Shopping Cart?

Kimberly Adams

Search	Plan	Enroll	My Academics
my planner	shopping cart		course history

My Planner

Add courses to Planner using: [BROWSE COURSE CATALOG] [PLAN BY MY REQUIREMENTS]

Delete all courses in Planner: [DELETE ALL]

▼ Unassigned Courses

Select	Course	Title	Prereq	Units	Typically Offered	Delete
☐	ANTHRO 211	Nature and Culture	yes	3.00	Summer	🗑
☐	ART 112	History of World Art		3.00	Spring	🗑
☐	ART 140	2D Design		3.00	Fall	🗑

Move selected courses to Term [▼] [move]

▼ 2006 Fall

Select	Course	Title	Units	Typically Offered	Delete
☐	ANTHRO 101	Introduction to Anthropology	3.00	Fall, Spring	🗑

Don't Underestimate Costs!
They tend to mount

University Implementing an ERP System	Original Cost	Final Cost
Montclair State University	$20M	+ $8M (failed implementation)
Cleveland State University	$10.8M	$15M = P698M
Ohio State University	$53M	$85M = P3.95B
University of Minnesota	$83.5M=P3.88B	(to be finished in 2019)
University of the Philippines	P742M (announced 2012)	? (to be finished 2016?)

Enterprise Resource Planning (ERP) Software Implementation Report 2015

YEAR	COST	% OF COST OVERRUNS	DURATION	% OF DURATION OVERRUNS	% RECEIVING 50% OR LESS BENEFITS
2014	$4.5MM	55%	14.3 months	75%	41%
2013	$2.8MM	54%	16.3 months	72%	66%
2012	$7.1MM	53%	17.8 months	61%	60%
2011	$10.5MM	56%	16 months	54%	48%
2010	$5.5MM	74%	14.3 months	61%	48%

(Panorama 2015 ERP Report)

Level of Customization
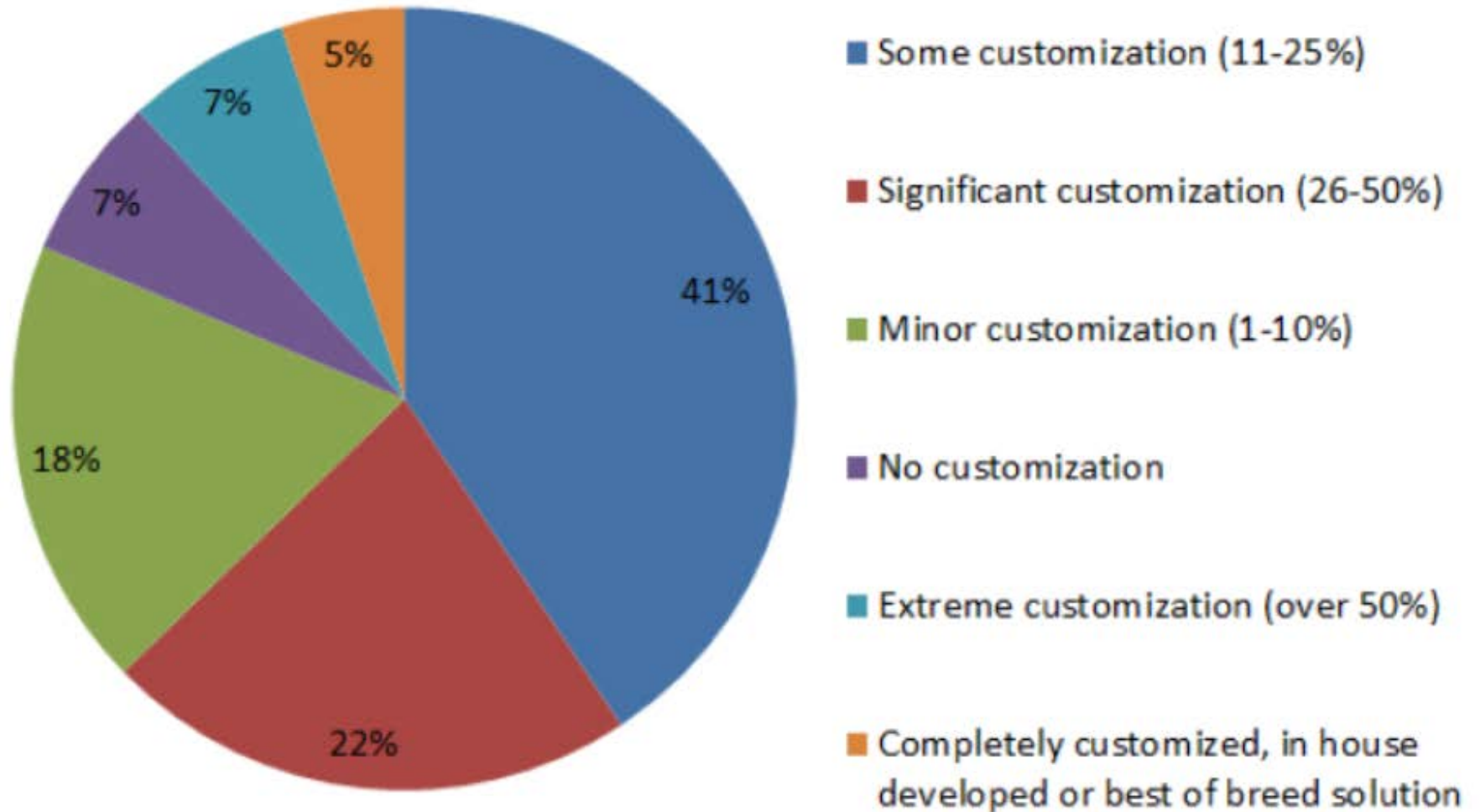
- Some customization (11-25%) — 41%
- Significant customization (26-50%) — 22%
- Minor customization (1-10%) — 18%
- No customization — 7%
- Extreme customization (over 50%) — 7%
- Completely customized, in house developed or best of breed solution — 5%

What is "failure" in ERP implementation? (Young & Whitton)

- Running over budget
- Extending over the expected timeframe
- Not delivering expected features or scope
- Not achieving the promised ROI
- Requiring an inordinate effort to run the new system
- Stopping operations

Let's think a bit before the PAEP Administration *Irreversibly* Commits UP's Resources to eUP

1) In-house software development;
2) Off-the-self acquisition;
3) Open-source software development;
4) Combination of 1 and 3.

The Cost of eUP

Let's say this is the cost of development of the current version of CRS

If you conservatively allocate 10x more to develop systems for HR, finance, inventory and procurement, and for some reason, decide to develop a new CRS, and integrate everything, all in-house, this is what it would cost

What UP will Pay ePLDT

What is open source software (OSS)?

1) The source-code of the software is accessible to everyone;
2) The software can be copied, shared and used without limitations;
3) The software can be modified and shared in a modified form;
4) It is often a collaborative effort.

Main Reasons of German Firms for Adopting OSS ERPs (Neubert 2011)

- **No licensing costs**
- Open standards
- Independence from vendor/producer
- High Quality
- Flexibility through self-customization
- Dependability
- Security
- Community Support
- More freedom through open-source licensing
- Internal Know-how
- Expandability because of source-code access
- Easier to find errors
- Fix bugs yourself

Additional Reasons:

Minimized risk of investment

Expenses go directly to development, servicing and customization rather than to license payments
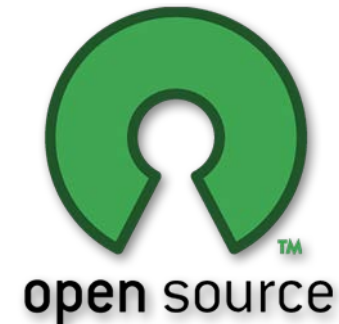
open source™

Proprietary Software: Dangers of Vendor Lock-In!

- Vendor Dependence!
  - Licensing fees
  - Upgrades
  - Customization
  - Hardware

- Inflexibility
- High Switching costs

Free and Open-source ERP software		Proprietary Software with top market shares (2013)
Adaxa Suite	ino erp	SAP (24%)
Adempiere	Jfire	Oracle (12%)
Apache OFBiz	**Kuali**	Sage (6%)
Compiere	LedgerSMB	Infor (6%)
Dolibarr	Openbravo	Microsoft (5%)
Epesi	Odoo	Kronos (3%)
ERP5	Phreedom	Etc.
ERPNEXT	Postbooks	
FrontAccounting	SQL-Ledger	
GNUEnterprise	Tryton	
HeliumV	WenERP	
iDempiere		

For Example:
KUALI
(Malay for "Kawali")

Kuali Open Library Environment (OLE)

- Bloomsbury group of London Libraries
- School of Oriental and African Studies - London
- The University of Chicago
- University of Pennsylvania
- North Carolina State University
- Duke University
- University of Maryland
- Indiana University

Duke UNIVERSITY

kuali foundation®
www.kuali.org

THE UNIVERSITY OF CHICAGO

IU INDIANA UNIVERSITY

The Bloomsbury Colleges
University of London

UF | For OLE Florida Partnership

kuali®
open library environment

UNIVERSITY OF MARYLAND
18 56

LEHIGH UNIVERSITY®

M MICHIGAN®

NORTH CAROLINA STATE UNIVERSITY®

VILLANOVA UNIVERSITY
1842

Penn UNIVERSITY of PENNSYLVANIA

The Andrew W. Mellon Foundation

Then why aren't more people using open source ERP software? A lot of people believe in marketing!

Company	R&D	Marketing
SAP (2013)	2.28 B euros	4.13 B euros (33% of expenses)
Oracle (2014)	5.2 B dollars	7.6 B dollars (32% of expenses)
Microsoft (2013)	10.4 B dollars	15.3 B dollars (50% of expenses)

DANGER: Money Pit!

- Let's not be naïve!
- "Don't drink the Company Kool-Aid!"
- The UP Administration says that Oracle gave us discounts and a good deal!
- However, we know that just like any company, Oracle just wants to gain a foot-hold in the Philippine market and eventually wants a stranglehold on us.
- It is willing to adjust initial profit margins to do so.

With e-project, UP sees bigger investments

By: Vincent Cabreza
🐦 @inquirerdotnet

Philippine Daily Inquirer
11:23 PM September 25th, 2012

THE OBLATION in UP Diliman. INQUIRER PHOTO

BAGUIO CITY—The University of the Philippines can invest in high-stakes projects to earn bigger dividends when it completes a three-year plan to digitally centralize the administration, communication and financing systems of all UP campuses in 2014, UP President Alfredo Pascual said.

He said the P750-million e-UP project was designed to improve productivity and make managing the UP system more efficient once UP Diliman is wired with other autonomous units in Manila, Los Baños, Baguio, Visayas and Mindanao, using a dedicated information and communication technology backbone.

. We will put funds which are now dispersed across the UP system and manage these funds as one pool. We will get professional managers to help us manage our funds.... If we make only 1 percent earnings, that is P140 million. That's a lot," he said.

"The e-UP will bind us together and will also enable us to reach out beyond our borders to other state universities and colleges," Pascual said, adding that UP's scholarly papers will be made available to a much bigger online audience.

But in a period characterized by a weakened global economy, e-UP should enable the UP system to improve the way it manages its finances, Pascual said at the launch of the digital project at UP Baguio last month.

Proposal for the Creation of the Information Technology Services (ITS), the University of the Philippines System Information Technology Office (July 2015)

Budget	Amount
PS	P 49,039.783
Vice President for IT	P1,096,120.00
MOOE-Regular	P 33,301,200.00
Total ITS Budget	P 82,340,983.00
Shared IT Recurring Costs (including annual Oracle licensing costs = P10,858,734)	P362,742,463.00
TOTAL	P445,083,446.00

P445,083,446.00

Just to get a sense of proportion, this amount is massively larger than, or almost equal to the total budget of most State Universities and Colleges in the Philippines was in 2014!

- EARIST: P172,935,000.00
- PNU: P428,351,000.00
- TUP: P461,771,000.00

CRS In-House Development Discontinued

UP to assist PLM in computerizing student registration

UP-PLM

MEMORANDUM OF AGREEMENT SIGNING

08 SEPT 2015 2PM
PAMANTASAN NG LUNGSOD NG MAYNILA
INTRAMUROS, MANILA

CRS KILLED!

They say that ERPs will replace legacy software. CRS is not legacy, it is *our* cutting-edge

- CRS is about our processes, not someone else's "best practices."
- The best option is NOT long-term vendor lock-in with Oracle.

- The best option is to combine in-house development with involvement in a larger open-source ERP project. This is not reinventing the wheel. It is not a waste of time. Developing our capacities as a University is better than the short-term consumption of readymade software. ERP development is a burgeoning field in software development which UP students and faculty can join in. Why do programmers still develop computer languages when there are already so many? Because they rightly think they can make a better one!

Questions for PAEP

- BIG QUESTION 1:
- Did the PAEP Administration consider the option of other proprietary and Open Source ERP Solutions and try to match their features and offerings with actual needs by consulting the users themselves? Probably Not.

Questions for PAEP

- BIG QUESTION 2:
- Did the PAEP Administration undertake a cost benefit analysis to ensure that the vendor lock-in *modus* with Oracle would at least be sustainable in the long-term beyond his six year term? Probably Not.

Questions for PAEP

- BIG QUESTION 3:
- Can the PAEP Administration show us in detail to what extent the processes and procedures of the University will be impacted upon because of the inflexibility of Oracle software?
- Hopefully Yes.

Questions for PAEP

- BIG QUESTION 4:
- Can we get as soon as possible a complete audited accounting of all eUP expenses since the beginning of the project in the interest of public transparency? Can we have an audit of the bidding process for the Oracle software?
- Hopefully Yes.

Conclusion

- eUP will drain UP of precious funds sourced from taxpaying Filipino farmers and workers.
- It is indeed a possibility that the PAEP Administration can make eUP work. But at what *extraordinary* financial cost? It is an irresponsible waste of money which could be used for other things.

Conclusion

- The PAEP Administration has a wrong sense of priorities.
- What does the *iskolar ng bayan* really need?: reduction of tuition fees and abolition of STS, adequate affordable dormitories, expansion of subsidized student food services, modernization and repair of facilities and laboratories, advanced library facilities and resources.

When PAEP is long gone we will still be paying Oracle *ad infinitum*. **Do *YOU* think this is a good option?**