



# Transformational Experience

*Pennsylvania and SAP accomplish one of the largest-ever government ERP implementations.*

In 1999, Pennsylvania took the first steps toward a massive transformation. The executive leadership of the Commonwealth envisioned a project that would empower the state to be a best-run business. To reach that goal, the state needed a partner. After a comprehensive RFP process, SAP was chosen as Pennsylvania's ERP vendor in the summer of 2000.

With 83,000 employees and more than 50 agencies, the state's project, then known as Imagine PA, posed uncommon challenges and promised many months of hard work. Despite the obstacles, the initial phase of the implementation took merely 14 months, thanks to the determination and dedication of the team, coupled with solid leadership and management.

Christine Meholic, Executive Director of the state's Bureau of Integrated Enterprise System (IES), credits Pennsylvania's leadership for successfully keeping the project on track. "We were only able to do this because of our executive leadership and support," said Meholic. "We had a terrific implementation and now have served three administrations, including the current administration of Governor Ed Rendell. Our executive leadership and support made us into a cohesive team able to pull everything together."

The SAP implementation — designed to roll out in six waves, each focusing on elements such as financials, human resources and budgeting — sought to do more than merely replace parts and equipment. Pennsylvania's vision was to spark meaningful change by deploying a statewide ERP system that would become a foundation for streamlining state operations.

Among other things, the SAP solution is a driver in helping the Commonwealth to eliminate wasteful duplicate processes, automate paper-based procedures, and deliver comprehensive and timely decision-making data. Pennsylvania officials expect the ROI on these improvements to be in the millions of dollars over time.

Andy McIntyre, a team manager during the development, said the ERP implementation created new ways of doing business and better ways of serving constituents.

"Of course we had old technology, and we could have extended its life," he said. "But that would not have allowed us to harness innovative business practices, employee initiatives, and technology to transform Pennsylvania state government into a unified, world-class, customer-focused organization."

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**Christine Meholic,**  
Executive Director,  
Pennsylvania Bureau  
of Integrated Enterprise  
System



### Many Happy Returns

Just a few years into its partnership with SAP, Pennsylvania already can point to a number of substantial benefits.

For example, human resources and financials are witnessing significant savings and waste reductions. Typically these business functions spend a lot of money on paper materials and postage. The ERP project helped the state purge paper documents such as travel forms, leave requests and many pages of reports.

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Beyond slashing paperwork, the new technology allows Pennsylvania to process financial expenditures through standardized systems. This allows all pertinent records to be updated automatically, Meholic said. Automatic updates and powerful reporting tools allow the ERP platform to deliver comprehensive and timely budgetary data, and empower administration officials to make better-informed management decisions.

### Roads Less Traveled

As impressive as the results are thus far, they represent the beginning of a voyage for Pennsylvania.

"With the ERP project implemented, we can now move forward in multiple directions," said

Meholic. "First and foremost we are charged with ensuring that what we accomplished remains stable, creditable and reliable. But now we're also being asked to build new capabilities and solutions to assist our business community. We're able to take the foundation we have built and improve upon it."

For example, the Commonwealth is ramping up to add the SAP Plant Maintenance module to its Enterprise system. It will be used to manage the maintenance of highways and bridges across the state of Pennsylvania. This initiative holds great promise for improvements in work management, cost control, and resource balancing. In addition, the state intends to use SAP's Supplier Relationship Management toolset to support Governor Rendell's strategic sourcing initiative. This creative initiative is expected to generate tremendous savings for the taxpayers of Pennsylvania.

Given these possibilities, Pennsylvania's ERP deployment represents both a completed project and the beginnings of a very powerful and elastic program that the Commonwealth of Pennsylvania can leverage to improve its business processes and hence the delivery of products and services to its citizens.

"This journey was much more than implementing a replacement software system," Meholic said. "We are transforming the way we do business, empowering our employees, and setting new standards for the performance of state government. It is rewarding and exciting to be part of something that is so important, and to be on the cutting edge."

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