get financial incentives included in the contract, it's all the better. We all know how hard it is to fight for money."

Price also offers a few tips. "Make sure you get in with a good group of people, folks you can trust to hold up their end of the bargain," he says. "We're successful because everyone knows they have to do their part. And we had a very good, vendor-neutral consulting group that helped us with the harder stuff, like doing the district process audits, writing the RFP, and taking the lead in negotiations. And they wrote the joint interdistrict operating agreement, something we had never done before."

Officials with the newest consortium member, the Racine Unified School District, are looking forward to their new ERP system. "We'll really be glad once the system is up and running in the fall," Barkow says. "We've had our share of ups and downs, and this is definitely going to help. I think the more districts can learn from each other, the better."

What's next for the Wisconsin Schools Consortium? Weiland forecasts, "Well, we're exploring different joint-purchasing opportunities. We'll probably add another school district or two in the next year. But right now, we're just glad the system is up and running—everyone is happy." ■

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Excuse Me. Want to Share an ERP Solution?

When school business officials from three Wisconsin school districts asked Roger Price, assistant superintendent for the Madison Metropolitan School District, if he would like to jointly operate a high-powered enterprise resource planning (ERP) system, Price had some doubts. "Sharing a complete business system? But we're all so different," he said. But the possibility—and the savings—intrigued Price and his staff, despite the uncertainty. Price is now a founding member of the Wisconsin Schools Consortium, a group of five Wisconsin school districts that have pooled their resources to share the costs of an ERP system.

The process that began two years ago as a bold, seemingly farfetched idea is now a reality. Here is a business manager's story about how a multidistrict ERP system came into being in Wisconsin, a state better known for decentralization.

A New Mind-Set

Combined, the Middleton–Cross Plains Area School District, Verona Area School District, and Oregon School District serve about 14,000 students in small-town or suburban Wisconsin. Madison Metropolitan School District serves a much higher number—about 25,000. Bridging that size gap was no easy task.

"At our first meeting, nobody knew if this could actually work," admits Chris Murphy, business manager for the Verona Area School District in southwestern Wisconsin. "I mean, we really felt like having Madison was critical. They're the second largest school district in the state, and we knew they had more resources than our three districts. But we also knew we were bringing in our own insight and resources. We were just hoping that would be recognized as well."

But a new sense of flexibility and autonomy for Price and his staff helped a lot. Price said a new mind-set in Madison had district officials determined to make decisions based on what made the best business sense for the school district rather than solely on how things were done in the past. "So we looked at it and said, 'OK, we're all pretty much running the same software.' And we knew the [old] system was being 'sunsetted,' so maybe this does give us an opportunity," Price says.

The group decided that the first step would be to document and identify the critical business processes used by each of the school districts. To do that, the consortium enlisted the aid of an independent consulting firm. Officials from each school district in the consortium met independently with the consultants to document current business work flow and to determine what new features would be most important in a new ERP system.

After the initial meetings, district officials decided they wanted to explore three distinct options:

- They still wanted to look at the costs of having systems installed in each district.
- They wanted to determine whether the best solution would be a shared system hosted at one of the districts.
- They wanted to see whether a commercially hosted solution made sense.

The consulting firm prepared proposals based on these parameters, including the "must-have" features identified in the initial meetings. Members of the consortium examined the results as independent districts and also as a group.

Let the Bidding Begin

Major software vendors representing K–12 solutions responded to bid requests to provide ERP software for the Wisconsin Schools Consortium. The four school districts involved at the time reviewed the responses based on individual and group needs. All four districts agreed on the top three vendors, although not in the same order. District officials asked the consultants to contact the finalists to sched-ule demonstrations and create a scorecard to rank each presenter fairly. Finalists received a demonstration script to guide their presentations.

After several days of demonstrations, a potential winner was selected. "We ate a lot of bagels and pizza while participating in the vendor presentations," says Andy Weiland, business manager for the Oregon School District. "I think we were all looking for the solution that best fit our own needs. But in the end, our top selection was unanimous."

The next step was to determine the actual fixed costs over a five-year period.

"We were forewarned that the software costs were just a fraction of the overall cost of the system," Weiland says. "We knew that, but when we compiled the spreadsheets it really crystallized the reality. Once we started to calculate the costs of project management, implementation, training, support, storage, and backup, we began to get a lot closer to our actual price."

Then came a tough decision. "We had to evaluate whether we would be better off maintaining individual systems or operating in a shared environment," Weiland explains. "No one had ever done a shared environment in Wisconsin before, but it was clearly the most cost-effective solution."

Host of the Party

With the software and collaboration settled, one question remained: Who would host the new ERP?

Officials from each participating school district volunteered, but after comparing costs and installation services, the consortium decided that a managed application services provider would give the lowest total cost of ownership. Two providers were identified, and officials began to compare services and costs. The consortium chose a Virginia-based company as the most cost-effective solution for hosting while providing extremely strong application support for the ERP software.

The benefits of using a managed application services provider were threefold:

- Consortium members found that risk was minimized. The group negotiated one price to cover all the application and software patches and system upgrades—including any hardware needs—for a full five-year period. It also included nearly round-the-clock support.
- The consortium saw an improvement in service levels. Information can be obtained at any time from within or outside the school district. All the districts have access to their own information anywhere an Internet connection is available. There is also a guaranteed 72-hour return to service in case of a catastrophic event.
- Financial incentives were negotiated that allowed the consortium to add other Wisconsin school districts to the group to lower costs for all members on a per-student basis. This piece of the financial puzzle created an unusual incentive to add other school districts.

"The ability to bring in other school districts and lower our costs while giving them a stronger solution was really unique," Weiland says. "As business managers, we are supposed to think outside the box, but we don't get very many opportunities to do this on a broader scale. This one is really different."

Last year, the 21,000-student Racine Unified School District put out a request for proposal (RFP) for a new ERP system. The four districts decided to respond to the proposal as their own group. "We were new at this, but we all had a vested interest," Price says. "And we knew what the issues were, having just gone through the installation phase. We felt we picked the right solution. Why not extend it to other school districts?"

Dennis Barkow, director of information services for Racine, feels the same way.

"It was unusual to have colleagues suggest a solution," relates Barkow. "They obviously had just gone through a huge process, and really were quite candid about what they found out. In the end, the fit was there, and it ended up saving us a lot of money as well as helped accelerate our installation."

Getting Boards on Board

Before Racine joined, and before the consortium was finalized, a final hurdle was overcome: approval from each school district's board of education. To define the operation and management practices for the unique partnership, district officials drafted a governing document, again enlisting the aid of the consultants. Each district signed the agreement, officially forming the Wisconsin Schools Consortium. Then, they began the ERP implementation and training phase, which is now almost complete; Racine is due to go "live" this fall.

Together, the solution hosts more students than any other school district in the state except Milwaukee. Consortium officials are actively talking with other school districts in the state to expand the group, but will do so only if the fit is right.

"You know, we took something two years ago that most people thought could never be done," Murphy says. "And when it comes right down to it, even though our business processes might be a little different, we're a lot more alike than we are different."

Wohlleber agrees, "We have the same state reporting requirements. We need current financial information. And we all absolutely require secure, safe, and redundant record keeping."

As for advice to other school district business managers, consortium members have plenty. "First, look in your own backyard," Murphy says. "Make it a point to get to know other district personnel in your area, and in your state. Everyone knows someone. It's a starting point, a door opener. And don't be afraid to approach a larger school district—we were always a little intimidated by the larger district next door, but we found out that we all share the same issues, just on a different scale."

Wohlleber adds, "I would say, try to find out when your colleagues are looking to replace a system. After all, we only really do this once every 10 or 15 years. Make sure you get a solution that can grow with you, and if you can