

## Major Canadian university extends its engagement with IBM for PeopleSoft application management services

**Challenge:** Achieve ongoing application stability and availability at a predictable cost for the University's PeopleSoft Financials, Human Resources, and Student Administration systems.

**Solution:** After conducting a third-party assessment, the University of Alberta extended its application management contract with IBM for an additional five-year term.

**Benefit:** In addition to achieving predictable costs and enjoying a stable production environment, the University of Alberta's ongoing relationship with IBM has enabled it to access services customized to its unique needs while significantly improving end user satisfaction

*With over 35,000 students enrolled in more than 200 undergraduate programs and 170 graduate programs, the University of Alberta (U of A) is a leading educational and research institution in Canada. To remain on the forefront of service delivery, in 1999 the University completed a large-scale implementation of PeopleSoft Financials, Human Resources, and Student Administration systems. However, shortly after the implementation was complete, the U of A began to experience challenges with the management of its new applications.*

Due to a shortage of skilled PeopleSoft resources, problems began to emerge with application stability and availability. Projected costs for application maintenance far exceeded available budgets, and the issue of ongoing version upgrades added another cost component to the already-strained resources. With user dissatisfaction mounting, the U of A quickly decided to issue a Request For Proposal looking for vendors to assume responsibility for the ongoing management of its PeopleSoft applications, including version upgrades, and development of new functionality. After considering several candidates, the University chose to enter into a five-year contract with IBM Application Management Services (AMS).

### **Dependable service at a predictable cost**

In making its vendor selection, the U of A considered three key factors: flexibility, cost containment, and the ability to meet specific service levels. The IBM AMS team was able to address each of these requirements. First, IBM developed a customized approach designed to meet the University's specific needs. To ensure fluidity, the services IBM provides can be altered by mutual agreement to address the U of A's evolving business objectives.

Second, IBM delivers these services at a pre-set cost, injecting a necessary level of cost predictability into the process.

Finally, IBM committed to measurable service levels designed to maintain the stability and availability of the U of A's application environment.

As Ernie Ingles, Associate Vice President at the University of Alberta, noted at the time, "We have implemented this new means of managing our PeopleSoft applications because we believe it is the best way to ensure that cutting-edge solutions are always there for our managers at a reasonable cost. We don't need to worry about maintenance, upgrades, or database administration. This is the answer to every university administrator's prayers."

In addition to providing ongoing management for the University's PeopleSoft applications, IBM was selected to provide a technical help desk and server operations outsourcing. IBM also works with the U of A to provide PeopleSoft upgrade services.

### **Enjoying a measurable return**

Within three months of beginning the contract, the IBM AMS team transitioned the necessary equipment, knowledge, documentation, and staff to support the University's PeopleSoft systems, completing the transition without any loss of jobs. Shortly thereafter, the team established detailed service levels and quickly resolved several application performance issues.

By the time the contract came up for renewal in 2005, the U of A was enjoying a consistently stable production environment with predictable costs and had seen service levels regularly set, met, and exceeded.

Yet, despite these benefits, the U of A was not prepared to automatically renew its contract with IBM without a formal evaluation process. Dr. Paul Sorenson, the University of Alberta's Vice-Provost, Information Technology explains. "Given the length of the contract, and our options for renewal, we felt it was important to conduct an in-depth evaluation before deciding if we wanted to extend the relationship," he says. "So we undertook an extensive, three month internal evaluation involving past performance analysis, user surveys, personnel interviews, and cost comparisons with alternative solutions adopted by comparable institutions."

In addition to considering the overall capabilities of the IBM AMS team to provide ongoing production support, the evaluation reviewed the performance of the team's help desk, support, and upgrade services. It also assessed the contract's ongoing value proposition by reviewing the costs.

In the final analysis, the IBM AMS team once more came out on top. "The University's partnership with IBM has been successful, as our review showed," Sorenson noted. "IBM has consistently exceeded performance targets and been instrumental in the success of initiatives to date."

So, in mid-2005, the University of Alberta renewed its contract with IBM for another five-year term.

### **Building a lasting relationship**

As part of the contract renewal, IBM was once more retained to support the U of A's PeopleSoft Financials, Human Resources, and Student Administration systems. In addition, the solution contains a new infrastructure services component

delivered through IBM Application Utility Services (AUS) to provide services from a shared services centre for multiple ERP clients. This includes the replacement of University-owned Sun equipment with an on demand IBM pSeries, xSeries, and SAN environments. Additional services include an upgrade to the PeopleSoft environment midway through the term.

As an added benefit, IBM began to collaborate with University of Alberta researchers working out of the recently established Alberta Centre for Advanced Studies (CAS). "On the applied science side, this relationship is allowing us to connect with researchers in IBM to study best practices in the area of IT service delivery," Sorenson says. "In particular, we're examining the shared services model and the notion of workable governance models – research that has the potential to actually inform the contract we have with IBM."

Today, IBM continues to provide the University with predictable cost maintenance services, high availability, and continued service integration across an expanded set of services.

"The University has a long-term healthy relationship with IBM, and that makes all the difference," declares Sorenson. "IBM has done a consistently good job meeting our service levels, providing excellent production and upgrade services, and meeting or exceeding our performance expectations. Overall, we've been very happy with our relationship with IBM."

### **For more information**

To learn more about IBM Application Management Services, contact your local IBM sales representative or visit our Web site at [www.can.ibm.com/services](http://www.can.ibm.com/services).



© Copyright IBM Canada Limited, 2006

IBM Global Services  
3600 Steeles Avenue East  
Markham, Ontario, L3R 9Z7  
Canada

Printed in Canada  
All Rights Reserved

IBM, the IBM logo and the e-business logo are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries or both and are used under license by IBM Canada Limited.

Other company, product and service names may be trademarks or service marks of others.

P17635