



April 30, 2003

To the Faculty and Staff of the Johns Hopkins Institutions

Dear Colleagues:

We are writing to outline our plans for a major new initiative aimed at improving many of our core business processes and supporting technologies. First, we would like to thank you for your feedback regarding our administrative services. You have provided consistent messages about the necessity to improve significantly our financial and administrative processes. Many of you have assisted in developing a coordinated plan to address a number of business issues through multiple Johns Hopkins University and Johns Hopkins Health System committees. An important conclusion arising out of this process is the need to upgrade significantly our financial and administrative information systems. And we have concluded that the best way to accomplish these goals is to break with tradition – rather than developing these procedures separately, the Johns Hopkins Health System and the University are going to work together to develop integrated financial and administrative information systems.

With the emergence of Johns Hopkins Medicine, which brings together the University's School of Medicine, the Health System and related Johns Hopkins health care companies in a cooperative enterprise, as well as the success of a number of important joint initiatives between all units of the University and Health System, it has become clear that real opportunities exist for us to benefit significantly from working together to an even greater extent.

As a result, we have engaged the leadership of both the University and Health System to begin the process of replacing our major institutional financial and administrative information technology systems with a suite of modern, integrated applications commonly referred to as an "Enterprise Resource Planning" (ERP) system. The new system will be used by both the University and the Health System.

Under the ERP system, a single vendor would provide software to replace our existing purchasing, materials management, accounts payable, general accounting, payroll, sponsored project, and human resources systems, most of which are outdated, antiquated, and in some cases, dysfunctional. The system would be fully integrated, with a consistent look and feel throughout the various applications.

We wanted to emphasize that technology alone will not solve the compliance and service issues facing our organizations. Some of these issues are related to policies, procedures, and workflows that have evolved within our organizations over the years. To realize the benefits of new technology, we also will need to analyze, challenge, and fundamentally change current practices throughout our organizations. The objective is to make processes more efficient, standardizing where practical. The information technology should support these new processes. However, if we don't redesign the processes properly, no amount of investment in technology will improve the quality and effectiveness of our business practices.

We will look to best practices within health care and higher education sectors to help guide our decisions. Significant efforts will be underway shortly to lead us through this important task.

A Hopkins project team is being formed. Working with an advisory committee representing leadership from JHU and JHHS and with consultants, the team will oversee the formation of requirements for the new system, and the selection of both software and implementation help. The project team and committee also will identify

the appropriate implementations strategy, which will determine the duration of the project and the order in which system modules are implemented throughout the various Hopkins organizations.

A project website has also been established to provide important information about project status, contacts, job opportunities, training sessions and frequently asked questions. It will also be used over the next few weeks to solicit input from our user community regarding functional requirements. We encourage you to visit the site at [www.jhu.edu/erp](http://www.jhu.edu/erp).

We anticipate that the overall project will last three to five years. Obviously the cost of implementing an enterprise-wide system will be substantial. Although we have identified funding sources for much of this initiative, we will need to reevaluate our funding requirements once we have determined the project's total cost. We anticipate the savings generated by the new system will outweigh ongoing costs required to support the system. And we are confident that the new system will markedly improve services to all users: paper will be reduced, the web will be effectively used, and our compliance issues better addressed.

We know that you will benefit significantly from the new system, but we also know it will take considerable time, effort and support from all of the Hopkins family to make this project succeed. We count on your help and will keep you informed as to the progress of this very important initiative.

Sincerely,

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