



COLORADO DEPARTMENT OF TRANSPORTATION

MODERNIZING THE IT ENVIRONMENT

QUICK FACTS

Industry

Public sector

Budget

US\$1 billion

Employees

3,300

Headquarters

Denver, Colorado

Web Site

www.dot.state.co.us

SAP® Solutions and Services

SAP® Business Suite family of business applications

Implementation Partner

Deloitte Consulting LLP

Key Challenges

- Replace approximately 50 disparate systems with 1
- Improve information consistency
- Modernize IT technology
- Improve payroll accuracy
- Automate manual operations
- Tighten procurement control
- Streamline year-end closing
- Improve project setup process

Implementation Best Practices

- Strong, unwavering executive-level support
- Involvement of 600 business users
- Active steering committee
- 48-hour decision-making process
- Escalation ladder
- Close attention from the U.S. Federal Highway Administration

Financial and Strategic Benefits

- Attained single source for all business information
- Improved visibility into financials at all levels
- Automated encumbrance accounting
- Provided accurate information for legislative decision making
- Integrated all components of contracts
- Made procurement processes more consistent
- Achieved smooth year-end closing
- Provided project budget visibility from the outset
- Improved budget accountability
- Made management of unauthorized expenditures easier and more transparent
- Improved processes for setting up projects
- Improved accuracy and consistency of reports

Why SAP Was Selected

- Tight integration of all areas of functionality
- Record of success in other government institutions
- Strength of workflow
- Match with Colorado Department of Transportation functional requirements
- Responsiveness of SAP personnel

Low Total Cost of Ownership

- Met schedule
- Retired legacy systems associated with enterprise applications (financials and HR)
- Eliminated outdated computing system and its very high maintenance costs

The Colorado Department of Transportation had more than 50 disparate business applications running on an outmoded computer system that was very expensive to maintain. To boost information consistency and accuracy, improve and automate operations, and save support costs, the department replaced the entire environment with a modern, new solution based on the SAP® Business Suite applications that is delivering a single version of the truth, improved payroll accuracy, and many other benefits.

Operational Benefits

Key Performance Indicator	Impact
Payroll accuracy rate	Better than 99%
Open purchase orders converted	+US\$672,000,000
Procurement documents processed and tracked	+1,400%
Overpayments issued	-100%
Contract compliance	+90%



“The tight integration throughout SAP software allowed us to create a solution that lets us provide more consistent, accurate information than we’ve previously been able to.”

Olga Ekberg, ERP Manager, Colorado Department of Transportation

www.sap.com/contactsap

The Colorado Department of Transportation (DOT) is responsible for a 9,156-mile highway system, including 3,714 bridges, that handles over 26.1 billion vehicle miles of travel every year. The department excels at building and maintaining roadways on some of the most challenging terrain on earth.

The department faces certain business software challenges that are unique to its charter, such as managing mammoth construction projects, but in most ways its needs and operations mirror those of any other government agency. It must administer human capital, deliver accurate financial reports, manage materials, and fulfill all the other functions of any governmental institution. In the past, Colorado DOT executed its mission using more than 50 disparate systems based on antiquated computer technology. As a result, its personnel wasted considerable time resolving disparities between inconsistent records. Accuracy of operations, especially payroll, suffered. Many manual activities needed to be automated.

Moving to a Single, Integrated Business Software Application

With strong concurrence among senior management and business users at all levels, Colorado DOT determined that it needed a single, integrated business software solution that covered all its needs. The department reviewed competitive bids for its new application suite, and SAP won handily. “SAP was far ahead on function-

ality, especially in workflow, and on experience fulfilling the needs of government,” says Olga Ekberg, ERP manager for Colorado DOT. “But the clincher was SAP’s ability to demonstrate its software using scripts that employed our own data and processes. SAP did a great job, and no one else was able to meet the timeline we required.”

To perform the implementation, Colorado DOT selected Deloitte Consulting LLP, which worked closely with IT and more than 600 business users to achieve a successful, on-schedule completion. Top management provided strong support and close attention throughout. So did the U.S. Federal Highway Administration (FHWA), which provides the department with funding. The team developed a custom module within SAP software for FHWA communication – a vital and highly successful aspect of the implementation and the only area that was significantly customized. The department performed business process reengineering simultaneously, aligning many of its processes with SAP® applications.

Reaping Benefits Throughout the Organization

As an immediate benefit, Colorado DOT was able to retire its legacy applications supporting enterprise application functionality (financials and HR) and the outmoded computer system they ran on, thereby saving huge maintenance and support costs. Quickly users throughout the organization began experiencing more benefits

from their single, integrated, comprehensive solution.

Payroll accuracy, an acute problem in the past, jumped to a 99% precision rate through a combination of better software and substantial hard work by department personnel. The department greatly tightened its procurement processes as well, which had permitted overbudget and completely unbudgeted purchases in the past. “The SAP software simply won’t allow anyone to generate a purchase order that’s not budgeted,” says Ekberg. “Our people are now held to budgets for the first time and have complete visibility into them right from the start, along with the tools they need to execute their projects on plan. SAP software’s project systems functionality is especially helpful. It has allowed us to substantially improve the processes and communications involved in setting up projects.”

Finance benefits, with the smoothest year-end closes the department has ever experienced and strong tools for issuing reports. Human resources benefits as well, now that there is less paperwork to lose and self-service for employees and managers.

Completely changing its business software was a monumental effort for Colorado DOT, but everyone involved knows it was worth it. Now the department has the unified solution it needs to provide better service to taxpayers and users of Colorado’s highway system.

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