The Computerworld Honors Program

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Final Copy of Case Study

LOCATION:
New York, NY, US

ORGANIZATION:
Yeshiva University

YEAR:
2011

ORGANIZATION URL:
http://yu.edu

STATUS:
Laureate

PROJECT NAME:
JP Morgan SUA

CATEGORY:
Business Responsiveness

PROJECT OVERVIEW

Yeshiva University, a distinguished institution of higher education, has six campuses in New York City and one in Israel. The university's rigorous undergraduate and graduate programs have received consistent international acclaim, contributing to the college's ranking as one the top 50 schools in the United States. Yeshiva's administrators know that fiscal responsibility is crucial to attaining their mission of combining the best of contemporary civilization and knowledge with the ancient traditions of Jewish law and life. The more efficient they can make their information systems, the more capably they can pursue their charter. This philosophy of fiscal responsibility motivated Yeshiva to purchase iWay integration technology from Information Builders. iWay Service Manager is an Enterprise Service Bus (ESB) that enables the school to create, compose, and manage services - whether invoked as Web services or through other interfaces. iWay's rapid integration solutions have enabled Yeshiva to maximize its research assets, simplify grant administration, control spending, automate their accounts payable and procurement processes, and create highly sophisticated workflows that reduce manual effort for the administrative staff. For example, Yeshiva used iWay Service Manager to integrate an electronic payment service with the university's outbound payment and invoice generation systems, improving cash flow and reducing costs. Supplied by JPMorgan Chase, Yeshiva's electronic payment system is a Single-Use Accounts (SUA) business service that automates payment, reporting, and reconciliation processes. Today, this strategic procurement and supplier enablement solution integrates the university's information systems with those of its suppliers to streamline the procurement of indirect goods and services. The solution helps to solidify contracts with preferred suppliers, drive spending to those contracts, and promote process efficiencies through electronic transactions. These simplified accounting procedures will enable the university to reduce its accounts payable staff by half and redeploy these employees elsewhere. In addition, the university expects to save $300,000 annually by driving $30 million in procurement spending through SUA vendor contracts.

SOCIETAL BENEFITS

Given the rising cost of education, anything a university can do to keep costs down benefits society. Lowering overhead costs and keeping its fiscal house in order helps the university to minimize fee increases, making the college experience more affordable for existing and prospective students.

PROJECT BENEFIT EXAMPLE

Yeshiva used iWay Service Manager to integrate a JPMorgan Chase Single Use Accounts (SUA) electronic payment system with the university's internal financial systems, streamlining a procure-to-pay requisition workflow process. The integration technology from Information Builders enables the university to maximize revenue and reduce days payable outstanding (DPO). Yeshiva receives a one percent rebate from JP Morgan Chase on the total volume of business that travels through the SUA channels. "Our objective is to automate as much of the integration work as possible, lessening the need for manual intervention," said Zencheck, Chief Procurement Officer at Yeshiva University. "More margin means more mission. In other words, the more money we save as a result of these new financial processes, the more we can invest into the needs of the university. By simplifying interface development and forging system-to-system connections, iWay will shorten our reconciliation periods while improving accuracy," he added. Yeshiva University tested the SUA system with five vendors, and it worked perfectly. Since then, more than 50 vendors have signed up -- a number expected to grow soon to several hundred. According to Zencheck, everybody wins with these new procurement and payables processes. "After an invoice is approved, the vendor gets an email message saying that the money is in their account," he explained. "Yeshiva doesn't have to issue checks and the vendors don't have to process them. It's more efficient all around: no bank runs, no float, no waiting for checks to clear. It saves a lot of time for everyone. "More margin means more mission," he added. "In other words, the more money we save as a result of these new financial processes, the more we can invest into the needs of the university. By simplifying the integration work and forging system-to-system connections, iWay has shortened our reconciliation periods while improving accuracy."

IS THIS PROJECT AN INNOVATION, BEST PRACTICE? Yes

ADDITIONAL PROJECT INFORMATION

The university engaged iWay Professional Services to streamline payment processing, earn rebates, and increase the float on its accounts payable spending. iWay began by mapping all the payment information in the SUA system to the university's general ledger. Then iWay set up the necessary interfaces to JP Morgan's financial gateway. Now, when an invoice is submitted from a vendor that has previously registered to receive SUA payments, the invoice is placed in a database table and picked up by iWay. Once Yeshiva's AP personnel approve the invoice, iWay forwards the transaction to JP Morgan, which has a four-hour window to process the order and release funds to the vendor's unique SUA identification number. iWay not only automates these transactions, it also monitors the workflow to make sure JPMorgan upholds its four-hour service-level agreement. If iWay doesn't receive a confirmation that JPM has processed the transaction within four hours, it logs an entry in a daily report, which is sent by email to Yeshiva. The report lists pending transactions that have not been approved, as well as transactions that have been delayed longer than four hours.