

INTEGRATING YOUR LEARNING MANAGEMENT SYSTEM WITH YOUR ENTERPRISE RESOURCE PLANNING SYSTEM

A THINQ White Paper
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INTRODUCTION

It is important to leverage investments in enterprise software systems, especially in challenging economic times. Software vendors must support the requirements of organizations to achieve interoperability across their systems in a way that eases the exchange of information. This is especially true in the Human Capital Management (HCM) arena, where changing software models and new methods of measuring companies' success make true interoperability essential. Specifically, HCM initiatives rely heavily on Enterprise Resource Planning (ERP) or Human Resource Management Systems (HRMS) and Learning Management Systems (LMS) solutions.

Organizations invest significantly in their ERP and HRMS solutions, multi-module software systems that support enterprise resource planning. Most ERP and HRMS systems include a relational database and applications for managing inventory, personnel, customer service, shipping, financial planning, and other important aspects of the core business. Few ERP or HRMS systems, though, are designed to manage the training and development functionality required by many global organizations. Because HRMS and ERP systems lack this functionality, organizations rely on an LMS, a system that's been designed and optimized to provide the required automation of training and learning events including registering users, tracking courses, recording data from learners, and providing reports to management.

This paper will discuss the benefits of integrating your HRMS or ERP system with your LMS to streamline processes and cut costs. When integration occurs, data is shared for more effective decision-making, resource allocation, and performance reporting, all while fulfilling the needs of the learning organization to enhance individual proficiency and organizational effectiveness.

Why Integrate Your LMS With Your ERP Or HRMS?

The reasons for integrating your ERP or HRMS with your LMS lie in the focus of each system. The focus of ERP systems, specifically those with embedded HRMS modules, is personnel management, demographics, benefits and payroll. An HRMS provides tools for HR staff to manage the business of people. The focus of an LMS is to manage the learning process as a business. The LMS manages and delivers learning of all modalities to people, including instructor-led, self-study, virtual classroom, and technology-based training. While including the "people" perspective, the LMS provides advanced tools for training and development organizations. Resource planning, budgeting, scheduling, online learning delivery and standards compliance are samples of these advanced tools.

An ERP or HRMS typically becomes the repository for the results of learning in an organization, with the results entered after the learning occurs. With an integrated LMS, learning is planned and managed as a strategic initiative with a focus on performance, knowledge retention, optimal human capital utilization, and return on investment.

What Kind Of Data Can Be Integrated?

Generally, organizations opt to integrate employee demographic data from their HRMS or ERP system into their LMS. This data might include name, e-mail address, employment status, supervisor, organization or department, location, job or role, plus any other information that ties into an employee's learning and development needs. Course history, transcript information and certification status might be integrated back to the HRMS or ERP system from the LMS, so all information about employees resides in one system.

What Are The Types Of Integrations?

There are two types of integration options: batch and real-time. A batch integration transfers data from one system to another at preset intervals, usually every 12-24 hours. Data reconciliation occurs through database-stored procedures or tools provided by the LMS vendor. Alternatively, a real-time integration exchanges data immediately and continuously, requiring the user to give commands during operation that occur right away.

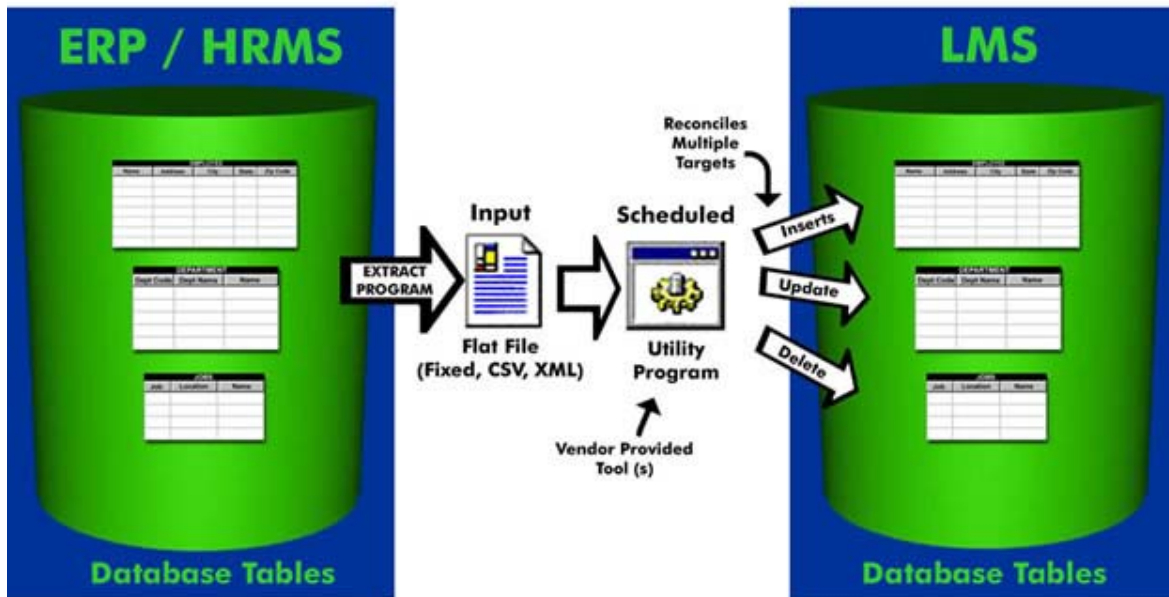
Batch

For many organizations, seamless single or bi-directional batch reconciliation will satisfy their needs. Most ERP, HRMS and LMS vendors support either Oracle or Microsoft SQL Server databases. By using the Relational Database Management System's (RDBMS) native language, Oracle PL/SQL or SQL Server Transact-SQL, batch processes can be created that loop through logic. The standard logic includes existence checks, or checks to test that the data codes entered agree with valid codes held in tables or in the program. The result is new or updated information entered into the LMS.

During the processing of records, specific validation occurs to ensure that the rules of each system are followed. If the integration is bi-directional in nature, decisions prior to the coding of the processes are made to determine which system owns the data. Based on these decisions, the rules of validation are designed.

When the ERP or HRMS and the LMS do not use the same RDBMS, batch integrations are technically and financially the most common means of tying the two disparate systems together. Experienced LMS vendors provide tools that reconcile the data from a flat file on a periodic basis. The advantage here is that the integration programs are not written from scratch each time resulting in cost and time savings. The tools generally provide for one-way integrations. For the typical organization, one-way integrations are satisfactory.

Batch Integration

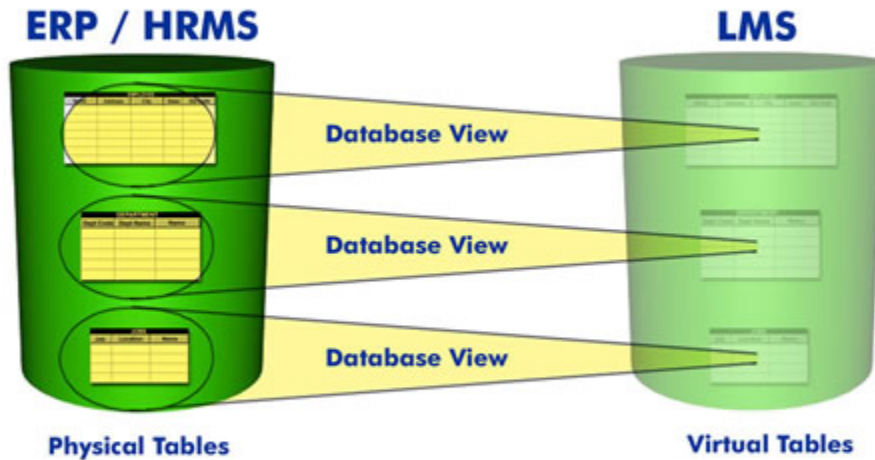


Runs as a Scheduled Task

Real-time

If real-time integration is required, this too can be accomplished. Most commonly, the real-time integration is a one-way integration from the HRMS or ERP system to the LMS. It is generally accomplished using database views of the HRMS or ERP system tables in place of LMS table structures. The advantages of a real-time integration are evident in organizations where employee names, departments, and job assignments are extremely dynamic. Real-time integration also saves time and keeps the data immediately refreshed. Disadvantages can include the inability to update this same information from within the LMS environment, relying on edits in the HRMS or ERP system to drive changes.

Real Time Integration



As with any integration, there may be some limitations. Real-time integrations are best facilitated when the HRMS or ERP system and the LMS are using the same RDBMS. If not, other tools may be required to facilitate the integration. Again, some vendors have overcome the ability to tie disparate data sources by implementing a data services abstraction layer to create a heterogeneous environment from which the LMS retrieves and manipulates data.

The type of integration, batch or real-time, deployed within your environment is typically determined by the locations and platforms of the two systems and the cost-benefit analysis of having up-to-the-second accuracy on employee demographics.

What Are The Benefits Of Integrating Data?

In essence, integrations allow you to optimize the specialty functionality of each system without losing the central point of access for reporting. One system retains ownership of its data and feeds all subordinate systems. As a result, the amount of time spent with data entry is reduced. Labor costs and system usage are also minimized. And, most importantly, one global reporting system is established where data is consistent, central and all-inclusive.

How Are Competency Models Defining Future Integrations Needs?

Competency models are defined by focusing on the organization's critical success factors and values, and the particular challenges it expects to face over the next five years and beyond. Most organizations have plans to begin migrating to some type of competency-based model, but they are still trying to identify which system can assist them in this daunting task.

With the focus of HCM shifting from a job/role-based focus to a skill/competency-based focus, ERP and HRMS systems are being leveraged to assist in managing employee assets and talent pools throughout the enterprise. The LMS works in unison with the HRMS or ERP system to plan and manage the learning required to close skills gaps.

Rather than recreating the entire competency model in two separate systems, the integration of an LMS and HRMS or ERP system is much more effective. This type of integration facilitates data sharing for more effective decision-making, resource allocation, performance reporting and optional learning benefits.

This integration is batch in nature, incorporating the competency model libraries, required competencies based on role, as well as the learning interventions that map to the competencies. Consequently, the competency gap, learning programs and proficiency attainment flow from the LMS into the HRMS or ERP system to provide a complete account of the employee—or workforce—level planning and reporting.

Summary

As organizations consolidate and take ownership of enterprise-wide software management systems, interoperability becomes imperative. It is unrealistic to expect one system to specialize in all functions within the enterprise; therefore, integrations are necessary. By integrating your HRMS or ERP system with your LMS, enterprise data flows through the organization without the exorbitant overhead required in the past. Plus, you will be able to perform global reporting and increase data validity while reducing the amount of data entry. Integrations also reduce the costs involved in developing the human capital of your employees to meet organizational objectives.

THINQ Learning Solutions has 12 years of experience implementing the THINQ TrainingServer® LMS at more than 200 organizations worldwide, resulting in a wealth of integration experience. This includes performing successful ERP and LMS integrations for organizations such as ALLTEL, CVS/pharmacy, American Express, American General, Lockheed Martin, Washington Gas and many more. These integrations include links into PeopleSoft HRMS and Financials, SAP HR and Financials, JD Edwards, Lawson, ADP and others. THINQ is also an official PeopleSoft Alliance Partner.

If you are interested in obtaining more information about how THINQ can assist in your ERP and HRMS and learning management initiatives, please contact us at (888) 414-9977, option 1, or by e-mail at corporate@THINQ.com.