After participating...

...you will be able to more effectively identify risks and opportunities in preparing to adopt shared services on your campus.
AGENDA

- Are you ready to adopt shared services?
- Keys to establishing shared services goals for your institution
- Engaging stakeholders in the process
- Next steps

#AItraining

ARE YOU READY TO ADOPT SHARED SERVICES?
Preparing Your Institution for 
Shared Services Implementation

GENERAL TRENDS

• Outsourcing and Shared Services typically result in “cost savings of 20-50% on processes in scope”*
• Nine out of every ten enterprises have shared services and 97 percent manage outsourcing relationship*
• Technology options that support organizations to delivery shared services well, continue to grow (e.g., document management, approvals, employee/managerial self service, cloud computing, customer relationship management applications, etc.)
  • Data privacy & security are big issues
• Now more “end-to-end” focused
• Multi-functional SSO becoming a reality

*Hfs-PWC report June 2012

SHARED SERVICES
IN INDUSTRY

GENERAL TRENDS

• Successful SSOs:
  • Innovate: customer focused, end-to-end, six sigma/LEAN processes
  • Automate: ERP, Case/Knowledge, web-enabled, self service
  • Provide value: laser like focus on customers and helping them achieve business strategic goals
  • Scope: start with narrow, achievable scope then branch out to multi-process/multi-functional
  • Yield further cost reductions over time through continuous improvement

*Hfs-PWC report June 2012
GENERAL TRENDS

- If it worked in industry for decades and has proven to work in the public sector, why not?
- Significant cost constraints and shrinking funding make SSO attractive since it has the potential to deliver efficiency, effectiveness, and control
- While the same challenges exist in the public sector as the private section, to achieve viable SSC in academia, must be adopted and applied differently
- Savings from administrative efficiencies (aka the back office) are used to fund core and frontline (aka customer value add) services
- Of vital importance - what needs to be physically close to the customer, versus what can be done remotely
- Though SSCs have grown in public sector, results lag behind those achieved in industry

SHARED SERVICE IN THE PUBLIC SECTOR
WHAT OTHER ACADEMIC INSTITUTIONS ARE DOING

YALE UNIVERSITY

The Yale Finance shared services center was formed in January 2010
• Goal - take repeatable work out of departments
• Configuration: consolidation of three pre-existing service units
• Services: Financial Management and transaction processing for procurement, accounting, accountable payable and client accounts

WHAT OTHER ACADEMIC INSTITUTIONS ARE DOING

UNIVERSITY OF CALIFORNIA, SAN FRANCISCO

Since 2010, developed shared services for:
• Human Resources
• Pre-Award (Research/Grants Management)
• Finance SS for Financial and Administrative Services group
• IT Help Desk
WHAT OTHER ACADEMIC INSTITUTIONS ARE DOING

UNIVERSITY OF CALIFORNIA - GENERAL

- Systemwide (10 campuses; 5 Medical Centers): UCPayroll/personnel system with UC Processing Center
- Berkeley: HR complete for administration; planned shared services for finance, research, information technology and broad human resource customers
- Lawrence Berkeley National Laboratory: HR Service Center; looking to expand
- Davis: integrated SSC for administrative units

WHAT OTHER ACADEMIC INSTITUTIONS ARE DOING

UNIVERSITY OF NORTH CAROLINA

- Identified “top ten” list of initiatives to consider to achieve potential cost savings and increased efficiency
- Launching new Business Operations Centers (BOCs) to provide financial and human resources services for:
  - Travel
  - Recruitment and Selection
  - Time Reporting
  - Purchase to Payment
  - Position Administration
  - Accounts Receivable
WHAT OTHER ACADEMIC INSTITUTIONS ARE DOING

CORNELL UNIVERSITY

• Created seven regional Financial Transaction Centers (FTCs) in 2010, replacing over 30 business service centers
  • Standardized business processes and transaction processing for travel reimbursement, accounts payable, procurement card transactions, cash management and vendor establishment
  • Achieved substantial savings, but slower than anticipated

WHAT OTHER ACADEMIC INSTITUTIONS ARE DOING

UNIVERSITY OF FLORIDA

• Consolidated and streamed administration functions
  • Human Resources
  • Finance and Accounting
  • Grants Management
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**KEY DRIVERS FOR IMPLEMENTING SSCs WITHIN THE PUBLIC SECTOR**

1. Cost savings
2. Human resource efficiencies
3. Better service for the end customer
4. Access to new capabilities

Source: Ernest & Young report, Shared Services Optimization, May 2013
Preparing Your Institution for Shared Services Implementation

- DUE DILIGENCE TO DETERMINE READINESS
  - Challenges
  - Opportunities
  - Risk
  - Scope

- CHALLENGES
  - Organizational
  - Financial
  - Compliance
  - Customer Satisfaction
  - Quality of Service Delivery
How would you characterize your most anticipated challenges in adopting shared services?

- Economies of scale
- Scalability
- Standardization
- Improvements
Preparing Your Institution for Shared Services Implementation

OPPORTUNITY ASSESSMENT

• How do we ensure that opportunity is realistic?
• What are data points, observations, stakeholders considerations etc., that indicate SSO is the “answer”
• Let’s talk methodology to drill down and determine viability of opportunity

OPPORTUNITY ASSESSMENT

DATA POINTS

• Will you achieve cost savings?
• Are there opportunities to streamline and improve business processes?
• Are you willing to invest in the change?
• Are you willing to invest in continuous improvement?
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BENCHMARKS

- How do you know when you’ve been successful?
- How do you measure progress?
- How do you measure improvements?
- How do you identify proper benchmarks?
  - Reduced cost
  - Time to respond
  - Time to resolve
  -Elapsed days to complete action
  -Customer satisfaction

RISK

- Cultural considerations
  - Do we embrace risk? Or are we risk averse?
  - Do we outsource? Or are we the kind of institution that keep things in hand?
- Organization tolerance for change
  - Do we do change well?
  - What other change initiatives are happening? And how will this impact those already in the queue
- Compliance
  - Are we in compliance? Can we measure and perform? Are there any conciliation agreements in force now or anticipated in the future?
RISK (continued)

- Customer expectations
  - “I want my person next to me”
  - “I’m okay with a call center or chat option”
- Ability to deliver what’s promised
  - Are we ready to do what it takes to deliver what we promised?

Benefits & Risks Associated with Shared Services Adoption

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Risk/Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rational timing vis-à-vis other efficiency initiatives (e.g., HBS, Magical PAF Machine, Advance)</td>
<td></td>
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<tr>
<td>- HBS Implementation for 5,500 employees on track for September; two-year timeframe provides opportunity to complete HBS successfully before engaging in additional/significant change initiatives</td>
<td></td>
</tr>
<tr>
<td>• Allows for clustering opportunities that will result in improved operating efficiencies and standardization</td>
<td></td>
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<tr>
<td>• HR processes redesigned given benefit of adequate analysis</td>
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</tr>
<tr>
<td>• Enabling technology in place (e.g., HRMS, case management tools) to achieve substantial savings once shadow systems can be safely eliminated</td>
<td></td>
</tr>
<tr>
<td>• Major cultural and change management challenges</td>
<td></td>
</tr>
<tr>
<td>• Organizational readiness/capacity</td>
<td></td>
</tr>
<tr>
<td>• Loss of high performing staff who perceive HR role/impact reduced</td>
<td></td>
</tr>
<tr>
<td>• HR support required to implement OE activities vis-à-vis Finance, Research and IT</td>
<td></td>
</tr>
<tr>
<td>• Other technology pre-requisites to achieve efficiencies cannot be delivered prior to establishing the new model (HRMS, PAF, Advance)</td>
<td></td>
</tr>
<tr>
<td>• Process redesign rushed/may even be deferred</td>
<td></td>
</tr>
<tr>
<td>• Service degradation could result in creation of shadow functions at unit level</td>
<td></td>
</tr>
<tr>
<td>• Ensuring that leadership is committed and that the best and strongest management and transition teams are in place to effectively manage this transformation</td>
<td></td>
</tr>
<tr>
<td>• Space</td>
<td></td>
</tr>
</tbody>
</table>
SCAPE
CONSIDERATIONS

• Organizational
  – Reorganize administrative units?
  – Build matrixed relationships?
• Functional
  – Stand alone? E.g., only HR
  – Integrated? E.g., finance, payroll, HR, IT
• Audiences
  – Select groups over time?
  – Big bang?
• Business Process
  – Taxonomy
  – What Stays with Customer
  – What Gets Outsourced to SSC

UCSF CASE STUDY: ESTABLISHING SCOPE
OPERATIONAL EXCELLENCE SCOPE

Five Core Initiatives
- Human Resource Management
- Pre-Award Research Administration
- Finance Administration
- Strategic Sourcing
- Technology Infrastructure

Improvement Components
- Organizational realignment to streamline operations
- Improved processes and policies
- New software and on-line tools to achieve efficiencies
- Increased people and service effectiveness through enhanced training and consistent performance expectations

DRIVERS

- Cut Costs (Target: $50 million by 2013)
  - Financial challenges lie ahead - NIH funding, health care reform, pension contributions, funding from the State of California
  - Department/CP specific cuts can’t be sustained without realigning administration services at a campus-wide level

- Achieve administrative service excellence
  - Cost
  - Service
  - Quality
  - Accountability
OE Beneficiaries are each level of our organization:

- UCSF
- Schools/EVCP/FAS
- Departments/ORUs
- Staff
- Faculty

...with Benefits Additive to achieve campus-wide administrative excellence
END STATE

A range of organization, process and technology improvements implemented in logical sequencing over the next three years.
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QUESTIONS

KEYS TO ESTABLISHING SHARED SERVICES GOALS FOR YOUR INSTITUTION
KEYS/GOALS

- Shared Services Defined
- Central versus Shared Services
- Building the Business Case
- Change Levels and Key Functional Areas of Opportunity
- Case Study: UCSF HR/AP
- Takeaways
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DISTINGUISHING SHARED SERVICES FROM CENTRALIZED SERVICES

- **Shared Services**
  - Customer Orientation
  - Both parties agree on cost, quality and service levels
  - Operating budgets determined based on customer demand

- **Centralized Services**
  - Command and control
  - Quality and service levels not up for negotiation
  - Operating budgets based on cost of overhead

---

**Structures have Benefits & Challenges**

<table>
<thead>
<tr>
<th>Decentralized</th>
<th>Centralized</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Challenges</strong></td>
<td><strong>Benefits</strong></td>
</tr>
<tr>
<td>Disparate processes</td>
<td>Responsive to Business and Operational needs</td>
</tr>
<tr>
<td>Multiple standards</td>
<td>Business/Operations control decisions</td>
</tr>
<tr>
<td>Duplication of effort</td>
<td>Customized solutions to meet Business/Operational requirements</td>
</tr>
<tr>
<td>Different control environments</td>
<td>High client focused</td>
</tr>
<tr>
<td>High cost and costs unclear across the business</td>
<td>Commercially driven</td>
</tr>
<tr>
<td>Not scalable</td>
<td>Service Partnership Agreements</td>
</tr>
<tr>
<td></td>
<td>Clear unit costs</td>
</tr>
<tr>
<td></td>
<td>Flexible delivery</td>
</tr>
<tr>
<td></td>
<td>Clear understanding of drivers and activities</td>
</tr>
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<td></td>
<td>Economies of scale</td>
</tr>
</tbody>
</table>

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Academic Impressions
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SHARED SERVICES OPTIMIZED

IF DONE PROPERLY SHARED SERVICES BREAKS THE CYCLE OF CENTRALIZED...(WHEN THINGS GO WRONG)....DECENTRALIZED...(WHEN THINGS ARE GOOD)

• Shared services is about treating your internal customer/client (the employee base, business units, organizations) as if they were an external customer/client
• Transactional, repetitive services go in first

BUILDING THE BUSINESS CASE FOR SSC

ELEMENTS OF THE BUSINESS CASE

• Align analysis to overall objectives, strategies, goals and plans of the academic institution
• Take into account the “full life cycle” of the different services
• Identify risk and address alternative mitigation actions
• Focus broadly on all resources (people, processes and technology)
• Identify and quality benefits of all kinds
  – Include baseline and target performance metrics
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BUILDING THE BUSINESS CASE FOR SSC

HOW TO CONDUCT THE BUSINESS CASE

• Involve stakeholders
• Work collaboratively with all needed resources
• Thoroughly document the rationale behind assumptions

CHANGE LEVERS AND KEY FUNCTIONAL AREAS OF OPPORTUNITY

Levers to Achieve Success

Organizational Change/Optimization
Business Process Improvement
Investment in Technology

Functions Ripe for SSC

Research Administration
Finance Administration
IT
HR/Payroll/Timekeeping
UCSF CASE STUDY: A BUSINESS CASE

THE BUSINESS CASE FOR SSC

- Case Study: UCSF Operational Excellence Human Resources (March 2010)
  - Project Charge
  - Overview of Results
  - Assessment Methodology
  - Current State Assessment & Findings
  - Recommendations
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- **PROJECT CHARGE**

  - To identify tangible, implementable changes that will result in savings for FY 2011, to quantify those anticipated savings, and to identify impacts associated with these changes (service levels, change management, risk management)

  - To develop an innovative vision and multiple-year roadmap for HR administration on our campus that will result in a more cost efficient, sustainable delivery of HR services while maintaining an appropriate level of service, quality and risk management; and to quantify the anticipated savings and timeline resulting from this new way of delivering HR services

- **HR BUSINESS EFFICIENCES RESULTS**

  - Obtained consensus among representative administrative and HR campus leadership to re-engineer the delivery of HR services campus wide

  - We believe we can achieve savings of $8-10M by year three of the implementation/transformation effort
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BACKGROUND

- We began our assessment of the HR services delivery function by thinking about how HR must support the mission of UCSF and determined that HR needs to do its utmost to help leadership and management:
  - Hire the best talent
  - Mitigate/manage risk (e.g., pay people correctly)
  - Retain the best people
    - “Everyone deserves a good boss”
    - Develop our talent
  - Performance/accountability

BACKGROUND (continued)

- To that end, we need to be able to deliver service that is:
  - Efficient
  - Consistent
  - Timely
  - Effective
  - Accurate
ASSESSMENT PROCESS

- Facilitated 11 hours of workshops with the HR Business Efficiencies Committee* to:
  - Assess current reality
  - Analyze how to achieve target savings in FY10-11 and beyond
  - Recommend a new HR services delivery model
  - Identify critical success factors and implementation considerations
- Conducted Workforce Survey to size HR services delivery staffing and costs
- Conducted Focus Groups to solicit ideas for cost savings and understand needs/requirements for improved efficiency
- Liaised with AVC HR at UCB who is engaged in building a shared services center for the central administrative group
- Obtained CUPA average for ratio of employees served to HR services delivery staff
- Conducted Staffing and Financial Analysis/Modeling to estimate savings over time per implementation/planning assumptions

CURRENT STATE

- Organization
  - HR services delivery is highly decentralized. There are currently over 50 clusters of human resources activity, both distributed and central
  - Duplicate/competitive service exists between the schools and central HR
  - Customers don’t always understand what services are provided by whom; and who has the final say over “rules”
- Processes
  - Processing is inefficient with lack of standardization.
  - Lacking standards, HR managers and generalists often check with one another to determine the right course of action
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CURRENT STATE

• Technology
  – The primary system of record is OLPPS, a system which is over 20 years old and deemed inadequate for purposes of managing the workforce effectively.
  – Shadow systems abound that support departmental business needs. Significant time and effort are spent doing duplicate data entry and reconciliation between systems of record and departmental shadow systems.
  – Lacking proper tools, the current human resource management “system” consists of hundreds of individuals who provide the institutional memory and act as a human case management tool as they communicate, consult, resolve and perform entry/update activities.

FINDINGS

• 607 people (304.75 FTE) touch HR in some capacity
• 263 FTE are dedicated to delivering HR services
• $27M current costs for dedicated HR FTE
• 21,417 individuals served (including UCOP / excluding UCSF Medical Center)
• College and University Professional Association (CUPA) for Human Resources average ratio of individuals served to HR FTE: 127:1
CURRENT REALITY: HR Services is Highly Decentralized

CURRENT REALITY: What’s going on in each of these clusters?

- **Strategic Activities**: decisions/controls
- **Consultative Activities**: generalists or experts support problem identification and resolution
- **Transactional Activities**: people enter HR action information onto paper, shadow systems, and/or source systems to approve, record, report and reconcile them
SURVEY RESULTS

- Of the greater than 600 people who “touch” HR, approximately 53% are dedicated to delivering HR services.
  - The remaining ~47% has a high degree of overlap with other administrative and managerial functions (see next slide for details)
- Approximately 33% of HR workforce spend less than 20% of their time delivering HR services

Overlap of HR Workforce with Other Administrative Functions

- 47% of the HR workforce overlaps with other administrative functions
- Percentages indicate % overlap with other functions. Overlap may be double, triple or quintuple.
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Who is dedicated to delivering HR Services?

- 282 headcount (263.7* FTE) are dedicated to delivering HR services in the schools, administrative centers, centrally or in an “Other HR” function at a 50% or greater individual effort
  - 282 headcount at 50% - 100% effort
  - 263.7* FTE at 50% - 100% effort
- Estimated cost: $27M
- UCSF ratio of individuals served to HR FTE: 81:1
- Titles in this community**
  - 218 Analysts
  - 29 Administrative Assistants
  - 22 Managers
  - 3 Programmer Analysts
  - 10 Other titles

* Dedicated HR FTE was rounded to 264 for modeling
** 31 FTE are covered by bargaining units

Current Costs and Estimated Savings Based on CUPA Average Ratio

<table>
<thead>
<tr>
<th>Current Dedicated HR FTE</th>
<th>Total Headcount</th>
<th>Current Ratio</th>
<th>CUPA Average Ratio</th>
<th>CUPA suggested average ratio expressed as UCSF HR FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>263.7</td>
<td>21,417</td>
<td>81:1</td>
<td>127:1</td>
<td>169*</td>
</tr>
</tbody>
</table>

- $27M: estimated cost of 282 dedicated HR staff/263 FTE (includes salary, fringe and non-benefits overhead)
- 169: CUPA suggested FTE based on average ratio
- $103k: Average total cost of an FTE (including overhead)
- $8-10M: Estimated savings (including overhead)

*To hit our target savings of $10M the analytical team used 164 as the UCSF HR FTE count to develop cost and staffing model.
RECOMMENDATION

- Achieve savings over two year transition period by transforming the way HR services are currently delivered
- Achieve economies of scale through consolidation and standardization
- Establish HR Specialty Centers (SCs) and Shared Services Transactional Processing Center(s) that are customer centric and meet business and regulatory requirements
- Create customer centric service delivery mechanisms that are supported by appropriate technology

PROPOSED HR SERVICES DELIVERY MODEL

Guiding Principles

Strategic
- HR Service delivery encompasses unique demand characteristics of UCSF mission components (research, patient care, education) and where appropriate groups of employees (e.g., academics)
PROPOSED HR SERVICES DELIVERY MODEL

Guiding Principles

Organizational
- Departments, school, and central offices retain control and decision-making autonomy as appropriate
- Director-led shared services center(s) and multiple HR specialty centers, serve both staff and as appropriate academic needs, and are organized in interrelated teams to serve departments, schools, and central offices needs
- HR strategic business partners serve as Interrelated service team leads who are dedicated to specific customers
- HR services delivery model reflects a tiered structure where people, tools, knowledge are in place to allow self-service, provide transactions processing, offer consultative services to managers and supervisors, and support strategic business decisions of departments, school, and central offices.

People/Processes

End User Experience
- The “end user” experiences a cohesive and seamless service delivery organization
- Level of service meets expectations and needs of faculty as well as managers and supervisors
- SCs and shared services centers are customer centric, connected and integrated and where possible co-located with customer base
- Execution of HR activities must be streamlined to avoid unnecessary oversight/audits that are burdensome to managers and don’t add value
- Service is delivered by interrelated teams from SCs and shared services center functions; teams are dedicated to specific departments/schools to ensure service provider has in-depth understanding of business needs
- There is triage point of contact in each team for managers and supervisors to assist with “who to contact”; menu of services makes it easy for managers and supervisors to know “who to contact”
- Managers and supervisors have the training and tools to enable effective partnering with the HR services delivery organization
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PROPOSED HR SERVICES DELIVERY MODEL
Guiding Principles

People/Processes (cont’d)

Staffing
- Staffing of HR leadership, SCs, and shared services center(s) must be competitive to give all departmental and central service providers the opportunity to apply for jobs in the transformed HR services delivery environment
- HR job families and career path must be defined and encompass service center line staff through HR strategic business partner positions

Technology
- To achieve efficiencies and enable success will require we invest in technology
  - Manager/supervisor self-service tools (removes some work load from transaction processors; improve speed/accuracy of updates)
  - Case/knowledge management tools (provides ability to electronically track and manage service requests and enables quick problem resolution)
  - Integrated HRMS platform (allows ability to effectively manage “human capital”; integrated database allows safe elimination of myriad shadow systems; eliminates need for time-consuming reconciliation to ensure systems of records and shadows systems are in sync; provides management reporting to manage business from customer point of view as opposed to central)
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- PROPOSED HR SERVICES DELIVERY MODEL
  Guiding Principles

  Transition
  • Transforming HR services delivery will require exceptional leadership and significant support
    – Leadership accountable for making it happen
    – Governance structure that represents the campus
    – Transitional operations development oversight committee with responsibility for developing operations requirements and service level agreements
    – Project management, project analysts
    – Subject matter experts
  • Success in transforming will require our best management and service delivery talent and effective communication throughout the process

- TAKEAWAYS

  Be realistic
  1. Academic institution are consensus driven
  2. Faculty want high touch but low cost
  3. Change is hard and slow
ENGAGING STAKEHOLDERS IN THE PROCESS
STAKEHOLDER HURDLES TO READINESS

- Convincing decision-makers that change is necessary
- Push back from individuals impacted
  - Reluctance to make organizational changes, given siloed nature of academic institutions
  - Fear of loss of control
  - Unwanted movement of staff and shifts in roles and responsibilities

MITIGATION STRATEGIES TO OVERCOME STAKEHOLDER HURDLES

Identify your stakeholders
- Customers
  - Staff at all levels, e.g., employees, managers/supervisors
  - Academics/Faculty
  - School/departmental managers/supervisors
  - Business Partners in service delivery, e.g.,
    - HR/Payroll
    - Finance/Procurement/IT
- Current state and future state service providers
- Leadership
  - Deans, Vice Provost, Senior Vice Chancellor, Chancellor
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MITIGATION STRATEGIES TO OVERCOME STAKEHOLDER HURDLES

Develop strategy to engage stakeholders throughout the entire lifecycle

- Making the Case
  - Conception
  - Deliberations
  - Decision on course of action
- Design Phase
- Project Implementation Phases
- Post-Implementation when things don’t go exactly as expected

Use known communication paths and devise new ones to ensure the word gets out and buy-in/support is achieved

- Standing governance meetings (e.g., Chancellor’s Executive Council), school and department managers’ meetings
- Focus Groups
- Assemblies, Forums, Town Halls
- Off-sites
- One-on-one interviews
- Project Team Meetings
IT’S NOT ENOUGH TO PRESENT FACTS... YOU HAVE TO ENGAGE THEIR HEARTS AND MINDS

CRITICAL SUCCESS FACTORS FOR SUCCESSFUL ENGAGEMENT

- Create a strong financial business case for shared services implementation
- Assuage stakeholder concerns with relevant and targeted information
- Set realistic expectations
- Manage demand through open communication
- Deliver a quality product on a consistent basis
STAKEHOLDER ENGAGEMENT: LESSONS LEARNED

Stakeholders participate heavily in the identification of the problem/challenge and its solution

Ask not: What is it that we do at a convenient cost/service level combination that we could sell to many customers?

But instead ask: What are the services that our customers need that we could develop to offer at attractive cost/service level combination?

STAKEHOLDER ENGAGEMENT: LESSONS LEARNED

If leadership intends to make SSC service mandatory, expect resistance

• Set up good governance rules that involve stakeholders in all relevant SSC decision
• Reassure them they have steering power
• When they speak - listen, mitigate, remind...
STAKEHOLDER ENGAGEMENT:
LESSONS LEARNED

Let the voice of the customer shape the specific characteristics of each future service offering

• Get the visible and strong commitment of top leadership
• After that the feasibility of an SSC concerns its clients
IMPLEMENTATION CONSIDERATIONS

- Identify “owners” to drive results
- Establish governance at highest levels with direct reporting relationship to Chancellor
- Identify areas with greatest opportunity for savings, consolidation and standardization
- Assemble in-house team of senior consultants to conduct assessment, gather information, and develop business cases for
  - HR
  - Research
  - IT
  - Finance

UCSF TIMELINE

Year 1
- Survey workforce to identify where effort occurring and associated costs
- Identify relevant metrics and compare current state against anticipated future state
- Assess, analyze findings and develop business case
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UCSF TIMELINE

Year 2
- Detailed process design
- Customer segmentation and associated required support
  - What does it take to serve staff customer versus academic, versus faculty, versus post-doc, etc.
- Programmatic Grouping Strategy (i.e., who services which departments)
- Organizational design required to support service delivery
  - Roles & responsibilities (generalists, specialists, Deans' Offices)
  - Escalation Path

UCSF TIMELINE

Year 2 (cont’d)
- Implementation Strategy - Rolling Go Lives
- Staffing Strategy
  - Establish job families (new)
  - Hire from within
  - Hire top down
  - Engage customers in hiring decisions
- Develop Organization Change Management, Training and Communications Strategy and tools
### UCSF TIMELINE

**Year 3**
- Implement Change
- Establish Advisory Groups (to ensure SPAs are relevant and SSC focused on customer needs)
- Establish SSC and bring on customer groups per implementation strategy
- Establish Service Partnership Agreements (SPAs)
  - Original Service Level Agreement (SLAs) engendered an “us versus them” mentality, hence switch to SPAs
- Rolling go lives

### UC SAN FRANCISCO

#### LESSONS LEARNED

- **Change management** is a huge effort and needs to be well thought out and executed effectively
- **Campus Leadership.** When the organization’s objectives conflict with the department’s objectives, it is essential to have leadership on board and backing you up.
- **Faculty** face to face engagement is a requirement if you taking on the academic piece
- **Partnering** with departmental managers is essential; especially important to understand what’s left behind once the AP/HR work transfers to the shared services organization.
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UC SAN FRANCISCO
LESSONS LEARNED

• **Unanticipated consequences.** When you manage change of this magnitude it touches everything, including the things you don’t expect.

• **Scope creep** can derail and distract and keep you from doing what must get done to be successful (e.g., Residents & Fellows)

• **Space** was far more difficult and time-consuming than anticipated

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UC SAN FRANCISCO
LESSONS LEARNED

• **Funding.** Critical to have a rational basis for charging. Don’t underestimate start-up costs, especially space.

• **Resources** Should have pulled a small team of AP and HR professionals from their day jobs and have them devote full-time to supporting the effort

• **Project Management.** Change of this magnificent requires experienced and dedicated project management and analytical support.

• **Communications.** You can never communicate enough
Preparing Your Institution for Shared Services Implementation

LEARNING OUTCOME
TAKEAWAYS

Future State Goal
The right work being done by the right people in the right place for the right cost

ULTIMATELY - If you can’t deliver services to internal client, as least as cheaply as you did before - don’t bother
Unless you can be more efficient, don’t bother

Optimizing Shared Services
• A SSC takes time to develop and mature; it should not be viewed as low-hanging fruit but as a long-term enterprise opportunity
• It is not reasonable to expect to reap full business benefits and value in the short term
  ➢ Maturity of the SSC takes 5 or more years
The Business Case
Don’t lead with “savings” as a burning platform as you may not achieve them

SSC Staffing Considerations
1. Create strongest applicant pool from which to select service providers
2. Staff adequately (error on side of too many during initial implementation)
3. Create job families and opportunities for advancement
**SSC Continuous Improvement**

1. Organizational Fine-tuning
2. Business Process Improvement
3. Technology (Case, Knowledge, Digital Records, Telephony)
4. Customer Service Orientation
5. Knowledgeable Service Providers
6. Manage Customer Expectations

**QUESTIONS**
NEXT STEPS

NEXT STEPS: If you’re just starting out...

This week
- Note key takeaways
- Conduct rapid assessment of where you are in your process

Next 30-60 days
- Identify champion/owner
- Establish governance
- Assess organizational will
- Develop plan, estimate effort/costs, identify resources document

Next 60-90 days
- Conduct an opportunity assessment
- Identify risks and challenges
- Develop business case
### NEXT STEPS: If you’re facing challenges...

- **This week**
  - Note key takeaways
  - Take stock

- **Next 30-60 days**
  - Talk to customers!!!
  - Conduct a diagnosis/health check
  - Focus on gap between current and desired state, i.e., what’s going badly, what’s missing, where do we need to improve?

- **Next 60-90 days**
  - Develop holistic strategy/roadmap to mitigate issues/challenges and risks
    - Organizational change, business process improvement, investment in technology

### BENCHMARK CONSIDERATIONS

- Customer Experience
  - What is the customer experience?
  - Are we setting the right expectations?
  - Are we meeting our service partnership metrics?

- Service Delivery
  - Does our staff have a customer orientation and skills/knowledge to provide optimal service?
  - Do we have the right people? Are we organized properly?

- Business Process Improvement
  - Did we transform or merely pave the cow paths?

- Change Management
  - Where are we in the our transition and what can we do to make it smoother?
Preparing Your Institution for Shared Services Implementation

RESOURCE

Shared Services Optimization, Ernest & Young


RESOURCE

Achieving High Performance Through Shared Services - Accenture

Thank you!

Please remember to complete the event evaluation. Your comments will help us continually improve the quality of our programs.

https://www.surveymonkey.com/s/KK63LJC
Preparing Your Institution for Shared Services Implementation
04.27.15
Deborah Nikkel

Please find a list below of additional resources from the “Preparing Your Institution for Shared Services Implementation” webcast. These include sample Org Charts from UCSF and example survey questions.

Post-Webcast Resources

1. **UCSF HR Shared Services ORG Charts** – Pages 2-3 – on the following pages please see 2013 original configuration as well as the 2015 configuration, and refer to this link for the 2014 confirmation: [http://ucsfhr.ucsf.edu/files/hr_org_chart.pdf](http://ucsfhr.ucsf.edu/files/hr_org_chart.pdf)


   *The spreadsheet contains:*
   -- Workforce Survey Format
   -- Definitions of what was considered in / scope activities
   -- FAQ to help people complete the survey

   *Note from Deb Nikkel on the spreadsheet:* We sent out the spreadsheet to all department managers with a pre-populated list of all their employees. They were asked to estimate what time each individual spent on administrative tasks for HR, Post Award, IT, Pre Award, general admin and all other functions. Then we did a lot of number crunching and analysis to come up with costs, estimated shavings, etc.
Click [here](#) to see 2014 org chart. FYI, HRIS moved to IT in late 2014
Note this org chart for Shared Services only. This group still augmented by Staff and Academic Specialists as shown on 2013 and 2014 org charts.