



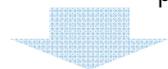
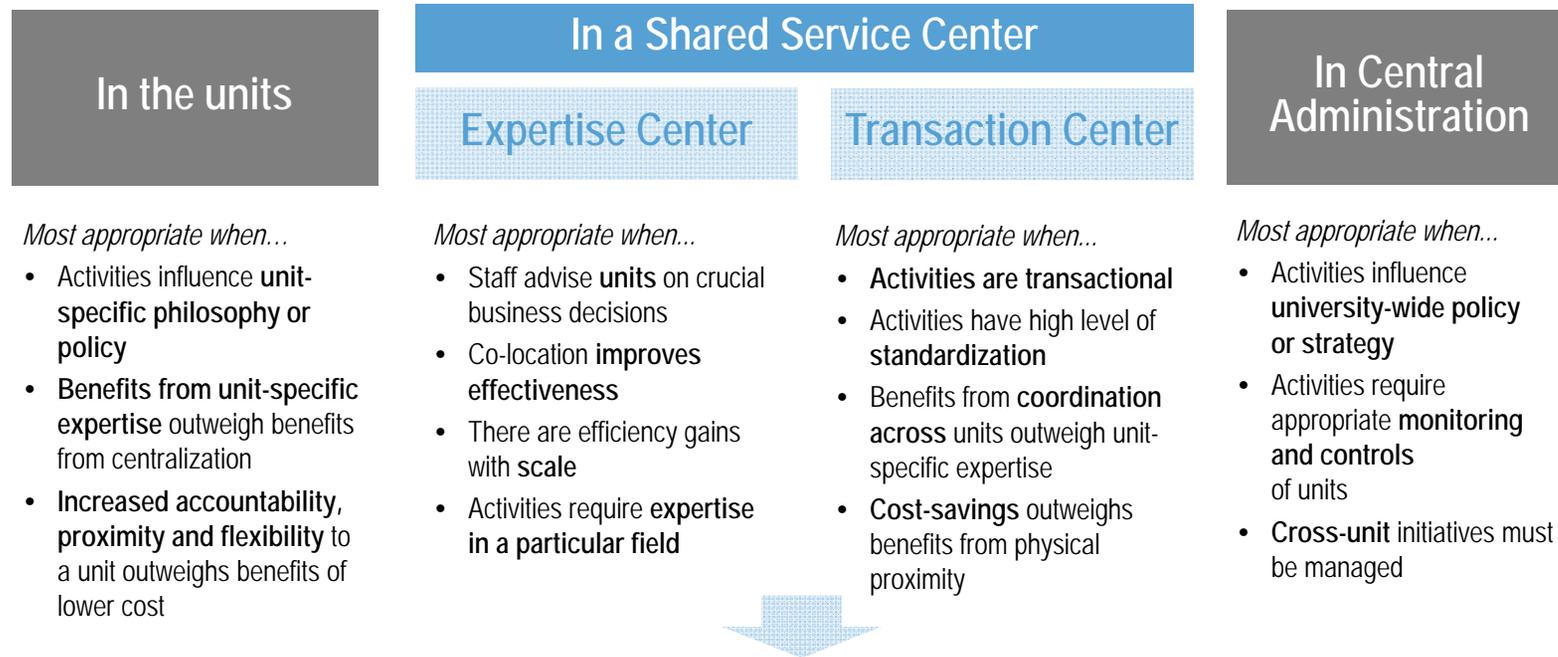
HuronEducation

Shared Services
A Huron Service Delivery Design Offering
Discussion Document

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Shared Services – Customer Centric Service Delivery

There are many different Shared Service models across higher education and AMCs; these models focus on delivering transaction services and/or expertise to a defined customer base.



Benefits of Optimal Service Delivery Design

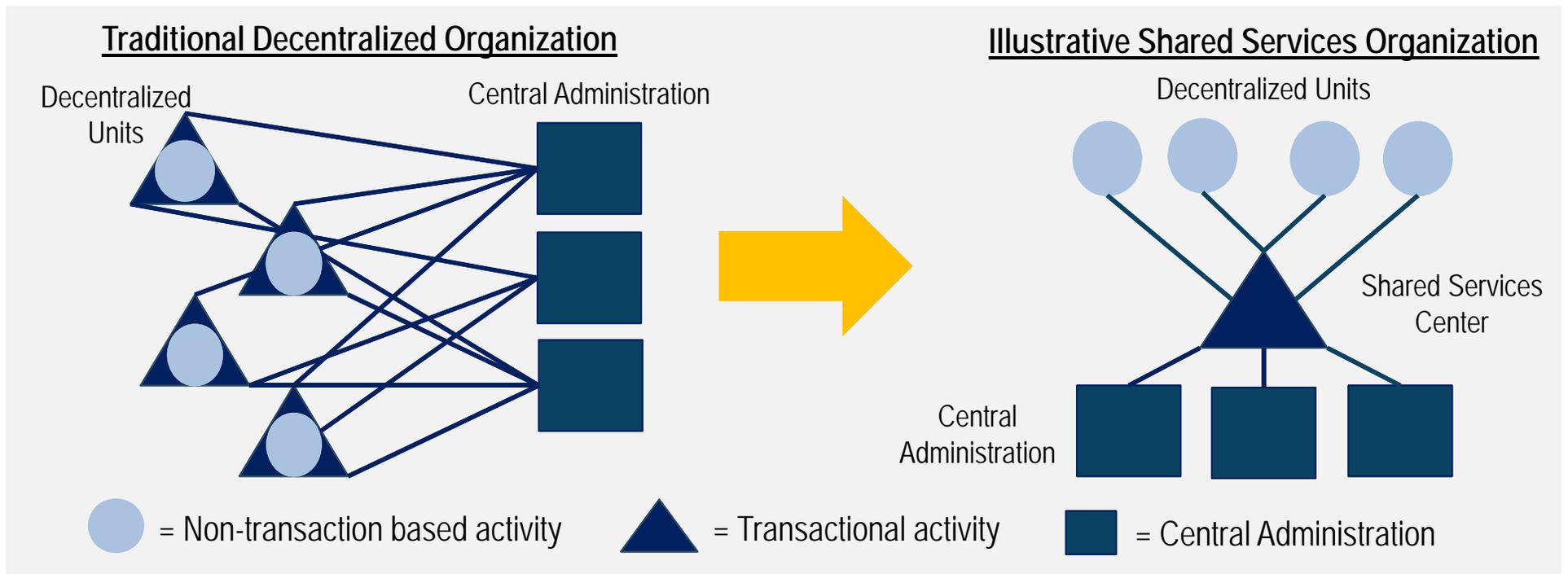
- Improved capturing of **economies of scale**
- An environment of **continuous process improvement** with the opportunity to track meaningful metrics
- **Increased standardization** and better use of new technologies
- **Higher service levels and customer satisfaction** due to market-based relationships and increased customer orientation
- **Increased skills and competencies** of staff with better **career paths**



What are Shared Services?

Designing Shared Services is a transformative process which reinvents the structure and execution of decentralized activities at an institution to improve efficiency and effectiveness.

Goal: The objective of shared services is to reorganize and standardize many of the transactional activities occurring in decentralized units across an institution within a new, specialized organization to align with industry leading practices.



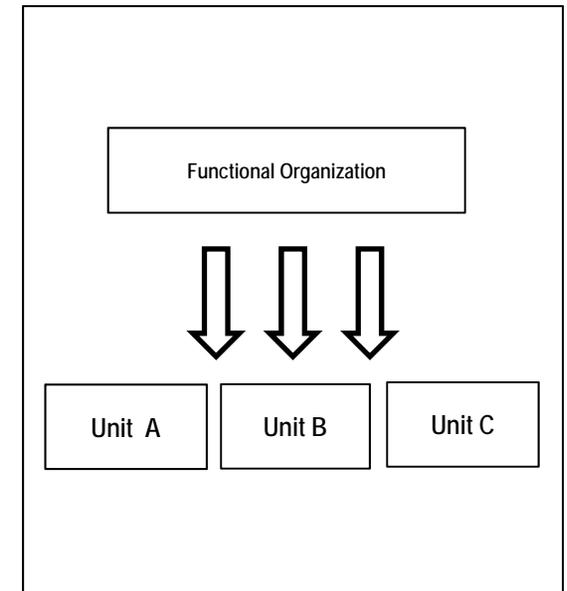
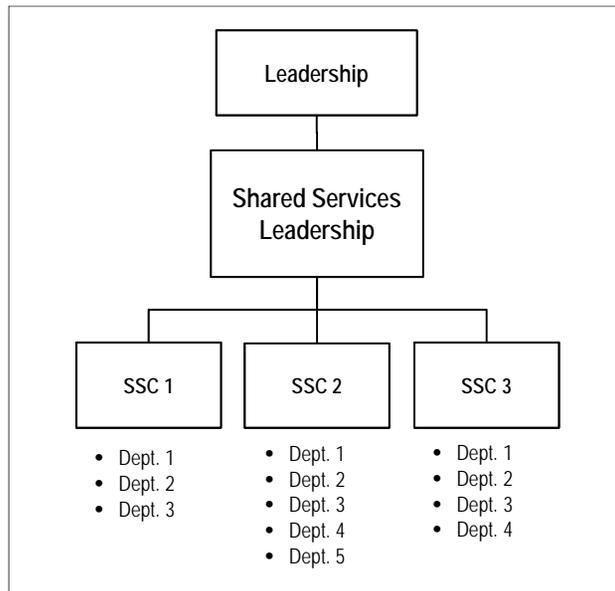
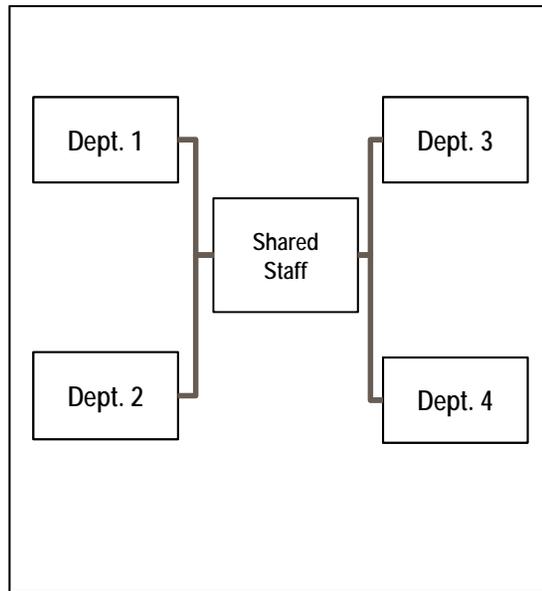
Shared Services Models (Illustrative)

Various shared services models exist, each with a unique combination of staffing, reporting, and governance structures.

Unit Based Model

Coordinated Model

Center Led Model



It is important to recognize that there is no “best” model for all institutions. Leadership must evaluate measurable data elements, task similarities, systems and technology, functional unit geography, reporting and funding, and institutional culture to determine the optimal structure.

Why Consider Shared Services?

With the proper accountability structure in place, shared services create an environment of continuous process improvement and superior customer service.

Benefits Beyond Cost Savings

A shared services organization with well-defined governance structures, deliberate alignment of activities, and key technology upgrades leads to improved:



- ↑ Customer Service
- ↑ Training/ Expertise
- ↑ Accountability
- ↑ Efficiency
- ↑ Career Growth Opportunities
- ↑ Compliance

Shared services create an environment of continuous process improvement, in which meaningful metrics can be used to drive improvements over time.

Current Environment: Market Trends

Many higher education institutions have implemented—or are in the process of implementing—some form of the shared services model.



Evaluating Your Institution

In evaluating your institution's need and readiness for a shared services model, first consider the internal and external concerns surrounding your current position.



Operations

- How are administrative operations currently governed and managed?
- Are processes standardized and in line with industry leading practices?
- Are subject matter experts completing specialized processes?
- Are processes duplicated across institutional units?



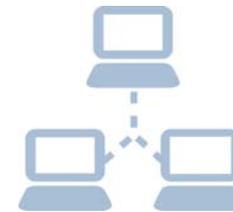
Financial

- Is your institution facing budget constraints?
- Has your institution identified potential opportunities to reduce operating expenses in the current environment?
- Are administrative operations and/or resources duplicated across the institution?
- Could your institution be exposed to potential compliance risks?



Human Resources

- Do your staff have the appropriate talent levels?
- Do administrative staff have the opportunity to identify and pursue career paths within the University?
- Are units competing internally for staff, offering increased pay and/or benefits to entice an employee to shift?



Technology

- Is your institution effectively using technology to maintain records and process transactions?
- Are many manual and/or paper-based processes executed across functional units?
- Is necessary data easily accessible and reportable?
- Has your institution explored common or cloud-based platforms?
- Are business processes and technology aligned with related policies?



Culture

- Does your institution have the appropriate culture to support this kind of change?
- Will your institution's leadership champion change efforts?
- How do administrative operations serve to enhance and/or support institutional strategic goals and priorities?
- Are any service level agreements currently in place to govern service unit accountability and expectations?

Key Considerations

The higher education environment poses unique challenges which need to be addressed to realize the value of shared services.

Common Implementation Challenges

Leadership & Governance

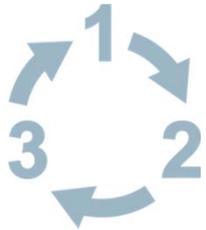
- Insufficient support from institutional leadership
- Lack of a strong governance model
- Unrealistic targets or expectations of new model
- Insufficient engagement of appropriate stakeholders
- Natural institutional resistance to change
- No clear stakeholder roles & responsibilities

Change Management & Communication

- Organizational performance or case for change not rooted in detailed analyses
- No KPIs to measure baseline with future success
- Lack of a comprehensive change management plan
- Underestimating the human element
- Limited opportunity for stakeholder input and/or feedback
- Lack of ongoing, targeted communication

Huron's Shared Services Approach

Huron's comprehensive five phase shared services methodology directly addresses the common challenges in order to ensure success.



Phase 1: Plan

- Conduct project kick off meeting, develop guiding principles/vision, and draft project charter
- Meet with key stakeholders



Phase 2: Assess

- Assess current state business processes, systems, organization structure, and staffing, and identify key improvement opportunities
- Develop business case, including costs, benefits, key assumptions, and risk factors as well as a high-level implementation roadmap



Phase 3: Design

- Determine organizational structure and staffing requirements and complete detailed new organization design
- Design new processes, including enabling technology, roles and responsibilities matrix, and process documentation
- Develop and validate new governance model and structure
- Identify facility and logistical requirements and develop a facilities and logistics plan
- Complete deployment planning, prepare facilities and workspace, and finalize transition steps and timing



Phase 4: Implement

- Support execution of transition plan to operationalize shared services
- Facilitate change management and training



Phase 5 : Optimize

- Monitor new processes, monitor progress, and identify / resolve issues
- Measure defined KPIs, implement continuous process improvement, and conduct customer and employee satisfaction assessments

A decision point after each phase offers an option "off ramp"

University of Kansas

The University of Kansas (KU) developed a regional shared services model that provides a high-level of unit specific support within the Lawrence Campus.

Overview

In spring 2011, the University of Kansas undertook a comprehensive initiative to improve service and reduce costs across administrative functions. One key initiative to drive transformational change was the implementation of a network of five regional shared service centers to provide human resource, accounting and research administration services to campus. Initial plans called for nine regional centers, however, after implementation began it was determined that they could achieve the same objectives through five centers. In fall of 2014, four of the five service centers are operational, with the final center scheduled to be online by the end of 2015.

About the University



Enrollment	Faculty	Staff
24,542	3,201	4,546
Budget*	Control	Carnegie Class
\$994M	Public	Very High Research

Model

Unit Level	Regional	Functional
<ul style="list-style-type: none"> 2 academic centers aligned by geography and affinity 2 research centers divided by theme 1 administrative center for functional and administrative units 		

Goals / Drivers

- Streamline and standardize processes across the campus
- Improve service levels
- Reduce FTE completing administrative functions
- Improve career path opportunities or staff

Key Takeaways

- Units and schools require transition support to reorganize internally after staff shift
- These transitions take time and service levels will continuously evolve
- Communication and a well-executed change management plan are critical for success

Primary Functions

✓	Human Resources		Payroll
✓	Research Admin	✓	Finance
	IT Services		Mgmt Operations
	Clerical		Academic

Purdue University

There is not a standard approach to shared services at Purdue. The Business Office sees itself as an extension of the central offices within units.

Overview

Purdue University began the practice of sharing resources across units over 50 years ago. This evolved over the years into what is now the Business Management Office. The Business Management Office coordinates and supervises all business aspects of the University's academic departments, schools, and administrative units, leveraging consolidated HR, Finance and Research Administration functional staff who are geographically located in the units. While business office staff report centrally to Purdue, decentralized units have unique Business Management units which tailor processes and services to the needs of the individuals units served. Staff are connected through informal peer networks.

About the University



Enrollment	Faculty	Staff
<i>36,726</i>	<i>2,372</i>	<i>7,396</i>
Budget*	Control	Carnegie Class
<i>\$1.4B</i>	<i>Public</i>	<i>Very High Research</i>

Model

<i>Unit Level</i>	<i>Regional</i>	<i>Functional</i>
<ul style="list-style-type: none"> • Staff report centrally to the Director of Business Management, but are distributed across the campus, embedded in units • Informal partnerships and networks provide limited links between the Business Management Office and the central units 		

Goals / Drivers

- Process Efficiency
- Expertise

Key Takeaways

- Purdue has created a culture that is open to the concept of shared resources.
- A particular style or format is not forced upon any units at Purdue. Business Offices act as partners to provide optimal service level to their customers.
- All Business Office staff report to central leadership, but are charged to a particular unit, encouraging units to consider cost implications when evaluating staffing needs.

Primary Functions

✓	Human Resources	✓	Payroll
✓	Research Admin	✓	Finance
	IT Services		Mgmt Operations
	Clerical		Academic



University of Michigan

Despite missteps in implementation, the University of Michigan shared service center provides finance and human resource services to the colleges and programs on the Ann Arbor campus.

Overview

The University of Michigan began exploring shared services in 2009. After considering various models and potential services, decision was made to move forward with offering support in finance and human resource from a single center on campus. Though they received serious push-back from faculty due to missteps in change management, the administration moved forward with a reduced implementation plan in mid-2013. As of October 2014 the center is at nearly 50% capacity, with the goal to be fully staffed and operational by April 2015.

About the University



Enrollment	Faculty	Staff
42,118	6,458	13,296
Budget*	Control	Carnegie Class
\$2.7B	Public	Very High Research

Model

Unit Level	Regional	Functional
<ul style="list-style-type: none"> Through one large center, the UM SSC provides support for select finance and HR transactions Staff are clustered within the center to provide more specialized support to units 		

Goals / Drivers

- Cost savings
- Reduced administrative burden
- Streamlined and standardized administrative processes

Key Takeaways

- Transparency and collaboration is vital throughout all phases of design and implementation
- Failure to establish a sound governance model, with broad representation and clear lines of accountability, can seriously inhibit the credibility of shared services implementations
- Effective change management is critical to avoid set-backs in implementation that could evolve into significant PR issues

Primary Functions

✓	Human Resources		Payroll
	Research Admin	✓	Finance
	IT Services		Mgmt Operations
	Clerical		Academic



Oregon State University

The OSU business center program is still fairly young, but it is well regarded and largely successful.

Overview

In 2007 Oregon State University (OSU) initiated a study of its administrative service delivery model and discovered that authority, accountability, and responsibility were scattered across campus. In reaction, OSU decided to transform its service delivery method by establishing regional business offices to provide one-stop services for high volume, routine transactions related to accounting, payroll and human resources functions. The implementation covered three years (planning began in 2007) and consisted of a pilot site and a gradual roll out of additional academic and administrative functions over the following two years. All seven centers were fully implemented and operational by August, 2009.

About the University



Enrollment	Faculty	Staff
24,303	2,050	2,604
Budget*	Control	Carnegie Class
\$730M	Public	Very High Research

Model

Unit Level	Regional	Functional
<ul style="list-style-type: none"> 5 academic centers divided by theme (i.e. Health Sciences, Business and Engineering, etc.) 2 administrative centers for functional and administrative units 		

Goals / Drivers

- Cost savings
- Process efficiency and standardization
- Service improvements

Key Takeaways

- Ensure space is provided for centers and that it is adequate for the mission
- "Staffing inequities among colleges transferred to Business Center inequities"
- Manage customer expectations early on in the process
- Celebrate and publicize early victories to win-over reluctant staff and faculty
- Establish metrics prior to re-organization to serve as a baseline

Primary Functions

✓	Human Resources		Payroll
	Research Admin	✓	Finance
	IT Services		Mgmt Operations
	Clerical		Academic

University of California, Berkeley

The University of California, Berkeley implemented a single-center HR, Finance and IT model to serve the University.

Overview

The University of California, Berkeley is replacing its highly decentralized model of delivering administrative services with a shared services system. A recent assessment of Berkeley revealed opportunities to reduce redundancy, increase staff development opportunities, streamline rogue policies and procedures, and clarify staff roles. Berkeley' recently launched a single regional center providing HR, IT, Research Administration, and Finance support for the units. The University expects to save approximately \$15M after the centers are fully implemented.

About the University



Enrollment	Faculty	Staff
35,256	3,419	7,205
Budget*	Control	Carnegie Class
\$2.1B	Public	Very High Research

Model

Unit Level	Regional	Functional
<ul style="list-style-type: none"> 1 service center, located in a newly retrofitted building off campus Currently determining how research administration needs will be met; likely to implement a 'pod' model of research support distributed across campus 		

Goals / Drivers

- Cost savings was the primary driver for this implementation
- Process efficiency and standardization
- Service improvements

Key Takeaways

- "Transformation Support Services" are critical to support the departments in any necessary internal reorganization.
- Flexibility in the overall model is key: the model must be adapted to meet campus needs.
- Once the SSC are stable, continued attention must be directed toward process improvement.
- Financial incentives at the unit level increased buy-in and support .

Primary Functions

✓	Human Resources		Payroll
✓	Research Admin	✓	Finance
✓	IT Services		Mgmt Operations
	Clerical		Academic

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