

Shared Services

Findings and Recommendations of the Shared
Services Steering Committee
February 2014



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SECTION 1: EXECUTIVE SUMMARY

Being efficient is not new to The University of Texas at Austin. For years, the university has worked to improve its business practices and while some consolidation and efficiency gains have been realized, the university's administrative services remain largely decentralized across its colleges, schools, and units (CSUs). Due to a changing funding climate, this style of administrative services is no longer sustainable.

For more than two decades, state support, in the form of general revenue has been in decline, shrinking from 47 percent of the university's budget in 1984-85 to only 13 percent today. Undergraduate tuition remains low, ranking second lowest in 2012-13 out of a 12-institution national comparison group. At the same time, higher education has begun to consider administrative organizational staffing models, such as shared services, to meet the demand of current economic constraints. Shared services, the consolidation of business operations that are used by multiple units of the same organization, may offer UT Austin the ability to maintain its quality of service, improve career opportunities for staff, and create savings that can be reinvested into the university's mission of teaching and research.

It was under these realities that the Shared Services Project Team (Project Team) was created 11 months ago to further study and develop a set of recommendations on shared services. This work was a direct result of a recommendation presented to UT Austin by the Committee on Business Productivity in their report, [*Smarter Systems for a Greater UT: Final Report of the Committee on Business Productivity*](#).

The Shared Services Executive Steering Committee (Executive Steering Committee) submits a set of recommendations that could yield a net savings of \$30-40M perpetually and a gross total savings over 12 years of \$280-320M by reducing the ~12,000, non-faculty, administrative positions by ~500 over 7 years. To realize these savings, a one-time investment of approximately \$35-40M is required for shared services. These investments include process and job redesign, technology enablement, and workforce transition.

In addition to savings estimates, the Executive Steering Committee found that amid the decentralization, shared services does exist on campus in a number of CSUs, including the McCombs School of Business, College of Liberal Arts (CoLA), Central Business Office (CBO), Information Technology Services Customer Support Services (ITS CSS), and the ITS Data Center.

The final recommendations reflect a number of campus preferences which were expressed during the Campus Dialogue Phase (Campus Dialogue), a review period that occurred after the [*UT Shared Services Plan - Draft*](#) (Draft Plan) was shared with campus in October 2013.

The recommendations are as follows:

1. Work with select volunteer CSUs to plan and implement shared services pilots. Study those who are already engaging in shared services to leverage - for the benefit of the entire campus - what has already been accomplished. Expand shared services based on the results.
2. Build the shared services capabilities based on the results of the pilots. Nurture and grow a culture of service excellence, create new career opportunities for staff, and reduce operational costs.
3. Establish an ongoing governance framework for clear communication, transparent decision-making, and issue resolution. Hold shared services initiatives accountable for performance to campus.
4. Leverage enabling tools and processes, including Workday, the approved replacement for DEFINE.
5. Dedicate resources to track and report on key metrics for current and future shared services progress, performance, and benefits.
6. Establish a flexible workforce transition approach that reflects UT Austin's culture and provides increased career opportunity and flexibility for employee transitions depending on the role and circumstances.

7. Create a long term funding model that directs savings to the President's and Provost's offices to be shared with the CSUs. Encourage early savings by supporting CSUs in their own shared services initiatives.

There was strong campus preference to build the pilots on existing UT Austin capabilities. For Human Resources (HR), Finance, and Procurement, the CBO will be leveraged and house the pilots for administrative functions. Activities to be tested via the pilots include Accounts Payable Processing (Finance and Procurement), Travel & Expense Processing (Finance and Procurement), Requisition-to-Order Processing (Finance and Procurement), Recruitment & Assignment (HR), and Employee Data Administration Support (HR).

For IT end user support capabilities, CoLA and the ITS CSS will be leveraged and house the pilots for IT functions. Functions to be tested via the pilots include End User Services, Infrastructure as a Service, Data Center Services, and Network Services.

The university will also assess and share, with the campus, data collected from CSUs that are either engaging in experiments in shared services or have volunteered to pilot new experiments in shared services.

Over the coming year, UT Austin will begin addressing funding constraints by focusing on three imperatives: maintain and/or improve services, create new career opportunities for staff, and reduce costs.

SECTION 2: BACKGROUND

2.1 SITUATION

For more than two decades, state support, in the form of general revenue, of UT Austin has been in decline, shrinking from 47 percent of the university's budget in 1984-85 to only 13 percent today. Undergraduate tuition remains low, ranking second lowest in 2012-13 out of a 12-institution national comparison group. With a change in the funding outlook of the university unlikely, revenues to fund for the general operations of UT Austin are expected to remain flat, if not in decline for the foreseeable future.

At the same time, the cost to operate the university has risen (principally due to inflation). In an effort to contain costs, the university has been forced to limit salary merit increases, which has weakened UT Austin's ability to attract and retain the best talent.

The limited merit increases that have occurred are due in part to a policy, in place for four years, requiring each UT Austin unit to fund merit raises from within its existing budgets. The result has been a sustained occurrence of closing down unoccupied positions or laying off staff, to redirect the resulting monies to cover the aforementioned merit increases. Since the administrative functions have not changed, this leaves the remaining staff with an increased workload. This unsustainable cycle of continued layoffs to balance the budget, can no longer continue if UT Austin wants to remain one of the premier public research universities in the world.

These economic realities, coupled with the fiduciary duty as a public institution, compel UT Austin to act. The university has determined that it must find opportunities to increase efficiencies to raise new revenues, if it wishes to remain an attractive employer in the marketplace. As President Powers has said, "As a recipient of both tax dollars and tuition dollars, to do otherwise is to betray the public trust. For any public institution, efficiency is a moral imperative."¹

There is a movement within higher education to consider alternative administrative organizational staffing models, such as shared services, to meet the demand of current economic constraints. Although UT Austin has worked to improve its business practices and some consolidation and efficiency gains have been realized, they remain highly decentralized across its CSUs, which has led to duplicative and at times inefficient work practices.

New models, such as shared services, offer UT Austin the ability to maintain the quality of service, improve the nature of the job, and create savings that can be reinvested into the university's mission of teaching and research.

2.2 COMMITTEE ON BUSINESS PRODUCTIVITY

In April 2012, President Powers assembled a group of 13 distinguished UT Austin alumni and business leaders to offer advice on how the university's business operations could be improved to support its core mission of teaching and research. The group was named The Committee on Business Productivity (CBP).

Specifically the CBP formed three subcommittees:

1. University Asset Utilization Subcommittee: Charged with offering suggestions on the use of certain university assets: parking, the power plant, and housing and food facilities.

¹Powers, William. *Smarter Systems for a Greater UT: Final Report of the Committee on Business Productivity*. Speech presented to the campus, University of Texas at Austin, January 2013.

2. Technology Commercialization Subcommittee: Charged with offering suggestions to improve the commercialization of university generated intellectual property.
3. Administrative Services Transformation (AST) Subcommittee: Charged with offering suggestions to improve the operations in Human Resources (HR), Finance, Procurement, and Information Technology (IT).

In January 2013, President Powers released the CBP report, [Smarter Systems for a Greater UT: Final Report of the Committee on Business Productivity](#), which presented the recommendations of the three subcommittees to the UT Austin community.

2.2.1 CBP Administrative Services Transformation recommendations

The AST Subcommittee found that there are approximately 12,000 non-faculty employees that deliver administrative services of various sorts to the UT Austin campus. The activities of these employees are largely decentralized with each department staffed as an independent administratively self-sustaining unit, with few exceptions. In particular, the CBP identified opportunities in HR, Finance, Procurement, and IT and suggested adopting a centralized and shared administrative model that could generate significant benefits for the university. The three CBP AST recommendations were as follows:²

1. *CBP AST Recommendation 1: Plan and design the transition process*

The CBP recognized that “...transition from the current decentralized system to a shared-services model should proceed as a carefully designed process consistent with leading practices but balanced with sensitivity to the university environment.”

2. *CBP AST Recommendation 2: Establish common governance*

A clearly defined governance model would support decision making and promote accountability for outcomes.

3. *CBP AST Recommendation 3: Automate work through technology*

UT would “...need an institution-level change in IT systems in order to realize full benefits. A design phase can confirm the benefit estimates that enabling technologies can help achieve.”

2.2.2 Change champion appointed

In acknowledgement that enterprise-level transformation requires a change agent, President Powers appointed Kevin Hegarty, Vice President and Chief Financial Officer, to lead the work of further studying the CBP recommendations. Additionally, www.utexas.edu/transforming-ut was established as a clearinghouse for all university information related to shared services as well as the CBP recommendations.

² The Committee on Business Productivity, *Smarter Systems for a Greater UT: Final Report of the Committee on Business Productivity*, University of Texas at Austin, January 2013.

SECTION 3: SHARED SERVICES PLAN PHASE

3.1 PLAN PHASE ACTIVITIES

Although shared services was deemed by the CBP "...perhaps the most obviously necessary recommendation within the entire [CBP] report," the CBP recommendations were high-level and required further detailed analysis and discussion to understand the impact on the campus.³

To begin the work of exploring how shared services for HR, Finance, Procurement, and IT might function on the UT Austin campus, a governance committee was formed to provide guidance and oversight, and a project team was assembled to lead the coordination and initial analysis. The Executive Steering Committee was composed of academic and administrative leaders from the UT Austin community including deans, administrators, faculty, staff, and student representatives and was charged with providing recommendations on shared services. The Shared Services Project Team (Project Team) was staffed by current university staff and experts to accomplish the following:

1. Develop a draft operations plan required to support shared services capabilities, including an organizational structure, governance model, and high-level process flows with supporting technologies and services.
2. Create a draft implementation plan including key milestones, major phases of work, and a change management approach, including training and workforce transition, to deliver on the proposed operations plan.
3. Develop a high-level business case, including quantified benefits, qualitative benefits, and investment.

The Project Team met with members of the UT Austin community in over 100 meetings and workshops from May to September 2013 for discussion. The Project Team conducted workshops and interviews with university functional experts in HR, Finance, Procurement, and IT to understand the current state as well as what processes could work well if delivered via a shared services model.

The Executive Steering Committee met regularly to provide input and guidance on the Project Team's work.

3.2 PLAN PHASE FINDINGS

The Plan Phase findings were synthesized into the [Draft Plan](#), which was released to campus in October 2013 and published on the Transforming UT website. During the initial Shared Services Plan Phase, the Project Team identified a number of key characteristics of the current state of administrative services:

- Administrative workforce:⁴
 - Total of ~12,000 staff and students (~8,500 Full-time Equivalents (FTEs))
 - Total administrative headcount supporting HR, Finance, Procurement, IT = 4,500 staff (~2,500 FTEs)
- Administrative activities are:
 - Highly decentralized operations with manual processes
 - Supported by administrative systems at end-of-life
- Annual turnover:
 - Attrition (voluntary turnover) for UT Austin staff supporting HR, Finance, Procurement, IT ranges from 500-600 people per year
 - Layoffs for all administrative staff, range from 150-200 people per year
- Shared services exists on campus today including:
 - McCombs School of Business (McCombs)

³ The Committee on Business Productivity, *Smarter Systems for a Greater UT: Final Report of the Committee on Business Productivity*, University of Texas at Austin, January 2013.

⁴ Administrative workforce refers to non-faculty employees at UT Austin. Total administrative headcount and attrition ranges for HR, Finance, Procurement, and IT are estimates for initial planning purposes and will be updated over time.

- College of Liberal Arts (CoLA)
- Central Business Office (CBO)
- Information Technology Services Customer Support Services (ITS CSS) and Data Center Services

In addition to these current state findings, the Project Team also found that implementing shared services would potentially yield the following benefits:

1. Improved service quality with more consistent outcomes.
2. Increased job opportunities by creating new career paths in HR, Finance, Procurement, and IT.
3. A net savings of \$30-40M annually and gross total savings over 10 years of \$280-320M.⁵

To realize these business case benefits, a one-time investment of approximately \$35-40M is required for shared services. These investments include process and job redesign, technology enablement, and workforce transition.

The Draft Plan was reviewed by the campus during the next phase of activities, Campus Dialogue. The recommendations from this initial set of planning activities are discussed in later in the report. See *Section 5.2, UT Shared Services Plan – Recommendations*.

⁵ Shared Services Plan Phase benefits reflect a point in time (September 2013). Based on campus feedback, estimates now call for savings to be achieved over a 12-year horizon.

SECTION 4: CAMPUS DIALOGUE PHASE

4.1 CAMPUS DIALOGUE

From October to early December 2013, members of the Project Team engaged in approximately 40 Campus Dialogue sessions with faculty, staff, and student organizations across the campus, where more than 230 participant comments were captured. In addition, the team received more than 135 comments by email and via online feedback forms.

4.2 HOW IT WORKED

Campus Dialogue was designed to promote discourse through a variety of existing campus meetings, as well as town halls, and was created for the specific purpose of presenting the Draft Plan to campus and gathering input.

- One-on-one meetings: Members of the Project Team met with individuals from the Executive Steering Committee and other members of the campus community by request to provide their perspectives and guidance
- Dialogue Sessions: Members of the Project Team presented the Draft Plan to CSUs, existing governing bodies, and other standing groups
- Town Halls: The Project Team arranged three town hall meetings, two at the main UT Austin campus and one at the Pickle Research Campus
- Email: transformingut@austin.utexas.edu was created so the campus community could ask questions and provide feedback throughout the process. All questions submitted were answered via email by the Project Team
- Transforming UT Email List: Updates were sent regularly to report on Campus Dialogue progress, themes, and upcoming meeting dates, for those that signed up
- Transforming UT Website: Via the website, the campus community could review the Draft Plan, videos and infographics, frequently asked questions, and access the online feedback form

4.3 SESSION PARTICIPANTS

The following is a list of groups that participated in discussions during Campus Dialogue.

Shared Services Groups	Faculty, Staff, and Student Groups	HR/Finance/Procurement/IT Administrative Groups
Shared Services Steering Committee	Black Faculty and Staff Association	Administrative Business Leaders (ABL)
Shared Services Volunteer Group	Center for Mexican American Studies (CMAS)	Administrative IT Leaders
Shared Services Workshop Participants	Deans Council	Architecture & Infrastructure Committee
UT Austin Campus Town Hall #1	Faculty Council	Business Services Committee
UT Austin Campus Town Hall #2	Faculty Council - C-13 (IT Committee)	College Business Advisors (TXADMIN)
UT Austin Pickle Research Campus Town Hall	Faculty Advisory Committee on Budgets	HR Consortium
Staff Council Shared Services Working Group	Graduate Student Assembly	HR Spectrum
	Harry Ransom Center	iForty Administrator Group
	President's Student Advisory Council (PSAC)	ITS All-Hands Meeting
	Senate of the College Councils	ITS Applications All-Hands Meeting
	Staff Council	Operational IT Committee
	Student Affairs Leadership Team	Research & Education Committee
	Student Government	Strategic IT Accountability Board
	University Budget Council	Tech Deans
	University Business Officers Council (UBOC)	Town Meeting
	Vice Presidents Council	

4.4 CAMPUS DIALOGUE FEEDBACK

Feedback from Campus Dialogue showed a strong preference for an incremental approach towards implementing shared services, building on the innovation of existing shared services initiatives on campus.

The Project Team analyzed the feedback provided during Campus Dialogue. Five key themes emerged from Campus Dialogue that have changed the proposed Shared Services Implementation Plan:

1. Consider what UT Austin is already doing in shared services
2. Be thoughtful and diligent in the approach to shared services
3. Include campus input into decision-making
4. Be transparent and track progress of shared services
5. Be sensitive to the impacts the proposed changes will have on the UT Austin community

Additionally, care will be taken to incorporate formal feedback from staff and faculty councils.

4.4.1 Consider what UT Austin is already doing in shared services

It became clear as Campus Dialogue progressed that CSUs across the campus have already implemented process improvements to streamline operations. Many participants stressed the benefit of building on current best practices.

“It would be good to make things more efficient for the departments that need it. However, in my department, we are already a well-oiled machine! I'm open to change if it means that it really does create efficiency and adds more benefits for all.”

Originally conceived as a completely new organization, it became apparent that shared services could benefit from building on the innovations that have already been developed in various CSUs across campus.

4.4.2 Be thoughtful and diligent in the approach to shared services

The pace and timing of change was of significant interest to the participants during Campus Dialogue. Questions arose regarding the timeline for implementation and the timing of potential impacts to UT Austin staff.

“It looks like the lesson learned from peers was that haste can be an issue, which is the course I thought this was following. But this sounds like the plan has moved into overdrive, isn't this what the other universities warned us about?”

Given the degree of change and potential impacts resulting from shared services, the Project Team and governing bodies will take the time to study how to thoughtfully move forward. The campus will be included in further discussion before final decisions are reached.

4.4.3 Include campus input into decision-making

Overall, Campus Dialogue participants valued the opportunity to provide feedback and input into the shared services recommendations.

“...shared services is likely going to happen, the goal of this committee can be to help with implementation and I worry that feedback is limited. To get buy in we need to have a better engagement process ...we need to make sure there are enough primary end users to make sure this works.”

Ongoing shared services governance will be established and communication and updates will continue throughout future shared services activity.

4.4.4 Be transparent and track progress of shared services

There was general understanding among those participating in Campus Dialogue that the goal of shared services is to return savings to the university's core mission of teaching and research.

"What metrics would we put in place to determine if the shared services model is working? Will we have scheduled meetings to evaluate the metrics and add/change them as necessary?"

Transparency and clear success criteria will be important to evaluate any future work. It will be necessary for UT Austin to identify a team to track and report the quality of service, staff opportunities, and the qualitative and quantitative benefits from existing and new shared services capabilities. Capturing the savings will be the cumulative result of efficiencies generated through the restructuring of organizations, business processes, and employees.

4.4.5 Be sensitive to the impacts the proposed changes will have on the UT Austin community

Shared services will create change across the campus. Staff is eager to understand how shared services will impact them specifically.

"...Important to also acknowledge that a job change in and of itself is very stressful..."

Recognizing that workforce transition decisions and circumstances will be different for every employee, UT Austin will continue to evaluate the transition approaches that are most appropriate for each situation. Future shared services activities will enable UT Austin to understand how best to transition staff.

4.5 Staff and Faculty Feedback

The Staff Council has asked for continued open dialogue throughout the entirety of the shared services plan. Staff Council has also requested to participate in the shared services Design Phase. The Staff Council Chair, Erika Frahm, submitted resolution [2014-01](#) regarding implementation of Shared Services plans on the campus of The University of Texas at Austin. The Staff Council approved the resolution at its meeting on February 20, 2014.

The Faculty Council has asked for "...greater transparency and robust data collection."⁶ The Faculty Council Executive Committee Chair, Hillary Hart, submitted resolution [D 11173-11173a](#) regarding the implementation of Shared Services at The University of Texas at Austin. The Faculty Council approved the resolution at its meeting on January 27, 2014.

⁶ University of Texas at Austin, Faculty Council. 27 January 2014. Web. 6 February 2014.
http://www.utexas.edu/faculty/council/2013-2014/legislation/resolution_shared_services_FCEC_012714.html.

SECTION 5: RECOMMENDATIONS FOLLOWING CAMPUS DIALOGUE

5.1 REVISIONS TO THE DRAFT PLAN BASED ON CAMPUS FEEDBACK

As outlined in *Section 3.2, Plan Phase Findings*, the Project Team presented the results of the initial analysis conducted during the Shared Services Plan Phase in the Draft Plan. Presented here are the recommendations, updated to reflect the changes that resulted from input gathered during Campus Dialogue. Based on feedback from Campus Dialogue, the implementation timeline has been extended and the scope has been reduced in the early stages of implementation. This change in the implementation approach means that the business case will be achieved over a longer period of time. The gross total savings of \$280-320M can be achieved, but it will now take 12 years, instead of 10 years.

The primary goals for shared services continue to be:

- Maintain and/or Improve Service Quality
- Increase Career Opportunities for Staff
- Reduce Costs

5.2 UT SHARED SERVICES PLAN – RECOMMENDATIONS

This section presents the seven initial Draft Plan recommendations and revisions resulting from Campus Dialogue.

5.2.1 Study existing shared services and implement shared services pilots

Recommendation: Work with select volunteer CSUs to plan and implement shared services pilots. Study those who are already engaging in shared services to leverage - for the benefit of the entire campus - what has already been accomplished. Expand shared services based on the results.

Original recommendation:

Launch a shared services implementation for infrastructure and a sub-set of services for HR, Finance, Procurement, and IT from a pool of volunteer units.

The recommendation is a revision of the Draft Plan to launch a campus-wide shared services implementation for a sub-set of services for HR, Finance, Procurement, and IT. See *Section 5.3, UT Shared Services Plan – Pilot Recommendation*, for details on the pilots.

5.2.2 Build shared services capabilities

Recommendation: Build the shared services capabilities based on the results of the pilots. Nurture and grow a culture of service excellence, create new career opportunities for staff, and reduce operational costs.

Original recommendation:

Build a single administrative organization focused on service and performance. Nurture and grow a culture of service excellence for administrative activities.

There is no material change to the recommendation from the Draft Plan; however, shared services can be implemented with a number of different organizational constructs. It is expected that the shared services capabilities and organization will evolve based on the pilots.

5.2.3 Establish a governance framework

Recommendation: Establish an ongoing governance framework for clear communication, transparent decision-making, and issue resolution. Hold shared services initiatives accountable for performance to campus.

Original recommendation:

Establish a governance framework for clear communication, decision-making, and issue management. Hold the Shared Services Organization (SSO) accountable for performance to campus.

There has been no material change to the recommendation from the Draft Plan.

It is also recommended that UT Austin continue the work of the existing Executive Steering Committee and Pilot Subcommittee to oversee the pilots.

5.2.4 Implement enabling technologies

Recommendation: Leverage enabling tools and processes, including Workday, the approved replacement for DEFINE.

Original recommendation:

Implement enabling technologies and replace DEFINE with a cloud-based solution.

There has been no material change to the recommendation from the Draft Plan except that Workday has been selected as the cloud-based solution.

Regardless of the future of shared services, the implementation of a number of technologies, including Workday, can help UT Austin to improve service quality and reduce costs. Examples of these technologies include case management, document management, and call center support technology.

5.2.5 Transparently track and report current and future progress of shared services

Recommendation: Dedicate resources to track and report on key metrics for current and future shared services progress, performance, and benefits.

Original recommendation:

Track and report progress of shared services.

There has been no material change to the recommendation from the Draft Plan and given the emphasis placed on transparency during Campus Dialogue, additional resources will be dedicated to assessing results. These resources will measure and report the progress of shared services including service quality, career opportunities, and other quantitative and qualitative benefits.

5.2.6 Tailor workforce transition approach to UT Austin culture

Recommendation: Establish a flexible workforce transition approach that reflects UT Austin's culture and provides increased career opportunity and flexibility for employee transitions depending on the role and circumstances.

Original recommendation:

Establish a workforce transition framework with an early focus on post and hire as the approach for alignment of staff into shared services.

UT Austin has a unique campus culture and a diverse community of staff and faculty. It is recommended that the workforce transition approach be tailored to the UT Austin culture. Recognizing that workforce transition decision points and circumstances will be different for every employee, a combination of two approaches will be used: 1) transferring interested employees into new, open positions and 2) providing employees the choice to apply for new, open positions.

The options will be considered for each role during the next phase of the project. This is a broadening of the recommendation that was included in the Draft Plan to provide UT Austin with increased flexibility for staff, CSUs, and shared services. Also recommended is the engagement of Staff Council and Human Resource Services in the design of the workforce transition approach.

5.2.7 Create funding/chargeback model to share savings with CSUs

Recommendation: Create a long term funding model that directs savings to the President's and Provost's offices to be shared with the CSUs. Encourage early savings by supporting CSUs in their own shared services initiatives.

Original recommendation:

Create funding model that directs savings to the President's and Provost's offices to be shared with the CSUs.

During Campus Dialogue, a number of CSUs expressed the desire to implement a shared services model. This recommendation has been amended to encourage and support CSUs to proceed with their own shared services initiatives. It is also recommended that UT Austin develop an interim funding model in collaboration with the participants of the pilots.

5.3 UT SHARED SERVICES PLAN – PILOT RECOMMENDATION

After reviewing the feedback from Campus Dialogue, the Executive Steering Committee formed a Shared Services Pilot Subcommittee (Pilot Subcommittee) to develop recommendations on the approach, scope, participation, and success criteria for the pilots.

5.3.1 Pilot approach and timeline

The Shared Services Plan Phase identified a number of examples of shared services at UT Austin. Those CSUs that are already engaging in shared services will be studied to leverage, for the benefit of the entire campus, what has already been accomplished.

Over 100 CSUs across UT Austin currently use shared services capabilities provided by the following organizations:

- McCombs School of Business (McCombs): McCombs recently implemented a shared services approach to administrative activities across departments with an emphasis on customer service
- College of Liberal Arts (CoLA): CoLA has implemented shared services for IT end user support and is in the process of implementing shared services for HR, Finance, and Procurement activities
- Central Business Office (CBO): The CBO currently serves Information Technology Services (ITS), Dell Medical School, Legal Affairs, Marketing and Creative Services, Office of the President, and the University Development Office for HR, Finance, and Procurement activities
- ITS Customer Support Services (ITS CSS) and Data Center Services: ITS CSS responds to over 111,000 requests/inquiries from all CSUs on campus. ITS CSS also manages approximately 3,600 desktops each year through remote and on-site desktop support zones. Data Center Services currently support 39 UT Austin departments.

Feedback from Campus Dialogue indicates a desire to build shared services on existing UT Austin experiences and capabilities. The pilots will be designed to leverage the existing capabilities of the CBO for HR, Finance, and Procurement as well as the IT end user support capabilities of CoLA and the ITS CSS and the Data Center. A current list of CSUs supported by existing shared services capabilities at UT Austin can be found on the Transforming UT website.

See below for the implementation approach and timeline for the pilots.

	FY 13 - 14								FY 14 - 15								
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Key Milestones	♦ Pilot Approval					♦ Pilot Review				♦ Pilot Review		♦ Pilot Review		♦ Shared Services Decisions			
Governance	Establish		Govern Pilots														
Administrative Pilot (HR, Finance, Procurement)	Prepare		Transition Volunteers														
			Operate Pilots														
IT Pilot (End User Service, Infrastructure as a Service, Network, Data Center)	Prepare		Transition Volunteers														
			Operate Pilots														
Service Infrastructure (Tools, Processes, Skills, Technical and Physical Infrastructure)	Prepare		Implement Improvements														
			Deploy to Pilots														
Pilot Assessment (Service Delivery Quality, Productivity, Service Performance, Customer Satisfaction)	Prepare					Assess			Assess			Assess		Assess			

5.3.2 Pilot scope

The Pilot Subcommittee considered the functional scope of the activities and the following criteria:

- History of Sharing at UT Austin: Is the activity currently being shared on the UT Austin campus today?
- Transactional Nature of the Activity: Does the activity represent a process suitable for shared services?
- Technology Support Requirements: Can the activity be supported by existing technologies?

The following activities are being considered for the shared services pilots:

No.	Function	HR, Finance, Procurement Pilot Candidates
1	Finance/Procurement	Accounts Payable Processing
2	Finance/Procurement	Travel and Expense Processing
3	Finance/Procurement	Requisition-to-Order Processing
4	HR	Recruitment and Assignment
5	HR	Employee Data Administration Support
6	IT	End User Services
7	IT	Infrastructure as a Service
8	IT	Data Center
9	IT	Network

Baseline data will be collected to understand how services are impacted by the pilots. The Project Team will also solicit input from staff and faculty, seeking their suggestions for streamlining and integrating services within their units. The final list of activities is subject to change as pilot planning may further refine the scope.

5.3.3 Proposed pilot candidates

The Pilot Subcommittee developed a set of criteria to evaluate candidates for participation in the pilots. These criteria were:

- Voluntary Participation: Given the uncertain nature of any pilot, the Pilot Subcommittee felt that it was important for the CSU leadership to volunteer for the pilots
- Organization Mission Attributes: The Pilot Subcommittee wanted a complementary mix of organization mission attributes in participants to represent the complexities associated with academic and administrative units

The following is a list of CSUs that have been identified to pilot new experiments in shared services:

CSU	Administrative Pilot CSUs	IT Pilot CSUs	Future Pilot Candidates
College of Education	✓		
Dell Medical School	✓		
Legal Affairs	✓		
Marketing and Creative Services	✓		
Office of the President	✓		
Office of the Provost	✓	✓	
Office of the Vice President and CFO	✓		
University Development Office	✓		
Academic CSU to be named later		✓	
Moody College of Communication			✓
Jackson School of Geosciences			✓
University Athletics Administrative and Business Affairs			✓

5.3.4 Success criteria

The Executive Steering Committee and the feedback from Campus Dialogue provided the following valuable input to the Pilot Subcommittee regarding success criteria for the pilots:

- Maintain and/or Improve Service Quality:
 - Feedback from faculty, department staff, and shared services staff
 - Measurements of key performance indicators such as volume, accuracy, and cycle-time
- Increase Career Opportunities for Staff: Surveys or interviews may be conducted to better understand these opportunities and staff impact
- Reduce Costs: Because the pilots will be conducted without the benefit of new processes and tools, such as Workday, it will be difficult to realize significant savings during the Pilot Phase. Using pilot experience and data, UT Austin will develop a more precise estimate of the achievable savings.

SECTION 6: CONCLUSION

In the coming year, the university will embark on an exploration of the recommendations. As a major public research institution, the university community expects to see results. This is why the approach to test shared services via pilots is so important. Pilots will enable the university to analyze UT Austin data and determine whether it makes sense to broaden the effort.

As the university moves forward, the shared services initiative will need to focus on three major goals.

1. Maintain and/or improve service quality
2. Increase career opportunities for staff
3. Reduce costs

One clear requirement going forward is that the conversation will continue with the university community. The collective study of results from the shared services pilots will help the university make the choice that is best for UT Austin's future.

SECTION 7: APPENDIX

7.1 EXISTING UT AUSTIN SHARED SERVICES CAPABILITIES

Colleges, Schools, Units, and Departments	ITS Data Center Customers	ITS CSS Customers	CBO Customers	CoLA Customers	McCombs Customers
Center for Computational Biology & Bioinformatics	✓				
Center for Identity		✓			
Center for Social Work Research, School of Social Work		✓			
Center for Systems and Synthetic Biology	✓				
Center for Teaching and Learning		✓			
Center for Transportation Research	✓				
Civil, Architectural and Environmental Engineering	✓				
College of Communication	✓				
College of Education	✓				
College of Engineering	✓	✓			
Biomedical Informatics Lab		✓			
Center for Space Research		✓			
Department of Mechanical Engineering		✓			
Electrical & Computer Engineering		✓			
Aerospace		✓			
College of Fine Arts	✓	✓			
College of Liberal Arts	✓			✓	
Department of Sociology				✓	
Department of Geography and the Environment				✓	
Department of Linguistics				✓	
Linguistics Research Center				✓	
Native American and Indigenous Studies Program				✓	
Schusterman Center for Jewish Studies				✓	
Texas Language Center (TLC)				✓	
Center for Asian American Studies				✓	
Center for European Studies				✓	
Humanities Institute				✓	
Department of Spanish and Portuguese				✓	
Department of Classics				✓	
Department of French & Italian				✓	
Department of Slavic & Eurasian Studies				✓	
College of Natural Sciences	✓				
CNS-Quest Learning & Assessment	✓				
CNS - Physics		✓			
College of Pharmacy	✓				
Community College Survey of Student Engagement	✓	✓			
Construction Industry Institute	✓				
Continuing Education (PETEX)	✓				
Continuing Education (Speedway)	✓				
Dell Medical School			✓		
Department of Chemistry	✓				
Department of Mechanical Engineering	✓				
Education Resource Center	✓				
Electrical and Computer Engineering	✓				
Ferguson Structural Engineering Lab	✓				
Financial Affairs	✓				
ICC Institute		✓			
ICC-MCC		✓			
ICC-San Gabriel		✓			
Imaging Research Center	✓				
Colleges, Schools, Units, and Departments	ITS Data Center Customers	ITS CSS Customers	CBO Customers	CoLA Customers	McCombs Customers
Institute for Public School Initiatives		✓			

Intercollegiate Athletics	✓	✓			
International Office		✓			
Jackson School of Geosciences		✓			
James A. Michener Center for Writers		✓			
Lady Bird Johnson Wildflower Center		✓			
LBJ School of Public Affairs		✓			
LBJ-Center for Health & Social Policy		✓			
LBJ-Child and Family Research Partnership		✓			
LBJ-Home Visitation		✓			
LBJ-Strauss Center		✓			
McCombs School of Business	✓				✓
Office of Graduate Studies		✓			
Office of Information Management & Analysis		✓			
Office of the Dean of Students	✓				
Office of the General Faculty & Faculty Council		✓			
Office of the President		✓	✓		
Office of the Executive Vice President & Provost					
Office of Admissions - MAI Bldg./JHH/Satellite Sites	✓	✓			
Energy Institute		✓			
Office of the Registrar	✓				
University of Texas Libraries	✓				
The Office of the Vice President and Chief Financial Officer/ Information Technology			✓		
Central Business Office (CBO)		✓	✓		
Information Technology Services (ITS)		✓	✓		
Office of the Vice President for Research (ACES IT/VP Research)	✓				
Applied Computational Engineering & Sciences (ACES IT)	✓				
The Office of the Vice President for Legal Affairs		✓	✓		
The Office of the Vice President for Student Affairs		✓			
Recreational Sports	✓				
School of Architecture		✓			
School of Law		✓			
School of Music	✓				
School of Nursing		✓			
School of Social Work		✓			
School of Undergraduate Studies		✓			
Texas Advanced Computing Center	✓				
Texas Exes	✓				
Texas Memorial Museum		✓			
Texas Natural Science Center		✓			
Texas Student Media		✓			
University Athletics Administrative and Business Affairs	✓				
University Communications					
Marketing and Creative Affairs			✓		
University Development Office	✓		✓		
University Health Services	✓				
University Operations	✓				
UO- Longhorn Aquatics		✓			
UO-Campus Club		✓			
UO-Campus Safety & Security		✓			
UO-Child Development Center		✓			
UO-Document Solutions, University Service		✓			
UO-Environmental Health & Safety		✓			
Colleges, Schools, Units, and Departments	ITS Data Center Customers	ITS CSS Customers	CBO Customers	CoLA Customers	McCombs Customers
UO-Facilities Services (include Custodial)		✓			

UO-Fire Prevention Services		✓			
UO-Human Resource Services		✓			
UO-Jamal Texas Swimming Center		✓			
UO-Parking and Transportation Services		✓			
UO-Project Management and Construction Services		✓			
UO-Travel Management		✓			
UO-TRECS		✓			
UO-UT Police Department		✓			
UO-Utilities & Energy Management		✓			
UO-Vice President for UO		✓			
UT System - Office of Technology and Information Systems	✓				