Organizational Design
The purpose of the Organizational Design deliverable is to provide a draft of the Shared Services Organization (SSO) structure.

The objective of the Organizational Design is to propose a structure and processes that can be brought to the campus dialogue for discussion with stakeholders across the university.

- The organizational design is a proposal for the shared services organizational model.

- The organizational design is not a complete analysis of the organization alternatives but is a draft of one of the alternatives using leading practices as a guide.

This deliverable is a Plan Phase work product. Information in the final shared services recommendations may be different from what is in the deliverables, in response to stakeholder feedback.
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Executive Summary

The Organizational Design proposes a high-level model that will structurally support and enable a high-performing shared services organization.

• The goal of the design is to structurally enable an organization that:
  — Provides superior customer service and promotes subject matter expertise.
  — Continuously improves the efficiency and cost-effectiveness of service delivery.
  — Incentivizes customer group participation.

• The operating model defines the core capabilities required for an effective Shared Services Organization that can be shared at a high level across HR, Finance, Procurement and IT
  — Governance defines the decision-making process to make certain the SSO’s operations and outcomes are aligned with UT Austin’s strategic priorities and accountable to SSO customers.
  — Management Processes enable both operational and individual performance to be measured consistently across all functions and provides a mechanism for continuous improvement.
  — Delivery of Services encompasses the contact center capability and core transactions and services across HR, Finance, Procurement and IT.
  — Support Functions correspond to the functions where Shared Services will be a customer of itself. The SSO will also leverage university-wide services where they exist.

• A single Shared Services Organization (SSO) would generate the highest possible benefit with the least complexity
  — Central administrative functions continue to operate within their current Dean/VP Level Unit.
  — One Shared Services Organization with a single leader for all functions (HR, Finance, Procurement, IT), with each function having dual reporting into the SSO as well as the central function.
Proposed Operating Model

HR Service Portfolio
- Recruitment
- Employee Administration
- Employee Services
- HR Info Systems

Finance & Procurement Service Portfolio
- General Acctg. & Reporting
- Fixed Asset Inventory
- AR and Collections
- Budgeting
- Accounts Payable
- Travel & Entertainment
- Requisition to Order
- Payroll

IT Service Portfolio
- End User Services
  - Desktop Support and Management
  - Productivity and Collaboration
  - Voice, UT EID, and Network Access
- Application
  - Academic
  - Application Management
- Infrastructure
  - Platform as a Service (e.g. Database, Customizable Applications)
  - Infrastructure as a Service (Server, Virtual Machine)
  - Data Center
  - Network
  - Voice

Support Functions for Shared Services
- Finance
- HR
- Procurement
- IT Support
- Supplier Management
- Facilities Management
- Training
- Communications

Note: 1Level 2 activities in the current Payroll function will be considered for Finance shared services. Activities will be reviewed and responsibilities defined in Design. 2Support to all parts of the shared services organization provided by each functional service portfolio.
The proposed shared services governance model requires the establishment of new governance bodies specific to shared services while still leveraging the members of current bodies.

## Shared Services Governance Proposed Bodies

### Joint Steering Committee

**PURPOSE:** The Joint Steering Committee is *strategic* and confirm that the SSO is accountable and provides high-quality, continuously improving services to customers and remain aligned with the priorities, vision, and mission of the university.

**MEMBERSHIP:** One Joint Steering Committee that transitions from the Shared Services Project Steering Committee to a permanent committee made up of Deans, Associate Vice Presidents (AVPs), a faculty member, staff representative, and a student representative.

### Operational Advisory Council

**PURPOSE:** The Advisory Council (cross-functional) is *operational* and confirms that the SSO performing to expectations and is accountable to its customers.

**MEMBERSHIP:** It is composed of executive level faculty and staff with HR, Finance, Procurement, and IT expertise from the Colleges, Schools, and Units (CSUs).

### Functional Committees

**PURPOSE:** Four Functional Committees (one per function) are *technical* and provide expertise for each of the SSO functions (i.e., HR, Finance, Procurement, and IT) in order to promote efficient, effective and continuously improving service delivery.

**MEMBERSHIP:** It is composed of CSU process owners; managers/supervisors of functional/technical administrative staff that have deep understanding of function-specific processes.
Shared Services management processes and support functions facilitate the overall successful operation of the Shared Services Organization.

Management Processes:

- Ensure **consistency across functions and levels** of the Shared Services Organization by facilitating participation from functions and levels of the organization.
- Promote **superior customer service** by confirming service-oriented behavior permeates throughout the organization.
- Promote **high-quality services** by encouraging continuous improvement across all functions.
- Management processes include: Service Center Management, Customer Relationship Management, Quality Management (including Continuous Improvement), and Knowledge Management.

Support Functions:

- Shared services will be a **customer of itself** to provide support functions and will also **leverage existing university-wide services** where they exist.
- Support categories include: Finance Support, HR Support, Procurement Support, IT Support, Supplier Management, Facilities Management, Training, Communications.
The Customer Interaction Model confirms that customers are served with the highest quality and in the most effective and efficient manner possible.

**Customer Interaction Model:**

- The **Customer Relationship Manager (CRM)** function provides CSUs with a single point of contact for escalated or unresolved issues, suggestions for service improvement, and a two-way communication channel.

- The **Customer Inquiry Flow** provides an efficient, knowledgeable, and standardized process by which customers can be served across multiple contact channels. It enables comprehensive tracking of inquiries and resolution to customer inquiries.

- **Consolidated Local CSU Administrative groups** more efficiently handle CSU-specific services and interact with the SSO to share leading practices.

- Clear processes that are designed and built to provide **smooth interactions** between the SSO and the Central Functional Organization and Consolidated Local CSU Administrative groups.

Note: Supporting detail on Consolidated Local CSU Administrative groups is included in the “Proposed College, School, and Unit Organization Changes” slide.
The functional service portfolios process transactions and provide services for each specific function on behalf of UT Austin Colleges, Schools, and Units (CSUs).

Functional Service Portfolio:

- **Human Resources (HR):** provides the capability to process selected in-scope HR transactions on behalf of CSUs.
  - Transactions and services within the following sub-processes are in scope for shared services: Candidate Pre-hire & Onboarding, Exit Management, Employee Data Changes, and Administration for Relocations, Leaves, Learning, Benefits, Recognition, Time and HR Analytics.

- **Finance & Procurement:** provides the capability to process selected in-scope finance and procurement transactions and services on behalf of CSUs.
  - Transactions and services within the following processes are in scope for shared services: General Accounting & Reporting, Fixed Asset Inventory, Accounts Receivable & Collections, Budgeting, Accounts Payable, Travel & Entertainment Reimbursements, Requisition to Order, and Payroll* on behalf of the CSUs.

- **Information Technology (IT):** provides the capability to provide selected in-scope IT services to CSUs.
  - The following services are in scope for shared services: End User Services, Software as a Service, Application Management, Platform as a Service, Infrastructure as a Service, Data Center, Network, and Voice.

Note: *Level 2 activities in the current Payroll function will be considered for Finance shared services. Activities will be reviewed and responsibilities defined in Design.
A new AVP of Shared Services, reporting to the CFO, oversees the new SSO for transaction processing for HR, Finance, and Procurement and is responsible for service delivery for IT.

This organization model adheres to the following design attributes:

1) Shared Services exists under a single organization led by a senior leader/AVP.
2) Transactions/Services Leads are accountable to the AVP of Shared Services for service delivery excellence and accountable to their corresponding AVPs (HR, Finance, Procurement, and IT) for compliance to policy and strategic direction.
3) Consultative HR functions (e.g. employee relations, organization effectiveness) will continue to reside in Central HR and report to the AVP of HR.
4) The AVP of HR maintains existing reporting relationship to the VP of Operations to continue support for non-transactional HR scope.
5) Governance framework will facilitate decision making across the organizational towers to achieve outcomes and provide accountability.
We recommend that the administrative effort retained in the Colleges, Schools, and Units (CSUs) be consolidated under a CSU administration group to promote consistent, high quality service and achieve greater efficiency.

Shifting Roles driving the Organizational Change
- Day-to-day transaction-specific issues are processed through workflow and the contact center.
- Ongoing issues escalated to the CSU business officer will be handled by the assigned customer relationship manager in the SSO.
- Both the department administrators and the CSU administrators will interact with self-service capabilities, the SSO and central functions.
- Retained department administrators will provide local level departmental support.
Proposed Savings Capture and Reallocation Model

1. Central Investment

2. Increased Productivity

3. Lower Operating Cost

Shared Services and ERP

4. Captured Savings Pool

5. Reallocation of Benefits

6. Repay Investment

President / Provost
The Organizational Design is a deliverable of the Shared Services Planning project Service Delivery Model work stream.

**FY2012-13**

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<thead>
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<th>April</th>
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<td>CBO Assessment</td>
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<td>Service Delivery Model</td>
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<td>Revised Business Case</td>
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<td>Change Management Plan</td>
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<td>IT Future State Operating Model</td>
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<td>Finance/Procurement Future State Operating Model</td>
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<td>HR Future State Operating Model</td>
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**FY2013-14**

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<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
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<tr>
<td>Draft Shared Services Plan</td>
<td>Update Transform UT website</td>
<td>Discuss with stakeholder groups</td>
<td>Incorporate feedback and update Shared Services Plan</td>
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<tr>
<td>Campus Dialogue sessions with CSUs</td>
<td>Roll-out update Shared Services Plan to Campus</td>
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The seven effective organization design principles guide the creation of the UT Shared Services organizational design.

Effective Design Principles:

- Describe and define the desired characteristics of the organizational design.
- Serve as requirements/parameters for generating and evaluating organizational design alternatives.
- Facilitate design decisions (e.g., consider tradeoffs).
The operating model describes the capabilities of the Shared Services Organization.

✅ The operating model **is**:  
It is a map of capabilities of the Shared Services Organization. It describes functions that are performed within Shared Services to either deliver services or support the delivery of the services.

❌ The operating model **is not**:  
It is not an organizational design, does not describe the division of responsibility amongst teams or departments, and is not indicative of job positions that would eventually be recommended.

The operating model was developed according to the following principles:

- **Consistent:**  
The operating model describes a set of capabilities required for all functions that can also be shared at a high level across IT, HR, Finance, and Procurement.

- **Widely Applicable:**  
Mirror capabilities across functions make the operating model applicable to a wide variety of implementation phasing plans as well as a variety of organizational decisions, e.g. the operating model would be applicable regardless of if there end up being one, two, or three Shared Services Organizations.

- **Customizable:**  
While each functional area (IT, HR, Finance, and Procurement) shares high-level capabilities, the specific business or technical requirements within a given workstream may result in the identification of a new or tailored capability that does not exist across all functional areas.
The colors within the operating model represent the capabilities required for a high-performing Shared Services Organization.

- Green: Governance Capabilities
- Orange: Management Processes
- Blue: Delivery of Services
- Gold: Support Functions for Shared Services
Proposed Operating Model
High Level

Governance

Management Processes

Customer Contact Center

Service Delivery Portfolio

Support Functions

Support Capabilities based on ITIL

Service Portfolio

Finance & Procurement

HR

IT

Governance Processes

Strategic

Functional / Technical

Management Processes

Service Center Management

Quality Management

Relationship Management

Service Portfolio

Finance & Procurement

IT Service Portfolio

HR Service Portfolio

Finance & Procurement Service Portfolio

Support Functions for Shared Services

Finance

HR

Procurement

Support

Management

Management

Training

Communications
• **Governance**: provides strategic, operational, and technical oversight and direction. Defines the decision-making process to confirm the Shared Services Organization’s operations and outcomes are aligned with UT Austin’s strategic priorities and customer needs.

• **Management Processes**: facilitate the successful operation of a long-lasting, high performing, service-oriented organization. Enables both operational and individual performance to be measured consistently across all functions and provides a mechanism for continuous improvement.

• **Customer Contact Center**: comprises the capability to respond to customer inquiries through various channels. It also includes the strategy to ensure customer inquiries are being managed in the highest quality and most effective and efficient manner possible.

• **Finance & Procurement, HR, and IT Service Portfolios**: comprise the capability to process transactions and provide services for each specific function on behalf of UT Colleges, Schools, and Units (CSUs).

• **Support Functions for Shared Services**: Shared Services will be a customer of itself to provide support functions (e.g. finance billing) and will also leverage existing university-wide services where they exist (e.g. facilities).
Proposed Operating Model
Detail

Finance & Procurement

Management Processes

Service Center Management
Knowledge Management
Quality Management
Relationship Management
Governance

Strategic
Operational
Functional / Technical

Support Functions for Shared Services

Finance
HR
Procurement
IT Support
Supplier Management
Facilities Management
Training
Communications

HR Service Portfolio
- Recruitment
- Employee Administration
- Employee Services
- HR Info Systems

Finance & Procurement Service Portfolio
- General Acctg. & Reporting
- Fixed Asset Inventory
- AR and Collections
- Budgeting
- Accounts Payable
- Travel & Entertainment
- Requisition to Order
- Payroll

IT Service Portfolio
- End User Services
- Desktop Support and Management
- Productivity and Collaboration
- Voice, UT EID, and Network Access
- Software as a Service
- Application Management
- Data Center
- Network
- Voice

Note: 1: Level 2 activities in the current Payroll function will be considered for Finance shared services. Activities will be reviewed and responsibilities defined in Design. 2: Support to all parts of the shared services organization provided by each functional service portfolio.
Proposed Management Processes and Support Functions

Shared Services management processes and support functions facilitate the overall successful operation of the Shared Services Organization.

Management Processes:

• Ensure **consistency across functions and levels** of the Shared Services Organization by involving participation from all functions and levels of the organization.

• Promote **superior customer service** by confirming service-oriented behavior permeates the organization.

• Promote **high-quality services** by encouraging continuous improvement across all functions.

• Management processes include: Service Center Management, Customer Relationship Management, Quality Management (including Continuous Improvement), and Knowledge Management.

Support Functions:

• Shared services will be a **customer of itself** to provide support functions and will also **leverage existing university-wide services** where they exist.

• Support categories include: Finance Support, HR Support, Procurement Support, IT Support, Supplier Management, Facilities Management, Training, Communications.
Benefits of Management Processes

With effective management processes such as service center management, relationship management, and quality management in place, organizations are able to reach past simple centralization and realize a high level of value.

**Transition from Centralization to Full Value of Shared Services**

Many organizations stop here. However, continuing on ensures sustainability and scalability.

- **Centralization**
  - New Location: Wage and real estate arbitrage
  - Consolidation: Re-organization and de-layering

- **Enabling Technologies**
  - e.g. Case Mgmt., Doc. Mgmt.,

- **Re-engineering**
  - Simplified, standardized system/process

- **Quality Management**

- **Service Mgmt.**
  - Clear 2-way Service Level Agreements (SLAs) with clients

- **Governance Model**
  - Independent, linked to customers

- **Customer Relationship Mgmt.**
  - Metrics-driven case management

- **Performance Mgmt.**
  - Self-directed work teams, regular feedback

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**RANGE OF BENEFITS**

**CENTRALIZATION**

**SHARED SERVICES**
The service center management is responsible for setting targets for and monitoring, tracking, and reporting on the performance and financial objectives of the Shared Services Organization (SSO).

Service Center Management **Does:**

- Set feasible, measurable, and mission-oriented outcomes for the SSO.
- Determine operational metrics that align to strategic mission - Key Performance Indicators (KPIs).
- Agree upon the contract for services and expected performance levels - Service Level Agreements (SLAs).
- Regularly measure and report on SSO performance against KPIs, SLAs, and financial targets to SSO management, SSO customers, and Shared Services Governance.
- Maintain the list of services offered - Service Catalog.

Service Center Management **Does Not:**

- Apply process and function controls to operations outside of the Shared Services Organization.
- Provide line management and direct supervision to SSO resources supporting a functional workstream.*

*Note: SSO resources directly supporting a functional workstream will report up to a Transactions or Services lead for their respective function (HR, Finance, Procurement and IT) as defined in the Proposed Future State SSO Structure.
Metrics are developed in order to measure if the SSO has fulfilled its mission.

The mission expresses the purpose of the Shared Services Organization. Strategic objectives establish what the Shared Services Organization must achieve to fulfill its mission statement. Critical success factors are the conditions which need to be met to realize the strategic objectives. Critical success factors must be measurable.

Organizational KPIs measure the overall organization and align with strategic objectives. Process metrics measure the health of processes. Individual metrics measure the performance of specific individuals or teams.

All Shared Services metrics are KPIs. Select KPIs are monitored in SLAs.

Key Performance Indicators (KPIs) are measurements critical to the success of the Shared Services Organization.

- All KPIs should have goals or targets.
- KPIs are created using a cascading process.

Service Level Agreement (SLA) is a document which details the contract for services and expected performance levels between the Shared Services Organization and its customers.

- SLA is a comprehensive contract that documentation encompasses more than just the KPI.
- Intended to verify that the SSO is providing service to its customers at the expected levels.
Metrics are developed in order to measure if the SSO has fulfilled its mission.

The mission of the SSO is to achieve excellence in the delivery of shared services.

Responsive Customer Service

Timeliness (one of many success factors mapping to responsive customer service)

Average Wait Time – All Requests (one of many org metrics mapping to timeliness)

Average Wait Time by Channel (Phone, Online, In-Person)

Average Wait Time by Channel by Staff Person

All Shared Services metrics are KPIs

Select KPIs are monitored in SLAs

The mission of the Shared Services Organization drives the identification of the SSO Strategic Objectives. Strategic objectives, in turn, shape the specific success factors for a given objective.

The metrics developed in support of the SSO will link to and quantify the SSOs capability to realize the success factors for the corresponding strategic objective. These metrics are referred to as Key Performance Indicators (KPIs).
Service metrics and targets are derived directly from the customer’s needs and the service provider’s operational objectives.

### EXAMPLE Target Levels

<table>
<thead>
<tr>
<th>Customer Objective</th>
<th>Process Objective</th>
<th>Metric Type</th>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay invoices in an effective and efficient manner</td>
<td>Enter invoices in a timely manner</td>
<td>Cycle time</td>
<td>Time to enter invoice into ERP (from receipt)</td>
<td>95% of invoices entered within 48 hours</td>
</tr>
<tr>
<td></td>
<td>Enter invoices with low errors</td>
<td>Error rate</td>
<td>Percentage of errors</td>
<td>Invoice entry 99% error free</td>
</tr>
<tr>
<td></td>
<td>Operate efficiently</td>
<td>Work in Progress</td>
<td>Percentage of invoices remaining at end of day</td>
<td>Less than 5% remaining in queue at end of day</td>
</tr>
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</table>
Managing the overall partnership Shared Services has with its customers is a focus of the customer relationship management team, and relationship management is also a responsibility of all Shared Services employees.

Relationship Management is a process through which:

- Trusted partnerships between Shared Services and its customers are formed and maintained.
- Clear lines of communication are established between Shared Services and its customers.
- Shared Services performance is communicated and held accountable.
- Customer strategy and needs are understood.
- Larger issues that have broad impacts or smaller escalated issues that have critical business impact are identified and resolved.
- Services to customers are marketed.
- Customer satisfaction is assessed.

High Level Relationship Management Process Flow

- **Plan (and revise)** Relationship Management Strategy, including: key contact points, goals, and objectives.
- **Establish** contact, communicate Shared Services messages, develop relationship, and foster partnership.
- **Assess** customer satisfaction outcomes and address issue areas.
- **Measure** customer satisfaction and benefits realization.

Additional information on Customer Relationship Management can be found in the “Customer Interaction Model” portion of this deck.
A defined quality management process ensures improvement opportunities are identified and prioritized effectively to increase value from the shared services organization.

Quality management is a process through which:

- Shared services optimizes processes and performance to enable customers to achieve higher quality, lower cost, and improve efficiency, leading to increased customer satisfaction.

- Shared services reduces costs using inputs from benchmarks, leading practices, and customer requirements.

- Shared services embeds continuous improvement into the culture – employees help identify and implement improvement ideas.

- Shared services can coordinate and manage improvement opportunities across a large number of CSUs to maximize value.

High Level Continuous Improvement Process Flow:

1. Generate Ideas and Categorize
2. Evaluate, Prioritize, and Decide
3. Implement
4. Recognize and Reward
5. Track Benefits
Continuous improvement opportunities come in two distinct types – those which require substantial planning, execution, and investment and those which can be managed as part of normal Shared Services operations.

Types of Continuous Improvement Opportunities:

**Quick Hits**
Managed largely through normal operations leveraging existing staff. Participation in these improvements provide learning opportunities for shared services staff and drive sustained shared services value.

- No formal business case required, only a basic template for documenting case for change.
- Short statement providing reason for change / cost and benefit analysis.
- Negligible cost or effort to achieve.
- Can include policy changes.
- Implementation less than 3 months.
- Cost avoidance items.

**Big Ideas**
Requires analysis, review, and approval from governance bodies to proceed. Investment is typically required and time to implement is generally longer and requires resources outside of normal operations.

- Not a quick hit.
- Requires a business case.
- Requires an investment of resources (financial, human, technical) to achieve.
- Can include policy changes.
- Implementation greater than 3 months.
- Budget impact analyzed to determine cost upon implementation.
Knowledge Management defines how all knowledge related to the Shared Services Organization is created, stored, maintained, and shared.

Effective and sustained Knowledge Management will foster quality service and lasting performance. The Knowledge Management process will include activities around:

- Knowledge Creation
- Knowledge Capture
- Knowledge Curation
- Knowledge Sharing
- Knowledge Maintenance
- Knowledge Transfer and Training

Comprehensive Knowledge Management for process and functions will need to be in place ahead of the transition to the Shared Services Organization (SSO) in order to support effective Day 1 operations.
**Shared Services is typically supported by the following additional functions to enable its effective operation.**

<table>
<thead>
<tr>
<th>Support</th>
<th>Function</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Shared Services supports itself across functions. (e.g., Finance shared services provides billing for IT shared services just like it does for any other university customer.)</td>
<td>Financial Support</td>
<td>Includes the planning and management of the Shared Services budget and guides chargeback related conversation during annual SLA reviews. Can also provide full suite of Finance Function Shared Services (e.g. Billing).</td>
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<td></td>
<td>HR Support</td>
<td>Provides support HR Shared Services employees in Human Resource related matters including recruiting, benefits, leaves, etc.</td>
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<td></td>
<td>Procurement Support</td>
<td>Provides support in procuring high-value goods or services for the shared services organization.</td>
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<td></td>
<td>IT Support</td>
<td>Provides IT support and maintenance; e.g., desktop support and application services.</td>
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<td></td>
<td>Supplier Management</td>
<td>Manages current licenses and suppliers of the shared services organization.</td>
</tr>
<tr>
<td>Shared Services creates support function within the Service Management Team where no current support exists.</td>
<td>Training</td>
<td>Provides training and training resources to Shared Services employees to ensure staff is skilled and capable of completing required duties.</td>
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<tr>
<td></td>
<td>Communication (UT Austin)</td>
<td>Works to ensure communication needs are identified across Shared Services and clients and all parties are kept informed across multiple locations. Drives notification and adoption of continuous improvement projects. Responsible for maintenance of communications vehicles (e.g., intranet presence).</td>
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<tr>
<td>Leverages existing university-wide support services. No dedicated team sits within Shared Services.</td>
<td>Facilities Management</td>
<td>Provides physical infrastructure and facility services support to ensure a safe working environment for Shared Services employees.</td>
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<td></td>
<td>Communications (External/PR)</td>
<td>Facilitates Shared Services’ marketing of its vision, mission, and brand promise in any public announcements or communications directed external to the university.</td>
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Support Functions: Facilities

A single shared services location is recommended because it drives consistency, helps build a new service culture, and reduces cost. However, multiple locations for some services may be needed at UT Austin to meet customer needs.

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<tr>
<th>#</th>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>1</td>
<td>Single location (Co-located)</td>
<td>• Drives a common service culture.</td>
<td>• Difficult to find contiguous space to support staffing needs.</td>
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<td>• Increases knowledge sharing and collaboration environment.</td>
<td>• Provides only one location for employees.</td>
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<td>• Reduces cost and complexity.</td>
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<td>• Provides opportunity for infrastructure synergies and shared technology.</td>
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<td>2</td>
<td>Multiple locations</td>
<td>• Provides additional work locations for employees.</td>
<td>• Difficult to create cohesive Shared Services culture.</td>
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<td>• Enables work location to be closer to certain customers or leadership.</td>
<td>• Silo of opportunity for employees.</td>
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<td>• More costly for build out, “rent”, labor, technology, travel, and operating costs.</td>
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Option 1 is recommended, with the exception of select functions or services that may reside outside the main SSO location due to cost and effectiveness, for example IT data center end user support.

Examples:

- **Physical infrastructure**: Costly to rebuild certain already existing facilities required to support IT such as data centers, network operations centers, or backup data centers.
- **Service Provision**: Impractical to relocate desktop support centers further from campus due to high-touch nature of support and the need to provide services in-person.
The Customer Interaction Model confirms that customers are served with the highest quality and in the most effective and efficient manner possible.

Customer Interaction Model:

- The Customer Relationship Manager (CRM) function provides CSUs with a single point of contact for escalated or unresolved issues, suggestions for service improvement, and a two-way communication channel.

- The Customer Inquiry Flow provides an efficient, knowledgeable, and standardized process by which customers can be served across multiple contact channels. It enables comprehensive tracking of inquiries and resolution to customer inquiries.

- Consolidated Local CSU Administrative groups more efficiently handle CSU-specific services and interact with the SSO to share leading practices.

- Clear processes that are designed and built to provide smooth interactions between the SSO and the Central Functional Organization and Consolidated Local CSU Administrative groups.

Note: Supporting detail on Consolidated Local CSU Administrative groups is included in the "Proposed College, School, and Unit Organization Changes" slide.
The CRM group within the Service Management team has the primary responsibility to ensure superior service is provided to the CSUs through Shared Services.

What role does the CRM fill?

- CRM handles issues that broadly impact multiple users at the CSU, or smaller concerns that have critical business impact.
- CRM is an escalation point for unresolved tickets or issues.
- CRM is also responsible for reinforcing the customer relationship process by ensuring that they do not become a direct point of contact for standard Shared Services inquiries, thus becoming a ‘work-around’ channel.
- Two CRMs will be assigned to each CSU. One focused on IT (CRM-IT) and one focused on HR/Finance/Procurement (CRM-Admin).

CSU Customer Groups can be segmented by unique need. For example, by CSU size (small/big) or affiliation (academic/administrative).
Customers inquiries entering Shared Services will go through a process which optimizes the use of self-service capabilities and maximizes the number of inquiries that can be resolved at the first point of contact.

The objective is to address customer requests at the appropriate level of the SSO. Lower complexity issues should be resolved via self-service and contact center transactions. Higher complexity requests will be escalated and resolved via Tier 2 and Tier 3 support.

Customer Inquiry Flow (1 of 4)

0. Portal & Employee / Manager Self Service

Employees access a portal to obtain information (e.g., policies, forms) and to perform self-service transactions.

1. “First Point of Contact”

Contact Center staff respond to inquiries and execute transactions.

2. Cases assigned & resolved within Shared Services

Cases escalated to Tier 3 or outside of SSO

3. Subject matter expertise

Research and case management.

(Service Level example)

>70% of inquiries / requests for service should be resolved through self-service capabilities and first point of contact.

Faculty/Researchers

Deans/VPs

Business Officers

Staff

Students

Case Assignment Path
**The Customer Inquiry Flow defines the structure (i.e., process and technology) which determines how customers receive help.**

**Tier 0**
- Information on policies and job aides provided via the portal.
- Transactions provided by Enterprise Resource Planning (ERP) via Manager and Employee Self Service.

**Tier 1**
- Call support with the ability to redirect or escalate.
- Low complexity data transactions.
- Basic problem solving with Local Work Instructions (LWIs).
- Limited policy interpretation (i.e., no personalization).
- Activities that can be written down in a linear work instruction (e.g., support activities involving communicating processes and providing related forms/data).

**Tier 2**
- Activities that require specialized knowledge and decision making (e.g., triage an issue to direct to a vendor; calculate leave balance).
- Processes with compliance and control implications (e.g., I-9 processing).

**Tier 3**
- Decisions on exception requests.
- Resolution of referred questions and complex issues requiring expert or specialist advisory knowledge.

Having a consistent support model where the right channel and resource is used to resolve an issue or case is a key part of a positive customer experience.
Customer Inquiry Flow (3 of 4)

**Customer (Need and Contact Type)**
- UT Austin Customer has a SSO Inquiry
- Calls/ Emails/ Initiates Chat with Shared Services
- Listens to IVR prompts and routed to agent (if calling)
- Receives confirmation of request initiated (if emailing)

**Tier 1: Contact Center (CC) Agent**
- UT Austin
- CC agent opens new case and documents customer inquiry
- CC agent solves customer inquiry, ends the call, and marks case as resolved
- Yes
- Agent knows answer?
- Yes
-tier 2: Functional Towers
- Tier 2 agent solves customer inquiry or transfers to Tier 3 for resolution, responds to customer, and marks case as resolved
- No
- CC agent asks contact center team lead for help
- tier 3: Functional Tower Escalation
- Tier 3 agent solves customer inquiry, transfers back to Tier 2 for resolution
- tier 3 scope?
- Tier 3 agent directs customer about who to contact for an answer, transfers call if possible
- No
- Tier 2 scope?
- Tier 2 agent directs customer about who to contact for an answer, transfers call if possible
- No
- Tier 3 scope?
- Tier 2 agent asks contact center team lead for help
- tier 3 scope?
- Tier 3 agent solves customer inquiry, transfers back to Tier 2 for resolution
- tier 3 scope?
- Tier 3 agent directs customer about who to contact for an answer, transfers call if possible
- tier 3 scope?
- Tier 3 agent solves customer inquiry, transfers back to Tier 2 for resolution
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- Tier 3 agent directs customer about who to contact for an answer, transfers call if possible
- tier 3 scope?
- Tier 3 agent solves customer inquiry, transfers back to Tier 2 for resolution
- tier 3 scope?
**It is recommended that physical documents be imaged on the front end of the process, to reduce processes steps and promote compliance with records management policies.**

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**Document Imaging Team**

- Physical document arrives to Shared Services
- Prep and batch image documents
- 1st validation – ensures legibility
- 2nd validation – ensures correct capture
- Image uploaded to repository, paper destroyed, image becomes master document

**Tier 2: Functional Towers**

- Document sent to Tier 2 agent(s) for processing

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**Inclusion in ERP workflow recommended**

- Optimal efficiency and automation in document imaging can be achieved through the inclusion of document management in the electronic workflow of the ERP. Document management remains highly manual if not included in Shared Services and ERP process redesign.
- Still, some improvement in efficiency can be realized by re-structuring the sequence of activities that currently support document imaging.
The SSO will handle all inquiries related to the functions it provides, while the consolidated ‘Local’ CSU Admin department will handle inquiries for CSU-specific functions not in Shared Services.

What is the ‘Local’ CSU Admin?
• Currently, administrative effort is focused in Department Admin for most CSUs at UT Austin.
• In the future, much of the retained administrative functional effort related to shared services functions can be consolidated into one ‘Local’ Admin group that handles CSU-specific administrative issues directly in the CSU.
• UT Austin employees reach out to ‘Local’ CSU Admin for those services that are not in scope for Shared Services.
The functional service portfolios process transactions and provide services for each specific function on behalf of UT Austin Colleges, Schools, and Units (CSUs).

Functional Service Portfolio:

- **Human Resources (HR):** provides the capability to process selected in-scope HR transactions on behalf of CSUs.
  - Transactions and services within the following sub-processes are in scope for shared services: Candidate Pre-hire & Onboarding, Exit Management, Employee Data Changes, and Administration for Relocations, Leaves, Learning, Benefits, Recognition, Time and HR Analytics.

- **Finance & Procurement:** provides the capability to process selected in-scope finance and procurement transactions and services on behalf of CSUs.
  - Transactions and services within the following processes are in scope for shared services: General Accounting & Reporting, Fixed Asset Inventory, Accounts Receivable & Collections, Budgeting, Accounts Payable, Travel & Entertainment Reimbursements, Requisition to Order, and Payroll* on behalf of the CSUs.

- **Information Technology (IT):** provides the capability to provide selected in-scope IT services to CSUs.
  - The following services are in scope for shared services: End User Services, Software as a Service, Application Management, Platform as a Service, Infrastructure as a Service, Data Center, Network, and Voice.

Note: *Level 2 activities in the current Payroll function will be considered for Finance shared services. Activities will be reviewed and responsibilities defined in Design.*
The following are the definitions for the Human Resources Services in scope.

<table>
<thead>
<tr>
<th>Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate Pre-hire &amp; Onboarding</td>
<td>Administrative support for distributing and tracking completion of pre-hire and onboarding requirements for all new hires, excluding flat-fee workers; includes facilitating background checks, conducting orientation and verifying I-9s.</td>
</tr>
<tr>
<td>Exit Management</td>
<td>Coordination of the employee separation process for voluntary exits, Reductions in Force (RIFs) and Deaths in Service; includes calculating final payouts, notifying relevant entities, distributing exit package information and processing the final separation details in the HR system.</td>
</tr>
<tr>
<td>Relocation Administration</td>
<td>Support of the relocations process by initiating relocation services with vendors and managing vendor contact throughout the process.</td>
</tr>
<tr>
<td>Leave Administration</td>
<td>Administrative support for managing non-medical and medical leaves for employees; includes distributing leave information, calculating leave balances, and entering (medical) leave information in the HR system.</td>
</tr>
<tr>
<td>Employee Data Changes</td>
<td>Updating and maintaining employee records in the HR system; includes maintaining the personal (e.g., name, address), pay (e.g., direct deposit details), and organizational (e.g., job title, work location) data for employees.</td>
</tr>
<tr>
<td>Learning Administration</td>
<td>Administrative support for training; includes loading courses into learning solution, supporting course enrollment activities, and supporting course delivery (such as logistics and notifications).</td>
</tr>
<tr>
<td>Benefits Administration</td>
<td>Administrative support for benefits enrollment; includes verifying eligibility, processing off-cycle election changes and distributing targeted benefits-related communications and information.</td>
</tr>
<tr>
<td>Recognition Administration</td>
<td>The planning and administration of the President's Staff Awards, and ongoing maintenance of a central portal recognition program page (excluding faculty awards).</td>
</tr>
<tr>
<td>Time Administration</td>
<td>Administrative support for timekeeping; includes facilitating resolution of outstanding time approvals and performing timekeeping system administration.</td>
</tr>
<tr>
<td>HR Analytics Administration</td>
<td>Coordination of the development and generation of HR dashboards based on defined metrics and frequency.</td>
</tr>
</tbody>
</table>
**Finance & Procurement Definitions**

**The following are the definitions for the Finance & Procurement Services in scope.**

<table>
<thead>
<tr>
<th>Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Accounting &amp;</td>
<td>Includes managing interfaces and performing closing activities, as well as reconciliation of accounts and IDTs, and creating reports.</td>
</tr>
<tr>
<td>Reporting</td>
<td></td>
</tr>
<tr>
<td>Fixed Asset Inventory</td>
<td>Refers to maintaining fixed asset information and overseeing the overall tagging and physical inventory process performed by the CSUs. CSUs may opt in to SSO tagging and physical inventory services.</td>
</tr>
<tr>
<td>Accounts Receivable &amp;</td>
<td>Includes billing and payment receipt of CSU receivables and collection of delinquent accounts.</td>
</tr>
<tr>
<td>Collections</td>
<td></td>
</tr>
<tr>
<td>Budgeting</td>
<td>Refers to overseeing the budgeting process for the university. CSUs may opt in to SSO services around creating Budget Document and Commitment tracking.</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>Includes overseeing the payment process for invoices received by the university, including scanning and indexing of paper invoices, creating vouchers, 2 and 3 way match and follow up, and transaction review.</td>
</tr>
<tr>
<td>Travel &amp; Entertainment</td>
<td>Includes overseeing the payment process for reimbursements to university employees and others, including transaction review and exception handling.</td>
</tr>
<tr>
<td>Reimbursements</td>
<td></td>
</tr>
<tr>
<td>Requisition to Order</td>
<td>Includes purchasing for select commodities and amounts, as well as creating requisitions.</td>
</tr>
<tr>
<td>Payroll*</td>
<td>Refers to responsible on-cycle and off-cycle payroll processing; including activities for payments and collections, payroll accounting, paycheck administration, tax compliance and administration, and pay / tax reporting requirements.</td>
</tr>
</tbody>
</table>

Note: *Level 2 activities in the current Payroll function will be considered for Finance shared services. Activities will be reviewed and responsibilities defined in Design.*
The following are the definitions for the IT Services in scope for Shared Services.

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>End User Services</td>
<td>End user services (EUS) provide end-users with the necessary equipment and technical support to perform their duties and access UT Austin information resources.</td>
</tr>
<tr>
<td>Software as a Service</td>
<td>Software as a Service (SaaS) provides UT community members with managed applications that can be used to perform their day to day activities.</td>
</tr>
<tr>
<td>Application Management</td>
<td>Application Management provides the development, maintenance, patching, and upgrade of customer applications within the UT environment.</td>
</tr>
<tr>
<td>Platform as a Service</td>
<td>Platform as a service (PaaS) provides virtualized development and run time platforms in a private or public cloud setting including the underlying infrastructure services.</td>
</tr>
<tr>
<td>Infrastructure as a Service</td>
<td>Infrastructure as a Service (IaaS) provides physical (server, storage, backup) and/or virtual infrastructure (CPU, memory, storage, network) available on an as-needed basis.</td>
</tr>
<tr>
<td>Data Center</td>
<td>Data center services provide physical facilities and services (e.g., cooling) for servers and optional management and administration of physical servers.</td>
</tr>
<tr>
<td>Network</td>
<td>Network data services provide users with wired and wireless connectivity to resources and between facilities throughout campus and over the internet in accordance to policy.</td>
</tr>
<tr>
<td>Voice</td>
<td>Network voice services provide users with voice-related services on and beyond the campus by leveraging the network and voice infrastructure on campus.</td>
</tr>
</tbody>
</table>
Shared Services organizational charts provide a high-level view of the organizational model to be employed across Shared Services.

- The vision for the organization of Shared Services would be to have one SSO and all of the functions it serves aligned under a single leader.
  - One organization aligned under a single Dean/VP-Level unit is more efficient, but further analysis is needed to determine if it is strategically ideal for UT Austin.
- While a single SSO results in the highest possible benefit with least complexity, the proposed ‘future model’ may be more immediately feasible within the current UT Austin environment.
  - Central administrative functions sit within their current Dean/VP Level Unit.
  - One Shared Services Organization with a single leader for all functions (HR, Finance, Procurement, IT), with each function having dual reporting into the SSO as well as the central function.
  - One Contact Center for all functions within the SSO.
  - One Service Management / Customer Relationship Management Team for all functions within the SSO.
- Teams organized so as to develop and maintain CSU knowledge and functional expertise within Shared Services.
A new AVP of Shared Services, reporting to the CFO, oversees the new SSO for transaction processing for HR, Finance, and Procurement and is responsible for service delivery for IT.

This organization model adheres to the following design attributes:

1) Shared Services exists under a single organization led by a senior leader/AVP.
2) Transactions/Services Leads are accountable to the AVP of Shared Services for service delivery excellence and accountable to their corresponding AVPs (HR, Finance, Procurement, and IT) for compliance to policy and strategic direction.
3) Consultative HR functions (e.g. employee relations, organization effectiveness) will continue to reside in Central HR and report to the AVP of HR.
4) The AVP of HR maintains existing reporting relationship to the VP of Operations to continue support for non-transactional HR scope.
5) Governance framework will facilitate decision making across the organizational towers to achieve outcomes and ensure accountability.
Each functional service portfolio is organized according to its own rationale, while support functions can still be shared across all departments.

- **AVP of Shared Services**
  - **Admin**
  - **Service Management Lead**
    - Split into Customer Relationship Management and Service Operations and Support Teams
  - **Contact Center Lead**
    - Functionally organized
    - Operators ‘major’ in a function and ‘minor’ by CSU
  - **Finance Transactions Lead**
    - Functionally organized
    - Operators ‘major’ in a function and ‘minor’ by CSU
  - **Procurement Transactions Lead**
    - Organized according to commodity
    - Operators ‘major’ in a function and ‘minor’ by CSU
  - **IT Services Lead**
    - Organized according to Plan, Build Run
    - Operators specialize according to service
  - **HR Transactions Lead**
    - Functionally organized
    - Operators ‘major’ in a function and ‘minor’ by CSU

**Support Functions for Shared Services**

- Finance²
- HR²
- Procurement²
- IT Support²
- Supplier Management²
- Training
- Communications
- Facilities Management

Note: ²Support to all parts of the shared services organization provided by each functional service portfolio. ³To be provided all or partially within the Service Management Operations and Support Team.

Note: Organization Chart reflects high level structure. Not intended to convey actual number of roles across the SSO.
The contact center will be organized by inquiry function type, with each agent being trained to handle both priority and standard inquiries.

Features:

- Provides tailored service with CC agents deeply knowledgeable about each CSU.
- Allows for performance KPIs tailored by inquiry type and CSU.
- Payroll and HR may be co-located.

Note: Organization Chart reflects high level structure. Not intended to convey actual number of roles across the SSO.
Service Management provides the support the SSO needs to drive high operational performance.

Features:

- Customer Relationship Managers focus on the quality of service and needs of the CSU customer groups.
- Service Center Operations Analysts track, monitor, and report on operational metrics of the Shared Services Organization (e.g. SLAs, KPIs) and its employees and maintain the service catalog.
- Quality Specialist identifies and integrates areas for operational or technical improvement.
- Communications Specialist focuses on internal communication within and to the Shared Services Organization as well as communication to CSU customer groups.
- Knowledge & Training Specialist helps to develop and deliver training content specific to the in scope business processes and manages knowledge within the organization.

Note: Organization Chart reflects high level structure. Not intended to convey actual number of roles across the SSO.
HR will be organized functionally.

Features:
- HR Shared Services specialists have deep functional expertise.
- Some specialist teams, such as Leave and Exits will have expertise by customer (e.g. faculty, staff).
- HR Analytics will provide service outside of the SSO to the CSUs.

Note: Organization Chart reflects high level structure. Not intended to convey actual number of roles across the SSO.
Finance will be organized functionally.

Features:

- Shared Services develops and maintains deep functional expertise.
- Each Specialist will ‘major’ in their function and ‘minor’ in a CSU customer group.

Note: *Level 2 activities in the current Payroll function will be considered for Finance shared services. Activities will be reviewed and responsibilities defined in Design. Note: Organization Chart reflects high level structure. Not intended to convey actual number of roles across the SSO.
Procure to Pay will be organized functionally in the Accounts Payable team and by commodity in procurement.

**Features:**
- Shared Services develops and maintains deep functional expertise.
- Each Specialist will ‘major’ in their function and ‘minor’ in a CSU customer group.
- Procurement will be organized by commodity buying groups so as to improve purchasing power.

Note: *Level 2 activities in the current Payroll function will be considered for Finance shared services. Activities will be reviewed and responsibilities defined in Design. Note: Organization Chart reflects high level structure. Not intended to convey actual number of roles across the SSO.*
The proposed IT SSO organization structure combines service orientation with process orientation.

- **Service Orientation** is established through the Service Manager:
  - Ensures the service delivery within the respective SLEs.
  - Drives down the service cost.
- **Process Orientation** is established through the service lifecycles and the underlying support capabilities (Plan – Build – Run):
  - Organizational units are formed around the service lifecycle.
  - Teams within the Build and Run functions can be further separated by either:
    - Business domains
    - Services
    - Technical Domains
  - Support capabilities are only executed in their respective functional domains.
Customer Interaction Flow

The customer is typically interacting with the customer facing organizational entities – Relationship Management and Contact Center.

Customer Oriented
- Create customer intimacy.
- Develop customer trust.
- Develop customer relationships.
- Establish and preserve customer specific knowledge.

Service Oriented
- Ensure services fulfill customer needs and expected service levels and contracts.
- Ensure efficient and consistent service delivery.
- Coordinate plan, build, run for services.

Process Oriented
- Execute processes and procedures to consistently resolve customer issues in a timely and effective manner.

Organizational Considerations
Need, Request, Issue, and Response Flow

Relationship Management
Service Manager
Plan
Build
Run
Contact Center
CSU
**Shared Services will be a customer itself, providing support functions (e.g. finance billing) and also leveraging existing redundant university-wide services (e.g. facilities).**

**Support Functions for Shared Services**

- Finance
- HR
- Procurement
- IT Support
- Supplier Management
- Training
- External Communications
- Internal Communications
- Facilities Management

**Features:**

- Shared services becomes its own customer to help support itself.
- Shared services builds in new support functions where required into the Services Management Team.
- Effectively leverages existing university support structures.

**For example:**

- Finance Shared Services provides billing services to the IT functional tower and the HR functional tower just as it does to any other customer.
- Training
- Facilities management handles building maintenance issues for the Shared Services Organization.
We recommend that the administrative effort retained in the Colleges, Schools, and Units (CSUs) be consolidated under a CSU administration group to promote consistent, high quality service and achieve greater efficiency.

**Shifting Roles driving the Organizational Change**

- Day-to-day transaction-specific issues are processed through workflow and the contact center.
- Ongoing issues escalated to the CSU business officer will be handled by the assigned customer relationship manager in the SSO.
- Both the department administrators and the CSU administrators will interact with self-service capabilities, the SSO and central functions.
- Retained department administrators will provide local level departmental support.
A clearly-defined and well-implemented chargeback approach is needed to incentivize participation and and recover operating costs.

- **An effective chargeback approach**
  - Simple, flexible, visible, transparent, objective based on costs to serve.
  - Incentivizes an outcome that is good for UT Austin as a whole.

- **A ‘common good’ model is recommended**
  - Each CSU incurs a cost for Shared Services based on a defined allocation and scope of service.
  - CSUs are not mandated to participate in Shared Services, but are mandated to pay the fee.
An Effective Chargeback Approach:

- Drives behavior across CSUs towards joint responsibility in achieving university-wide goals.
- Aligns with Partnership Agreements.
- Is simple, measurable, and pragmatic.
- Is flexible to adapt to any changes in business.
- Is visible so all cost elements are understood.
- Is fair to all parties involved.
- Represents the actual and known cost of services.

The chargeback model typically plans for a 2-3 year transition plan as shared services ramps up and data about actual cost of services is collected.

The chargeback model will be developed during the design phase as the necessary inputs are defined and the costs to provide shared services are better understood.
The current costing methodology encourages CSU-level cost optimization rather than university-level savings.

Current Methodology:
Costs for services are recovered through a common good tax and service center rates.

Observations of the Current Method in Practice:
- Common goods are perceived as a tax with **unclear link to quantity and quality** of services.
- Service **costing is calculated manually** with high level of effort.
- **Central services are perceived as being more costly** by academic units (e.g., academic units do not consider fringe benefits as a cost when providing services since it is paid centrally).
- **Focusing solely on cost recovery does not incentivize CSUs to utilize a service** if they believe they can provide the service internally at a lower rate despite the actual cost to the university being greater.
A new chargeback approach must be developed once the cost to serve is understood.

- The cost to serve must be calculated before a chargeback model can be defined.
- Fixed costs and variable costs must be differentiated and understood.
- A chargeback approach focused solely on cost recovery will optimize CSU-level spend at the expense of university-wide savings.
- A chargeback approach focused on driving the desired behavior will ensure that the right incentives are in place to encourage CSU participation in shared services, maximizing university-wide savings.
- A chargeback approach focused on driving desired behavior is recommended.
A ‘common good’ chargeback approach is recommended which to encourage College, School, and Unit (CSU) participation and maximize university-wide savings. Additional usage based fees may apply for specific services.

Proposed Chargeback and Funding

Full Service Cost is Funded by CSU
- Mission Unique services retained by the CSUs will continue to be funded by the CSUs.

Usage Based Funding
- Fee for Service items are variable and based on actual usage by the CSU.

Collective Funding by all CSUs
- Common Good Services are provided to CSUs.
- Budget will be transferred from the CSU to the SSO for the portion of their contribution regardless whether the CSU elects to participate.
Next Steps

The next steps are for the university to decide on its organizational model and to start the discussion in the dialogue phase.

Next Steps:

- Organization size will be further defined as part of the revised business case.
- UT Austin is to decide whether or not to move Shared Services and all of the functions it serves under one VP/Dean Unit.
- Convey summary of the organizational design principles through the campus dialogue.
- Evaluate SSO scope to understand and accurately define the true cost to serve.
- Define roles, responsibilities, and job descriptions for jobs within Shared Services.
- Build out the service catalog and define KPIs and corresponding service levels for the SSO.
- Socialize the chargeback model development approach during campus dialogue phase and develop the detailed model once cost to serve is understood.