HUMAN RESOURCES / PAYROLL MODERNIZATION PROGRAM

SENATE COMMITTEE ON PLANNING & BUDGETING

JANUARY 25, 2016
Background and Context

The Human Resources/Payroll Modernization (HRPM) program is the largest administrative transformation effort ever undertaken at the University. It is a major, multi-year initiative to replace the University’s 33-year-old legacy payroll system with a modern, integrated HR/Payroll system; this is essential to support the UW’s large and diverse workforce. The Board of Regents approved the program in February 2014, and the University selected the Workday solution as its new system. The new system will transform the University’s HR and payroll operations, significantly improve compliance, reduce risk, provide better data for decision making, and increase efficiencies across the institution. This project is the first step in a larger strategy to modernize the University’s aging administrative infrastructure.

In March 2015, the project Executive Sponsors reached a major decision not to move forward with initial plans to implement a biweekly pay cycle as part of the system implementation. This move was necessary because of the many complexities of the UW’s pay practices, along with difficulties in reporting employee compensation on a monthly basis to the state of Washington. The change resulted in a six-month delay in the launch of the new Workday system.

Leadership Changes

With the retirement of Senior Vice President V’Ella Warren at the end of July, Kelli Trosvig, Vice President for UW Information Technology (UW-IT) and CIO, became the project’s new Lead Executive Sponsor. The project also welcomed three new Executive Sponsors: Paul Jenny, Senior Vice President for UW Planning & Management and Lead Executive Sponsor on the Finance Business Transformation project; Dave Anderson, Executive Director for the Health Sciences Administration and Associate Professor, Department of Comparative Medicine, also with a reporting relationship to Finance & Facilities; and Ruth Mahan, Chief Business Officer, UW Medicine and Vice President for Medical Affairs in UW Medicine, replacing Lori Mitchell, Chief Financial Officer, UW Medicine (retired). In addition, the Executive Sponsors team includes Cheryl Cameron, Vice Provost for Academic Personnel and Mindy Kornberg, Vice President, Human Resources.

The program also has a new Executive Program Director, Aubrey Fulmer, who stepped into this role in November 2015. Aubrey has an extensive background directing the implementation and ongoing operational support of Human Resources, Benefits and Payroll systems, including leading a successful on-time, on-budget implementation of Workday’s Human Capital Management/Payroll suite at the University of Chicago.
As part of the leadership transition, an evaluation of the project was conducted by an external consultant. The findings revealed several significant challenges, including lack of visibility across the seven interrelated projects crucial for go-live (Human Resources Information Systems, HR/P Modernization, HR/P Intersections, Academic Personnel, Medical Centers, School of Medicine and the Operating Model), inadequate coordination between those projects, and insufficient resourcing across the overall effort. As a result, it was determined that the projects were not making sufficient progress toward a June 2016 go-live, and the project status was moved to red.

**Unifying Projects into a Program**

To provide better coordination across all related Human Resources/Payroll projects, HR/Payroll Modernization is now operating as a program. The program provides a unified approach to the HR/Payroll Modernization effort, bringing together all of the related projects, including Human Resources Information Systems, HR/P Modernization, HR/P Intersections, Academic Personnel, UW Medicine, School of Medicine, as well as important stakeholder groups.

An essential part of this new structure is the establishment of a centralized Program Management Office (PMO) that enables both technology and people-readiness through coordinated leadership over all of the projects. With the projects united under the PMO leadership, the new structure provides better oversight across all aspects of the program, as well as better transparency and accountability. The program uses a single set of performance metrics across all projects to continually monitor status, risks and issues.

To ensure appropriate support for the program, significant resources have been deployed from other University units, including UW Information Technology and UW Organizational Excellence. These resources were strategically selected to support key areas of the program, including Project Management, Integrated Change Management, Instructional Design, and Operations Support.

**Investing in Change Management**

To support the transition to the new Workday system, the program’s Integrated Change Management effort is focused on a people-first approach that is designed to help UW units work effectively with the new system and business processes. The Integrated Change Management team has assigned Change Managers to guide academic and administrative units through a seven-step process to ensure readiness across the University.

The Change Manager, working with an Instructional Designer and an Operations Support Manager, serves as the liaison between the units and the HR/P Modernization program. These teams focus on supporting academic and administrative units as they engage in the seven-step process. Their role is to optimize the capacity for change across the University, and to support units in maximizing the potential of the new Workday system.
The seven-step process was designed using best practices in the Change Management field, and includes gathering information, analyzing the current state, testing new processes from end-to-end, implementing new processes, and assessing the effectiveness of this approach.

**Enhanced Support Center**

To provide support to the UW community once the HR/P Workday system goes live, the University will create a new HR/P Enhanced Support Center (ESC) composed of staff from Academic Human Resources, Human Resources, and Payroll. The ESC will be part of the Transforming Administration Program (TAP), which focuses on efficiency and effectiveness at the UW. The support center will provide continuity across these vital HR/Payroll processes, a single point of contact for most inquiries, a unified approach to support and training, and the development of a comprehensive knowledge base that will expand the level of accurate information accessible to all.

The team responsible for this TAP initiative will be led by Ruth Johnston, Associate Vice President & Chief of Staff for Planning & Management, and sponsored by President Ana Mari Cauce, Interim Provost Jerry Baldasty, and Vice President for UW-IT and CIO Kelli Trosvig. It will be advised by a small team of senior administrators and staff, including Dave Eaton, Dean and Vice Provost, Graduate School and Professor, Environmental and Occupational Health Sciences; Lisa Graumlich, Dean, College of the Environment, and Virginia and Prentice Bloedel Professor; Dave Anderson, Executive Director for the Health Sciences Administration and Associate Professor, Department of Comparative Medicine; Heidi Tilghman, Manager, College of Arts and Sciences Shared Services and Affiliate Assistant Professor, Germanics; and Curtis Colvin, Director, Medical Centers Staff Services. The team will host a series of meetings this winter with key constituencies to gather feedback on initial ideas for services and processes within the ESC. They will then make revisions and recommendations to the sponsors based on feedback. Once the ESC is operational, it will report within the HRPM Program.

**Current Status**

Since moving the HR/P related projects into a single program five months ago, the program team has developed a clearer understanding of program interdependencies and work yet to be completed. Gaining a holistic view of the program uncovered significant issues and crucial work that was not completed prior to designing the system; these issues will impact the ability of the new HR/P Workday system to meet campus needs.

The program is currently conducting a careful evaluation, assessing work priorities, timelines, and options going forward; the full impact will not be known until the conclusion of the assessment.

**Moving Forward – Building a Cohesive Design**

After completion of this evaluation, campus leaders will be involved in developing an action plan for the University as a whole, as well as for each unit. This plan will include a clear understanding of the impacts on the program timeline, budget, and staffing.
To resolve the outstanding issues, the new plan will also include a Building a Cohesive Design phase. This phase will occur at the program level, validates the integrity of the design, ensures that the Workday business processes, security configurations, and integrations meet the needs of the University, and allows unfinished work to be completed before moving forward with further testing.

**A New Approach to Administrative Technologies**

Workday represents the first Software as a Service (SaaS) program of this scale that the University has undertaken for its core administrative business systems. Under the SaaS model, software is licensed and hosted by a third-party, and capabilities and functionalities are typically added with each release. This model is more cost effective, but the delivery of functionality occurs over time. In addition, customization is limited in order to ensure a cost-effective implementation.

When Workday goes live at the University, the system will start with core functionality, and enhancements will be added every six months, continually unlocking new capabilities. The system requires more standardization of business processes across the University, and the continual need to improve these processes with each software release. The benefit of this model is that functionality is continually updated by the third-party vendor throughout the life-cycle of the system.

By creating a framework for change and technology implementation now, the University is laying the foundation for future administrative modernization efforts. This first implementation of a SaaS program creates a framework for continuous improvement that will enable the University to successfully integrate new technology in the future.

**Transforming How the UW Does Business**

The HR/P Modernization program is the largest single administrative initiative ever undertaken at the University, and is the UW’s highest administrative priority. It will increase efficiencies across the institution, improve reporting and compliance, provide better data for decision making, and transform the way the University does business. To enable the Workday system, the University is working to streamline and modernize HR and Payroll processes. This program marks a major step in a larger effort to transform the UW’s administrative infrastructure to better support the University into the future, and the Executive Sponsors are committed to taking any necessary steps to ensure a successful launch of the new Workday system.