IT STRATEGY BOARD
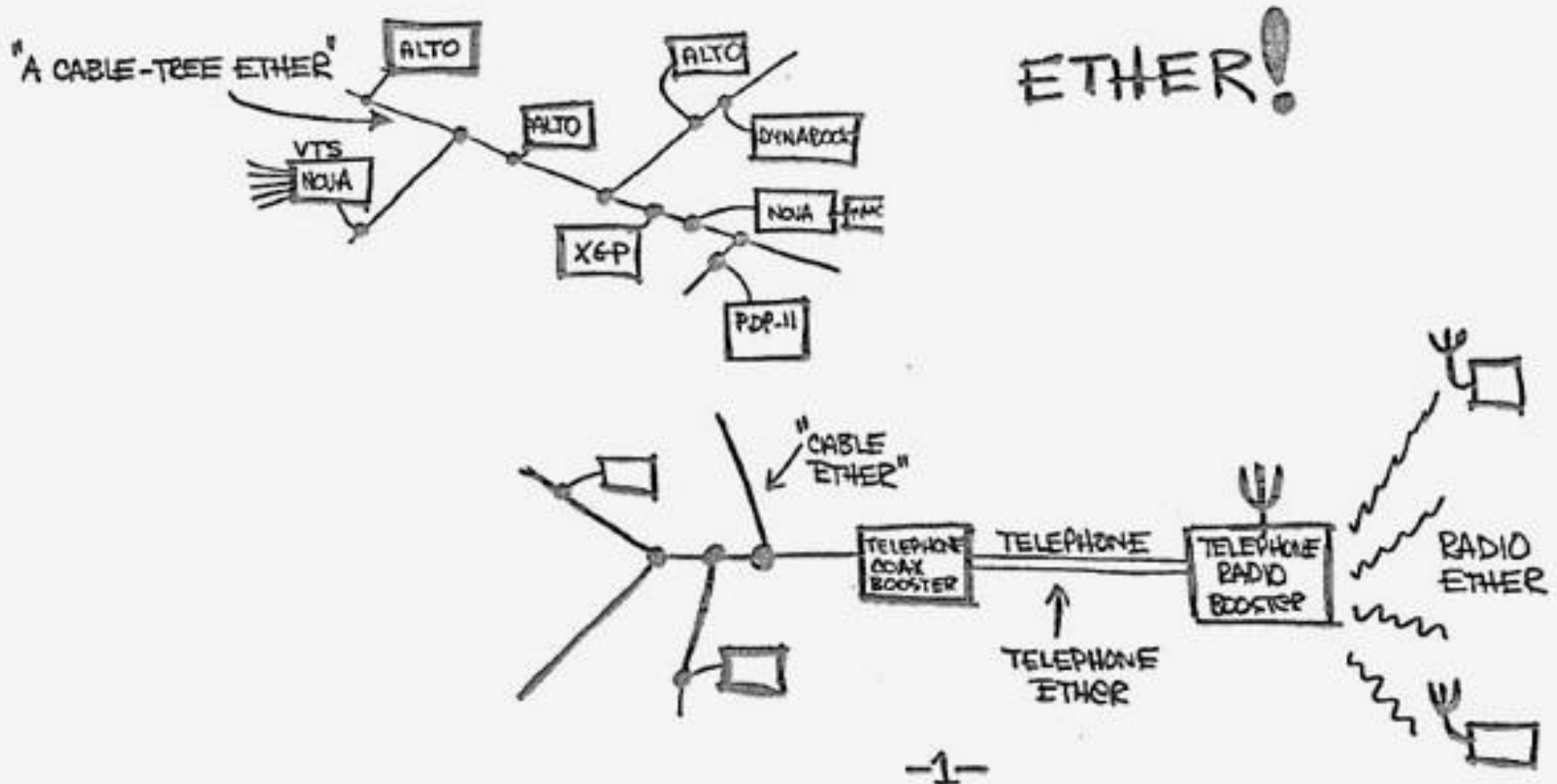
February 17, 2015

AGENDA

> Call to Order

> Network Infrastructure 20/20 Vision

> UW-IT Service Portfolio Expenditures and Strategic Allocation

> Finance Systems Strategy and Readiness

> IT Project Portfolio Executive Review

> Wrap up

NET WORK INFRA STRUCT URE FCZ

20/20 VISION

INFORMATION TECHNOLOGY

UNIVERSITY of WASHINGTON

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ETHER!

"A CABLE-TREE ETHER"

ALTO
ALTO
ALTO
DYNABOOK
VTS
NOVA
NOVA
XGP
PDP-11

"CABLE ETHER"

TELEPHONE COAX BOOSTER
TELEPHONE
TELEPHONE RADIO BOOSTER
RADIO ETHER

TELEPHONE ETHER

–1–

XEROX
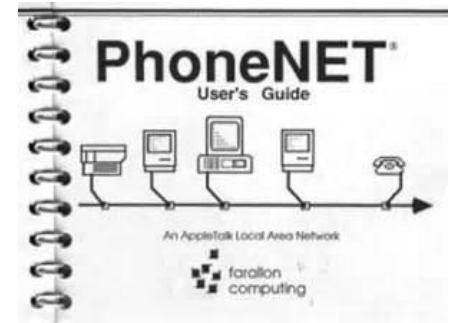
Networks are changing
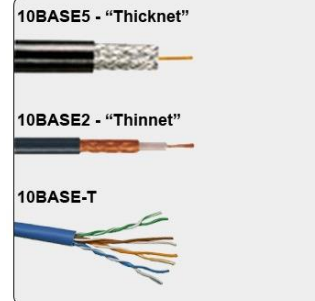
Usage is changing
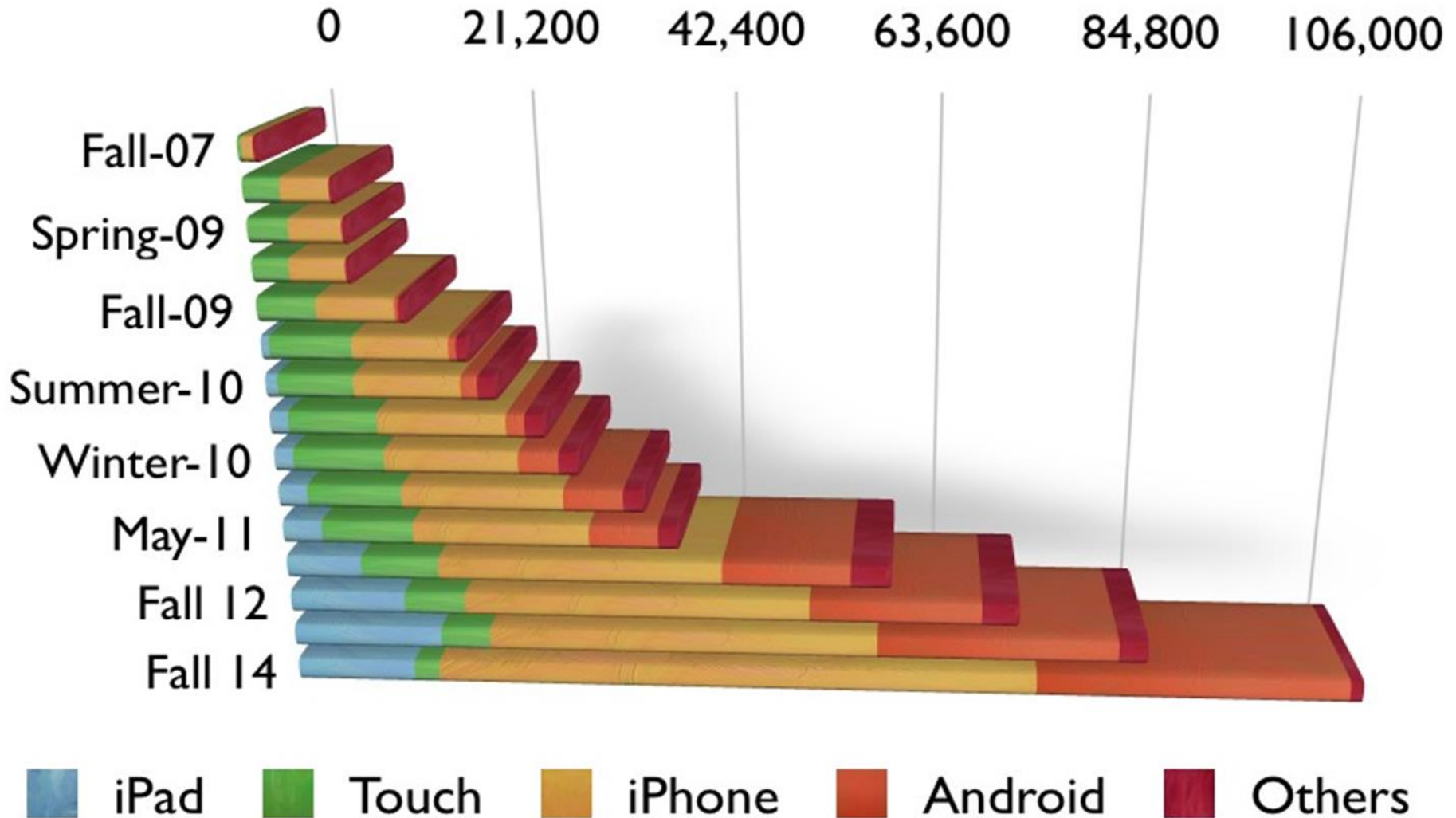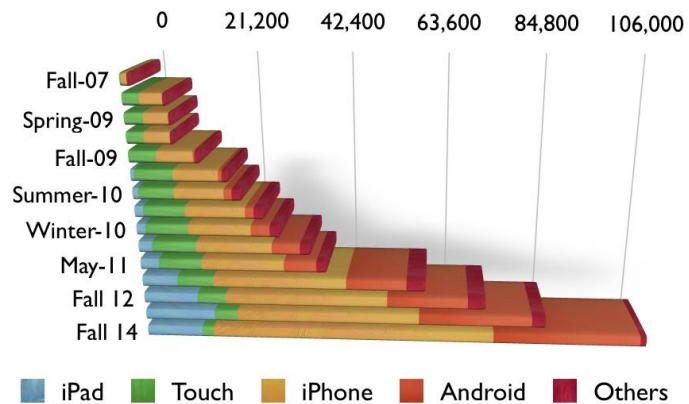
Usage is changing

Usage is changing
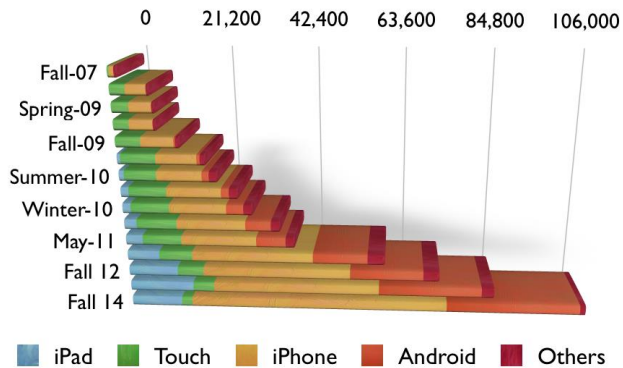
Buildings...   not so much

Circa 1895 to 2015

What about the next 10+ years?

Key Trends

> Network Convergence

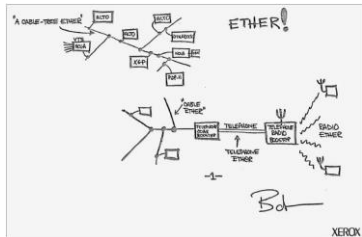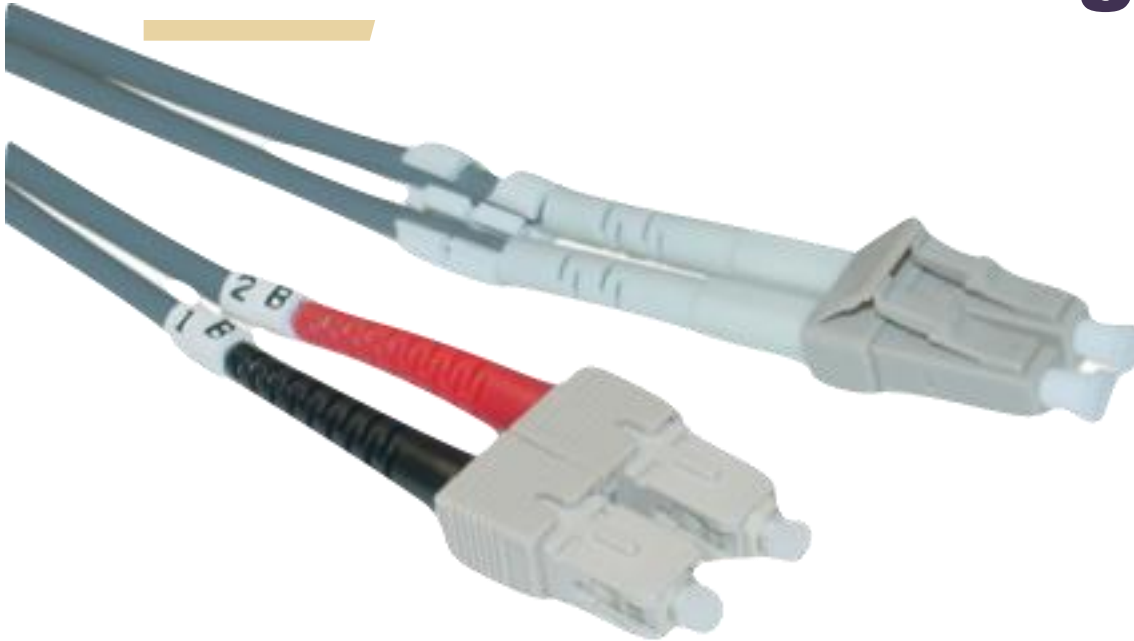— Reduces network infrastructure
— Increase reliance on infrastructure
— VoIP = Interruptible Power Supply (UPS) in closets
— Others ????

> Virtualization

— Network Virtualization
— Server/Data Center Virtualization
— Network Function Virtualization (NFV)
— Software Defined Networks (SDN)

High Speed Internet

Lighting

Wireless Access
WI-FI

Energy

Utility Management

Digital Signage

Voice & Cellular

HVAC

Audio & Video Conferencting

Video Surveilance

Visitor Management

Access

W
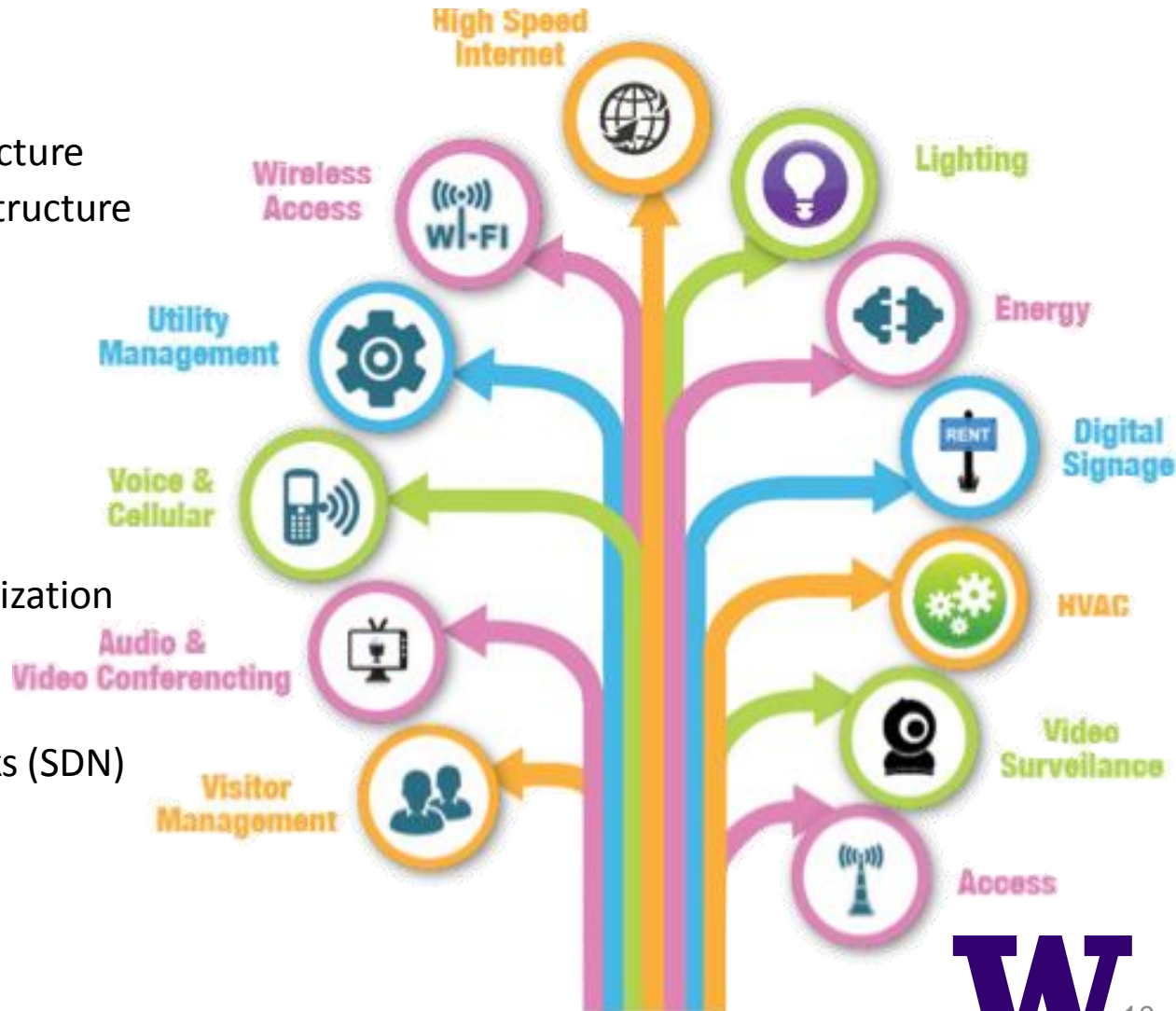
What about the next 10+ years?

Futures

> Investigate and evaluate the BIG leaps

— Gigabit Passive Optical Network (GPON)

— Software Defined Networking (SDN)

— Personal wireless

— Others ?

> Establish the new infrastructure baselines

— Fiber – How much? What type? Where?

— Copper – Cat 6? Cat7? Cat8?

— Wireless – Cellular, Wi-Fi, Bluetooth?

Plans and Partnerships

> Campus Partners

— Capitol Projects Office
— UW Real Estate
— Campus Architect
— Housing & Food Services
— Computer Science & Engineering
— Arts & Sciences

> Plans & Goals

— Reduce long-term operations and maintenance costs
— Provide solid infrastructure to meet future demands
— Consult partners, peers, thought leaders
— Estimated year duration
— Deliverables: Recommendations and standards

Questions?

David Morton Director

Mobile Communications

dmorton@uw.edu

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UW-IT Service Portfolio Expenditures and Strategic Allocation

Service Portfolio

> Seven strategic categories

> Tied to strategic goals

> IT Strategy Board balances the investment and spend allocation across the Service Portfolio

> IT Service Investment Board prioritizes investment within Service Categories, based on the allocation profile

Service Categories

> Teaching and Learning

> Research

> Administration/Information

> Infrastructure

> Collaboration (cross-cutting)

> Enterprise Risk (cross-cutting)

> IT Management (organizational overhead)

Service Portfolio Expenditures* - FY15†

Service Category	Run	Invest	Total
Teaching & Learning	$6.4M	$0.5M	$7.0M
Research	$5.8M	$0.3M	$6.1M
Administration	$16.5M	$4.9M	$21.4M
Infrastructure	$19.2M	$1.7M	$20.8M
Collaboration	$3.9M	$0.6M	$4.6M
Enterprise Risk	$2.8M	$0.2M	$3.0M
IT Management	$1.4M	$1.2M	$2.5M
Total Labor	**$55.9**	**$9.4M**	**$65.3M**

*Labor only

†Expenditures from first half year, annualized. Includes ORIS Support

UW Service Portfolio
Expenditures & Strategic Allocation* - FY15†

UW-IT Service Portfolio
Expenditures & Strategic Allocation* - FY15[†]

Legend:
- Investment
- Run Cost

Investment Pct within Service Category

Chart bars (Investment Pct within Service Category):
- TEACHING & LEARNING: 8%
- RESEARCH: 53%
- ADMIN BUSINESS SERVICES: 23%
- INFRASTRUCTURE (INCL. DATACENTER, NETWORKS): 8%
- COLLABORATION TOOLS: 14%
- ENTERPRISE RISK: 8%
- IT MANAGEMENT: 46%

	TEACHING & LEARNING	RESEARCH	ADMIN BUSINESS SERVICES	INFRASTRUCTURE (INCL. DATACENTER, NETWORKS)	COLLABORATION TOOLS	ENTERPRISE RISK	IT MANAGEMENT
Category Spend	12%	1%	36%	35%	8%	5%	4%
Investment Allocation	6%	3%	52%	17%	7%	3%	12%

[†]Expenditures from first half of year, annualized, *UW-IT only*   *Labor only

UW Service Portfolio
Investment Allocation* - FY15†

TEACHING & LEARNING	6%
RESEARCH	3%
ADMIN BUSINESS SERVICES	52%
INFRASTRUCTURE (INCL. DATACENTER, NETWORKS)	17%
COLLABORATION TOOLS	7%
ENTERPRISE RISK	3%
IT MANAGEMENT	12%

†Expenditures from first half of year, annualized

*Labor only

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UW Service Portfolio
Category Expenditures* - FY15†

Category	Percentage
TEACHING & LEARNING	11%
RESEARCH	9%
ADMIN BUSINESS SERVICES	33%
INFRASTRUCTURE (INCL. DATACENTER, NETWORKS)	32%
COLLABORATION TOOLS	7%
ENTERPRISE RISK	5%
IT MANAGEMENT	4%
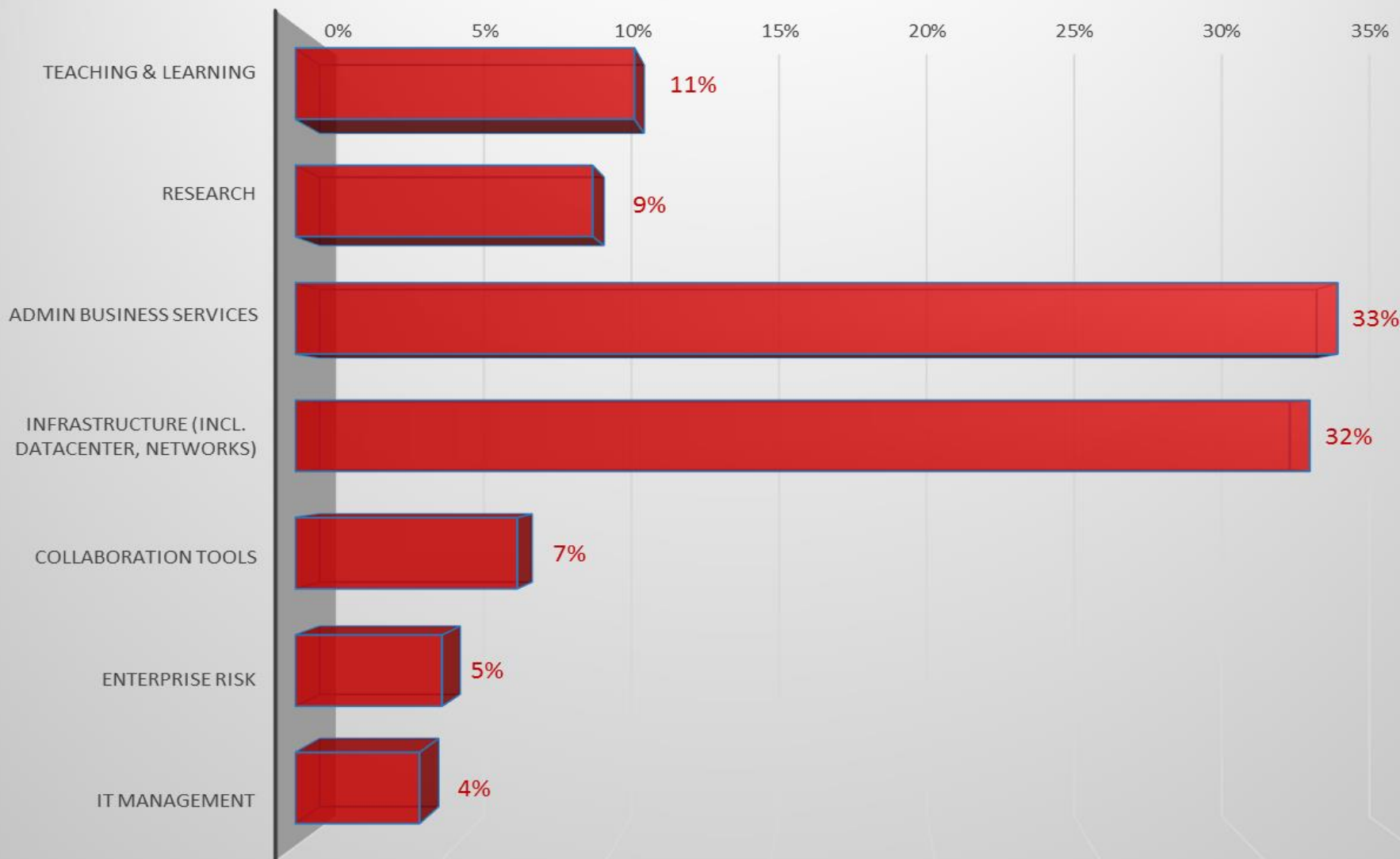
†Expenditures from first half of year, annualized

*Labor only

Research Investments

> FY14

— ORIS: Research Portal (eIRB, eIACUC, MyReseach Training, Status Tracking)

— 40Gb Campus Backbone

— Azure

— Backup and archive service (*proposed and deferred)*

— Big Data in Hyak (*proposed and deferred)*

> FY15

— ORIS: Research Portal (eIRB, eIACUC, Federal Reporting, Portal.1)

— Storage, etc. for research (Open Science Grid, common tools, documentation)

— 40Gb Campus Network: completion

> FY16 *(Proposed)*

— Engage with eScience incubator efforts

— Big Data Web services for researchers

— Harnessing idle computers worldwide for science

— NextGen Hyak: initial development

QUESTIONS AND DISCUSSION

Finance Systems Strategy and Readiness

Administrative Systems Modernization

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20

HR/Payroll
- Business process redesign
- Replace legacy systems
- Additional functionality

Finance *
- Procure to Pay
- HR/P - finance intersections
- Options analysis
- Business process redesign
- Replace legacy systems
- Additional functionality

Student
- MyPlan / Student self svc
- Curriculum Management
- Options Analysis
- Business process redesign
- Student - finance intersections
- Replace legacy systems

Enterprise Info Mgmt
- EDMS
- Enterprise integration
- EDW / BI build-out

Legend:
- Significant implementation effort
- Incremental modernization
- Project start up

(Ongoing maintenance and production support not represented)

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Meeting biennium dates are critical to project success

Governance Structure

SPONSOR WORKING GROUP

> **Paul Jenny, Senior Vice President, Planning and Management**
> **Ruth Mahan, Chief Business Officer, UW Medicine & VPMA UW**
> **Kelli Trosvig, Vice President for UW-IT and CIO**
> **V'Ella Warren, Senior Vice President, Finance and Facilities**

ADVISORS TO WORKING GROUP

> **Ann Anderson, Associate Vice President and Controller**
> **Susan Camber, Associate Vice President, Financial Management**
> **Mary Fran Joseph, Associate Dean for Administration & Finance, SOM**
> **Aaron Powell, Associate Vice President for Information Management**
> **Gary Quarfoth, Associate Vice President, Planning and Management**
> **Sarah Hall, Assistant Vice Provost, Office of Planning and Budgeting**

PROJECT DELIVERABLE REVIEW TEAM

> **Ann Anderson, Associate Vice President and Controller**
> **Bill Ferris, Chief Financial Officer, UW-IT**
> **Sarah Hall, Assistant Vice Provost, Office of Planning and Budgeting**
> **Barbara Wingerson, Executive Director, Finance and Administration, F2**

PROJECT TEAM

> **Jeanne Marie Isola, Director, Finance, UW-IT**
> **Kim Jaehne, Executive Assistant, UW-IT**
> **Melissa Bravo, Project Manager, UW-IT**
> **Jenn Dickey, Senior Project Lead, UW-IT**
> **Lee Olson, Business Analyst**

Guiding Principles

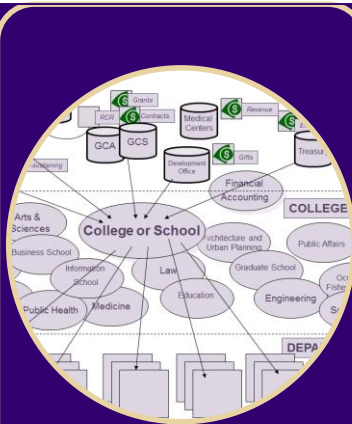|	
Guiding Principle: Enterprise System	All University of Washington units will utilize the new Finance ERP system which will deliver best practice and **standard ERP capabilities and work processes**.
Guiding Principle: Business Processes	The University of Washington will utilize functionality to **achieve business process consistency** across the organization.
Guiding Principle: Sourcing	The University of Washington will adopt an approach of **outsourcing the applications** hosting, management and support for its Finance ERP applications **via third party Saas solution(s)**.
Guiding Principle: Information/ Data	The University of Washington will **standardize financial data definitions and values** across the institution for financial and consolidated reporting.
Guiding Principle: Risk	The University of Washington will apply a risk mitigation strategy that includes **clearly defined entry and exit criteria for each project phase to reduce risk**.

Future State

| Flexible financial reporting/ analysis tools | Reduce side systems and creative use of project cost accounting | Standard financial policies, processes, procedures; utilizing ERP system | Centralized leadership and ongoing oversight to govern/ administer new system | Significant organizational changes |

Significant organizational changes

- staffing and skillsets,
  - transparency of financial data and
- changes in data & summary rules impact leadership reports

Finance Systems Strategy and Readiness

Goals and Objectives

Engage Gartner Inc. as objective, vendor-neutral 3rd party
Preliminary, high level assessment of institutional readiness for the Finance Modernization effort
Inform how and when to proceed with the Modernization effort
Assess technologies UW has chosen for Student and HR/P administrative systems: Kuali and Workday
Leverage FSNA work, minimize campus impact
Develop business case that reflects fit/gap, total cost of ownership, and roadmaps for each option

Gartner Processes Included in Scope

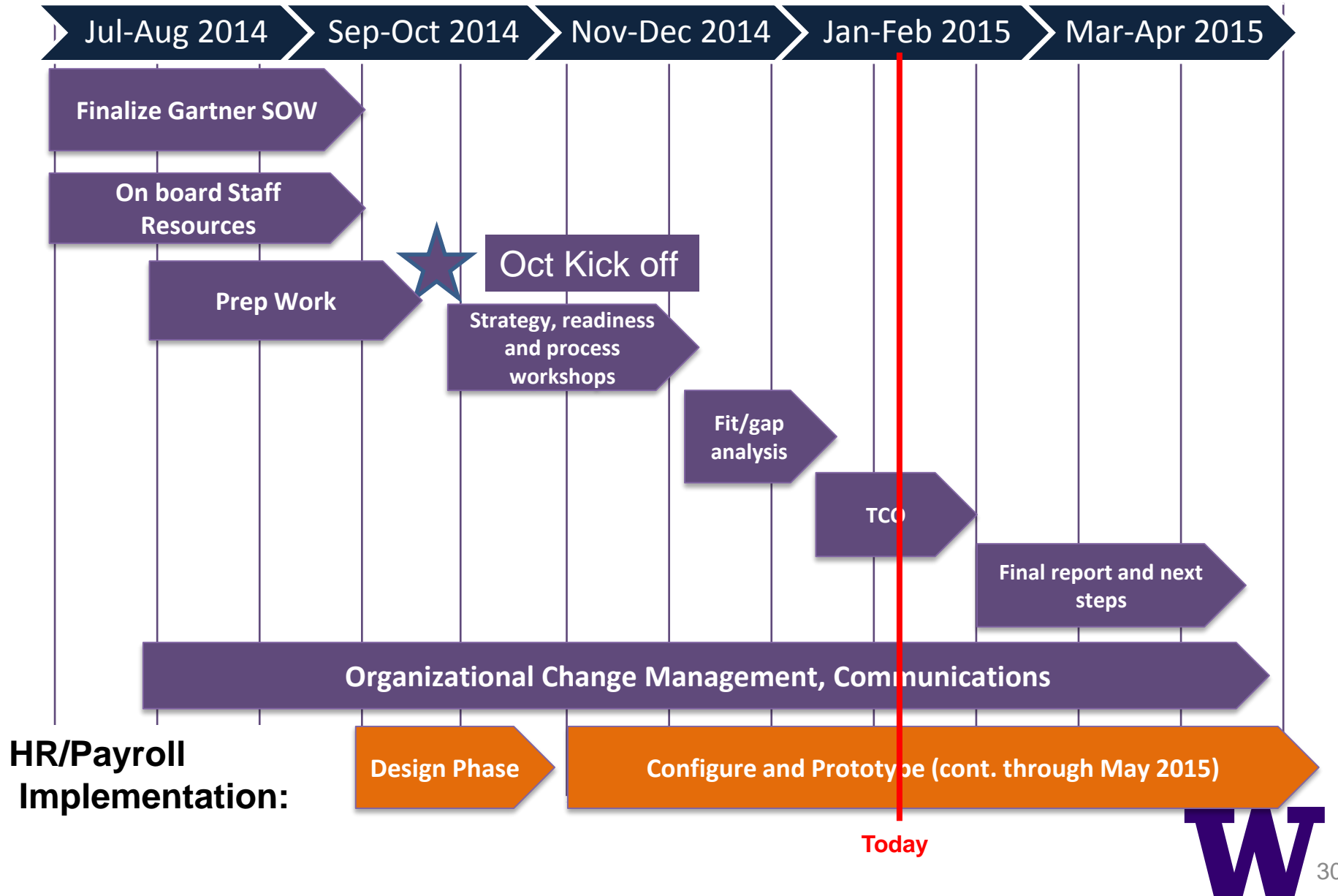|	
Record-to-Report Processes	General Accounting/General Ledger
	Treasury & Cash Management
	Budgeting & Financial Planning
	Asset Management
	Project Accounting
	Grants Management
Order-to-Cash Processes	Internal Billing
	Receivables & Cashiering
Procure-to-Pay Processes	Purchasing & Payables
	Expenses
Technology	Solution Applications & Technology Architecture

Finance System Strategy and Readiness Timeline

| Jul-Aug 2014 | Sep-Oct 2014 | Nov-Dec 2014 | Jan-Feb 2015 | Mar-Apr 2015 |

Finalize Gartner SOW

On board Staff Resources

Prep Work

Oct Kick off

Strategy, readiness and process workshops

Fit/gap analysis

TCO

Final report and next steps

Organizational Change Management, Communications

HR/Payroll Implementation:

Design Phase

Configure and Prototype (cont. through May 2015)

Today

Preliminary Outcomes

> UW financial systems are the most fragmented and decentralized Gartner experts have seen

> Side systems, data re-entry and reconciliation creating huge overhead

> Focus on Business Process Transformation; prepare UW for magnitude of change required to standardize and centralize cross organizational processes

> Process standardization and modern system functionality will "unlock" talent for more strategic work

Keys to Program Success

Management commitment to execute and realize the business case

Key sponsor and stakeholder buy-in and timely decision making throughout project

Institutional leadership support to make sure decisions "stick"

Appropriately respond to community resistance without derailing the program

Strong program management; unified project team; unified management structure

Obtain funding on a timely basis

Keys to Program Success

Contract with vendors on a timely basis; SOWs and terms focus on shared outcomes

Engage a qualified systems integrator

Quickly recruit, hire and onboard on a timely basis

Schools collaborate on the solution

Effective coordination and collaboration with HR/Payroll project

Upcoming Deliverables

(Kuali and Workday Financials)

> Readiness assessment

> Business case

> High level total cost of ownership

> Roadmap for each solution

Immediate Next Steps

> Define program governance

> Select system

> Initiate initial funding request

QUESTIONS AND DISCUSSION

Appendices

> Strategic and business drivers

> Current state findings

UW Strategic and Business Drivers

Address continued growth and complexity

Respond to increased competition

Transform due to increased market pressures

Mitigate operational risks

Achieve operational efficiencies

Provide foundation for transformation

Strengthen decision making capabilities

UW Finance System and Project Risks

Organizational

- Current system(s) and processes impede ability to address growth, competition, and transformation
- Organizational change "fatigue" as result of other initiatives (e.g., HR/Payroll)
- Overly complex governance and stakeholder buy-in processes may impede/derail progress
- Prerequisite policy changes to be negotiated and finalized in advance of implementation project

Financial

- No single "system of record"; fragmented systems/processes limit visibility into total financial picture
- Potential exposure due to numerous data extract/translation processes to support decision making and what-if analyses
- Financial data not available to make timely decisions, impacting UW's ability to address performance issues or seize strategic opportunities
- Potential constraints given decreasing and limited funding sources for system replacement
- Longer term pay-back period may limit support from senior executives
- Potential to not realize projected savings (e.g., retiring shadow systems, eliminating positions

Operational

- Current financial system support requires significant institutional and legacy system knowledge
- Lack of standard processes and modern financial system functionality results in risky workarounds and "heroic" efforts of a few to support current system
- Extreme fragmentation of systems and processes across organization hinders ability to produce financial results accurately, reliably and completely
- Resource availability and ability to support current and future financial system implementation effort due to competing priorities – "performing while transforming"

IT Project Portfolio Executive Review

QUESTIONS AND DISCUSSION