From: On Behalf Of V'Ella Warren  
Sent: Monday, November 19, 2012 9:28 AM  
To: 'uwddc@uw.edu'  
Cc: Ann Anderson; Susan J. Astley; Bill Ferris; Edward D. Lazowska; James S. Fine  
Subject: [UW Administration] letter from Information Technology Costing Oversight Committee

November 19, 2012

Deans, Directors, Chairs & Chancellors

Dear Colleagues,

The Information Technology (IT) Costing Oversight Group, chartered by the President to provide governance over central IT, initiated a comprehensive review of the cost of technology for academic and administrative units across the University of Washington’s three campuses. This campus IT cost study supplements previous IT cost studies completed for UW Information Technology and the UW Medical Center. Together these studies provide a comprehensive overview of the total cost of IT at the UW and identify opportunities for efficiencies and service improvements.

The IT Costing Oversight Group charged a subcommittee of Chancellors, Deans, and senior administrators to oversee the University-wide IT cost study. Forty-seven units of diverse sizes and missions were selected to serve as a representative sampling of units across the campuses. WTC Consulting Inc. (WTC), an independent consultant with extensive IT costing experience in higher education, was engaged to work with the representative units to identify the IT services provided by academic and administrative units, the fully loaded cost of each service, and possible service improvements and cost savings.

WTC interviewed IT directors and managers from the 47 units and used a standardized costing methodology, including costs of applications and hardware, and detailed allocation of staff time. The consultants identified 24 standardized IT service categories that could be compared across units, including server management, application support, network, and end-user devices. WTC then collected and analyzed the data, producing an extensive three-campus study with the following key findings:

- The total cost of providing IT services at the UW is estimated to be $230 million per year, with approximately 43 percent being spent at the academic and administrative unit level, 32 percent in UW Information Technology, and 25 percent to support IT for the UW Medical Center.
- Three significant areas for cost reduction across the University were identified: servers and storage, end-user devices, and shadow administrative systems.
- Two major areas for service improvements were identified: learning management and email and calendaring.

After reviewing the study findings, the IT Costing Oversight Group endorsed recommendations to establish a framework to explore additional opportunities for efficiencies and service improvements and to initiate pilot programs to support efforts to enhance efficiencies, reduce costs, and improve services in areas specified above.
The IT Costing Oversight Group also endorsed a recommendation to establish a new IT governance structure to create a comprehensive IT strategy that supports the individual needs of campus units while allowing the University as a whole to better manage its IT investments and receive the greatest value from them.

We are pleased to announce that significant progress has been made on these recommendations:

- **Creating a comprehensive IT strategy:** A new governance structure has been established with three boards: an IT Strategy Board focused on IT strategy, an IT Service Investment Board focused on IT investments and priorities, and an IT Service Management Board focused on IT service delivery. As part of the new governance structure, the Service Management Board will review and make recommendations on servers and storage, and on end-user devices, with an initial focus on administrative users and student labs.

- **Improving services for students:** The UW is moving forward with adopting Canvas, a next-generation Learning Management System (LMS), as the uniform learning management system for the UW. After successful pilots and positive results from a faculty and student survey, Canvas is being rolled out across the UW to early adopters in a variety of schools, departments, and programs this fall. Canvas offers a rich array of integrated features for online teaching, learning, and collaboration, and provides students easy access to consistent UW course information and materials.

- **Improving email and calendaring services:** Microsoft’s Office 365 soon will be available, in addition to existing Google email and other calendaring options. Office 365 provides greater levels of email storage and reliability for UW students, faculty, staff, and alumni at a lower cost than UW could previously provide through its local Exchange service. Office 365 also provides the University with a more ubiquitous calendaring solution that will better support collaboration. Finally, it will offer a hosted service to customers in the School of Medicine and UW Medicine that addresses HIPAA compliance requirements.

- **Reducing the costs of shadow administrative systems:** An HR/Payroll Replacement project is underway that will reduce reliance on shadow systems by providing functionality in central HR/Payroll systems to meet the needs of UW business units. The new system will also streamline department payroll data gathering and processing, enhance business efficiency, increase productivity of administrative staff, enable better reporting and decision making, strengthen regulatory compliance, and position the UW to successfully compete with institutions that have modern systems.

The final report prepared by WTC Consulting, Inc. on the three-campus IT costing study can be found at [www.washington.edu/uwit/reports/2012.campus.itcosting.report.pdf](http://www.washington.edu/uwit/reports/2012.campus.itcosting.report.pdf). The detailed results for the selected 47 units are being shared with the leadership of those units to help them understand opportunities for efficiencies, cost savings, and service improvements within their own areas and also highlight opportunities to leverage and partner with UW Information Technology and other departments and colleges.

This study was the result of hundreds of hours of effort contributed by campus IT directors, managers, and administrators across the University. It provides valuable insight that will help the University
manage its IT resources more efficiently and effectively. We extend our appreciation and thanks to the many people who contributed time and effort to completing this valuable report.

Sincerely,

V’Ella Warren
Senior Vice President
Chair, IT Costing Oversight Committee

Attachment: IT Costing Oversight Committee Membership