IT Strategy Board

February 3, 2014
Agenda

- HR/Payroll Update
- UW-IT Portfolio Review and Allocation
  - FY 2015 Portfolio Review with IT Service Investment Board
  - UW-IT Portfolio Asset Allocation by Service Category
- IT Support for Research Administration
- IT Project Portfolio Executive Review
HR/P Update

IT Strategy Board
February 3, 2014
Objectives

1. Demonstrate the need for modernization
2. Discuss our opportunity and anticipated benefits
3. Provide project cost and funding model
4. Outline next steps and the timeline
5. Discuss impact on resources
6. Answer your questions
THE NEED FOR HR/P MODERNIZATION
UW has Changed: 1982-Now

The current payroll system was implemented in 1982; the UW’s business needs have evolved significantly since then.

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Revenue</strong></td>
<td>$552 million</td>
<td>$4.6 billion</td>
</tr>
<tr>
<td><strong>Primary Revenue Sources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State appropriation</td>
<td>28% ($154M)</td>
<td>6% ($276M)</td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>13% ($71.8M)</td>
<td>13% ($598M)</td>
</tr>
<tr>
<td>Research grants and contracts</td>
<td>27% ($149M)</td>
<td>30% ($1.38B)</td>
</tr>
<tr>
<td>Patient care</td>
<td>14% ($77.3M)</td>
<td>29% ($1.33B)</td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>20,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Number of faculty</td>
<td>2,496</td>
<td>3,927</td>
</tr>
<tr>
<td>Unionized staff</td>
<td>7,000</td>
<td>17,000</td>
</tr>
</tbody>
</table>
# UW’s Compliance Profile has Changed

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope of bargaining agreements</td>
<td>Prohibited from negotiating salary, hours of work, overtime, premium pay, leave, corrective action, performance management</td>
<td>Civil Service Reform opened the scope of bargaining to include all of these areas</td>
</tr>
<tr>
<td>Geographic compliance scope</td>
<td>3 states N/A</td>
<td>29 states 66 countries</td>
</tr>
<tr>
<td>Federal, state, and hospital requirements and regulations</td>
<td>HEPPS was implemented to be compliant for the time, but lacks the flexibility to keep up with change</td>
<td>Over 30 major federal regulatory programs and requirements, numerous changes to state and hospital rules &amp; regulations, including: ADA, FMLA, COBRA, FLSA for state employers, new state retirement and insurance eligibility rules, extension of bargaining rights to temporary employees, new Joint Commission rules, etc.</td>
</tr>
</tbody>
</table>
A Complex Workforce

UW’s complex workforce of 40,000 includes:

• 11,000 medical center employees
• 300+ employees in 26 other countries
• 4,400 graduate students with health benefits
• 365+ earning types (regular, hourly, etc.)
• 165+ unique pay differentials or premiums
• 4,000 retirees
• 9 unions representing 16,000+ employees
However...

The technology to support UW’s complex needs is **32 years old**!
Our Opportunity

• Replace UW’s existing payroll system with a modern, integrated HR and payroll system

• Implement a technology platform that allows UW to outsource the infrastructure

• Implement standardized HR and payroll processes and practices across the entire University

• Reduce UW’s risks, realize efficiencies, enable modern practices, and provide better competitive positioning
Recommended Vendor: Workday

- Software-as-a-Service
- Core functionality delivered in 22 months
- Iterative approach to implementation
- Will partner with IBM for implementation
- Other higher-ed institutions using Workday include:
  - Academy of Art University
  - Barry University
  - Broward College
  - Brown
  - Carnegie Mellon
  - Champlain College
  - Cornell
  - Georgetown
  - Madison College
  - NYU
  - Stevens Institute of Technology
  - University of Miami
  - USC
  - UT Austin
  - Yale

= System is live
= Implementation is underway
**Anticipated Benefits**

### Realize Efficiency
*Eliminate Waste*
- Streamline labor-intensive, manual processes through automation and technology
- Eliminate unnecessary administrative burden
- Eliminate rework and adjustments due to poor data quality
- Provide a single source of accurate employee data

### Enable Modern Practices
*Implement Best Practices*
- Enable enterprise-wide HR/P processes through leading/best-practice application
- Create bandwidth to focus on strategic initiatives
- Provide accurate, timely employee data for use across UW
- Increase transparency into HR/P processes, metrics, and data

### Reduce Operational Risk
*Strengthen Compliance*
- Manage critical compliance concerns through technology
- Keep pace with ever-changing regulatory requirements
- Support operations with reliable technology platform
- Enable business continuity and disaster recovery functionality for HR and payroll

### Provide Better Competitive Positioning
*Support Attracting & Retaining the Best People*
- Redeploy current transaction-based workforce to value-add activities
- Create a progressive administrative environment
- Enable a stronger recruiting web presence
- Provide comprehensive data for decision making
- Provide better customer service
Impacts All UW Workforce Members

Every member of UW’s workforce will be impacted:

• **Faculty, Staff, and Student Employees** will use a new interface to:
  - Quickly access earning statements, leave balances, and time off requests;
  - View and change direct deposits and W2 withholdings; and
  - Change personal information, such as contact information and benefits selections.

• **Managers and Supervisors** will be able to easily review employee schedules, approve time-off requests, track credentials, and recommend training opportunities for staff.

• **Staff with HR/payroll processing responsibilities** in their departments may experience some work shifting from one office to another or new methods of accomplishing certain actions.
Cost:

- 22-month implementation costs: $60-70M
- Ongoing costs: $14.2M to $15.5M annually

Funding Plan:

- The HR/P Modernization project will be funded through a combination of reserves and debt.
- During the implementation phase (through June 2016), all costs will be paid by the Provost. One half of this will be considered a permanent investment by the Provost; the remaining half will be allocated to campus units on a straight line basis over 10 years.
- Following the stabilization and optimization period, all ongoing costs will be allocated to campus units. These costs include UW costs, subscription fees to Workday, and debt service.
- Costs will be downstreamed using a method to be finalized by a costing sub-committee in spring 2014.
NEXT STEPS & TIMELINE
Status & Next Steps

• Presented recommendation to Board of Regents last week
• Return to Regents for approval on Feb. 13
• Receive State CIO’s Office approval in parallel
• Implementation to start March 4
• Planning for “go live” in early 2016
HR/P Implementation Timeline

**Plan**
- Project Kickoff: April 2014
- Project Planning
- Review SOW
- Create Project Plan & Charter
- Initial Prototype (P0)

**Architect**
- Current Business Practice Discovery
- Design Core Concepts
- Design Detailed Workflows
- Design Integrations
- Design Reports
- Update Project Charter & Project Plan

**Configure & Prototype**
- Configuration Prototype (P1)
- Testing & Training Prep
- Integrations Development
- Report Development
- Configuration Prototype (P2)

**Test**
- End-to-End Testing
- Training Prep
- Pilot Training
- Train the Trainer
- Final Configuration Prototype (P3)
- Payroll Parallel Testing

**Deploy**
- End-User Training
- Gold Tenant
- Go-Live Checklist
- Cut Over to Go Live

**Post-Production Support**
- Post Go-Live Stabilization
- Post Go-Live Optimization

**Data Conversion and Migration**

**Integrations**

**Quality Management**

**Operational Readiness**

Organizational Change Management, Communications, Knowledge Transfer, and End-User Testing
Activities During Implementation

• **Plan (January – March 2014)**: Finalize implementation plan.

• **Architect (April-October 2014) and Configure (November 2014 – May 2015)**: A highly iterative process. The HR/P team will calibrate the design with stakeholders on an ongoing basis and conduct detailed design sessions.

• **Testing (June – November 2015)**: Additional stakeholders will have hands-on exposure to the new system's look, feel, and functionality. Testing will be a collaborative and iterative process. The project team will look to confirm the solution’s usability and to identify opportunities for refinement prior to system deployment.

• **Deploy (November – December 2015)**: Future system users will participate in campus forums and training activities to learn how to use the new system to support their job tasks.

• **Go Live (January 2016)**: The new system is expected to go live in early 2016.
IMPACT ON RESOURCES & CHANGE NETWORK
Impact on Resources

• This is going to be the No. 1 priority for UW-IT, UWHR, Finance & Facilities

• Will impact UW’s ability to allocate resources to other projects during the 22-month implementation
  - Exploring alternatives to build out eFECS
  - MyFinancialDesktop is on hold
Change Network

The HR/P Administrative Network is the heart of the Change Network and comprises unit-level leaders and administrators across UW. They’re responsible to:
- Serve as primary point of contact for their unit
- Champion the project within the UW community
- Support execution of project activities
- Provide guidance and unit oversight to Implementation Support Team

The visible support of Unit Leadership is critical to promoting the adoption of changes throughout the UW and providing legitimacy to the activities of the UW Administrator Network. They’re responsible to:
- Promote Project Activities
- Promote Cooperation of Unit Staff
- Support the Unit Administrator

The UW Implementation Support Team is critical to support implementation activities on the ground-level, throughout departments across UW. The team comprises individuals selected by the Administrative Network member. They are responsible to:
- Support the Administrative Network participants
- Support project change activities
- Support project implementation activities
- Work with and receive direction from the HR/P team
<table>
<thead>
<tr>
<th>Unit</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advancement</td>
<td>Christina Chang</td>
</tr>
<tr>
<td>Arts and Sciences</td>
<td>Linda Nelson</td>
</tr>
<tr>
<td>Attorney General</td>
<td>Dawn Glinsmann</td>
</tr>
<tr>
<td>Built Environments</td>
<td>Rachel Ward</td>
</tr>
<tr>
<td>Business</td>
<td>Kate Bouchard</td>
</tr>
<tr>
<td>Business</td>
<td>Pam Grindley</td>
</tr>
<tr>
<td>Center for Commercialization</td>
<td>Sara Burmeister</td>
</tr>
<tr>
<td>Dentistry</td>
<td>Jean Garber</td>
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<tr>
<td>Education</td>
<td>Roberta Hilton</td>
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<tr>
<td>Educational Outreach</td>
<td>Jennifer Buck</td>
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<tr>
<td>Educational Outreach</td>
<td>Laura Bohaty</td>
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<tr>
<td>Engineering</td>
<td>Lisa Drechsler</td>
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<tr>
<td>Environment</td>
<td>Darlene Feikema</td>
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<td>External Affairs</td>
<td>Kathryn Daughhetee</td>
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<td>Finance and Facilities</td>
<td>Barbara Wingerson</td>
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<tr>
<td>Graduate</td>
<td>Gary Farris</td>
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<tr>
<td>Health Sciences Admin</td>
<td>Bob Ennes</td>
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<tr>
<td>Human Resources</td>
<td>Evelyn Harris</td>
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<tr>
<td>Information</td>
<td>Mary Clark</td>
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<tr>
<td>Law</td>
<td>Julie Straub Barreto</td>
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<tr>
<td>Law</td>
<td>Paula Johnson</td>
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<tr>
<td>Libraries</td>
<td>Patrick Osby</td>
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<tr>
<td>Medical Centers</td>
<td>Darren Layman</td>
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<td>Karen Odle</td>
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<td>Pam Palagi</td>
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<td>Paula Minton Foltz</td>
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<td>Walter Thurnhofer</td>
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<tr>
<td>Medicine</td>
<td>Randi Wasik</td>
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<tr>
<td>Minority Affairs &amp; Diversity</td>
<td>Jan Kendle</td>
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<tr>
<td>Nursing</td>
<td>Chesca Ward</td>
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<tr>
<td>Pharmacy</td>
<td>Christene James</td>
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<tr>
<td>Planning and Budgeting</td>
<td>Amy Floit</td>
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<td>President's Office</td>
<td>Evelyn Dunagan</td>
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<td>Provost Office</td>
<td>Kim Dinh</td>
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<tr>
<td>Public Affairs</td>
<td>Linda Lake</td>
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<td>Lawrie Robertson</td>
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<td>Public Health</td>
<td>Ben Robinson</td>
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<td>Debbie Flores</td>
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<td>Social Work</td>
<td>Vicki Anderson-Ellis</td>
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<td>Student Life</td>
<td>Amy Kim</td>
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<td>Undergraduate Academic Affairs</td>
<td>Judi Gray</td>
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<tr>
<td>UW Bothell</td>
<td>Denise Rollin</td>
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<tr>
<td>UW Tacoma</td>
<td>Richard Wilkinson</td>
</tr>
<tr>
<td>UW-IT</td>
<td>Bill Ferris</td>
</tr>
<tr>
<td>UW-IT</td>
<td>Susan Lawrence</td>
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Questions?
UW-IT Portfolio Review and Allocation
IT Service Investment Board
FY 2014 Portfolio Review Outcomes

- Decision to hold two projects: eFECS and MyFD
- Seek funding for top two priorities: 40G Network and Undergraduate Admissions Modernization
- Priorities will guide UW-IT project resource allocations
- Improved transparency and understanding of UW-IT capacity and resource challenges
- Lessons learned will improve and streamline FY 2015 process
Align timing with UW-IT and UW budget processes – SIB finalize priorities by May 21

Improved and streamlined process

- Revised criteria, scoring methodology and business case proposal in response to board input

Use Strategy Board asset allocations to guide process

SIB to rank by Service Categories
Revised Criteria

Importance

Strategic Value
- Does this project improve the University’s academic or research excellence?
- Does it improve the UW’s competitiveness by helping to attract the best students, faculty, and staff or by increasing and diversifying funding?
- Does it enhance interdisciplinary collaboration in research, instruction, or other University efforts across organizational, regional, or global boundaries?

Impact
- Does this project improve the personal productivity or experience of students, faculty, or staff (i.e., individual end user of system or service)?
- Does it benefit a large number of UW students, faculty, or staff?
- Does it improve administrative efficiency or reduce overall administrative costs for the University (and not by shifting costs to units)?

Risk
- Does this project help sustain and strengthen core IT operations, mitigate operational risk, or ensure key services are resilient?
- Does it address compliance, financial, or information security and privacy risk?

Likelihood of Success
- Does UW-IT have staff resources available to support this project?
- Does this project require minimal contributed resources from other divisions?
- Does this project carry minimal risks related to an outside vendor or contractor?
- Does this project have funding for implementation? (Not including UW-IT contributed effort.)
- Does this project have funding to sustain this service on an ongoing basis? (Not including UW-IT contributed effort.)
- Does this project align with UW-IT’s enterprise architecture strategy?
UW-IT Service Portfolio
Service Portfolio

- 7 Service Categories
- Tied to Strategic Goals (+1)
- IT Strategy Board to balance the Investment and Spend Allocation across the Service Portfolio
- IT Service Investment Board to prioritize investment within Service Categories, based on that Allocation profile
## Service Portfolio Expenditures* - FY14†

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Run</th>
<th>Invest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching &amp; Learning</td>
<td>$3.4M</td>
<td>$0.1M</td>
<td>$3.6M</td>
</tr>
<tr>
<td>Research</td>
<td>$0.3M</td>
<td>$0.1M</td>
<td>$0.4M</td>
</tr>
<tr>
<td>Administration</td>
<td>$15.3M</td>
<td>$4.0M</td>
<td>$19.3M</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$19.8M</td>
<td>$1.8M</td>
<td>$21.5M</td>
</tr>
<tr>
<td>Collaboration</td>
<td>$1.5M</td>
<td>$0.6M</td>
<td>$2.0M</td>
</tr>
<tr>
<td>Enterprise Risk</td>
<td>$2.6M</td>
<td>$1.9M</td>
<td>$4.5M</td>
</tr>
<tr>
<td>IT Management</td>
<td>$0.6M</td>
<td>$1.4M</td>
<td>$2.0M</td>
</tr>
<tr>
<td><strong>Total Labor</strong></td>
<td><strong>$43.5M</strong></td>
<td><strong>$9.9M</strong></td>
<td><strong>$53.4M</strong></td>
</tr>
</tbody>
</table>

†Expenditures from first half year, annualized  
*Labor only
Service Categories

- Teaching & Learning
- Research
- Administration / Business
- Infrastructure
- Collaboration  *(cross-cutting)*
- Enterprise Risk  *(cross-cutting)*
- IT Management  *(organizational overhead)*
UW-IT Service Portfolio
Expenditures & Strategic Allocation* - FY14†

Investment Pct within Service Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditures</th>
<th>Investment Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching &amp; Learning</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Research</td>
<td>1%</td>
<td>33%</td>
</tr>
<tr>
<td>Admin</td>
<td>40%</td>
<td>21%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Collaboration</td>
<td>4%</td>
<td>27%</td>
</tr>
<tr>
<td>Enterprise Risk</td>
<td>4%</td>
<td>42%</td>
</tr>
<tr>
<td>IT Management</td>
<td>4%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Category Spend
- Teaching & Learning: 7%
- Research: 1%
- Admin: 36%
- Infrastructure: 40%
- Collaboration: 4%
- Enterprise Risk: 9%
- IT Management: 4%

Investment Allocation
- Teaching & Learning: 1%
- Research: 1%
- Admin: 40%
- Infrastructure: 18%
- Collaboration: 6%
- Enterprise Risk: 19%
- IT Management: 14%

†Expenditures from first half of year, annualized
*Labor only
UW-IT Service Portfolio
Investment Allocation* - FY14†

- Teaching & Learning: 1%
- Research: 1%
- Admin: 40%
- Infrastructure: 18%
- Collaboration: 6%
- Enterprise Risk: 19%
- IT Management: 14%

†Expenditures from first half of year, annualized
*Labor only
**UW-IT Service Portfolio**

**Category Expenditures** - FY14

- **Teaching & Learning**: 7%
- **Research**: 1%
- **Admin**: 36%
- **Infrastructure**: 40%
- **Collaboration**: 4%
- **Enterprise Risk**: 9%
- **IT Management**: 4%

†Expenditures from first half of year, annualized

*Labor only*
Research Investments

- FY 14
  - 40Gb Campus Backbone
  - Azure
  - Backup and Archive Service (*proposed & deferred*)
  - Big Data in Hyak (*proposed & deferred*)

- FY 15
  - Big Data Research Support
  - Broader Lolo Access
  - Open Science Grid
  - Shared IaaS (Internet2)
IT Needs for Research Administration

Mary E. Lidstrom
February 3, 2014
IT Strategy Board
Background: Research Roadmap

- Evolved from the roadmap process in 2007/08
- Vision: researcher-centric
  - single point of entry (researcher portal)
  - single data entry
  - interactive
    - access information
    - submit applications, revisions, updates, reports
    - register for training
    - monitor compliance functions
  - parallel processing of back office functions
- Funding: central royalty revenues
Initial Phase: electronic systems

- Research roadmap team identified priorities
- Work initiated in 2008/09
- ORIS-led initiatives in partnership with the key business offices and academic units
- HSA, HSD
- New FIDS system (response to new NIH COI)
- C4C partner (separate funding)
Phase II: Integration Begins

- As electronic systems are being chosen and implemented, the work to develop an integration layer is going forward.
- This analysis has highlighted significant gaps.
Current, Planned/In Progress, and Missing Electronic Systems for Research Support

C4C
- Record of Invention Disclosure Submission

OR
- Financial Interest Disclosure (FIDS)

HSD
- HSD Office System (DORA)

OSP
- Submit and Approve Proposals (SAGE)

GCA
- GCA FA Office System (SERA)

HSA

Current
- Integrations

Planned, Not Funded
- Outside Work Request System
- Federal Reporting Engine
- HSD Submission System (IRB)
- Researcher Profiler
- IACUC
- Institutional Biosafety
- Radiation Safety
- Chemical Safety

Missing
- Licensing and IP Management
- TRAINING
  - Registration, Reporting, Tracking
### Rough 10-Year Budget Estimate

<table>
<thead>
<tr>
<th>Office</th>
<th>Estimated One-time $</th>
<th>Estimated Ongoing $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal reporting</td>
<td>OR</td>
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</tr>
<tr>
<td>Researcher profile</td>
<td>OR</td>
<td>$750,000</td>
</tr>
<tr>
<td>IRB</td>
<td>OR-HSD</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>IACUC</td>
<td>HSA-OAW</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Animal tracking</td>
<td>HSA-OAW</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Inst Biosafety</td>
<td>HSA-EHS</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Rad Safety</td>
<td>HSA-EHS</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Training</td>
<td>OR</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>IP Management</td>
<td>C4C</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Chemical safety</td>
<td>HSA-EHS</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

**TOTAL**               | $10,000,000          | $2,000,000          |
Future Competitiveness

- Universities are more and more reliant on electronic research administration systems
- Faculty recruitment and retention issue
- UW is falling behind
- We will not remain a premier research institution 10 years from now, if we do not invest in these systems now
Proposal

- Create a 10-year plan and timeline to develop key elements for research administration IT for which funding is not available
- Secure funding (central royalty revenue as a possibility)
- Begin implementation
Discussion

- Impact?
- Priorities?
- Capacity?
IT Project Portfolio Executive Review
Questions & Discussion