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
Networks are changing
Usage is changing

Fall-07
Spring-09
Fall-09
Summer-10
Winter-10
May-11
Fall 12
Fall 14

iPad  Touch  iPhone  Android  Others
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)
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? Cat 7? Cat 8?
  > 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
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†

<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>$6.4M</td>
<td>$0.5M</td>
<td>$7.0M</td>
</tr>
<tr>
<td>Research</td>
<td>$5.8M</td>
<td>$0.3M</td>
<td>$6.1M</td>
</tr>
<tr>
<td>Administration</td>
<td>$16.5M</td>
<td>$4.9M</td>
<td>$21.4M</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$19.2M</td>
<td>$1.7M</td>
<td>$20.8M</td>
</tr>
<tr>
<td>Collaboration</td>
<td>$3.9M</td>
<td>$0.6M</td>
<td>$4.6M</td>
</tr>
<tr>
<td>Enterprise Risk</td>
<td>$2.8M</td>
<td>$0.2M</td>
<td>$3.0M</td>
</tr>
<tr>
<td>IT Management</td>
<td>$1.4M</td>
<td>$1.2M</td>
<td>$2.5M</td>
</tr>
<tr>
<td><strong>Total Labor</strong></td>
<td>$55.9</td>
<td>$9.4M</td>
<td>$65.3M</td>
</tr>
</tbody>
</table>

*Labor only

†Expenditures from first half year, annualized. Includes ORIS Support
UW Service Portfolio
Expenditures & Strategic Allocation* - FY15†

<table>
<thead>
<tr>
<th>Category</th>
<th>Investment</th>
<th>Run Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEACHING &amp; LEARNING</td>
<td>8%</td>
<td>11%</td>
</tr>
<tr>
<td>RESEARCH</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>ADMIN BUSINESS SERVICES</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>INFRASTRUCTURE (INCL. DATACENTER, NETWORKS)</td>
<td>8%</td>
<td>32%</td>
</tr>
<tr>
<td>COLLABORATION TOOLS</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>ENTERPRISE RISK</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>IT MANAGEMENT</td>
<td>46%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Category Spend

| Category      | 6% | 3% | 52% | 17% | 7% | 3% | 12% |

Investment Allocation

†Expenditures from first half of year, annualized; includes ORIS

*Labor only
UW-IT Service Portfolio
Expenditures & Strategic Allocation* - FY15†

<table>
<thead>
<tr>
<th>Category</th>
<th>Investment Pct</th>
<th>Run Cost Pct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching &amp; Learning</td>
<td>8%</td>
<td>92%</td>
</tr>
<tr>
<td>Research</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>Admin Business Services</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Infrastructure (incl. Datacenter, Networks)</td>
<td>8%</td>
<td>92%</td>
</tr>
<tr>
<td>Collaboration Tools</td>
<td>14%</td>
<td>86%</td>
</tr>
<tr>
<td>Enterprise Risk</td>
<td>8%</td>
<td>92%</td>
</tr>
<tr>
<td>IT Management</td>
<td>46%</td>
<td>54%</td>
</tr>
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</table>

Category Spend

<table>
<thead>
<tr>
<th>Category</th>
<th>12%</th>
<th>1%</th>
<th>36%</th>
<th>35%</th>
<th>8%</th>
<th>5%</th>
<th>4%</th>
</tr>
</thead>
</table>

Investment Allocation

<table>
<thead>
<tr>
<th>Category</th>
<th>6%</th>
<th>3%</th>
<th>52%</th>
<th>17%</th>
<th>7%</th>
<th>3%</th>
<th>12%</th>
</tr>
</thead>
</table>

†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
UW Service Portfolio
Category Expenditures* - FY15†

- 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, MyResearch 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 20

<table>
<thead>
<tr>
<th>Year</th>
<th>HR/Payroll</th>
<th>Finance</th>
<th>Student</th>
<th>Enterprise Info Mgmt</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>Business process redesign</td>
<td>Procure to Pay</td>
<td>MyPlan / Student self svc</td>
<td>EDMS</td>
</tr>
<tr>
<td>FY 14</td>
<td>Replace legacy systems</td>
<td>HR/P - finance intersections</td>
<td>Curriculum Management</td>
<td>Enterprise integration</td>
</tr>
<tr>
<td>FY 15</td>
<td>Additional functionality</td>
<td>Options analysis</td>
<td>Options Analysis</td>
<td>EDW / BI build-out</td>
</tr>
<tr>
<td>FY 16</td>
<td></td>
<td>Business process redesign</td>
<td>Business process redesign</td>
<td></td>
</tr>
<tr>
<td>FY 17</td>
<td></td>
<td>Replace legacy systems</td>
<td>Student - finance intersections</td>
<td></td>
</tr>
<tr>
<td>FY 18</td>
<td></td>
<td>Additional functionality</td>
<td>Replace legacy systems</td>
<td></td>
</tr>
<tr>
<td>FY 19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Significant implementation effort**

**Incremental modernization**

**Project start up**

(Ongoing maintenance and production support not represented)

*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

<table>
<thead>
<tr>
<th>Guiding Principle: Enterprise System</th>
<th>All University of Washington units will utilize the new Finance ERP system which will deliver best practice and standard ERP capabilities and work processes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guiding Principle: Business Processes</td>
<td>The University of Washington will utilize functionality to achieve business process consistency across the organization.</td>
</tr>
<tr>
<td>Guiding Principle: Sourcing</td>
<td>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).</td>
</tr>
<tr>
<td>Guiding Principle: Information/ Data</td>
<td>The University of Washington will standardize financial data definitions and values across the institution for financial and consolidated reporting.</td>
</tr>
<tr>
<td>Guiding Principle: Risk</td>
<td>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.</td>
</tr>
</tbody>
</table>
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
- staffing and skillsets,
- transparency of financial data and
- changes in data & summary rules impact leadership reports
## Finance Systems Strategy and Readiness

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

<table>
<thead>
<tr>
<th>Record-to-Report Processes</th>
<th>General Accounting/General Ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Treasury &amp; Cash Management</td>
</tr>
<tr>
<td></td>
<td>Budgeting &amp; Financial Planning</td>
</tr>
<tr>
<td></td>
<td>Asset Management</td>
</tr>
<tr>
<td></td>
<td>Project Accounting</td>
</tr>
<tr>
<td></td>
<td>Grants Management</td>
</tr>
<tr>
<td>Order-to-Cash Processes</td>
<td>Internal Billing</td>
</tr>
<tr>
<td></td>
<td>Receivables &amp; Cashiering</td>
</tr>
<tr>
<td>Procure-to-Pay Processes</td>
<td>Purchasing &amp; Payables</td>
</tr>
<tr>
<td></td>
<td>Expenses</td>
</tr>
<tr>
<td>Technology</td>
<td>Solution Applications &amp; Technology Architecture</td>
</tr>
</tbody>
</table>
Finance System Strategy and Readiness Timeline

**Timeline**

- **Jul-Aug 2014**: Finalize Gartner SOW
- **Sep-Oct 2014**: On board Staff Resources
- **Nov-Dec 2014**: Prep Work, Strategy, readiness and process workshops, Oct Kick off
- **Jan-Feb 2015**: Fit/gap analysis, TCO
- **Mar-Apr 2015**: 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
<table>
<thead>
<tr>
<th>UW Strategic and Business Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address continued growth and complexity</td>
</tr>
<tr>
<td>Respond to increased competition</td>
</tr>
<tr>
<td>Transform due to increased market pressures</td>
</tr>
<tr>
<td>Mitigate operational risks</td>
</tr>
<tr>
<td>Achieve operational efficiencies</td>
</tr>
<tr>
<td>Provide foundation for transformation</td>
</tr>
<tr>
<td>Strengthen decision making capabilities</td>
</tr>
</tbody>
</table>
**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