Table of Contents

Introduction to Shared Services
Project Overview
In-Scope Processes
AST Shared Services Project Team
University Readiness
AST Implementation Roadmap
Project Team Updates
Purpose of this document

- This PowerPoint is part of the Shared Services Awareness Packet used to provide a general understanding of the Administrative Services Transformation (AST) Shared Services Project.

- The document also describes the tasks being completed during the Implementation Phase.

- This document can be used as a presentation to interested parties seeking to understand the objectives and status of Shared Services implementation.

- In addition to this presentation, the Shared Services Awareness Packet includes:
  - Updated Shared Services Frequently Asked Questions (FAQs)
  - Shared Services at a Glance
Introduction to Shared Services
What is Shared Services?

Shared Services is a way of reorganizing transactional functions to deliver cost-effective, flexible, and reliable services to all customers.

Decentralized
- Autonomous departments
- Focus on responsiveness
- Different systems and non-standard processes
- Separate functional staff that are generalists rather than experts

Standardized
- Schools attempt to run similar processes
- Typically some common sub-systems
- Few, if any, performance standards
- Separate functional staff

Centralized
- Single department or site which performs the function
- Focus on efficiency and control
- Typically some common sub-systems
- No service level agreements or performance targets

Shared Services
- Separate organization, but linked to customers through leadership model
- Managed service delivery using service level agreements that outline mutual responsibilities for the customer and service provider
- Customer-driven transactions
- Performance-driven culture through measurement and feedback
- Process ownership end-to-end
## How is Shared Services different from Centralization?

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Traditional View of Centralization</th>
<th>Shared Services View</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers Treated as...</strong></td>
<td>End Users</td>
<td>Needs of customer groups well understood (e.g., schools, colleges, units, current employees, future employees, past employees, central groups, vendors)</td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>Central Oversight Entity/</td>
<td>Independent units – distinct advisory groups that interact with specific parts of the organization (e.g. steering committee, functional advisory teams, operational excellence teams)</td>
</tr>
<tr>
<td></td>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td><strong>Primary Focus</strong></td>
<td>Cost Control</td>
<td>Service excellence, high performance (service and cost) and continuous improvement</td>
</tr>
<tr>
<td><strong>Service Responsibility</strong></td>
<td>Central Oversight Entity/</td>
<td>Responsibility is “shared” between the shared services center and customer groups as outlined in partnership agreements or SLAs</td>
</tr>
<tr>
<td></td>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td><strong>Service Management</strong></td>
<td>Optional</td>
<td>New governance model, service management processes, chargeback approach and performance metrics/reporting</td>
</tr>
<tr>
<td><strong>Customer Contact</strong></td>
<td>Ad Hoc</td>
<td>Clear channels to contact with an inquiry (e.g., phone, email) and customer experience (e.g., consistent responses regardless of agent or method of contact, standard resolution time and follow up)</td>
</tr>
<tr>
<td><strong>Typical Management</strong></td>
<td>Recruiting, Workload Management,</td>
<td>Communications and change management, continuous improvement, customer unit relationship management, knowledge management, operational performance management</td>
</tr>
<tr>
<td></td>
<td>Cost Management</td>
<td></td>
</tr>
</tbody>
</table>
Overview

- Announcement to move forward with the implementation of Shared Services for Finance and HR was made in December 2012 by the EVP/CFO and Provost
- Project has the support of the Board of Regents, President and Executive Officers
- Focus on supporting the university’s cost-containment efforts and providing high-quality customer service
- Savings estimates were developed from detailed process designs that were created with insights and feedback from U-M colleges, schools, and units
  Approximately 2,700 people at U-M currently spend some amount of time on the in-scope administrative services, although the equivalent full time positions count is approximately 600
- Savings goal of approximately $17M annually
  Savings achieved by:
  - Reorganizing and co-locating the workforce
  - Utilizing enabling technology
  - Increasing managerial span of control
  - Standardizing business processes
  - Eliminating non-value added work

- Positions will be reduced over the next two to three years
- Implementation period is scheduled for the second quarter of calendar year 2014, with additional phases throughout 2014, and into 2015
Benefits of a Shared Services Model

- Increased **efficiency and improved quality** of performance resulting from the sharing of information

- Implementation of **best practices**

- Use of Partnership Agreements (PAs) to provide **structure** to what services are offered and what level of customer service is provided between units and the Shared Services

- Agreed upon **Key Performance Indicators** (KPIs) that allow for effective reporting and a framework for ensuring **quality services** (Service Management) across units
Shared Services - Values

- Customers will have a voice through governance groups that makes the new Shared Services more accountable to them than existing service delivery arrangements.

- We will learn from the other universities’ experiences and from U-M’s other similar initiatives (e.g., IT Rationalization, HR advisory groups).

- Our approach will be collaborative and we will seek strong advocacy for positive business change from our teams, workgroups, and committees.

- We will ensure efficient, effective, and high-quality customer service.

- We will create a results-driven structure based on a collaborative effort focused on specific unit/shared services goals.

- The process implementation will be based on best business practices that are tailored to higher education.

- We will incorporate continuous improvement practices (Service Management) in the design and structure of the Shared Services.
Shared Services
Mission, Vision and Guiding Principles

MISSION STATEMENT
Shared Services is a customer service organization that delivers user-friendly, cost-effective, and expert administrative services to the university community to support the institution’s missions of teaching, research, and public service.

VISION STATEMENT
Shared Services will be the “go to,” most trusted university resource for administrative services, while also providing growth-oriented and creative employment opportunities for its workforce.

GUIDING PRINCIPLES
1. Provide customers with a voice in the service delivery process
2. Operate at a lower cost
3. Provide high-quality customer service
4. Be the experts
5. Provide a growth-oriented and creative work environment
6. Focus on continuous improvement
7. Understand problems and resolve them quickly
8. Operate with a partnership mentality
9. Ensure work is done right the first time
10. Do what is best for the university
In-Scope Processes
In-Scope Administrative Services

- **Finance process areas include:**
  - Accounting
  - Accounts Payable
  - Accounts Receivable
  - Travel and Expense Reimbursement

- **Human Resources process areas include:**
  - Benefits and Retirement Savings Administration
  - HR Data Management and Reporting
  - Onboarding, Immigration/Relocation, and Exits
  - Time and Leave Administration
AST Shared Services Project Team
AST Shared Services Project Structure

Executive Sponsors
- Phil Hanlon
- E. Royster Harper
- Tim Slottow

Co-Chairs
- Rowan Miranda
- Martha Pollack
- Laurita Thomas

Project Management
- Tony Burger
- Karen Gardner

Advisory Committee

Core Team
- Technology LEAD: Eric Kruse
- Facility LEAD: April Pearsall
- Organizational Design/Operating Model LEAD: Karen Gardner
- Human Resources LEAD: Denise Stegall
- Finance LEAD: Debbie Talley
- Change Management/Communications LEAD: Raquel de Paula Silvius

Functional Workgroups

Unit Representatives

Page 15
Role of the Project Team

- Partner with units to deliver effective and efficient processes for select Finance and Human Resources functions to transition to Shared Services

- Educate the university community on the new processes and how the center will impact daily activities

- Create a culture that promotes collaboration and teamwork while delivering high-quality customer service

- Continue to seek continuous improvements through process design and enabling technology

- Work with the project governance structure to address issues as they arise and mitigate risks
Role of the Functional Workgroups

- The Functional Workgroups are subject matter experts from Finance and Human Resources communities

- The Functional Workgroups will:
  - Be advocates for process improvements
  - Engage in discussions to resolve specific issues
  - Bring knowledge of “local” unit practices
  - Actively participate in process decisions
  - Collaborate and recommend solutions

- Additionally, the workgroups will review and address unresolved issues from the Design and Implementation Phases
Roles of the Unit Representatives

- University leaders have stressed the importance of strong two-way communications and a collaborative approach when implementing Shared Services.

- The Unit Representatives group will be created to support Shared Services (Will be similar to Unit Rep Group for IT Rationalization/NextGen Michigan).

- Unit Representatives will:
  - Facilitate readiness activities to help build awareness and understanding within their communities.
  - Bring a deep understanding as well as a perspective on the changes and challenges faced by the university.
  - Be the primary point of contact between the Project Team and their unit.
  - Understand the new processes and their impact on current unit operations.
  - Disseminate information from Unit Rep meetings (presentations, messages, etc.,) to their unit colleagues.
University Readiness
University Readiness

In order to best prepare the university for the move to Shared Services, the Change Management Team will work with the university community to understand overall readiness for change and address issues and concerns as they arise. The Change Management plan for the Shared Services Initiative under the AST Project will focus on the following:

Actions that units can take to prepare for the move to shared services

- Be supportive
- Provide feedback to improve implementation
- Participate in AST events
AST Implementation Roadmap
# DRAFT Implementation Roadmap

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q1</td>
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</tbody>
</table>

## Change Management and Communications Activities

- Finance Process/Policy Build
- HR Process/Policy Build
- Deployment Planning
- Process Testing and Transition

## Workforce Transition Planning and Implementation

- SS Org Design
- Unit Org Design
- Workforce Transition Planning and Implementation

## Training

- Governance Model
- Call Center Build-out

- Facility Selection
- Facility Build-out

- Technology Build-out

### Timeframe

- Q1
- Q2
- Q3
- Q4

### Milestones

- **Deployment 1**
- **Deployment 2**
- **Deployment 3**
Team updates (Upcoming work in the next 2-3 months)
Project Team Updates

• Finance and HR teams are currently working on:
  - Meeting with their respective workgroups on open design areas
  - Detailed process and procedure documentation
  - Addressing policy revisions, where needed
  - Identifying responsibilities for various roles within a process

• The Organization Team is developing the design of Shared Services and the operating model. The team is currently working on:
  - Organizational structure
  - Job descriptions
  - Workforce transition plans
  - Contact center design and build-out
  - Service management processes (e.g., customer relationship management, continuous improvement)
Project Team Updates

• The Change Management and Communications Team is building out plans on how to assist the university community in the transition to Shared Services. The team is currently working on:
  – Change management and communications plans
  – Drafting key communications for the university community
  – Engaging Unit Representatives

• The Technology Team is gathering requirements in regards to enabling technology and any enhancements to current technology. The team is currently working on:
  – Coordinating the M-Pathways enhancements with ITS
  – Enabling technology build (e.g., selection of case management software)
  – Imaging/Workflow
Facility Update

Selecting a facility involves several steps, including:

- Considering employee input provided through focus groups
- Narrowing down current facility options
- Determining the best fit for the university’s needs
- Ensuring that the costs are in line with expectations
- Obtaining leadership approval

The selection process has just begun and it will be several months before all the steps are completed and the location is finalized/announced.

New information about the facility will be posted at ast.umich.edu
Please visit us at ast.umich.edu for more news and updates