

**BUSINESS AND FINANCE COMMITTEE  
DECEMBER 6, 2018**

**UW STRATEGIC FRAMEWORK AND UW-SHARED SERVICES UPDATE**

**BACKGROUND**

In August 2016, the Board of Regents approved resolution 10743 to adopt the proposed UW System Strategic Framework, entitled “UW System 2020FWD Moving Wisconsin and the World Forward,” and authorized the System President to make any necessary technical revisions or corrections prior to final publication. This framework included four focal points: the educational pipeline, the university experience, business and community mobilization, and operational excellence.

The operational excellence focal point emphasizes the need to aggressively pursue opportunities to save resources, maximize efficiency, and support excellence. Among these efforts are the CORE Initiative (Commitment to Operational Reform and Excellence), which was initially presented to the Board in June 2016. The goal of CORE is to focus on non-instructional operations, with standardization, consolidation, and streamlining used to reduce administrative cost and improve results through efficiencies and effectiveness.

UW System institutions are moving forward with a shared services program to continue the implementation of the CORE Initiative. Planning will take place in 2018-19 with services being provided in this fiscal year and expanding in 2019-20 and thereafter.

**UPDATE**

As discussed previously, UW-Shared Services will be a consolidated administrative service organization, providing direct scalable, operational services to UW System customers. As a System-level consolidated service provider, UW-Shared Services will leverage economies of scale and standardized processes in order to reduce duplication, increase efficiency and improve accuracy. UW-Shared Services will be a separate organization within the UW System, which is:

- wholly subject to the administrative authority of the Board of Regents;
- subject to the administrative supervision of the UW System President and the UW System Vice President for Administration;
- subject to all state and federal statutes, rules, and policies which govern the UW System; and
- dedicated to providing scalable operational services to UW institutions and UW System Administration

UW-Shared Services is not:

- an “independent” organization;
- a private, non-profit, or public-private entity;
- free of accountability to the President, Board of Regents, or the legislature
- outside the purview of UW System’s commitment to shared governance representation

In parallel, the UW System Administration offices of Human Resources, Learning and Information Technology Services, and Administrative Services are working on the shift to a more strategic focus. This includes several critical functions, such as strategy and planning, policy development, consulting with chancellors and other senior campus officials, compliance, data governance, and working with state agencies such as the Department of Administration and Department of Employee Trust Funds.

Dr. Brokenburr, Senior Associate Vice President and Chief Human Resources Officer, is leading the strategic planning efforts to inform the delivery of human resource services. The workgroup she established considered *hire-to-retain* human resources functions from diverse perspectives and identified functional areas with high transformational potential, the importance of process standardization, and activities that could be performed regardless of location. The development of an action plan is the next step in this activity, based on discussion with human resources leaders at UW institutions.

Steven Hopper, Associate Vice President and Chief Information Officer, is leading a workgroup to develop a digital strategy and enterprise architecture for the UW System. The group is examining where enterprise solutions are appropriate due to scale and standardization, and where institutional solutions are best suited to mission and desired results. The group is working to define the framework and process to continuously identify, vet, and decide which capabilities can benefit from enterprise thinking, scale, and standardization.

The UW-Shared Services management team has completed seven visits to the comprehensive campuses, with the remaining four meetings scheduled. Discussions have been active, candid, and well-attended by campus executive leaders and functional teams from the areas of Information Technology, Human Resources, Procurement, and Business Services.

The UW-Shared Services team is focused on two major priorities over the next six weeks. The first priority is to complete the process that will be used to identify, develop, and deploy services. Once complete, the Service Development Lifecycle will be socialized for feedback and operationalized. This priority includes the creation of models that will be used to determine two important aspects of each selected service:

- Participation model: Whether participation by each comprehensive institution should be optional or mandatory. Factors considered will include economies of scale, complexity of the service, and the degree to which outcomes are required by all institutions.
- Financing model: Whether a specific service should be provided at no cost, partial cost, or full cost to institutions. Factors considered will include the level of fixed vs. variable cost, the level of reward in using the service, and whether participation is optional or mandatory.

The second priority is the creation of a Conceptual Roadmap. The Conceptual Roadmap will describe an array of specific service ideas recommended by the UW-Shared Services leadership team, designed to meet selected strategic goals of the UW System and needs of the comprehensive universities. After it is presented to the UW-Shared Services Customer Council in early January, the Conceptual Roadmap will be socialized with functional experts, vice

chancellors, and chancellors in accordance with the Service Development Lifecycle. A formal business case will be created for each recommended service, with final approval by the Vice President for Administration and the UW System President. UW-Shared Services is on track to be operational by July 2019 with targeted services provided earlier in the year.

The UW-Shared Services Customer Council met November 16. Information regarding the council and meeting is available at <https://uwss.wisconsin.edu/customer-council/>.

Separate from the strategy and shared services work, UW System Administration and UW Colleges and Extension are partnering to meet immediate service priorities identified by institutions. This includes providing certain payroll services at one institution in January, accounts payable services for several campuses in early 2019, digital learning environment support at one campus, as well as PeopleSoft administrative support and procurement. These services will be delivered by existing units of UW Colleges and Extension in the short term, as the development of UW-Shared Services continues.