The University of Missouri

Administrative Transformation
Board of Curators Update

June 21, 2018
Today’s discussion topics

● Transformation Timeline
● Progress to date
● Administrative Transformation Workstream Updates
  ○ Human Resources
  ○ Finance
  ○ Information Technology
● The Path Forward
  ○ Change Management
Progress has already been made

- Colleges have restructured their own workflows
  - MU College of Engineering and UMSL Arts & Sciences provided case studies to leadership
- Each university has made progress on administrative efficiency and effectiveness
  - MU utilized a donor gift to generate numerous efficiency projects
  - UMSL changed the role of business managers
  - UMKC implemented shared HR business partners and shared fiscal officers across units
  - S&T built an integrated finance structure within their colleges
- Cross-university shared service initiatives underway
  - Sponsored programs integration underway
  - Opportunities for gift processing
- Non-Salary expenditure reductions have yielded $5.2 million in savings over prior year
- Change expense report process will save over 1 million clicks annually
- Activity Analysis led to the identification of 384 positions totaling $17 million in salary that were eliminated in the 2018 budget process
Administrative Transformation Journey

**2017**
- Administrative Review
  - Identify performance improvement opportunities

**2018**
- Activity Analysis
  - Determine staff work effort across entire system
- Functional Design
  - Preliminary redesign of administrative services

**2019**
- Administrative Transformation
  - 2018 - Refinement and development of future administrative services
  - 2019 - Implementation of new service models

**Purpose**
- Admin Review Report
- Activity Analysis Summary Report
- Collaboration Design Session

**Output / Result**
- Identification opportunities with $40M in potential cost savings
- Understanding of how staff resources are deployed across 22 functions
- Conceptual model for how Finance, HR and IT will deliver services in the future

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June 21-22, 2018
Since the last board meeting we have

1. Released the Activity Analysis Report
2. Re-named this effort *Administrative Transformation*
3. Held the Collaborative Design Session and shared the day’s key outcomes
4. Begun the next phase of work using feedback from Collaborative Design as a guide
Administrative Transformation Project Goals

In order to **direct more resources to the academic mission** we will:

- **Reimagine** the delivery of Finance, HR & IT
- **Simplify and improve** the design of jobs – including clear **career paths** for staff
- **Reduce** the cost of delivering service
- Define clear **decision rights** and establish **accountability**
- Take a phase and **thoughtful approach** to designing and implementing changes
Cross-Functional work is organization wide

1) College and operating unit leaders will receive benchmarking from activity analysis:
   - Will show staffing compared to other departments in the organization
   - Leaders will evaluate the data and make progress within their own unit

2) HR, Finance, and IT will work on easing the interface for customers
   - Combine previously separate call centers into a single integrated number
   - Change design context of processes towards simplification for end user
   - Create a uniform approach to self-service across Finance, HR, IT
   - Make self-service easy for the end user
# HR, Finance, and IT Work is Underway

## Finance
- Procure to Pay Redesign
- Financial Performance and Accountability

## HR
- Recruitment & Onboarding Process Redesign
- HR Campus Partner Role Profile
- HR Organization Design

## IT
- Prioritized Services Rollout Roadmap
- Functional Organizational Design

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**Timeline:**
- **May / June:**
  - Memorial Day
  - Board Meeting

- **July:**
  - July 4th
  - Board Meeting

- **August:**
  - Implement back office Procurement changes
- **Fall Semester Begins:**
  - Vetting of Recruitment & Onboarding Process
  - Additional HR role profiles
  - Impact analysis & transition plan

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**June 21-22, 2018**
Finance Transformation
The University’s challenge will be addressed by two, mutually dependent initiatives:

1. **Financial Performance / Fiduciary Responsibility**
   - Shared financial performance goals among financial and academic/operational leaders
   - Metric-based approach
   - Consistent throughout the organization, but flexibility amongst leaders to set the goals

2. **Redesigned Operating / Service Delivery Models**
   - Transforming the organization to more specialized labor
   - Leverage process automation and simplification

**Financial Leadership**
Partnering to drive strategic alignment and fiscally responsible results

**Centers of Expertise**
Balancing sustainable cost without constraining the business

**Shared Services**
Improving task performance in a timely and cost effective manner
Finance near-term focus areas

1. Financial Performance & Accountability
   - Identify key metrics for campus financial accountability
   - Build infrastructure for reporting by merging Student, HR and Finance data in warehouse
   - Develop a trial run for FY 2019 for leaders to test the concept prior to implementation in FY 2020
   - Develop a phased approach to improve reporting and performance monitoring over a three year timeframe

2. Procure to Pay Process Redesign
   - Develop a more holistic approach to acquiring goods & services with customer service in mind
   - Focus on ease of use for acquisition while continuing to leverage scale and buying power
HR Transformation
What are the “Big Shifts” or areas of opportunity in HR?

<table>
<thead>
<tr>
<th>Introducing new HR Strategic Campus Partner roles</th>
<th>Expanding HR Centers of Expertise</th>
<th>Shifting HR transactional work to shared services and “self-service”</th>
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<tbody>
<tr>
<td><strong>Primary Benefits:</strong></td>
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<tr>
<td>• Single contact point for leader who plans and triages “people” needs</td>
<td>• Create greater specialization of HR skills to support departmental needs</td>
<td>• Reduce risk for University and employees</td>
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<td>• Improve communication between units and HR</td>
<td>• Expand candidate pools and reduce effort spent by depts on recruiting, offer management and onboarding</td>
<td>• Free up capacity in depts / academic resources</td>
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<td>• Focused on consultative planning and forecasting of HR needs</td>
<td>• Provide greater discipline and clarity on career paths</td>
<td>• Reduce HR rework</td>
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<td>• Greater consistency in levels of service and quality</td>
<td>• Enable University’s employee value proposition</td>
<td><strong>Existing Success Stories:</strong></td>
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<td>• Retirement self-service tool (“side by side” service)</td>
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<td>• Current campus “HR Business Partner” roles contain some similar elements to proposed “HR Campus Partner” role</td>
<td>• MU Healthcare full-cycle recruiting for clinicians</td>
<td>• MU Core Administrative Processing Services (CAPS)</td>
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</table>
HR near-term focus areas

1. Recruitment & Onboarding Process Redesign
   - High-level process flow diagrams
   - Preliminary decisions rights matrix (i.e., who is accountable vs. consulted vs. informed)
   - Preliminary service level standards / expectations
   - Summary of barriers, dependencies and open questions

2. HR Strategic Campus Partner Role Profile
   - Summary of key responsibilities and knowledge / skills / experience requirements
   - Options for aligning and allocating HR Strategic Campus Partner roles

3. HR Organization Design
   - Preliminary high-level HR organizational structure
**IT Operating Model**

**IT Business Model** is determined by how the institution views the value of IT. This calls for the IT organization to adopt one of the three dominant models: Distributed IT Model, Integrated IT Model, Federated/Hybrid IT Model.

**Conceptual Model** drives the organization and structure of IT functions & services needed to support the institutions objectives.

**Service Delivery Model** reflects how the IT organization chooses to supply services.

**Implementation Model** provides the “implementation details” that emerge almost organically from the more deliberate decisions around the models described above.
IT near-term focus areas

1) Prioritized Services Rollout Roadmap
   - Preliminary prioritized list of IT services to be rolled out during implementation
   - Estimated time frames and dependency mapping to implement each service
   - Estimated time frames to capture change
   - Develop high-level transition and implementation roadmap for IT services:
     i. Prioritized list of IT services to be rolled out, inclusive of new organization
     ii. Estimated time frames for implementation changes and dependency mapping
     iii. Compare future vs. current design to identify gaps

2) Functional Organizational Design
   - Preliminary high-level IT organizational structure
   - Develop strategy to transition or implement future state IT operating model
   - Draft governance model options for both internal cross system IT operations
   - Draft governance model options for how IT decisions will be made across the system
Change Management and Communications

- Defining an effective communications strategy to integrate both strategic and tactical project communications
- Actively engage stakeholders in two-way dialogue throughout the project lifecycle

We have a dedicated team defining the communications strategy and focusing on near term communications to keep stakeholders across the organization informed and engaged.