

Shared Services Discussion



September 2013

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Our objectives and agenda for today

Objectives

- To have an open and honest conversation with you about shared services
- To listen to your perspective on the potential for and challenges with shared services
- To get your input on a draft plan for what to prioritize within shared services
- To align on how we can work together to move forward

Agenda

- Introductions (10 min)
- Review where we are in the shared services process (20 min)
- Discuss the draft shared services plan and hear your views on shared services (40 minutes)
- Get advice on how best to partner with you going forward (20 minutes)

Draft shared services prospectus

Where are we in the shared services process

The case to move select activities to a shared services model

Potential for shared services at SUNY

Key takeaways and next steps

We are currently assessing our shared services plans, to create a more comprehensive and focused plan

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■ Current phase

Phase I

Set strategy and launch initial efforts

- Shared services announced as a priority
- Initial opportunities identified
- Select projects launched
- Significant success achieved
 - Degree Works
 - Information Technology Exchange Center (ITEC)
 - Smart Track
 - Student Loan Servicing Center
 - Application Processing Center

Phase II

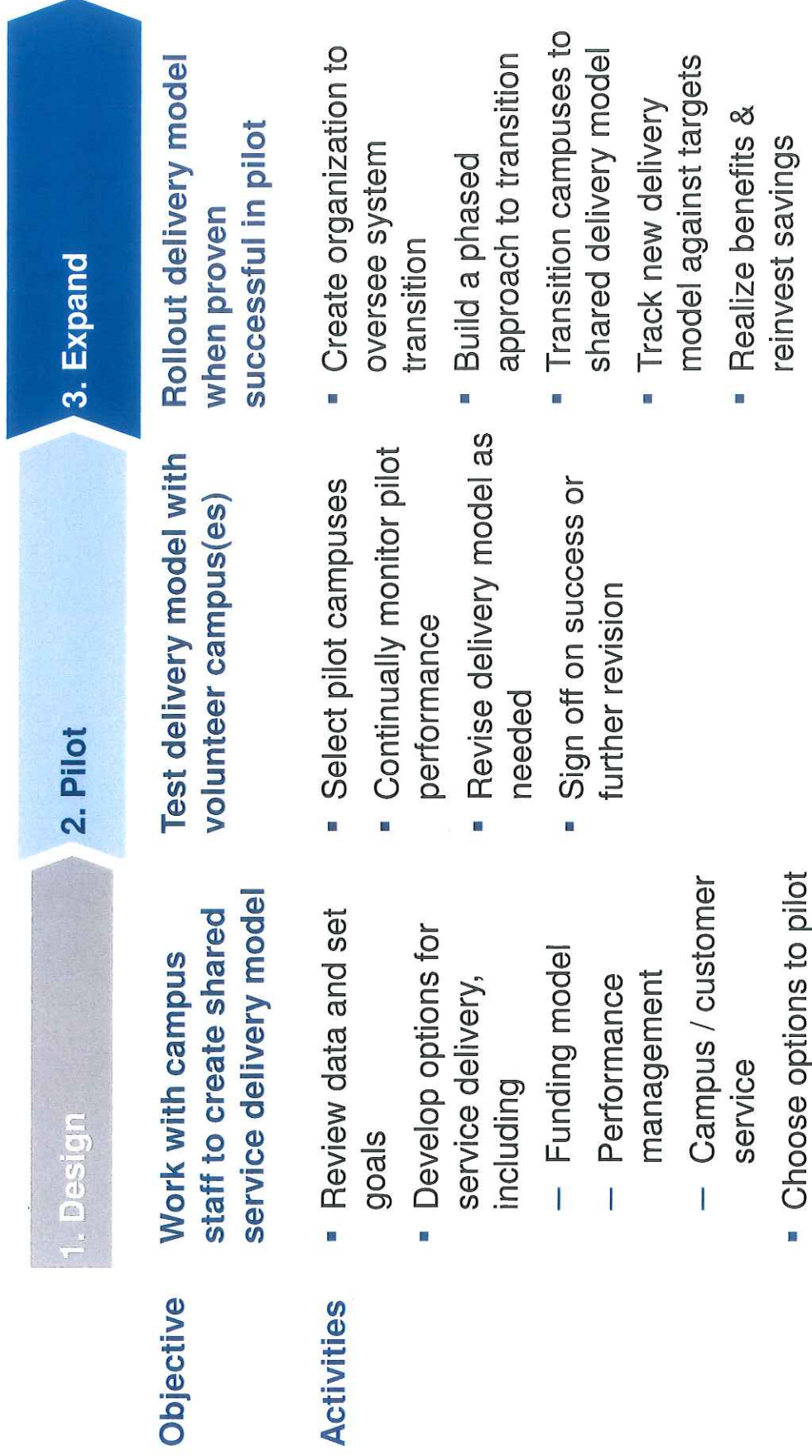
Evaluation and reformulation

- Evaluate plans vs. best practice and identify priority opportunities
- Align on path forward with campus leaders

- Create central shared services organization to coordinate overall initiative
- Design, pilot, and expand system-wide delivery & financial model for priority opportunities

In the next phase of the shared service initiative, each project will have three distinct stages

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Campus leaders say an inclusive shared services process can achieve real benefits

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**Shared services
could yield major
benefits ...**

- Campuses see a need for new ways to reduce costs and improve services
- Certain functions, such as procurement, could produce immediate benefits
- Some shared service initiatives are already succeeding

**... but only with
leadership and
vision ...**

- A clear, compelling vision for shared services is needed
- This vision should recognize the importance of individual campus identities

**... and campus
involvement in the
process**

- Campuses must co-design the process
- System Admin-led efforts are often met with resistance
- Staff will need to understand exactly how this impacts them

To succeed, SUNY must overcome several challenges

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Diversity of campuses

- SUNY campuses have unique identities and cultures
- Campuses vary in type, size, student populations, and degrees awarded
- Campuses are spread over the 54,000 square miles

Decentralized structure

- Campuses have significant autonomy within SUNY system
- Administration of many campuses is internally decentralized across schools and departments

Competition for students and resources

- Campuses compete with each other for students and resources
- They also compete with other colleges, universities, and hospitals

Limited resources

- Campus staff are already stretched thin, with little capacity to take on new tasks or support new initiatives

Quotes from campus Presidents & CFOs

“This will not succeed if it is a one-size-fits-all initiative. **These are very different institutions with very different needs.**”

“I’ve got **50 different phone systems**, and that’s just on one campus!”

“**SUNY campuses are competitive by design** – this is not a franchise model.”

“**We don’t have any spare capacity** – we’ve trimmed administration to the bone.”

Our goal is to collaborate with campuses to deliver shared services that make sense for campuses and the system

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To move forward together ...

Campuses will co-design the shared services delivery models to ensure that they bring value to users

Shared Services team will help manage communication and coordinate campus involvement

Together we will design a shared services model that meets campus needs and supports the goal of increasing SUNY's systemness

Draft shared services prospectus

Where are we in the shared services process

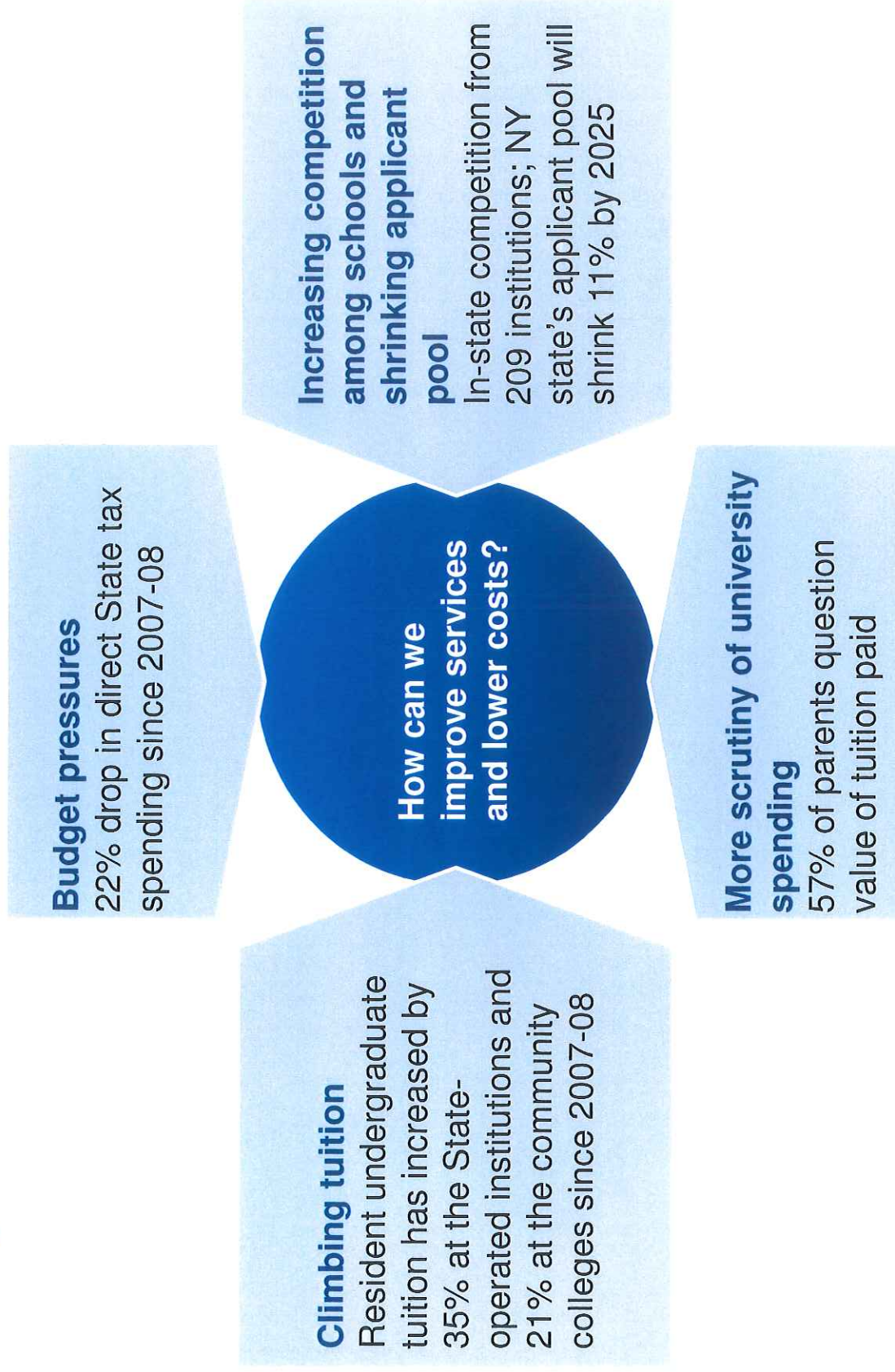
● The case to move select activities to a shared services model

Potential for shared services at SUNY

Key takeaways and next steps

SUNY campuses face cost and performance pressures from every direction

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SOURCE: NY State Dept. of Labor, NYTimes, Carnegie Foundation, The Economist, Pew Research Center, AAUC, SUNY

Shared services can support SUNY's mission and goals by helping us improve performance

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Shared services can advance our core mission and the goals of student access, completion and success in three ways	Example results
Best-in-class customer service in support functions	Dedicated teams of functional experts means consistent service
Increased focus on and resources for core mission activities	Improved student retention leads to more revenue, which can be allocated toward mission-related expenses
More cohesive operations across the SUNY system	System-wide data warehousing means fewer time-consuming requests for local campus data

Shared services are already delivering benefits to SUNY

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NOT EXHAUSTIVE

Examples

Achievements to date

Degree Works	▪ A comprehensive, interactive degree planning service at every SUNY institution ▪ Seamless degree progress assessment and credit transition for transfer to other SUNY institutions
Information Technology Exchange Center (ITEC)	▪ Centralized data center for student information systems with affordable 24/7 customer support and disaster recovery
Smart Track	▪ Collaborative design between System Admin and campuses ▪ Improves campus compliance with federal requirements and provides consistent service to all prospective students
Student Loan Servicing Center	▪ Consolidated Perkins loan servicing and reporting ensures system-wide compliance with federal regulations
Application Processing Center	▪ Peak season processing services provided to campuses with improved response time to applicants ▪ Standardized collection of data on applicant pool, reducing number of campus data requests required for reporting

The shared services initiative encompasses many projects, but none of them are designed to make campuses the same

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Shared services are ...

Different types of projects

- Shared service delivery of support functions for entire SUNY system
- Shared systems to be used by entire SUNY system

Different levels of engagement

- SUNY-wide service delivery
- Regional alliances
- Campus-to-campus partnerships
- Within individual campuses

Standardization and simplification of processes to improve effectiveness and efficiency



Shared services are not ...

Shared Presidents

Dilution of unique campus identities or cultures

“Blunt instruments” for cost reduction aimed at process consolidation or headcount reduction

A set of guiding principles will govern the SUNY shared services initiative

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Design

- Create processes for active campus input into design and implementation
- Increase career opportunities for functional staff and access to specialized skills
- Provide a net positive financial and service benefit for each campus

Implementation

- Focus on change management and frequent two-way communication
- Ensure accountability for service excellence, efficiency, and campus benefits
- Thoughtfully leverage existing investments and align with other initiatives
- Whenever feasible, co-locate resources to drive specialization and efficiency

Shared services are high on the agenda of higher education institutions



I see shared services as something that is **inevitable**. It's the **next logical influx of thinking** in the business world brought into higher education.

– U. Michigan AVP Finance

Providing service through **hundreds of separate and unconnected databases** [...] is not the model used by other large enterprises, nor is it the model our funding partners in the governor's office and the General Assembly **expect us to continue to utilize in the 21st century**.

– USG Vice Chancellor for Fiscal Affairs

The help the department registrar has received from the shared services unit has been **exemplary**, and **services important to the local culture of the department have been maintained**.

– Yale Department Chair

Draft shared services prospectus

Where are we in the shared services process

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Key takeaways and next steps

In assessing SUNY's current shared services plans, we analyzed high-level data and interviewed key stakeholders

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The team ...

- Collected and analyzed staffing and cost data from 28 state operated campuses, 18 community colleges, and System Administration
- Interviewed campus leaders to get input on the prioritization of shared services opportunities
- Compared SUNY's current shared services plans to best-practice
- Sought input from the steering committee and project managers

... and used the findings to ...

- Identify major shared services opportunities and begin to set priorities
- Develop initial implementation strategies
- Identify gaps and areas requiring additional attention
- Verify that SUNY could save \$100 million over the next 3 years

We applied best practices criteria to identify priority activities for shared services

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For each of the functions in SUNY's shared services plan...

- Procurement
- IT
- Finance
- HR
- Academic and Student Support Services

...we assessed the proposed activities against the following criteria...

- What services should be shared?
- How feasible is the transition?
- What impact will the transition create?

...to determine which activities to prioritize

- 14 priority activities for shared services were identified
- Of these, strategic sourcing and IT infrastructure have the biggest potential impact

Preliminary – needs campus input and revision

14 activities that could be priorities over the next three years (1/2)

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Function	Activity	Description
A Strategic sourcing	1 Strategic sourcing	Establish team to identify opportunities, set policies, and manage contracts; implement system-wide electronic tools for contract management, end-user purchasing, compliance and data analysis
	2 Procurement processing	Create a shared team to process POs, A/P transactions, and travel- and purchasing-cards system-wide, possibly utilizing BSC services
C IT infrastructure	3 Data centers	Consolidate and virtualize data centers and services, potentially leveraging ITEC, CNSE, and/or UA
	4 Networking	- Harmonize network infrastructure, potentially with Unite NY - Move network support and maintenance to third party provider
	5 Help desk	Create a system-wide level-1 staff help desk
D IT enablement	6 End user services	Establish system-wide end-user services, such as a common email platform and IDM
	7 Application management	Cross-campus resource pool for application development and maintenance of academic, administrative, research, and student information applications

Preliminary – needs campus input and revision

14 activities that could be priorities over the next three years (2/2)

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Function	Activity	Description
E Finance	8 FP&A reporting	Standardize data definitions to enable consolidated data warehousing and self-service reporting
	9 General accounting	Create shared general accounting function, possibly within BSC pending SFS capability
	10 Self-service and process automation	Continue implementation of HR self-service tools and process automation for employee services, benefits, personnel, and payroll
F HR		
Academic and student support services G	11 Admissions processing	Consolidate all common and SUNY application processing and student and family admissions support in the APC
	12 Financial aid	Expand set of shared activities to include all financial aid eligibility review, verification, financial literacy tools, and level-1 support
	13 Student billing and collection	Create a system-wide function to perform all student billing, collection and out-of-school follow-up
	14 Registrar transactional activities	Automate and shared registrar transactional activities

Preliminary – needs campus input and revision

We could move to a shared services model gradually over the next three years

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Phase 3: Expand to new activities

Phase 2: Pilot and scale-up major functions

Phase 1: Quick wins, major functions, and key enablers

Timing¹

Now-June 2014

July 2014-June 2015

July 2015-June 2016

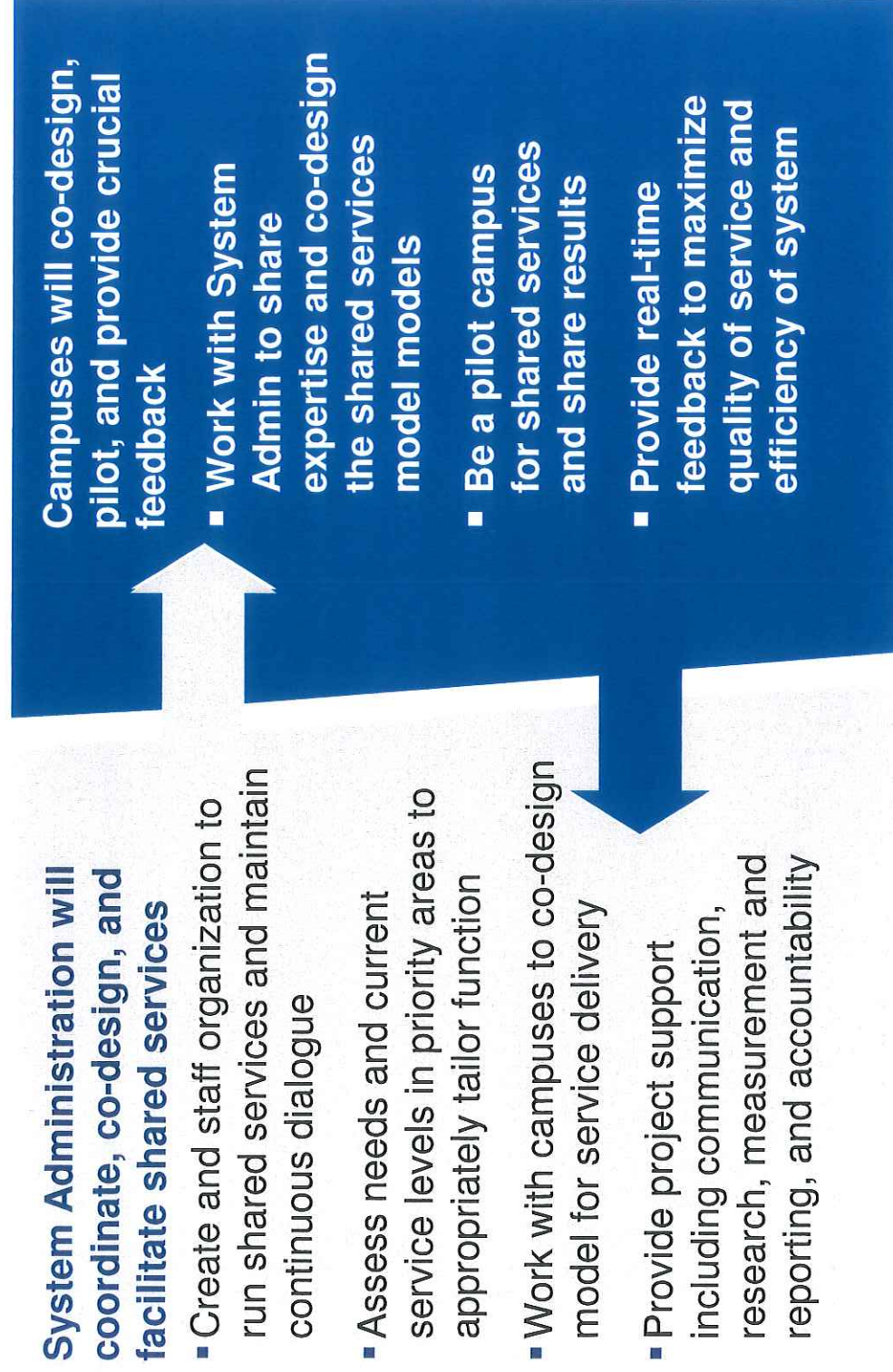
Procurement	1 Strategic sourcing	2 Procurement processing	
IT infrastructure	3 Data centers	4 Networking	5 Help desk
IT enablement	6 End user services		7 Application management for shared platforms
Finance	8 FP&A reporting	9 General accounting	
HR	10 Self-service		
Acad. and student support	11 Admissions processing	12 Financial aid	13 Student billing and collection 14 Registrar transactional activities
Criteria	Continue implementation of common student information system		
	- Large savings opportunity - Necessary for rollouts in later phases	Dependent on enablers in phase 1	Dependent on activities in phases 1 and 2

Preliminary – needs campus input and revision

¹ Indicates when implementation for an activity will start. Select activities will extend into the next phase

Success will require that campuses and system administration work together closely

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Today's discussion

Where are we in the shared services process

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● Key takeaways and next steps

Key messages

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SUNY has had success in shared services and more recent large and small accomplishments

Other leading institutions have seen significant benefits from shared services

Building on SUNY's initial success and expanding shared services system-wide can help SUNY campuses address critical challenges and better execute on their mission

Campuses and System Admin can work together to co-design shared services that address campuses' needs. Feedback from today's discussion will be incorporated into the planning for shared services

What are your key takeaways?

Next steps

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- Meet with other campus leaders to discuss shared services and the potential on their campus
- Align on priority functions and activities for shared services in the next 3 years, along with overall timeline and sequencing
- Develop operating model for managing overall shared services initiative, including vehicle for campus participation and funding model options
- Build working teams for each shared services project to design the shared service delivery model and create pilot plan

What are our next steps with you?



Campus Engagement

Scheduled Visits

8/8/13	University at Albany	9/16/13	CCIO Executive Board
8/13/13	Binghamton University	9/18/13	SUNY Purchase
8/14/13	Stony Brook University	9/19/13	SUNY Presidents' Meeting
8/26/13	University at Buffalo	9/20/13	Empire State College
8/26/13	SUNY Buffalo State	9/20/13	NYCCCT
8/28/13	SUBOA Executive Board	9/20/13	FCCC
8/29/13	SUNY Oswego	9/23/13	SUNY Maritime
9/4/13	Chief Academic Officers	9/23/13	Westchester CC
9/5/13	SUNY PA	9/24/13	Morrisville State College
9/5/13	SUNY Cobleskill	9/24/13	Mohawk Valley CC
9/6/13	SUHRA	9/25/13	Nassau CC
9/11/13	SUBOA Full Meeting	9/25/13	Farmingdale State College
9/12/13	SUNY IT	10/2/13	Upstate Medical University
9/13/13	CCBOA Executive Board	10/18/13	ACT

