

# IMPLEMENTING SHARED SERVICES

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# Agenda

- Benefits of shared services
- Analysis and building the business case
- Anticipating pushback and gaining buy-in
- Key decisions
- Implementation and training
- Continual improvement of processes and services

# Common Questions

- How can administrative processes be simplified?
- How can we provide even greater levels of support for our faculty and students while controlling costs?
- How can we reduce the duplication in roles and

# Common Questions

- How can we better leverage the technology we have, or use new technology, to further support our institutions?
- How can we track and analyze data for greater insights?
- How do we support better compliance without increasing administrative burden?
- How can we address our institutional needs without alienating stakeholders?

Value

# Background and Objectives

A University may seek to create a **Business Service Delivery Model** that will ensure high quality, transparent, and cost-effective services by creating a flexible, stable, and strong framework that can adapt to the University's needs over time.

- 1) Modernize the University's business processes rather than operating on inertia ("we have always done it this way")
- 2) Improve the quality of service to faculty, students, and staff
- 3) Minimize administrative burden on the faculty and research community
- 4) Redirect scarce resources to college, divisions, and professional schools
- 5) Provide challenging and interesting opportunities for our staff to grow as professionals

# Guiding Principles

Guiding Principle	Description
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Incorporating Shared Services into the University's delivery model can produce benefits in terms of service quality, efficiency, and transparency.

### Improved Quality of Services

- More consistent level of service provision across Units, particularly for Units that have lacked dedicated support
- Greater oversight and management of risk and compliance with University policy and external laws and regulations
- Better technology and tools to support modern processes

### Greater Efficiency to Allow More Focus on Core Mission

- Reduced time spent on transaction processing to allow Units to focus on more mission-critical support for faculty and students
- Consolidation of some activities to achieve economies of scale and allow greater specialization
- Single point of contact for many services for a "one stop shop" to go for help

### Improved Transparency, Accountability, and Insight into Performance

- Defined service levels and performance metrics within each function and process to measure and track performance
- Increased visibility on operational performance to both Unit and University leadership
- Established expectations and partnerships between Central Administration and Units

### Defined Career Paths to Grow Talent


- Dedicated resources to support better training and new learning & development programs for staff to better support faculty and students
- Defined career paths and skills development for staff to grow their skills and experience
- Clear roles and responsibilities to reduce duplication of work



# Gathering Process Activity

Gathering Process Activity														
Effort Allocation (Approximate)														
Function	Process Area					Effort Allocation (Approximate)								
	10/20	11/20	12/20	1/21	2/21	3/21	4/21	5/21	6/21	7/21	8/21	9/21	10/21	11/21
Financial	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Human Resources	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Information Systems	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Legal	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Operations	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Procurement	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Quality	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Research and Development	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Sales and Marketing	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Supply Chain Management	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Training	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Warehouse	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Other	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>





Activity	Description
1. Gather	

A capacity model is an analytical methodology that uses time per activity to estimate the total work effort required to perform a series of process tasks.

1. Activity	2. Volume Metric	3. Total Annual			

1. Activities across Finance, HR, Procure-to-Pay and Research Administration are included in the model
2. The volume metric describes the annual volume for the activity
3. The source of the total volume data is typically from a central system of record
4. The target cycle time is a reasonable estimate of the transaction processing time to perform a single activity, on average. The target cycle time assumes process improvements (i.e. streamlined procedures, increased automation, elimination of duplicate entry)
5. Estimated Annual Required Work is the total amount of working time required per year to support the transaction volume
6. Estimate Transaction FTEs are how many full-time equivalent staff are required to support the annual work effort. This is done by dividing the amount of work in step 5. by the available working minutes per year.

Once the Estimated Work Effort is calculated, the **Total FTE** can be determined by adding a management span of control.

7. The Span of Control is the staff to supervisor ratio. This ratio is typically much for work requiring more analytical skills, such as financial analysis. In transactional process areas, such as data entry, the ratio is typically higher between 10-15:1.

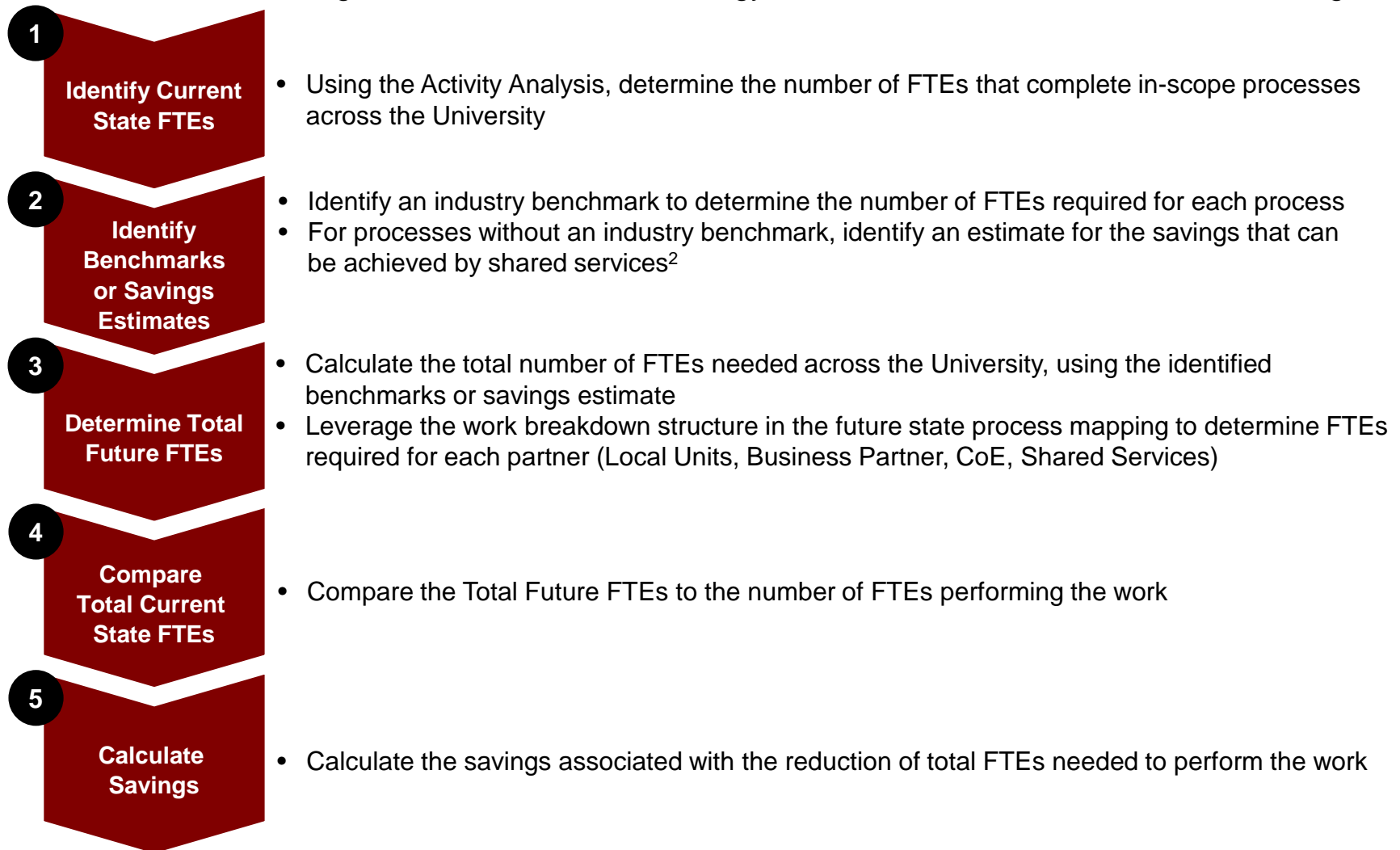
8. The Supervisor FTE = Transactional FTE / Span of Control

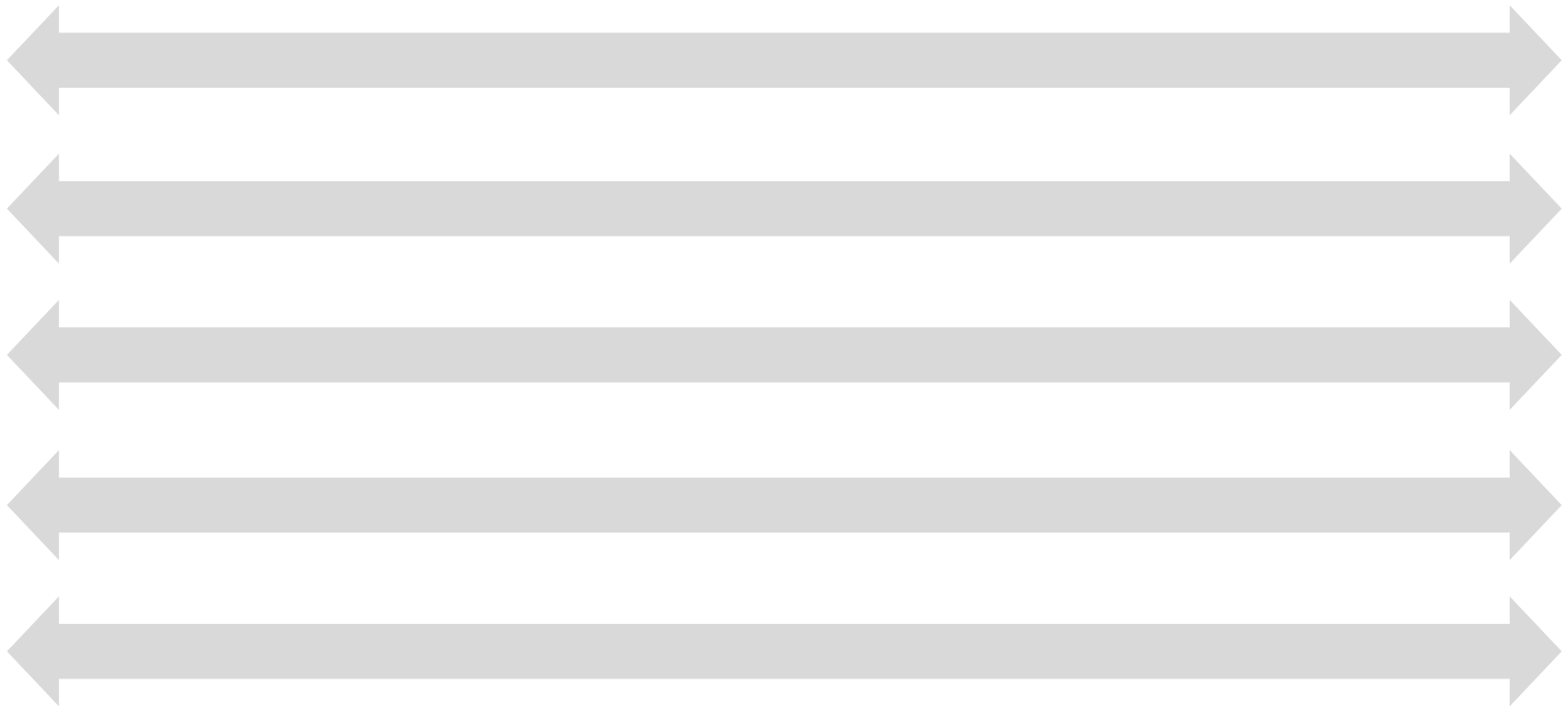
9. The Total FTE = Transactional FTE + Supervisor FTE. Typically this figure would be rounded up to the nearest whole to reflect future required headcount.

10. The Total Cost = Total FTE x Average Loaded Salary. The salary average accounts for the compensation differential between manageri 117.12 Tm4.9 (ferrThe )-1y (E)-2.2 ( / a

# How the Business Case Works

The following is an overview of methodology used to calculate the business case savings





# Understanding the Current State

What is the Culture?

What are the Norms?

Organizational Structures

How is Information Shared?

Past experiences in implementing new ideas/change

Is there mistrust?



# Keys To Success

- Articulate the “why”

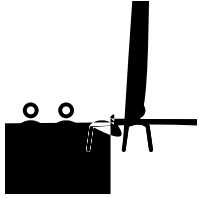
# Keys To Success

- Think “end- to-end”: Examine and redesign processes from end to-end to achieve true value and to uncover and address unexpected impacts that may affect departments
- Excel in communications: Provide consistent and frequent communications and opportunities for engagement through a wide variety of channels
- Over-train: Provide robust training for all stakeholders before and after implementation

# Administrative Partnership



# Key Considerations





# Training Topics & Delivery



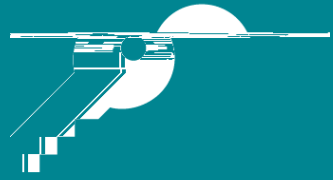
# Continuous Improvement Approach

The Continuous Improvement approach is a repeatable methodology to identify,



# Example of A Dashboard

No.	Title	Levels			FY20 1Q	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
		Baseline <sup>(1)</sup>	Target	Top 20 SSO <sup>(g)</sup>							
<b>Procure-to-Pay</b>											
P2P-6	Complete Supplier Setup / Modification Requests <sup>(d)</sup>	15.5	20.0	-----	13.5	7.8	6.3	10.0	9.0	8.9	14.2
P2P-12A	Invoice Payments Made Within Vendor PO Payment Terms <sup>(a)(b)(h)</sup>	77.4%	80.0%	-----	76.3%	75.8%	77.2%	75.4%	76.0%	77.7%	78.9%
P2P-13	Invoice Discounts Achieved*	67.6%	70.0%	-----	80.4%	86.0%	79.2%	81.6%	58.6%	86.4%	92.3%
P2PB1	Early Payment Discounts Taken as a % Spend			0.0025% <sup>(10)</sup>	0.00429%	0.00366%	0.00741%	0.00519%	0.00668%	0.00697%	0.00555%
P2P-14	First Time Invoice Match Rate	77.2%	80.0%	80% - 90%	83.3%	83.5%	84.1%	83.4%	86.1%	86.1%	83.6%
P2P-15	Invoice Voucher Time	12.9	12.0	-----	10.8	12.1	11.2	11.5	13.4	9.5	8.9



# TAKEAWAYS

- Shared Services is a journey and not a sprint. Patience, Listening and Resilience are key
- Facts, facts, facts (or data, data, data) are your friends. Gather them and use them
- Communicate early and often. Then repeat.
- Embrace technology but always remember the path the shared services is about CHANGE.
- Have fun

