CAMPUS SHARED SERVICES IMPLEMENTATION

PROJECT NAME:	Campus Shared Services Implementation
PREPARED BY:	Thera Kalmijn, David DeClercq, Mary Worthington
DATE (MM/DD/YYYY):	June 12, 2012

PROJECT CHARTER VERSION HISTORY		
VERSION	**DATE (MM/DD/YYYY)**	**COMMENTS (DRAFT, SIGNED, REVISED – CURRENT STATUS)**
Original	09/28/2011	Draft
Submitted	06/15/2012	Submitted for Signature

DOCUMENT PURPOSE

The Project Charter documents the formal conversation between the Project Sponsor and the Project Manager/Team, including the definition of success for the project.

Once approved, the Project Charter communicates the current agreement between the Project Sponsor and the Project Team throughout the lifecycle of a project. The Charter provides a high-level overview of the project including the definition of project success, and project resource (people and funds) requirements.

Requests and additions to the project scope are considered "out-of-scope" for the current project. When a scope change is required, document a change request that includes an impact analysis of project cost, resources, schedule, and risk. The Project Sponsor then formally approves the scope change request.

The project manager will retain additional documents that provide detail on the management of the project, including a communications plan, an issues log, a risk log, a change management plan, a budget, and a work schedule.

REVIEW & APPROVAL

(The Project Sponsor signature indicates approval of the Project Charter, and authorizes the Project Manager/Team to use identified resources to proceed with the detailed planning and execution of the project; using this charter as guide.)

PROJECT SPONSOR(S) NAME	SIGNATURE	DATE
John Wilton, Vice Chancellor, Administration & Finance		
Keith Gilless, Dean, College of Natural Resources		

CASE FOR CHANGE
(What is the Current Situation?)

Across the University, the delivery of business services is decentralized. The current structure contributes to higher delivery costs, lower quality and increased compliance risk.

The decentralized model creates the following non-optimal outcomes:

- No economies of scale for core IT, HR, Research Administration, and Finance services contributes to redundant processes that have too small of a scope to be efficient
- No standardization of processes between Units creates "generalist" job functions that require employees to allocate time to very different business processes which prohibits mastery of any single task
- Regulatory compliance across the different Units is challenging to monitor and difficult to guarantee which exposes the University to unnecessary risk

Without standardization and business processes that are sized too small and spread across disparate Units, University-wide continuous improvement will be impossible.

CAMPUS SHARED SERVICES IMPLEMENTATION

According to the Design Report, dated January 2011, approximately 2,100 FTEs are engaged in some combination of IT, HR or Finance-related activities and at a cost to the University in excess of $180 million.

PURPOSE
(What problem will be solved by the project? What value does this project add to the organization? How does this project align with the strategic priorities of the organization? What benefits are expected once the project is completed?)

Service levels and availability of administrative resources vary from department to department, creating an environment of service "haves and have-nots" and uneven service quality for faculty, staff, and students.   In addition, the current burden of administrative processes on faculty and staff is too high. There is a need to reduce the administrative burden and create a standard, foundational level of administrative service across the campus to support the ability of faculty, staff, and students to fulfill the academic, research and service missions.

During the Design Validation work, the Shared Services team found that service quality was largely not measured (with the exception of a few units where satisfaction surveys have been done) or systematically managed. Service quality was determined by the performance of the individual (e.g. departments have their "stars"). Shared Services team found pockets of service training (e.g. the RSSP "Stars" training), but no consistent service culture or training across departments.

In addition, many performance management elements that support a high performance service culture are inconsistently applied or, in some cases, absent. Many staff currently do not receive regular performance evaluations; do not set annual goals or have mid-year reviews; and historically under performers have been difficult to move out of the organization. Departments report that when performance evaluations are conducted, performance ratings are often inflated and do not often follow the expected distribution curve. In addition, many staff do not receive regular training to help keep skills current or to help them develop skills for future promotion opportunities. Career paths for staff are also unclear, leaving high performers few options for promotion.

Without the performance management elements described above, it is not possible to build and maintain a consistent high performance service culture that provides the university with outstanding administrative support and the staff with career opportunities.

In order to help offset future projected budget shortfalls the university needs to reduce resources allocated to inefficient and ineffective processes. The administrative processes in the areas of Human Resources, Financial Services, Information Technology Client Services, and Research Administration are often inefficient, ineffective, redundant, localized, uneven in terms of quality, and supported by manual, off-line, or other departmentally-developed systems.

IT End User support provides a clear example of the inefficiencies and risks inherent in the current environment, despite the best efforts of diligent staff in the departments. In conducting process mapping workshops in December 2011, Shared Services discovered that within the approximately 15 departments represented in the End User Support discussion; that there were at least six different help desk ticketing systems being used (systems that don't talk to each other); that many departments used no ticketing system at all or used them sporadically; and that several departments were staffed by a single IT resource who had no backup to cover planned or unexpected absences. In addition, departments were using a variety of user data backup systems or not running data backups for all users. There was also significant variation in the method of applying software patches and keeping software up to date on machines and many versions of software products being used by users within a department.

In the area of Human Resources and payroll, Shared Services discovered through the process mapping workshops and stakeholder interviews that: there is little automation of department level human resources work; current workflow tools require double data entry; and the error level is high due to lack of tracking or efficient workflow (e.g. requests are currently communicated verbally, by email, by instant message, etc.). The lack of a clear workflow and rigorous process introduces significant opportunity for errors. In addition, the number of staff with access the Human Capital Management system is in the hundreds. Departments can enter employment changes directly into the system which ultimately feeds the payrolls system. In our discussions, we regularly heard of HR errors leading to incorrect payments which needed to be corrected.

In addition, the departments represented in our process mapping workshops, site visits, workgroups, and stakeholder interviews regularly reported the need for standard processes, tools, and support in preparing visa and immigration work and more support for faculty or staff relocations. These activities are currently handled at the department level by individuals who may have little or

infrequent experience processing visa and immigration paperwork leading to potential delays or errors.

In the areas of Research Administration and Financial Services, departments reported frustrations with lack of clarity on how to move work through the process from beginning to end and resolve problems when they arose. In Research Administration, some departments also reported difficulty in finding or keeping sufficient qualified resources to do the work and having inadequate back-ups in place to fill staffing gaps.

In all areas, units found problem resolution difficult due to lack of clarity in processes, roles, and accountability, particularly when the transaction involved resources outside of their own department.

Due to the inconsistency and lack of documentation of current processes, it is very difficult to realize savings from process improvements. In addition, inconsistencies and lack of transparency in processes significantly increase risk due to errors, which create further financial risk in the form of costly rework or fines. The university needs to document, streamline, and standardize processes and enable processes with efficient, user-friendly technology solutions to reduce costs and risk associated with administrative work.

The staff doing the finance, human resources, research administration, and information technology work in administrative and academic units are often isolated and without peers to rely upon for consultation, support, and backup during normal absences. This creates delays in service provision and does not facilitate the sharing of best practices or foster the growth and development of our staff. In addition, career paths for staff in departments are often very limited making it difficult to reward, promote, and leverage the talents of our best staff.

After a detailed study of the issues and a deep engagement process with the campus community, the Shared Services Implementation Team recommends creating a single, matrixed Shared Services organization to deliver Human Resources, Information Technology, Financial Services, and Research Administration services. The matrixed organization structure and accountability model centers on a service team structure, shared accountability with central campus functions, and clear accountability to units being served. The design and implementation of the Shared Services Center is aligned with the Guiding Principles for Shared Services (see attached). The Shared Services organization will serve all campus units and there is no opt-out alternative.

The Shared Services Center will be staffed with functional subject matter experts using standardized processes and efficient systems to deliver consistent, high-quality, administrative services to the campus community in support of Berkeley's teaching, research, and services missions. The work and the client service delivery of the Shared Services Center will be enabled with work flow, work request tracking, and other technology systems to maximize efficiency, reduce risk, increase operational effectiveness, and improve the client experience.

In the first 24 months of implementation (Phase I), Shared Services will deliver a standard, foundational level of service to client units. Once the foundational level of service is established and is meeting operational targets, the organization will consider integrating higher service levels as required by particular units on the campus. Shared Services will ensure service quality through a robust governance model; monitoring and managing by key metrics; rigorous performance management; skills assessments; and on-going staff learning and development. .

The Shared Services Center will be supported through a funding model which determines costs to units based on use. For some currently under-served units who may not be able to afford the foundational level of services offered by Shared Services, the funding model may require a central campus subsidy. If a subsidy is required, it may only be for an interim period until service delivery costs are reduced by process and operational efficiencies. The funding model is still in progress and will identify and quantify where these funding gaps exist and recommend a solution.

For units where services levels are currently higher than the initial foundational level of service planned for the first 24 months of Shared Services operations, those services will be identified during pre-implementation work for the unit. Units will be allowed to keep higher levels of service and pay for them directly with the requirement that the unit migrate or integrate any relevant systems to align with the systems being used in Shared Services (e.g. IT help desk ticketing systems). During the Service Level Agreement development, all levels of services will be clearly identified and responsibility for managing and paying for these services will be clearly documented.

Shared Services will put into place a number of practices and tools In order to ensure that savings are not eroded by departments

creating new shadow systems and staffing. First, Shared Services will adopt a proactive and robust "client relationship management" program with the units they serve. This program will ensure that Shared Services is proactively working to: understand the needs of the campus units; address service problems quickly and effectively; and implement new systems, processes or staffing modes in response to campus unit needs. Shared Services will also create monthly dashboard reports to track staffing levels in Shared Services and work with Human Resources to identify and review job postings outside of Shared Services for in scope job codes. In addition, Shared Services and the functions will limit relevant systems access to those positions in Shared Services and departments who are intended to do the work.

Shared Services will set staffing ratios with input from functional leaders based on higher education and other industry benchmarks and campus benchmarks (e.g. ERSO and Human Resources Center). Shared Services will set a range of appropriate staffing ratios; benchmarking staffing ratios by service team, and set a staffing ratio target for each service team.

While some staff will remain embedded in the departments they serve (as determined by business requirements), most staff will be located in a single, off-campus center. To support the ability of Shared Service Center staff to interact with client units on campus, the space strategy will include two to three smaller, strategically located, on-campus drop-in centers.

The Shared Services model will align and/or integrate with other OE initiatives (i.e., BearBuy, CalTime, etc.) and system-wide projects (i.e., UCPath Initiative).

As a result of the Shared Services, most units will likely need to undergo some level of realignment in the unit as some positions currently support work that is in scope for Shared Services and other work that will stay in the unit. While this in-unit realignment is out of scope for Shared Services, Shared Services is helping to initiate the request for support for these efforts through OE, Human Resources, and the Office of the EVCP. It is likely that HR and the Office of the EVCP will take the lead in the unit realignment efforts. To support both the Shared Services Implementation and in-unit realignment, a unit implementation leader will be identified for each unit during pre-implementation and implementation. The Shared Services team will hire additional implementation analysts to support pre-implementation and implementation work and ensure good coordination between the Shared Services efforts and the in-unit realignment efforts.

The Shared Services team (with the support of COrWE and unit implementation leaders) will also develop pre-implementation resources and toolkits in that include: change management support, training and tools; unit staffing impact assessments; skills assessments; IT assessments; work in progress assessments and transition plans; etc. These pre-implementation resources and toolkits will be developed in coordination with the in-unit realignment teams to streamline data gathering and reduce impacts on the units.

In order to ensure that work in progress will not be interrupted, Shared Services will use the work in progress assessments and transition plans (to be developed) to created detailed handoff schedules. These schedules should be reviewed and approved by the unit implementation leader and the appropriate Shared Services implementation manager. In addition, the Shared Services savings model includes some increases in staff in the early months of implementation to allow for extra support during the transition. The savings model assumes that staffing levels decline over time as efficiencies and use of technology tools increase.

The proposed Shared Services Center will align with OE goals by:
- generating hard savings that total $13.7-18.7 million in annual administrative costs (pending finalization of savings model on March 31, 2012);
- Note: operating investments are required and savings occur over time. Current preliminary projections show Shared Services operations breaking even by the end of year two and then generating approximately savings of ($6.9M to 11.9M by end of year three and full year over year savings in year four.)
- Savings of $13.7M to $18.7M are gross of the investment budget requested as part of this proposal (so savings before investment expenses). Savings *net* of costs will be realized by year five.
- The projected implementation costs in the attached budget total $18.6M to $20.7M. For detailed costs, see section VI.C. and attached "*Executive Summary Campus Shared Services Implementation Team Budget Analysis*":
- These estimates and the timing of savings are preliminary and will be further validated with the completion of the funding model work. In addition, the Shared Services Implementation team believes that further savings will be possible beyond years three to five as services are brought into the shared services model and further efficiencies are identified.

- generating soft savings resulting from an improved work environment cultivated by the reduction of time spent on administrative tasks;
- creating a single, matrixed infrastructure staffed by functional subject matter experts;
- creating a flexible and scalable organization that can be adjusted as demands and funding change;
- establishing common standards, procedures, and practices;
- improving standardization and automation of processes and reducing duplication of effort, error rates, shadow systems, compliance risks, and fines;
- targeting a 35% improvement in efficiency by year five through our application of the Lean Six Sigma process improvement methodology;
- standardizing and leveraging technology to minimize paper and manual work and eliminate the duplication of systems across campus;
- utilizing technology to support the processing and approvals associated with in-scope administrative work, from the initiation of the work request to the completion of the work request and recording of information in the proper system of record (e.g. HCM). Technology should meet the local, shared services, and central administration business needs;
- ensuring service quality through developing and managing service level agreements, leveraging service satisfaction metrics to improve operational performance, establishing clear points of contact and cross-functional coordination across teams, and providing enhanced training to staff –functional, technical, and service delivery;
- developing a robust performance management process and utilizing goal setting and 360 feedback loops to evaluate individual performance;
- freeing up to 100,000 square feet of administrative space on campus to be redirected to research and teaching. Note: The Vice Provost for Teaching, Learning and Academic Planning and Facilities, Cathy Koshland, is developing a plan to manage the capture and efficient and effective redeployment of space vacated by positions that are moved to the off campus Shared Services center.

Implementing Shared Services will benefit the campus by:
- developing a strong service focus in delivering in-scope administrative processes campus-wide;
- allowing academic leadership to focus on academic and programmatic priorities;
- creating a broader bench of resources (i.e., a community of practice) and technology tools that will support processes and lessen the administrative burden on faculty, staff, and students;
- creating clear communication channels through a matrixed organization and clear decision-making roles, accountabilities, and governance;
- serving as a catalyst for campus-wide improvements in service culture and performance management;
- developing clear career paths and professional development opportunities;
- creating financial savings through better technology management that leads to energy reduction (i.e., Big Fix – a technology tool that monitors and maintains computers, updating software automatically and determining when machines should be powered down due to inactivity).

RESULTS
(What does success look like? How do we know that the problem described above is resolved? This typically involves clarifying metrics for operations once the project is completed.)

#	SUCCESS MEASURE
1	Cost: Reduce administrative costs and enable the campus to direct more resources to teaching and research
2	Efficiency: Streamline steps and workflow to create a simplified and efficient operating process
3	Service: Provide a quality of service that is equal to, if not better, than the current service
4	Employee Engagement: Develop staff with depth and expertise in specific areas
5	Employee Development: Create clearly defined career paths for staff
6	Regulatory: Reduce compliance risk

SCOPE

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(The scope defines the boundaries in terms of where the project begins and ends. The scope describes what will be delivered - where, when, and how. It describes the services, functions, systems, solutions, or tangible products for which the sponsor will take delivery.)

Campus Shared Services will include business processes from Human Resources (HR), Finance, Research Administration (RA), Information Technology (IT), and General Administration (GA). The specific scope for each functional area will be defined during the first phase of the project.

The Campus Shared Services Implementation team will deliver an administrative center(s) of excellence with the following characteristics:

- An organization and governance structure to support and lead the Campus Shared Service Center(s) operation
- A sustainable funding source(s) and operating model with detailed staffing requirements
- Physical infrastructure capable of meeting campus demand for business services
- Standardized business processes and tools for all "in-scope" activities
- Customer service level agreements that will describe the interaction between the Campus Shared Service Center(s) and the campus
- A comprehensive campus contact model with multiple channels to access service
- A learning and development culture that will engage employees and offer the staff a clear career path with opportunities for personal development

PROJECT CONSTRAINTS & ASSUMPTIONS
(List the known and anticipated constraints, and the initial assumptions for the project.)

#	NAME
1	Cost: Projected savings are $12-14 million annually after full implementation. The implementation team, pilot proposal, and full implementation over two years is projected to cost $20.7 million.
2	Schedule: The team will develop a detailed implementation plan in fall 2011. Early adopters in January 2013. Implementation and the integration of all administrative and academic units will begin in 2013.
3	Scope: Business processes in HR, Finance, RA, IT, and GA. Specific scope for each functional area will be defined during the first phase of the project.
4	Adoption Risk: Integration of Campus Shared Services for all 28 organizational units.

PROJECT MILESTONES & DELIVERABLES
(List the major milestones and deliverables of the project.)

MILESTONE	DELIVERABLES	DATE
Project Initiation	On-board CSSI Project Team	August 2011
Workgroup Formation	Form cross-functional workgroups with leadership from an academic and functional sponsor and participation from key campus experts from Academic Units, Student Affairs, Administration, and OE.	October 2011
Diagnostic and Analysis	Collect data to support the workgroup's objective, develop decision criteria, evaluate the data, and form a recommendation to present to the Steering Committee.	February 2012
Recommendation	Seek comments from the Liaison Group and present workgroup recommendation to the CSSI Steering Committee. The CSSI Steering Committee will work with the Campus Executive Leadership to approve project continuation and Campus Shared Service Center(s) design.	March 2012
Implementation Planning	Detailed implementation plan for each workgroup. Implementation sequencing by functional area and organizational unit.	*Start* March 2012
Implementation	Integrate campus organizational units into Campus Shared Services.	*Start* January 2013

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IMPACT STATEMENT		
(List the impact this project may have on existing systems and populations.)		
POTENTIAL IMPACT	WHAT AND WHO IS IMPACTED	RATING (1-5) 1:Low |3: Med | 5: High
All staff roles and processes in HR, Finance, RA, IT, and GA will change	Campus-wide staff and organizational units	5
The use and requirements for all technological solutions will change in HR, Finance, RA, IT, and GA.	Campus-wide staff and organizational units	5
Career paths and development opportunities for all staff HR, Finance, RA, IT, and GA will change.	Campus-wide staff and organizational units	5

FINANCE DESCRIPTION
(Provide a high level narrative overview on the estimated investment requirements, the savings targets, and the ongoing funding model.)
Approved OE Funding (salary, supplies, training, and other): $20.7 million Future funding will be necessary to build, staff, and operate Campus Shared Services. After the Diagnostic and Analysis phase, the CSSI Project Team will return to the OE Executive Committee to request additional funds. Projected savings (annual run-rate): $12-14 million.

Approved OE Funding (salary, supplies, training, and other):

$20.7 million

Future funding will be necessary to build, staff, and operate Campus Shared Services. After the Diagnostic and Analysis phase, the CSSI Project Team will return to the OE Executive Committee to request additional funds.

Projected savings (annual run-rate): $12-14 million.

RISKS	
(Identify the high-level project risks and the strategies to mitigate them.)	
RISK	MITIGATION STRATEGY
Campus Stakeholders with influence and decision rights will not support or stop supporting the project	Constant stakeholder engagement; inclusion of key stakeholders in decision-making; constant communication and assessment
Implementation timeline is too aggressive	Develop and manage a well-defined project plan; manage expectations of key stakeholders; negotiate for additional resources to support project plan
Missed milestones will reduce the credibility of the CSSI team to lead change	Define and communicate reasonable expectations; constant communication and assessment with key stakeholders
Lack of technological or physical infrastructure	Constant stakeholder engagement; communication and assessment

COMMUNICATION
(Highlight the communication requirements between the Sponsor, the Key Stakeholders and the Project Team, including the frequency of check-ins, project reviews, and status reports (in person and written).)

Sponsor Review:
    Monthly meeting to review CSSI project status
    Regular one-on-one meetings for mentoring and guidance

Stakeholder Review:
    Monthly Functional Leader Workgroup meetings
    Monthly OE Status and Financial Reports
    CSSI Steering Committee meetings (as required)
    Liaison meetings (as required)
    Dean's Forum (as required)

Campus Community:

Town Hall meetings (as required)
Focus groups (as required)
Campus Shared Services website

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APPENDIX A - PROJECT ROLES & RESPONSIBILITIES
Name the members of the project team.

PROJECT SPONSOR: Provides overall direction, guidance, and funding for the project.

RESPONSIBILITIES include setting the vision and strategic direction, approving the project charter and plan; securing resources for the project; confirming the project's goals and objectives; keeping abreast of major project activities; making decisions on escalated issues; and assisting in the resolution of roadblocks.

NAME	John Wilton, Vice Chancellor, Administration & Finance
NAME	Keith Gilless, Dean, College of Natural Resources

FUNCTIONAL OWNER: Manages the impact of the project in their functional area.

RESPONSIBILITIES include ensuring agreed-upon project tasks and deliverables are completed, incorporating the views of their customers, providing functional expertise in a particular area, articulating requirements, and working to ensure that business needs are met.

NAME	TBD – specific to each workgroup

PROJECT MANAGER: Leads the team in planning and implementing the project from initiation to closure.

RESPONSIBILITIES include scope and change management, keeping the project plan current (deliverables, schedule, and resources), issue and risk management, maintaining project documents, reporting project status, and facilitating conflict resolutions within the project and between cross-functional teams..

NAME	Thera Kalmijn, Executive Director, Shared Services Implementation
NAME	David DeClercq, Project Manager, Shared Services Implementation
NAME	Mary Worthington, Project Manager, Shared Services Implementation

The **PROJECT STEERING COMMITTEE** includes key stakeholders and subject matter experts.

RESPONSIBILITIES include providing guidance on key issues.

NAME	Heather Archer, *Academic Personnel*
NAME	Angela Blackstone, *Student Affairs*
NAME	Ron Coley, *Business Services*
NAME	Erin Gore, *Finance*
NAME	Heidi Hoffman, *Letters & Science*
NAME	Phyllis Hoffman, *EVCP*
NAME	Peggy Huston, *OE Program Office*
NAME	Ann Jeffrey, *VC Research*
NAME	Cathy Jen, *ERSO*
NAME	*Thera Kalmijn, CSS Implementation*
NAME	Sandi Ketchpel, *Goldman School*
NAME	Alice Kubler, *Haas School*
NAME	Liz Marsh, *Information Tech.*
NAME	Jeannine Raymond, *Human Resources*
NAME	Delphine Regalia, *Controller's Office*
NAME	Jodie Rouse, *Student Affairs*
NAME	Mary-Ann Cogan Spencer, *Student Affairs*
NAME	Lyle Nevels, *Information Tech.*

A **SUBJECT MATTER EXPERT (SME)** provides expertise on project elements including business process and current or new technical solutions.
RESPONSIBILITIES include maintaining up-to-date experience and knowledge on the subject matter, validating recommendations, and providing advice on what is critical to the performance of a project task.

NAME	TBD – specific to each workgroup

Describe the roles and responsibilities of the project participants.

PROJECT TEAM MEMBERS

RESPONSIBILITIES include
- understanding the work to be completed, completing the research, data gathering, analysis, and documentation,
- informing the project manager and team members of issues, scope changes, risks, and quality concerns, and
- proactively communicate status and manage expectations.

NAME	Sybil Wartenberg	ROLE	Communication Manager
NAME	Andrea Lambert	ROLE	Project Consultant
NAME	Sandra Moran	ROLE	Project Consultant
NAME	Micah Press	ROLE	Project Consultant
NAME	Darrylyn Swift	ROLE	Service Quality Consultant
NAME	Jessica Oates	ROLE	Administrative Assistant
NAME	Emily Howe	ROLE	Communications Consultant
NAME	David DeClercq	ROLE	Project Manager
NAME	George Noble	ROLE	Project Manager
NAME	Mary Worthington	ROLE	Project Manager
NAME	Amanda Mickela	ROLE	Project Coordinator
NAME	Emily Gayton	ROLE	Project Consultant
NAME	Seana Van Buren	ROLE	Project Consultant
NAME	Thera Kalmijn	ROLE	Executive Director

APPENDIX B - KEY TERMS & DEFINITIONS FOR THIS PROJECT CHARTER

Define key terms unique to this Project Charter.