

IMPLEMENTING YOUR INSTITUTION'S SERVICE DELIVERY MODEL

AT A GLANCE

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EVALUATING THE NEED FOR SHARED SERVICES IN HIGHER EDUCATION

Need for Shared Services

In the midst of increasingly tightened budgets and a rising demand for service, higher education institutions continue to face an uphill battle in providing constituents with the support needed to run a university while keeping the operation costs to a minimum¹. As such, institutions are left to identify new or adjusted service delivery models to aid in administrative cost reduction and increase organizational compliance. As universities are commonly large entities providing a complex range of services, they present a unique set of circumstances that can lead to challenges in implementing concepts related to shared services.

As a response, many institutions continue to evaluate a shift in their administrative service delivery by implementing models that allow flexibility in providing local services, as well as consolidation of key administrative expertise and transaction support. By evaluating services and identifying university functions that may be combined at a state or regional level—functions such as finance and accounting, human resources and payroll, student services, information technology, communications and research administration—stakeholders can take the first step in evaluating potential cost savings and/or quality enhancements by making a transition to a Shared Services model. Though this transformation may require a significant initial investment, the shared model can lead to efficiency gains for university operations, opening the possibility of decreased administrative expenses in the long haul. This provides flexibility for university leadership to pursue other critical strategic priorities that more closely align with the mission of the organization.

Significance of Assessment Phase

During our predecessor discussion on the assessment of shared service delivery in higher education², the steps necessary to determine a potential transition to a more consolidated model were examined in detail. Universities or university systems should first examine the current delivery model and identify opportunities for improvement by completing a current state

1. Cluver, Megan. (2015). "Shared Services: Finding the Right Fit for Higher Ed". Huron Consulting Group.

2. Note: Phases 1-3 are covered in the Huron Whitepaper titled "Approach to Evaluating Your Institution's Service Delivery Model"

assessment, with the end goal being a better understanding of organizational, process, and technology components affected by a possible transition. Conducting a thorough current state assessment requires developing a structured approach, including assigning workstreams for division of labor and monitoring status of progress through periodic meetings amongst the assessment resources. The design should begin to clearly develop a picture of the organizational model and a plan for addressing resource constraints, proposing a desired future state, and conducting a fit-gap analysis to determine missing processes and gaps in the aligned technology. Finally, the outcome of this strategic planning effort should result in a solution roadmap, assisting the institution in remaining dedicated to the ultimate goal of a successful implementation.

As we move on from our discussion on the plan, evaluate and design phases, this paper will examine the necessary steps to implement a flexible and customized shared services model, and the tools and activities that are required to evolve to the future state, providing opportunities to optimize the organization's investments. Challenges and considerations that are critical to successful organizational change will lead to multiple barriers to implementation, which organizations must proactively mitigate. This summary will discuss some common barriers, including achieving organizational buy-in, assessing and transitioning current and future staffing resources, and selecting the right technology for the job. To diminish such obstacles, Huron has designed and deployed a carefully constructed methodology to determine the right fit for higher education organizations and systems. We examine this methodology below in

detail, with a forthcoming discussion of both the implementation and optimization phases.

HURON'S APPROACH TO EVALUATING SERVICE DELIVERY

Huron's Service Delivery Evaluation Methodology

Through a focus and passion for the higher education industry, Huron has forged a strong reputation for the successful design and deployment of shared service solutions within a range of diverse environments. Huron's approach focuses on data-driven results with an emphasis on change management and stakeholder engagement. A comprehensive five-phase shared services strategy directly addresses the common challenges encountered within the industry to ensure success.

Phase 1: Plan.

- Establish project goals, milestones, project governance and communication strategies

Phase 2: Evaluate.

- Evaluate current state and propose service delivery optimization solutions to inform "go / no-go" decisions (Note: Leadership will validate the institution's readiness to move forward. The next phase will not begin until buy-in from leadership to move forward is achieved)

Phase 3: Design.

- Design a future-state service delivery model and implementation plan (Note: Leadership will validate the institution's readiness to move forward. The next phase will not begin until buy-in from leadership to move forward is achieved)

Service Delivery Optimization Methodology

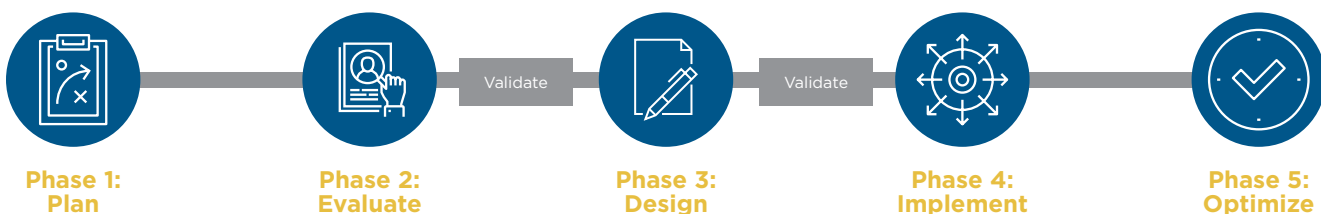


Figure 1—Huron Methodology

Phase 4: Implement.

- Provide project management and operational assistance throughout the implementation

Phase 5: Optimize.

- Ensure the sustainability of project goals and optimal results

Implement and Optimize

This paper proceeds where we left off previously³. Following the design phase, this paper covers sections four through five of our methodology, including implementing the new service delivery model (providing operational and project management assistance), and touching briefly on the opportunity to optimize the new investment.

PHASE 4: IMPLEMENT

The implementation phase aims to achieve three key objectives:

1. Support the execution of the transition plan to operationalize the service delivery model selected through a detailed assessment⁴
2. Understand the role and impact of changes to organization, process and enabling technology on the institution
3. Facilitate change management and training

In order to fulfill these objectives, the implementation must focus on continuing to

engage key institutional stakeholders (e.g., faculty, researchers, staff and leadership) affected by the transition—including Subject Matter Experts (SMEs) and a “network of champions”—to vet the selected model and transition plan. Executing successfully involves five discreet sub-parts of the implementation phase to complete the total transition.

Re-engaging Campus Stakeholders

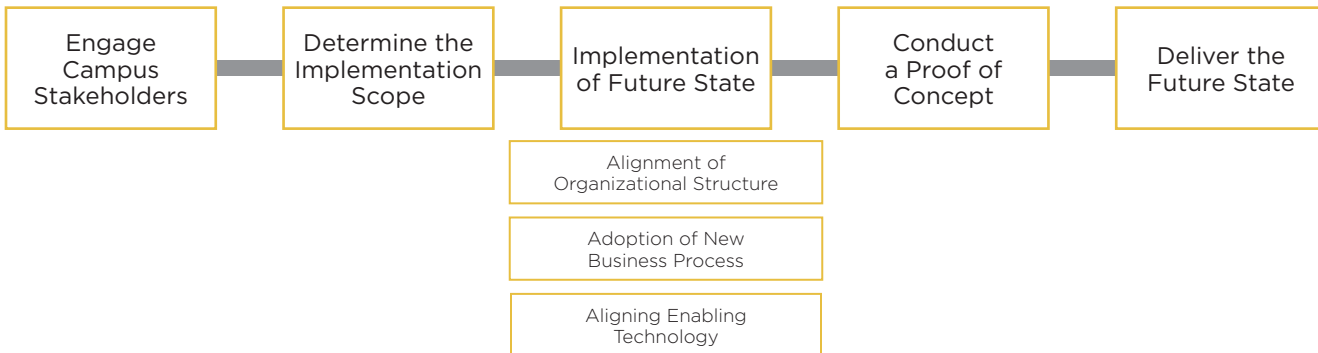
Re-engaging campus stakeholders is a critical component of implementing a shared service model, and continued buy-in and support from leadership and key institutional factions (e.g., faculty and staff) is the first step. The project team would be wise to not overlook their business users, as securing a “network of champions” throughout the organization, and at all structural levels within a diverse set of university departments is crucial to a successful adoption and transition. When assessing the stakeholder landscape, the project team should work to understand these key players across the organization and appropriately identify this “network of champions” to aid in building the three key deliverables in the initial part of the implementation:

1. **Refining a Governance Structure Comprised of a Steering Committee** which allows the project team to establish a group of campus leaders to approve core deliverables and project scope (including Project Charter,

3. Note: Phases 1-3 are covered in the Huron Whitepaper titled “Assessment of Shared Service Delivery in Higher Education”

4. Note: Phases 1-3 are covered in the Huron Whitepaper titled “Evaluating Shared Service Delivery in Higher Education”

Focusing on Implementation



Service Level Agreements, Staffing Models, and Total Cost of Ownership), ensure the shared service center matches the vision and mission of the institution, delineate a team of decision makers, and begin to define the project governance structure. This committee is ultimately responsible for all project decisions, and is often carried over from earlier stages.

2. **Utilizing the Advisory Committees** allows collections of campus subject-matter experts to provide feedback and communications, assist in drafting deliverables and serve as expert business users. As in earlier stages, this committee must represent a broad base of stakeholders who are able to think beyond the implications for their unit and bring an institutional mindset to the challenges and decisions faced.
3. **Developing an Implementation Plan** allows these decision makers to determine how to transition current staff to a shared services model, and accounts for both their physical and organizational position in the conversion to the future state. The Implementation Plan should incorporate key planning activities such as a communication, training and deployment plans, as well as a project approval structure.
4. **Revisiting the Stakeholder Landscape (using tools like a RACI⁵ matrix)** allows the project team to outline the position of each stakeholder within the change management and overall project framework, assists in evaluating individual change, and provides inclusion amongst multiple levels of the organization to ensure a powerful coalition for change.

Universities or university systems should keep in mind the logistical challenges embedded in the transition. As finding physical space for administration can be highly difficult, as well

as outfitting shared service users with the appropriate resources, this portion of the plan should not be overlooked. Other pitfalls and potential mitigations are covered in detail within the common challenges portion of our discussion.



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Determine the Implementation Scope and Phasing

The initial task of the implementation involves determining a strategy, scope and details of the new service delivery model. This step should involve incorporating the aforementioned governance bodies, as well as key individuals from the leadership and business user layers of the institution. Three deliverables are key to determining the scope of the project:

1. **Confirming Project Vision, Mission and Charter** allows the executive steering committee to describe project goals, establish the specific project scope, define success criteria and milestones, form a project budget, and institute a sponsor and authority to lead the project and champion decision making.
2. **Creating a Detailed Project Plan** allows the project team to list specific activities, determine a timeframe for the project, and plan resource estimates needed for each phase of the transition.
3. **Confirming the Business Process Inventory** allows business users to finalize the standard set of business processes that are critical to the transition to the future state, and defines which departments and business users will be integral to the changeover. The business process inventory is developed as part of the design phase of the service delivery evaluation—during the implementation, users should simply confirm the final inventory.

5. Responsible, Accountable, Consulted, Informed (RACI)

The successful implementation of “future state” shared service delivery models pivots on three important aspects—alignment of organizational structure, adoption of new business processes and implementation of enabling technology. Steps should be taken during the initial assessment to prepare for the implementation of the future state—however, if this exercise has not yet been completed, the organization will need to pause to conduct steps associated with a typical assessment.

Implementation of Future State

Aligning the correct technology for the organization will enable users to adopt new practices to fit their business needs best. As a part of the initial assessment, stakeholders should identify the technologies needed to satisfy these business needs and select or adapt a technology based on gaps. This technology should align not only from a technical perspective, but should consider the selected model and redesigned organizational structure, as well as the desired business processes that will support it. Several tasks are required to align the enabling technology in preparation for the desired future state:

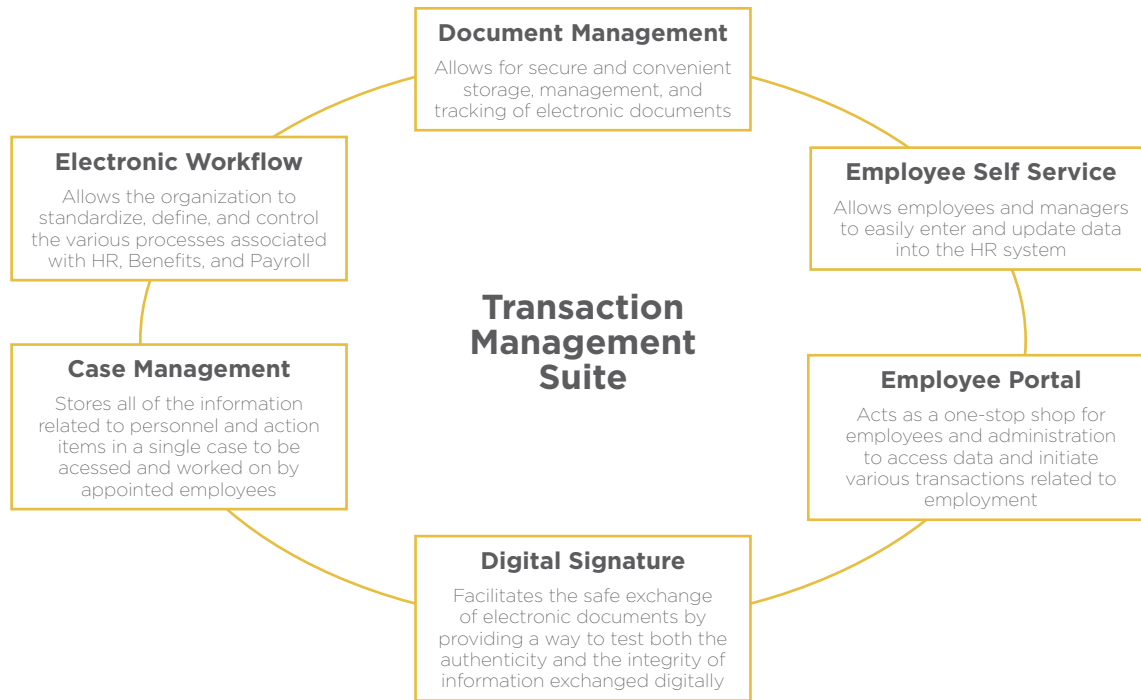
1. **Optimizing the Use of Technology to Support Business Processes** allows the University to be able to tailor configuration based on their business needs, and begin to test the new or updated system. Implementing technology solutions that facilitate and enable shared service models, such as electronic workflow and metrics driven dashboards, should be occurring during this portion of the implementation phase.
2. **Adjusting Existing Technology Infrastructure** allows the institution to have discussions related to the new technology, and what steps need to be taken to prepare pre-existing technology for the transition. This stage should engage University IT from the CIO level, to the business-user level. Adjustments to current database and

hardware resources, identifying gaps in reporting, security and control (including single sign-on), and positioning legacy systems to work with the new technology are all essential steps.

3. **Deploying Key Performance Indicators (KPIs)** ensures that an institution takes a data-driven look at the progress in advancing towards the future state. KPIs should be planned and created during the initial assessment and may want to consider process timing, service response time, and the transition of current business processes to future state equivalents.

Selecting and implementing the right technology and tools to support a shared services transition can be a challenging process. Organizations must evaluate a full range of transaction management tools prior to implementing the one that is the best fit for their model. While assessing the right fit for the institution, decision makers should consider an application that best fits their current business processes, is most aligned with their existing organizational structure, and blends appropriately with the desired transition from existing legacy technology. These three pillars will serve as keys to a successful implementation of a shared service model and will serve as the critical base for the execution of the plan.

Considering a Transaction Management Suite and various technology platforms in unison is important to realize efficiencies and cost benefits of each individual enabling technology solution. Before selecting vendors, it is important to develop a coherent vision incorporating all technology system support needs. The figure on the next page illustrates a sample Transaction Management Suite to support shared services.



Conduct a Proof of Concept

Organizations may use a Proof of Concept (PoC), a recommended best practice, to mitigate risk in implementing the full slate of future state business processes. By selecting a sample of core business processes that span multiple departments or campuses, a university may use the PoC to gauge the required level of effort for each business process, develop an agreed upon set of templates that incorporate all information necessary for the transition, and determine an appropriate method for leadership approval and socialization with broader campus stakeholders. Successful PoC deployments and word-of-mouth marketing of the future-state can increase stakeholder buy-in and improve future state adoption. Three main deliverables are critical to successfully conducting a PoC:

1. **Developing a PoC Analysis** allows the steering committee and implementation team to determine best practices for the full future state implementation, and alerts the project team to any overall changes needed to the deployment strategy or model.

2. **Building Tools for the Implementation**

allows the project team to create and understand standard information needs for each business process, including whether business process maps, workbooks, or other tracking tools (e.g., action item trackers) are required.

3. **Revising the Core Project Documents**

allows the steering committee to determine what changes need to be made to the deliverables created during the prior phase. This may include updates to the project charter, project plan, or business process inventory.

Deliver the Future State

Following the PoC, the project team should launch the full implementation of project plan, leveraging the tools developed for the work products and the core project documents as the base for the path forward. Work products are to be developed in accordance with the business processes included in the business process inventory established while determining the project scope. The project team may also begin to deploy change management and training strategies and deliverables, and track considerations that may alter the scope

or present barriers to implementation. The full implementation should coordinate and take into consideration the timeline and project plan of the technology, which will greatly influence the communication, change management and business process activities. Several deliverables are vital to the delivery of the future state:

1. **Finalizing Future State Business Processes** allows the business users to understand affected business processes, enables the project team to assist in developing training materials and documents barriers to change management. The future state documentation should include business process maps and workbooks for each process.
2. **Refining Service Level Agreements** documents services provided, levels of response, availability and service maintenance, responsibilities as a service provider, and processes for requesting services.
3. **Migrating Enabling Technology From “Test Mode” to “Product Mode”** provides a proven solution for technical and functional processes prior to implementation.
4. **Defining a Timeline and Plan for Organizational Change Management** allows the project team to notify resources of upcoming campus socialization activities and resource expectations, creates a timeline for the training team to develop materials, and maps out the deployment of the communications plan.

Deliverable Checklist: Implementation Phase

STATUS	IMPLEMENTATION PHASE ACTIVITIES	ASSOCIATED DELIVERABLES
✓	Re-engage Campus Stakeholders	<ul style="list-style-type: none"> • Confirm Governance Structure/Steering Committee • Transition Plan • RACI
✓	Determine the Implementation Scope	<ul style="list-style-type: none"> • Refine Project Charter • Develop Detailed Project Plan • Confirm Business Processes
✓	Implementation of Future State	<ul style="list-style-type: none"> • Configuration for New Technology • Plan for Adjusting Current Infrastructure • Key Performance Indicators
✓	Conduct a Proof of Concept	<ul style="list-style-type: none"> • Proof of Concept Analysis • Standard Templates • Revised Scope Documents
✓	Deliver the Future State	<ul style="list-style-type: none"> • Finalized Future State Business Processes • Finalized Service Level Agreements • Production Ready Technology • Timeline for Organizational Change Management

OVERCOMING COMMON CHALLENGES IN IMPLEMENTATION

Organizations routinely face a series of barriers prior to and during the implementation of a shared services model. Walking the line between a successful implementation and a fragmented services structure involves potential pitfalls during the process of stakeholder engagement (at all levels), attempting to effectively align and position staff, and selections of the right technology mix for the institution (whether new or adapting).

Achieving Buy-in

The journey to achieving organizational buy-in can serve as an important barrier to implementing an effective shared services model. Successfully navigating the channels of change for the institution includes early engagement with key constituents to establish a firm, unified consortium of support for the project that spans all of the effected parties. As the bulk of the work to bring in campus constituents will be completed during the design phase, the buy-in secured during the implementation phase should be a re-affirmation and re-connection with your team of key players. First, organizations should confirm key individuals within leadership and throughout campus (e.g., faculty, administration, research and student affairs) that will serve as a “network of champions” within the organization. This network may work to achieve the project goals by using their organizational contacts to suggest participants for a steering committee, contribute to the development of key deliverables for the implementation, and identify additional business users who's input will be crucial to identifying the correct requirements for the implementation.

Second the project team should reconvene or establish a leadership based steering committee, responsible for approving key deliverables to drive the implementation phase (e.g., project charter, transition plan). These key deliverables should outline the goals and governance structure of the engagement, and create a framework to position current resources for a transition to the new model. Both deliverables will assist in re-engaging key campus stakeholders and evaluating the associated impact of the implementation.

Institutions that fail to achieve organizational buy-in prior to the early phases of an implementation face a significant risk of alienating campus leadership and their trusted business users. Understanding individuals who may serve as project champions, and in turn provide a network to establish a steering committee, can help to diminish this hurdle for a successful shared services implementation.

Positioning for Organizational Transformation

As with any organizational transition, successfully positioning resources for the change and solidifying the definition of success can create a lofty barrier to a smooth conversion. An effective change management and communication plan can serve to alleviate the risks associated with the implementation, and are critical in preparing and connecting with constituents at all levels. As with the engagement of campus stakeholders, positioning of organizational resources should be completed during the design phase. Achieving change and appropriately communicating project goals and priorities to constituents should be an integral part of the transition throughout all phases of the service delivery optimization. With that in mind, we visit the key components necessary for positioning, and how they can be leveraged to avoid pitfalls to the implementation phase.

Change management is always a large effort to undertake, especially in a sizeable research organization setting that includes a diverse and expansive set of business needs the must be met. This is why change should be intertwined in the process throughout the life cycle, from initial discussion to the final product. After the table is set by achieving initial buy-in and creating a climate for change, the focus turns to engaging the rest of the organization to implement change within the ranks as a sustainable part of the culture. Credibility serves as a key theme during the change management phase, and developing a solid communication plan to stakeholders (relying on scheduled and well-informed communications) can provide the ability to anchor organizational change. As the steering committee and “network of champions” works to establish a road map the future state, communications should engage all levels of the organization—from the provost to the support staff—and keep all informed of project developments. However, initiative leadership should be careful to customize messages to each level based on their perceived needs. The inability to correctly foster change and communicate to the organization's vast network of stakeholders throughout the life of the project may lead to disinterest and distrust.

Along with solidifying and disseminating a comprehensive change management and communication plan, the steering committee and project team must align the organization's current resource blend and identify a path forward. First, the organization must determine how to transition current staff to a potential shared services model, accounting for both their physical and organizational position in the conversion to the future state. Initiative leadership should develop a relocation plan and consider how resources from different locations will interact and work within the new shared service center. Organizationally, developing a future state roles and responsibility matrix will provide security amongst current staff, as well as an understanding of what is next for each individual.

An important part of successfully positioning the organization will be refining the resource mix to meet the needs of a shared service model. This can be done by filling role gaps with existing personnel (the "lift and shift" method), hiring new employees to fit the organizational needs, or a combination of both methods. As a first option, the "lift and shift" method involves the movement of current university resources who work in similar capacities (e.g., finance, payroll) within their department to satisfy the same function at the shared service location. Other than the obvious physical relocation, this option brings many benefits to the table. Moving existing department resources helps organizations avoid reductions in staff, brings institutional knowledge to the shared service center, and offers opportunities for current personnel to enhance or adjust their existing roles. On the downside, moving departmental resources to the shared service center may result in a gap in those departments current responsibilities. Those responsibilities may shift to other department employees, or need to be satisfied by hiring additional resources. Any gaps caused by this method will have to be evaluated and discussed between the university department and the shared service center.

Second, organizations may select to fill role gaps by hiring new employees to fit their needs. This method could lead to some of the same resources transitioning to the shared service center; however, it would be done through a more external based method (e.g., university job postings). This will generally still result in a mixture of resources that are both internal and external to this organization, but will allow the shared service center to have more control over the selection process and the potential to bring on resources that have backgrounds more suited to the environment. However, this may cause issues in terms of duplicated effort between departments and the shared service center, as there will be no incentive to reduce staff from a departmental perspective. This may lead to an increase in costs if resource reductions are not part of the overall plan.



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PHASE 5: OPTIMIZE (POST IMPLEMENTATION: THE ROAD AHEAD)

Of course, a successful transition to a shared service model does not end at implementation. An organization making the change must work to ensure the sustainability of project goals to further achieve optimal results in the long term. A structured approach should continue to be developed post-implementation, considering both how the organization will optimize their new delivery model, and what this means for the road ahead.

Optimizing Organizational Results

Optimizing the implementation phase means ensuring the sustainability of project goals and continuing to improve upon the work completed during phases one through four. Organizations may continue to enhance their new model by creating and measuring defined KPIs, expanding the technology footprint to support service

delivery improvements, and developing and refining training materials to instruct faculty and staff on changes to policy and the impact to their day-to-day operations. All of these activities are based solely on the discretion of the university or universities involved, but may serve to maximize the transition as a solidified, long term solution.

To achieve optimized results, predecessor organizations have identified several key themes on which to centralize their efforts. One highly impactful and popular theme includes a follow up effort to consolidate additional business processes, further progressing their functions to a more central office type model. In a similar vein, organizations may organize and implement a project management office (PMO). The PMO, amongst other optimizations such as additional consolidation, may take on projects that further enhance the capacities of the shared service model. For example, the PMO may lead, design and implement projects that enhance workflow and data management. Finally, to fully ensure sustainable results, organizations should adopt an overall culture that emphasizes continuous improvement and a desire for excellence. Completing the change management should not signal the end of the institutional effort towards progress.

The Road Ahead

While a successful implementation results in a huge achievement for any organization, remaining vigilant in expanding institutional improvement and continuing to identify methods for a viable technology strategy are key to adapting to the ever changing landscape of higher education. As the higher education industry continues to aim for higher results with fewer resources, an educated discussion based on experience within the shared service environment should assist in developing the strategy and conversations needed to take the next step.



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