

# **Administrative Excellence EITDM Current State Assessment Final Report**



**WISCONSIN**  
UNIVERSITY OF WISCONSIN-MADISON

**AE Advisory Committee  
Thursday, August 16, 2012**

## Agenda

- I. Team Roster
- II. Goal Statement
- III. Why Study IT and What to Study
- IV. Work Team Approach
- V. Core Recommendations
- VI. Other Findings and Recommendations
- VII. Keys for Future Success

## Team Roster

<b>Team Member</b>	<b>UW-Madison Role</b>
Barb McPherson	Assoc. Dean - CoE
Bruce Maas	Vice Provost IT and CIO
John Krogman	COO - DoIT
Steve Ackerman	Assoc. Dean – Graduate School, L&S
Bruno Browning	Director – L&S
Derek Tessmann	Sr. Info. Proc. Cons. – Int’l Studies
Dave Towers	Director – Acad. Comp. Svc., SMPH
Brenda Spychalla	Sr. Info. Proc. Cons. - Education
Theresa Regge	Sr. Info. Mgr. - UHS
Phil Saunders	Sr. IS Tech. Svc. - Registrar
Matt Moehr	Student Representative
Adam Fennel	Huron Consulting Group

## Goal Statement

- Develop a comprehensive understanding of the current ***IT decision making process*** across campus
- Develop a comprehensive understanding of the current ***IT investment*** across campus including services provided, constituencies served, FTEs allocated and costs incurred by category

*The output from this project will be passed to and used by the EITDM Future State team*

# Why Study UW-Madison Enterprise IT?

- Enterprise was defined as UW-Madison campus or all divisions and units
- IT is a significant part of the University's spending
- There is a lack of consistent, coordinated campus-wide and divisional decision making frameworks
- Campus has a broad range of IT delivery models
- IT is a foundational tool critical to support campus strategies
- Rapid advances in technology require us to become more nimble to remain competitive in the missions of teaching, learning and research

# Areas of Enterprise IT for Analysis

- Divisional IT strategies, policies, long-term goals, and the impact of annual budgeting processes
- Annual campus-wide IT planning and decision making processes
- IT services provided by source
- Annual expenditures and headcount

# Work Team Approach

- Study as many divisions as possible (DoIT also) including IT policies, decision making processes, services, costs, etc.
- Data worksheets captured IT related expenditures and IT FTEs across campus
- A questionnaire captured information about divisional IT decision making processes and services
- Divisional business and IT leads were interviewed together by the Current State work team pairs

# Work Team Approach

- Designed to ensure quality information, observations and recommendations would be passed along to the Future State Team
- The Future State Team leader has been included in all Current State team correspondence and meetings.

# Core Recommendations

- Campus stakeholders should be aligned and united around a common set of IT Principles
- There should be campus-wide engagement and discussion about IT principles and decision making to promote consistency and best practices
- IT should be leveraged to support divisional and campus strategies
- A broader, more comprehensive communication process between IT leaders should be developed

# Core Recommendations

- Campus leadership needs to engage in, agree to and support IT principles and IT decision making based on those principles
- IT leaders “need a seat at the table” where divisional and campus strategic direction is being set
- IT leaders need to be authorized and made responsible for implementing IT plans in support of strategic direction

## IT Strategy

Findings	Recommendations
<ul style="list-style-type: none"><li>▪ There are few standalone divisional IT strategic plans</li><li>▪ There is insufficient routine review of strategic IT priorities and their tie-in with campus strategies</li></ul>	<ul style="list-style-type: none"><li>▪ Engage Deans to align IT strategies with leadership priorities</li><li>▪ Make divisional IT plans visible and linked with campus strategic direction</li><li>▪ Ensure alignment with campus IT principles</li><li>▪ Develop processes by which divisional strategic plans and the budget process are linked to IT strategies, the campus strategic plan and IT principles</li></ul>

## IT Decision Making

<b>Findings</b>	<b>Recommendations</b>
<ul style="list-style-type: none"><li>▪ There are few structured IT decision making processes across campus</li><li>▪ It is unclear how campus IT decisions are made and how they tie-in to divisional or campus strategies. This creates a disconnect with the realities of operational needs.</li></ul>	<ul style="list-style-type: none"><li>▪ Employ business case analyses when making IT investment decisions</li><li>▪ Use a consistent requirements based approach to determining IT needs</li><li>▪ Engage senior management to participate in the review and approval process for IT investments</li><li>▪ Review the organizational and governance structures between campus leadership, the CIO and divisional IT leaders</li></ul>

## IT Decision Making

Finding	Recommendations
<ul style="list-style-type: none"><li>IT decision making is often driven by the availability of funds leading to inappropriately short-term, non-scalable IT services that are not aligned with divisional and/or campus strategies</li></ul>	<ul style="list-style-type: none"><li>Provide funding to ensure core services are provided foundationally so divisions can focus on other services</li><li>Overhaul the DoIT budget process and funding model to provide flexibility to align with campus, explore and support new services, and encourage higher campus use of DoIT services</li><li>Collect divisional requirements to shape institutional direction going forward</li></ul>

## IT Services

Findings	Recommendations
<ul style="list-style-type: none"><li>▪ An array of services are provided at the divisional level with little overall campus visibility and/or coordination</li><li>▪ No routine, structured service evaluations exist</li><li>▪ Requirements-based approach to services is inconsistently applied</li></ul>	<ul style="list-style-type: none"><li>▪ Review services that are “core infrastructure” and provide those centrally</li><li>▪ Develop a more structured and strategic process for moving services back and forth across a service layer model utilizing campus operational units</li><li>▪ Promote routine campus-wide service and sun-setting evaluations</li><li>▪ Determine the appropriate forum to collect divisional requirements</li></ul>

## IT Costs

<b>Findings</b>	<b>Recommendations</b>
<ul style="list-style-type: none"><li>■ It is difficult to accurately capture IT expenditures with the current chart of accounts and accounting practices</li><li>■ HR job codes and categories are insufficient to capture IT related FTEs</li></ul>	<ul style="list-style-type: none"><li>■ Develop better account codes to capture IT expenditures</li><li>■ Provide training and oversight to financial staff about IT expense accounting</li><li>■ Construct a mechanism for IT project cost accounting</li><li>■ Enhance the HR job codes and descriptions to better capture IT related headcount</li><li>■ Encourage annual analysis and reporting of IT budgets and spending campus-wide</li></ul>

# IT Costs

- The cost estimates the Current State Assessment team compiled are deemed inaccurate and should not be used solely for decision making purposes
  
- The minimum estimate of IT costs across all funds campus-wide for fiscal year 2010-11 was:
  - \$84M of salary and fringe benefits (39% rate) for IT FTEs
  - \$37M of IT related equipment, software, supplies, maintenance, leases, etc.
  - 1,106 IT FTEs

# IT Costs

- Detailed expenditure and FTE spreadsheets estimating IT related spending were created for each division and reviewed with divisional representatives
  - Divisional representatives thought the detailed spreadsheets looked fairly accurate but stated it was not easy to verify the information
  - Some divisions more carefully track IT expenses but often do so through shadow accounting systems
  
- The expenditure and FTE spreadsheets were created for non-research funding and research funding (144, 133) for each division. Research related IT expenses were even harder to verify due to the inconsistency in accounting and FTE tracking.

# Keys for Future Success

- IT principles that are agreed to and followed by campus leadership and IT professionals
- Engagement and commitment on IT decision making from senior leadership
- Alignment of IT initiatives with campus strategies
- Empowerment of CIO and divisional IT leaders to direct IT planning and decision making processes

# Keys for Future Success

- Agile decision making process supported with resources for investment flexibility
- Development of key service metrics
- Effective communication and transparency

# Next Steps

- Hand off to Future State team headed by Steve Hahn
- Wrap up SMPH and L&S findings
- Finalize cost analysis

# Questions