Agenda

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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

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

- There are few standalone divisional IT strategic plans
- There is insufficient routine review of strategic IT priorities and their tie-in with campus strategies

### Recommendations

- Engage Deans to align IT strategies with leadership priorities
- Make divisional IT plans visible and linked with campus strategic direction
- Ensure alignment with campus IT principles
- Develop processes by which divisional strategic plans and the budget process are linked to IT strategies, the campus strategic plan and IT principles
### Findings

- There are few structured IT decision making processes across campus.
- 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.

### Recommendations

- Employ business case analyses when making IT investment decisions.
- Use a consistent requirements-based approach to determining IT needs.
- Engage senior management to participate in the review and approval process for IT investments.
- Review the organizational and governance structures between campus leadership, the CIO and divisional IT leaders.
## IT Decision Making

<table>
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<tr>
<th>Finding</th>
<th>Recommendations</th>
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<tr>
<td>IT decision making is often driven by the availability of funds</td>
<td>Provide funding to ensure core services are provided foundationally so divisions</td>
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<td>leading to inappropriately short-term, non-scalable IT services that</td>
<td>can focus on other services</td>
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<tr>
<td>are not aligned with divisional and/or campus strategies</td>
<td>Overhaul the DoIT budget process and funding model to provide flexibility to</td>
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<td></td>
<td>align with campus, explore and support new services, and encourage higher campus</td>
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<td></td>
<td>use of DoIT services</td>
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<td>Collect divisional requirements to shape institutional direction going forward</td>
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## IT Services

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<td>An array of services are provided at the divisional level with little overall campus visibility and/or coordination</td>
<td>Review services that are “core infrastructure” and provide those centrally</td>
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<td>No routine, structured service evaluations exist</td>
<td>Develop a more structured and strategic process for moving services back and forth across a service layer model utilizing campus operational units</td>
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<td>Requirements-based approach to services is inconsistently applied</td>
<td>Promote routine campus-wide service and sun-setting evaluations</td>
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<td>Determine the appropriate forum to collect divisional requirements</td>
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## IT Costs

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<td>It is difficult to accurately capture IT expenditures with the current chart of accounts and accounting practices</td>
<td>Develop better account codes to capture IT expenditures</td>
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<td>HR job codes and categories are insufficient to capture IT related FTEs</td>
<td>Provide training and oversight to financial staff about IT expense accounting</td>
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<td></td>
<td>Construct a mechanism for IT project cost accounting</td>
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<td></td>
<td>Enhance the HR job codes and descriptions to better capture IT related headcount</td>
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<td>Encourage annual analysis and reporting of IT budgets and spending campus-wide</td>
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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
 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