

Administrative Excellence EITDM Current State Assessment Final Report



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

**AE-EITDM – Future State
Wednesday, August 15, 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

| Team Member | UW-Madison Role |
|--------------------|---------------------------------------|
| 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?

- 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 that is critical to support the success of 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

- Project scope was enterprise-wide; divisional (including DoIT) 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 Principles should be leveraged to support campus strategies

Core Recommendations

- Campus leadership needs to engage in, agree to and support IT principles and decision making based on those principles
- IT leaders “need a seat at the table” where campus and divisional 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">▪ There are few standalone divisional IT strategic plans▪ There is insufficient routine review of strategic IT priorities and their tie-in with campus strategies | <ul style="list-style-type: none">▪ 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 |

IT Decision Making

| Findings | Recommendations |
|---|---|
| <ul style="list-style-type: none">▪ There are few structured IT decision making processes across campus▪ There is a clear disconnect between campus/divisional strategies and the realities of operational needs | <ul style="list-style-type: none">▪ 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 structure between the CIO and the divisional IT leaders |

IT Decision Making

| Finding | Recommendations |
|---|--|
| <ul style="list-style-type: none">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 campus strategies | <ul style="list-style-type: none">Provide funding to ensure core services are provided foundationally so divisions can focus on other servicesOverhaul 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 servicesCollect divisional requirements to shape institutional direction going forward |

IT Services

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

IT Costs

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

IT Costs

- IT costs were estimated using account codes most likely used campus-wide for tracking IT expenses
- We estimated the following IT costs across all funds campus-wide for fiscal year 2010-11
 - \$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