

Iowa State University

Proposal for HR-01 ISU HR Operating Model

Overview:

Iowa State University proposes undertaking the HR-01 ISU HR Operating Model business case to transform the quality, manner and performance of Human Resources. The proposal includes the investment in an operating model that leverages technology, deploys value-added services and integrates campus human resources.

The transformation of Human Resources aligns operations to deliver on talent and culture priorities in support of and in service to ISU’s mission and purpose. This contributes to the university’s ability to deliver an affordable, accessible and high quality education as well advance capabilities for the research, extension and outreach, and economic impact priorities. The HR transformation realizes service quality improvements and operational efficiencies that enable the university mission and strategy as a leading land grant institution serving the citizens of Iowa.

Three overarching priorities are:

- **HR/Payroll core system** that 1) builds on best-in-class HR processes and practices, 2) deploys automation and self-service functionality, and 3) enables management and institutional reporting
- **HR Shared Services model** that 1) improves the efficient processing of transactions, 2) provides multi-level support from self-service to consulting, 3) enhances consistency and compliance
- **Integrated campus HR** (HR Business Partner) that effectively delivers college/unit and central HR services grounded in service standards, performance management and support

Anticipated Benefits:

These three priorities provide a range of improvements and cost efficiencies. The HR/Payroll system offers Iowa State University the foundation for improved HR business processes, access to data and improved reporting. This directly impacts the service quality of work delivered by HR and within the departments/colleges. In HR this frees staff time to focus on core activities and increased time spent on strategic HR services tied to talent and culture. In the college/department this is a reallocation of time and energy to our core mission serving student and/or faculty activities. A leading cloud-based solution reduces information technology support resources.

The proposed HR Shared Services and integrated HR (HR Business Partner) priorities improve both HR capabilities and service delivery at multiple levels. Iowa State University recommends implementing a multi-leveled approach that balances individual employee service, college/department local service and central HR service delivery. The model includes these levels, delivery and performance metrics:

Level of Support	Service Delivery	Key Performance Indicators
Basic Support <ul style="list-style-type: none"> • Individual initiated or completed • Informational and/ or transaction 	UHR Web site Employee and Manager Self-Service (HR/Payroll System)	Web site access Transaction cycle times
Mid-Level Support <ul style="list-style-type: none"> • Individual initiated, need assistance • Informational • Transaction based 	UHR Service Center (Shared Services) Department/College HR Liaison (HR Business Partner)	Call center metrics Process/Transaction cycle times Service level agreements
Advanced Support <ul style="list-style-type: none"> • Consultation for more complex needs (e.g., reorganization) 	Centers of Expertise	Service quality
Strategic Support <ul style="list-style-type: none"> • Institutional strategies 	Strategic Organization Expertise	Organization outcomes (e.g., climate, satisfaction) HR FTE per ee, HR costs per ee

The proposed service improvements and cost efficiencies are expected to realize benefits for Iowa State University. The significant investment in a HR/Payroll system offers a reallocation of resources to our core mission while advancing a service culture and structure.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Notes
Implementation Costs							
HR/Payroll System	10,347	4,767	2,000	1,976	1,976	21,066	
- Implementation Costs	6,446	3,216	1,624	1,600	1,600		Used Deloitte cost model for system and fees. Defined the HRIS team costs.
- Create HRIS team	376	376	376	376	376		
- Vendor Costs	3,525	1,175					
HR Shared Services	364	364	389	324	324	1,765	Expected costs for added staff (e.g., HRIS), training and space
- Create Centers of Expertise	289	289	289	289	289		
- Space and training	75	75	100	35	35		
Total Implementation Costs	10,711	5,131	2,389	2,300	2,300	22,831	
Cost Reductions/Reallocations							
Reallocated labor	1,052	2,836	2,836	2,836	2,836	12,396	Reallocated to student and faculty support and reduction of IT support
Reduced ITS support	453	671	671	671	671		
Reallocated time	599	2,165	2,165	2,165	2,165		
Improved processes	-	747	1,121	1,495	1,495	4,858	Expected savings to improved business processes and service delivery
Total Cost Reductions/Reallocations	1,052	3,583	3,957	4,331	4,331	17,254	
Impact							
Annual Benefit to ISU	(9,659)	(1,548)	1,568	2,031	2,031		
Cumulative Benefit to ISU	(9,659)	(11,207)	(9,639)	(7,608)	(5,577)		
Delta for ISU and Deloitte							
Deloitte Annual Benefit	(9,201)	(2,286)	589	1,697	1,773		
Delta ISU-Deloitte	(458)	738	979	334	258		
Deloitte Cumulative Benefit	(9,201)	(11,487)	(10,898)	(9,201)	(7,428)		
Delta ISU-Deloitte	(458)	280	1,259	1,593	1,851		

Timeline:

The anticipated implementation timeline mirrors the Deloitte proposal. The timeline would be further refined based on requirement gathering and campus readiness assessment.

	2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
HR/Payroll System Implementation												
Define Vision												
Select HRIS and Design												
Build & Test												
Implement												
Optimize – KPI's, analyze & adjust												
HR Shared Services – Integrated HR												
Establish Centers of Expertise												
Design Integrated HR (HRBP)												
Implement Integrated HR												
Design HR Shared Services Model												
Implement HR Shared Services												
Optimize – KPI's, analyze & adjust												

Immediate action for 1st quarter 2015 would be to mobilize for action: refining the HR strategic direction, establishing Centers of Expertise (e.g., HRIS, HR Shared Services), and issuing a Request for Proposal (RFP) for consulting services. These actions set the stage for selection of the core HR/Payroll system, process design and service delivery framework (HR Shared Services and HRBP).

TIER Implementation Plan for Iowa State University in Information Technology Services

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Overview

Iowa State University's Information Technology Services (ITS) unit fully embraces the Regents' commitment to ensure efficient and effective service delivery in support of high-quality, affordable education for students and their families. ITS has implemented, and will continue to implement, transformative changes including applications and new infrastructure in collaboration with campus stakeholders and information technology professionals that provide a more cost effective and efficiently operated campus environment. Our efforts will build upon successful prior initiatives such as email consolidation, migration to cloud applications and cloud storage, large-scale shared "virtual servers" also referred as "virtual machines" (VM), "thin client" (VDI) desktop computer replacements, campus-wide storage offerings, and an extensive Voice Over Internet Protocol (VOIP) telephone system upgrade.

In response to the Board of Regents RFP citing "transformation of the distributed IT landscape", ITS has developed this action plan to leverage existing services, expand campus technologies, and deploy new governance and shared service structures to realize significant savings. The successful campus implementation of business cases IT-02, IT-03, and IT-04, as outlined by Deloitte, will provide a basis for the opportunity afforded in IT-01. This full set will change the technology landscape on campus, enabling more collaboration on purchases and technology decisions, while continuing to increase the productivity of our staff through shared tools and applications.

Process changes are critical to our success. Strong integration between central and distributed information technology professionals for planning, decision-making, and budgeting processes is required. Shared staffing and cross-training will provide technical depth and flexibility. Agile and adaptive technologies, well-defined goals and metrics, and timely, accurate project execution are essential components to satisfy increasing IT obligations while maintaining efficient resources.

Cost avoidance and savings plan

Although the Deloitte study does not place a priority on information security, ISU will incorporate a comprehensive information security effort within our efficiency and effectiveness plan. This focus will have implications for our cost-avoidance strategy and will protect the reputation and financial health of ISU. Daily news reports of security breaches are commonplace, and affect national retailers (Sony, Target, Michaels, Home Depot), banks and financial institutions (Bank of America, JPMorgan Chase), and government and university entities (Homeland Security, University of Wisconsin, University of Maryland). We will implement six strategies to combat potential security breaches:

1. Identify and protect storage reserves that contain restricted university data;
2. Review and improve business processes;
3. Encrypt all university-owned laptops;
4. Implement stronger password policies;
5. Scan campus systems for known security vulnerabilities; and,
6. Increase and improve educational resources for students, staff, and faculty.

A single security incident can cost millions of dollars, quickly negating any savings gained through efficiency efforts. In addition, given the national attention on the recent Sony data breach, we anticipate heightened data security requirements for research funding, especially subject matter that involves sensitive data or export control. In our discussions with information technology professionals at other universities, we believe our six-point plan will position ISU as best-in-class among institutions of higher education.

In partnership with other highly respected institutions, Iowa State University has been, and remains, a vital player in the Kuali community by developing and deploying Enterprise Resource Planning (ERP) open source software at considerable cost savings. Kuali Financials and Kuali Coeus (research administration) were successfully launched at ISU in 2013 with a ten year total cost savings estimate of \$7 million to \$10 million over commercial products. Although most Kuali development has recently transitioned to a private corporation, Iowa State University will evaluate a unique opportunity to influence the Student Systems product development, ensuring the best technology-enabled tools are delivered and adapted to meet ISU's requirements. This cloud-based technology could provide cost offsets that will transform how information technology is utilized by staff and staff support systems over the next decade. Although comparable commercial student systems are still in development, we estimate Kuali Student may save between \$5 million and \$10 million in cost avoidance over the next decade.

In direct alignment with the TIER study business cases, and responsive to the RFP, we propose to increase efficiency and effectiveness at Iowa State University through the following efforts and measurable outcomes (concisely summarized here, and with more information available upon request):

1. Technology transformation
 - a. VDI desktop expansion [IT-04] – Double the number of campus VDI thin clients in the next year. Expand the use of existing centrally supported desktop support tools.
 - b. Print green initiative [IT-04] - Increase the number of network printers that are centrally-managed to set default configurations to print duplex and provide more comprehensive usage statistics. Investigate the use of “eco-fonts” which can reduce toner usage as much as 28%. Review business processes to promote paperless transactions.
 - c. Regents Library Management System implementation [IT-03] - Research and implement a Library Management System in collaboration with the Regents institutions.

- d. Campus-wide IT project portfolio development [IT-02] - Set priorities, use time wisely, invest in supporting institutional priorities, reduce amount of time spent on “keeping lights on” activities by looking at alternate methods of sourcing services (e.g., cloud), take advantage of consortia opportunities such as Internet2 Net+ services developed specifically to meet the needs of the higher education sector. Implement an optimal strategy for enterprise backups, multifactor authentication, and a common ticketing system. Review workflow tools, videoconferencing, document management, and research storage opportunities.
 - e. Distributed data center consolidation [IT-01] - Review the 40 campus server rooms identified in the TIER study and consolidate candidate servers to central facilities, thereby doubling the current number of VMs.
 - f. Acceleration of lean process developments [IT-03] - Identify administrative processes that can be redesigned to eliminate steps, errors, and rework, and to develop technology tools to implement and enable the new lean processes. Collaborate with key corporate partners to bring best practices of lean process management in a manner similar to the success that we had in the Graduate College lean initiative that ISU completed in partnership with The Boeing Company.
2. Organizational structure improvements
- a. Regents CIO Council [IT-03] - Form a CIO Council to share information and enhance collaboration on software licensing agreements, technology decisions, procurement, and common applications.
 - b. Campus IT organizational structure transformation [IT-01] - Develop a governance structure that significantly improves the coordination between distributed and central IT. Establish college IT leadership councils with central IT involvement that meet at least quarterly to review major technology plans, staffing levels, and purchases, and identify applications and services that will be standardized and consolidated (for example, unify IT help desks). Develop SLA’s around services; define and report measurable outcomes.
3. Information security expansion
- a. Provide centralized campus solutions to identify and protect secure data, encrypt university laptops, scan for persistent vulnerabilities, and enhance educational resources for faculty staff and students.
 - b. Provide continuous monitoring and internal mitigation of potential security threats.

Impact

The outcomes of our plan will provide widespread benefits to both the campus community and the peer Regents’ institutions. Improved service levels and increased focus on mission-critical projects will better align Iowa State University to achieve the priorities identified in our strategic plan. Reduced duplication of effort, leveraged cross-team strengths, and defined governance structures will enable staff to more easily support robust commodity services in addition to the specialized needs of colleges and units. Technology transformation will reduce energy consumption, improve management functions, simplify integration, increase information security, and decrease support costs. Improvement in business processes and the standardization of classroom technology will provide a better student and faculty

experience. Combined, these advances in efficiency will culminate in increased project coordination at the highest levels, a streamlined application landscape, improved agility and timeliness, increased access to standard data and reports, and substantial cost avoidance.

The chart below summarizes the estimated savings from the proposed campus transformations. Regular progress reviews, adjustments to timelines and project definitions, and new innovative concepts will provide continued efficiencies over time.

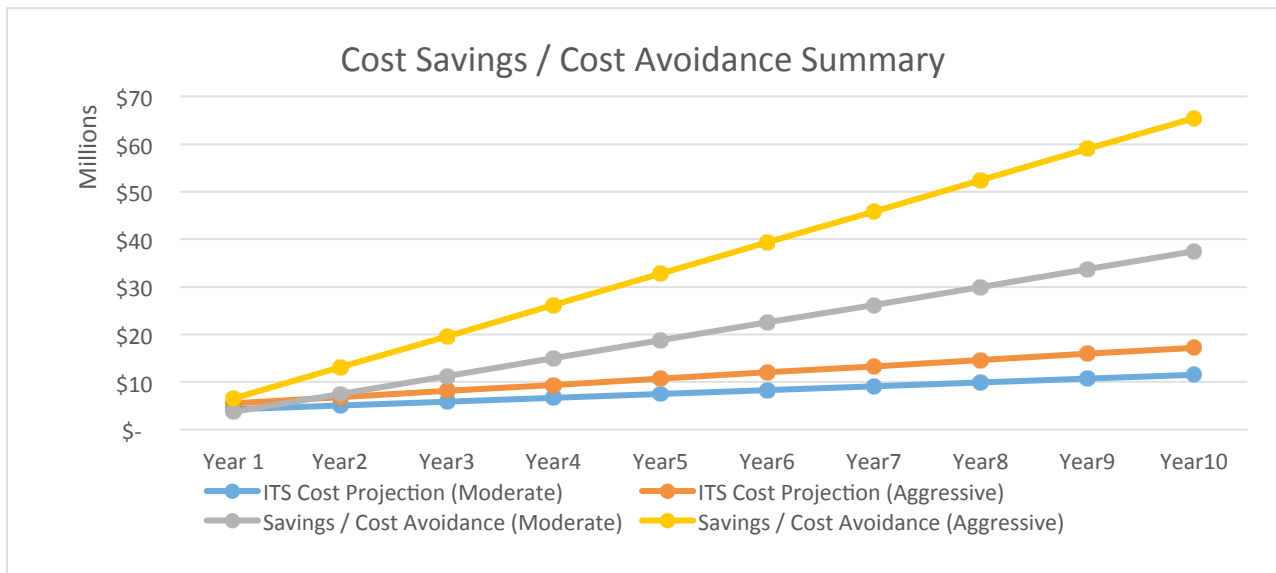
	ESTIMATED ANNUAL COST SAVINGS	ESTIMATED COST AVOIDANCE	Examples
1. Technology transformation	\$ 500,000 - \$ 1,200,000		Technology & applications
2. Organizational structure improvements	\$ 1,000,000 - \$ 3,600,000		Staff attrition over time
3. Information security expansion		\$ 1,000,000 - \$ 10,000,000	
4. Quali Financial System, Coeus, and Student		\$ 12,000,000 - \$ 20,000,000	
Total	\$ 1,500,000 - \$ 4,800,000	\$ 13,000,000 - \$ 30,000,000	

Timeline

		2015				2016			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	VDI desktop expansion [IT-04]								
2	Print green initiative [IT-04]								
3	Regents Library Management System implementation [IT-03]								
4	Acceleration of lean process development [IT-03]								
5	Regents CIO Council [IT-03]								
6	Campus-wide IT project portfolio development [IT-02]								
7	Distributed data center consolidation [IT-01]								
8	Information Security Expansion								
9	Campus IT organizational structure transformation [IT-01]								

Implementation cost, cost savings, and cost avoidance

	START-UP COST	ANNUAL COST	Examples
VDI Desktop transformation	\$ 1,300,000	Cost Recovery	Storage, licenses, blades
Distributed data center consolidation	\$ 1,000,000	Cost Recovery	Blades, licenses
Information security expansion	\$ 500,00 – \$ 1,250,000	\$ 500,000 - \$ 1,000,000	Software, additional FTE's, or outside contractors
Acceleration of lean process development	\$ 675,000	\$ 300,000	Software, additional FTE's, or outside contractors
Total	\$ 3,475,000 - \$ 4,225,000	\$ 800,000 - \$ 1,300,000	



Appendix – Work Plan

IT 04 - Using Technology Innovations to Reduce the Total Cost of Ownership
VDI Expansion
Expand VDI environment to double current capacity (2500 sessions)
Standardize on common tools for managed desktops
Print Green initiative
Increase the number of network printers managed by ITS PaperCut
Review business processes to promote paperless transactions
Implement the use of Eco-fonts to reduce total amounts of toner used by up to 28%
IT 03 - Streamlining the Application Landscape
Regents CIO Council
Regents Library Management System
Collaborate with other Regent institutions and research LMS solution
Acceleration of lean process developments
Streamlining the application architecture
Foundational architecture design and implementation
IT 02 - Transforming the Central ITS Delivery Model
Campus-wide IT project portfolio development
Invest in supporting institutional priorities
Investigate alternate methods of sourcing services (e.g., cloud)
IT 01 - Transforming the Distributed IT Landscape
Data Center consolidation
Reduce the total number of datacenters
Expand virtual server infrastructure
Review HVAC and Power requirements
Campus IT Organizational Structure Transformation
Develop a governance structure
ITS participation on College IT Leadership councils
Review technology plans
Review staffing levels
Review purchases
Identify services/applications that can be standardized and consolidated
IT Security
Implement Data Classification Policy
Encrypt University owned laptops
Run Identify Finder and increase protection methods
Scan for persistent vulnerabilities
Establish strong password standards
Business process review
Enhance educational resources for faculty staff and students