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UPDATE ON TIER STUDY

Actions Requested: Receive feedback from the Presidents on:

- ▶ Streamline processing of finance transactions (FN-01)
- ▶ Streamline the distributed HR model for transactional services (HR-01)
- ▶ Streamline the distributed IT model for commodity technology services (IT-01)
- ▶ Transform the central ITS service delivery model (IT-02)
- ▶ Simplify the applications portfolio across the three universities including ERP platforms (IT-03)
- ▶ Utilize technology innovations to reduce the total cost of ownership (TCO) for Infrastructure (IT-04)
- ▶ Reduce utilities and operational costs by limiting use of buildings during evenings and summer (FAC-03)
- ▶ Reduce energy consumption by investing in energy mgmt. initiatives (FAC-04)

Executive Summary: Deloitte presented the remaining eight administrative business cases to the Board on October 2, 2014. The Board requested the university presidents provide feedback from their respective campuses on the remaining business cases, in particular which business cases could be managed internally and which business cases would require external assistance.

The institutions believe that the following business cases can be managed internally:

- ▶ Transform the central ITS service delivery model (IT-02)
- ▶ Simplify the applications portfolio across the three universities including ERP platforms (IT-03)
- ▶ Utilize technology innovations to reduce the total cost of ownership (TCO) for Infrastructure (IT-04)
- ▶ Reduce utilities and operational costs by limiting use of buildings during evenings and summer (FAC-03)
- ▶ Reduce energy consumption by investing in energy mgmt. initiatives (FAC-04)

The institutions believe that the following business cases may require some degree of external assistance:

- ▶ Streamline processing of finance transactions (FN-01)
- ▶ Streamline the distributed HR model for transactional services (HR-01)

- ▶ Streamline the distributed IT model for commodity technology services (IT-01)

Background: The presidents report several consistent themes of feedback from all three campuses.

- ▶ A culture of transformation has taken root on each campus.
- ▶ The recommendations by Deloitte are worthy of pursuit, however, much more detailed analysis and development are needed to understand the exact implications, implementation costs and resulting savings, including the funding source.
- ▶ The Implementation Timeline will need to be adjusted to accommodate existing workloads and funding which may be required to implement the recommendations.

Below are the questions and issues that were raised at the 3 town hall meetings.

UNI Town Hall Meeting on October 6, 2014:

1. Please provide some specific examples of how HR-01 will create efficiency?
2. How many jobs will be lost from contracting out, or outsourcing? – Faculty
3. How many staff would be lost, what roles would they be, what type of staff? - Unknown
4. I want to understand what this looks like. Will one person in my department become an expert in HR or Finance?
5. Did you actually interview the administrative staff?
6. More research and data will be collected, and right now you have created simply a “guestimate,” is it not irresponsible to move forward with a decision on something like this without a clearer understanding of the data?
7. Regarding the HR opportunity, will this change impact the hiring process and take away some of the authority of the department to ensure the hiring aligns with the department’s unique culture?
8. I don’t know any department heads that were contacted? Can you please share this?
9. How are we going to manage the shared printer with specialized software and a large group of people?
10. How do you build redundancy into the shared services model? We have heard about the generalist model, and the benefit of that model would be a redundant staff.
11. Connecting to a local printer is much less of a challenge. Did you factor in faculty time for extra effort of walking to a printer?
12. I think you are missing a lot of the cost figures for the virtual desktops. We have tried this here before and saw major costs associated with software. Did you take into account the potential software costs?
13. Where can we find the costs for the VDI?
14. I agree with you on the infrastructure, it will be lumpy and there will be more network impacts, did you consider this?
15. Who did you compare us to?
16. My prior job was a distributed IT staff. From what I understand, you are going to use TIER to move everything that distributed people do centrally, what will be left for the

distributed people to do?

17. I cannot imagine something that is any more ineffective if you start taking printers out of our offices.
18. Please define span of control, would that be where hiring decisions are made?
19. How many more decisions are left on the business cases after today? I believe there has been the signing of the contract and then the selection of these business cases for detailed analysis. How much more do we need to do?
20. It concerns me that we are voting in Nov and then we don't have another hard vote to not move forward on something?
21. We have a project backlog a mile long and losing someone through natural attrition would mean we would not get to things we want to and we also may not have the skills that we have today.
22. There was a reference to a charge back model and the need for IT to track their time? Can you please explain this further?

SUI Town Hall Meeting October 9, 2014:

1. The FTE reductions at UNI were perceived as controversial. How did you determine the FTE reductions for each campus as it feels very theoretical?
2. I feel we have been efficient and effective; why are we investing more in this process?
3. As a SUI employee, I must deal with real and perceived conflicts of interest. Why is it not considered to be a conflict of interest to move forward with Deloitte for implementation?
4. In creating these recommendation around efficiencies, how did you consider diversity and inclusivity during your analysis?
5. You pulled upon other institutions for diversity and inclusivity? What were those?
6. I think of University of Iowa as a research and education institution. I haven't seen anything that would measure the impact on research and education. Is there a phase four that would evaluate the outcomes on research and education? For example, HR does directly impact faculty and staff recruitment and could impact the teaching experience for students. Additionally, VDI could impact the classroom experience of students. How will you measure the impacts of these business cases beyond just the cost calculations?
7. Your current report provides only one efficiency perspective, cost savings, have you looked at how these business cases will improve satisfaction, technology, service? Are you planning on putting in indicators of the other efficiencies you could achieve through these business cases?
8. I saw some references to improvements in technology in business cases outside of IT. What is the interaction of these business cases with each other? Do savings overlap between the business cases in savings?
9. It is irresponsible to call the mission a constraint or something you need to go around. These business cases were designed before the academic assessment was completed. How will these cases effect our faculty and students?
10. In the TIER Phase 2 action plan, it says that you are going to engage the university leadership in risk tolerance. How does this apply to the labor laws? - Unknown
11. Where did the VDI savings come from? Did you use the market value or university

- value of the VDI machines to determine the savings estimates?
12. Can you please explain the recommendation to decentralize the specialized development and coding IT?
 13. You have placed planning and implementation as one single category on the roadmap of the program. This deemphasizes these activities as they are not called out separately as critical next steps. Additionally, each campus will have their own unique plan. How can you make decisions without having gone into the detailed implementation planning?
 14. We have not been talking about the plan and the end goal. Are we going to be given an opportunity to present to the board our approaches to implementation?
 15. How does the Board of Regents evaluate what to do moving forward?
 16. Regarding the network printers, will deliveries be made? Who will make them? How will documents be transported from central sites?
 17. I understand the need to optimize purchasing power and the need to expand online learning, but each campus is using different platforms. How will this be resolved?
 18. Will you share the IT data with everyone so that we can understand your calculations?
 19. Do these numbers take into consideration the growth of the universities? Do the reduction in FTE take into consideration the growth in the university?
 20. I would like to know the other R1 class institutions that Deloitte has worked?
 21. Last time you were here, we did not discuss the possibility of performance based funding. We are looking at "Cooperation."
 22. Can you estimate the number of hours that the staff on each campus have invested in this project?
 23. It appears only a small number of people were interviewed compared to the campus. How was that determined?
 24. Can you speak to the use of Macs and how thin clients would impact those users?

ISU Town Hall Meeting October 13, 2014:

1. Concerned that faculty were not consulted on how they use their computer. Most faculty take their laptops to their classrooms because the rooms are not smart. Also faculty do teaching from home and on the road to do research.
2. Glad to hear that thin clients are not being recommended for the College of Engineering, but the printing recommendation did not take into account faculty and staff time. Was that taken into consideration? A few years ago there was a move to centralize data storage on campus and with the costs that were charged it was actually cheaper to rebuild the server farm and store the data locally. With the RMM model won't the costs just get pushed back out to the departments?
3. The IT cases focus on the central IT function, but I am concerned about IT and the core function of education. Last year ISU had a review of IT and the education mission and faculty thought decentralized IT services enhanced the education mission. Did you take that into account? Did you have that report? Did you take that into account when you developed this business model and am I right to be concerned that movement for the central IT infrastructure might force changes on the education IT infrastructure that would negatively impact the core education mission of ISU?
4. So your saying faculty and delivering their education mission should be using the same software?
5. My concern is with the elimination of position through attrition and layoffs. Over the past

5 years support staff have been cut drastically but enrollment keep growing. I would like to know how your plan takes that reality into account.

6. A common theme of your proposal is centralization, but my experience is that the further a service provider is from a department the more potential for bad survey responses on service. You propose Service Level Agreements (SLA), but you only mentioned measuring the service, my question is now centralized entities provide services and there are no SLAs or measurement, how do you get an SLA in place and doing measurement? What experience do you have at other universities in putting SLAs in place and having it enforced?
7. What if the measurement shows that the response time is not acceptable, not just IT but in general?
8. Many department have taken on responsibilities internally because of RMM and they know how those funds are spent and processing is best done at the local level. Did you factor that in because it seems we are going in the opposite direction? Also, as you do the more detailed analysis can you describe how other users in the departments will be involved in the detail work?
9. Can you paint us a picture of what consultant led and consultant coached looks like? Who's doing what in each of these models?
10. It feels like our HR operation is pretty lean, yet it looks like there's a lot of room to improve it. Can you say more – in lay terms – about why it's not an efficient operation?
11. Some of the proposals, if implemented, would result in position losses. What annual attrition rate do you use to calculate natural attrition and seemingly avoid layoffs? What is that rate based on?