



SHARED SERVICES

Five Year Vision Ohio Implementation Plan Linkage

- Accountability is essential to effective management and requires commitments to assessment, planning, decision making, and continual improvement.
- Operational efficiencies and revenue enhancement.
- Selective investment in initiatives that will advance our mission.
- Developing strategies that support the goal of enhancing resources for Ohio University.

Governance Information

- Key stakeholders help to define critical elements of processes
- Validate standard processes
- Manage exceptions
- Steering Committee Members: Bill Decatur, Ben Ogles, Hugh Sherman, Kent Smith, Brice Bible
- Project Team: Beth Lydic, Anita Mondo, Gwen Brooks, Dawn Weiser, Brian Bowe, Julie Allison, Gina Fetty, Mark Hopton
- T&E Project Team: Linda Morrison, Tressa Ries, Sue Shaw, Cindy Meyer, Tina Canter, Tanya Hire, Mark Hopton, Linda Shapiro, Brian Bowe, Joe Shields, Evelyn Blake, Frank Corris, Shannon Bruce

Terms/Definitions

BPR – business process re-engineering – the activity of eliminating waste from a process

ESS – employee self-service – employee generation and access to information via our current Oracle environment, reducing labor requirements for employee data management.

T&E – travel and expense – the automated booking of travel and expense reimbursement

P2P – procure to pay – an end-to-end process of procurement through payment processing within our current Oracle environment that eliminates redundancies and labor requirements

HTR – hire to retire – an end-to-end administrative process for posting jobs, sourcing and selecting candidates, building employee records, and payment of wages that reduces the redundancies and labor requirements in our current process

Administrative functions – the back-office paper-based labor intensive necessary processes required to operate Ohio University.

Cost/transaction – the value to process a single financial transaction. Benchmark studies reveal an average accounts payable cost per transaction of \$2.50. At OHIO the cost per accounts payable transaction is \$11.50.

Cycle time – the time to process a transaction from start to finish. Current benchmark at OHIO is 44 days.

Backlog – the number of transactions waiting to be processed driven by the volume of paper and manual nature of processes.

SLA – service level agreement – agreed upon responsibilities of the SSC and the customer for processing transactions.

KPI – key performance indicators – measures of efficiency within the SSC. These will evolve over time as more technology is enabled.

Timeframe/Timeline

<i>Date</i>	<i>Function</i>	<i>Status</i>
July-08	Absorb AP & Payroll	
August-08	Begin Workforce implementation	
September-08	Hackett Benchmark Results	
October-08	Finalize VPFA administrative functions	
October-08	Complete management reporting for VPFA	
October-08	Re- engineer AP processes	
November-08	Finalize Organizational Design And Staffing Model	
December-08	Develop Service Level Agreement Template	
January-09	Expand Services To Other Planning Units	Not started
January-09	Implement Employee Self Service	
March-09	T&E Implementation	

Where to go for updated information and to provide suggestions or ask questions:

- <http://www.facilities.ohiou.edu/sharedservices/>
- sharedservices@ohio.edu
- <https://www.facilities.ohiou.edu/listeningpost/>
- hopton@ohio.edu
- Mark Hopton – 597-3269

Frequently Asked Questions

1. **What is the impact on jobs?** Some jobs where retirements and budget reductions have reduced available staff will have some pressure taken off as business processing is simplified and moved to the shared service center. Some jobs will be redefined.
2. **What do I do if I'm not getting the service expected?** The services performed are outlined in the service level agreements. An escalation process is defined in each SLA. Quarterly, there will be a performance review with each planning unit to discuss key performance indicators. These KPIs will evolve over time as more technology becomes available and enhances our ability to monitor performance.
3. **What if I don't want to give up control?** Shared Services is supported by Ohio University as a proven method for improving service, eliminating redundancies, and improving internal controls. Shared Services will reduce the administrative burden on academic and strategic planning units providing services outlined in each SLA. The expectation is that standard services will be performed at no cost to the planning unit. When a process becomes an exception, the planning unit will be charged for the exception.
4. **What if my planning unit cannot be standardized? How does the SSC model apply to higher education, higher education is different?** Typical administrative transactions housed in a SSC environment, typically are very good candidates for standardization. They types of transactions include; payables processing, payroll processing, administrative hiring processes, and management reporting. Each of these back-office functions can benefit from standardization.

5. **What other colleges or universities have implemented shared services?** Higher education has been slow to implement shared services. OHIO is a leader in the development of its SSC model. Ideally, OU can get ahead of everyone else and become a center for services to others, maybe even statewide. Some other institutions that have implemented an SSC model include: Virginia Community College System, Kentucky Community and Technical College System, Georgia Board of Regents, California State System of Higher Education, and University of Maine.
6. **How does this fit into Vision Ohio and the Five Year Vision Ohio Implementation Plan?** Cost savings from this project will be redirected to support the FYVOIP.
7. **You said previously that Shared Services is not simply "centralized" services, but you mentioned Human Resources functions. Isn't Human Resources already centralized?** Shared services focuses on streamlining administrative processes, customer service and driving out costs. This goes beyond simple centralization.
8. **How could Shared Services benefit Ohio University?** For Ohio University, Shared Services would be a significant transformation initiative to deliver cost-effective, high quality services, focused on standardized and streamlined processes and best practices. Potential benefits of Shared Services include:
 - Increased quality and consistency of performance
 - Increased services by effective leveraging of technology
 - Reduced costs
 - Reduced risk
 - Redirected savings to mission-related activities
 - Redirected effort to value-added activities

Shared Services would enable the planning units to spend less time on back-office administrative processes and allows resources to focus on value-added activities.

Specific strategic benefits may include:

- Reduce risk of loss of key personnel
 - Reduce audit risk from non-standard processes and reporting
 - Provide a transparent career path for staff in administrative support positions
 - Provide responsive, high-quality services at a lower system-wide cost
 - Enable institutions to direct more effort toward teaching and research
 - Reduce costs by decreasing administrative overhead
9. **Is this only a cost savings exercise?** No, this is not solely a cost savings exercise. As mentioned, the goal of this initiative is to improve Ohio's efficiency in administrative processes. OHIO wishes to look at ways it does business from the ground up, and this proposal is part of how OHIO believes it would need to evolve to be a 'world class' organization.
 10. **Why can't we re-engineer processes in our own planning unit?** With standardization being a major component of driving efficiencies and cost savings, we would continue to have multiple processes, shadow systems, and inefficient processes. Additionally, the administrative burden of these processes would still reside in that planning unit, preventing the focus on core mission and higher value-added activities.

Contacts

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