Creating your Next-Gen
Shared Services for Higher Education

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Creating Your Next-Gen Shared Services for Higher Education

This session will discuss how higher education shared services leaders are **implementing and reinvigorating their various shared services models**, moving towards next-generation shared services for higher education. This session will give you a clear plan to strategize how your existing shared services is required to transform.

Discussion includes:

- How the **latest macro trends** like Covid-19 and the economic downturn are going to impact shared services

- How to **expedite the implementation and transformation of shared services from "Back-Office" to "One-Office"** – proactively moving up the value-chain to support organization-wide decision making

- How to build **more resilient operating models** that include virtual/remote shared services, Robotic Process Automation and robust business continuity planning

- The critical importance of **getting the basics right**

1.0 Introductions

2.0   Next-Gen Shared Services & the Digital Workforce

3.0   Higher Education Trends

4.0   Building a Resilient Operating Model

5.0   Transformation Roadmap

Your Speakers

Chazey Partners

Phil Searle

Founder & CEO
Chazey Partners

Chas Moore

Senior Project
Manager
Chazey Partners

Chazey Profile

Global Management Consulting & Advisory Services

1 **Who We Are**
Founded 2006, headquartered in California, global offices

2 **What We Do**
Evaluations & assessments, strategic advice, project management, implementation support, process and market expertise

3 **Where We Focus**
Finance, Human Resources, IT, Procurement, Facilities, Customer Operations & other functions

4 **The Chazey Difference**
Practioners first, staff continuity, high ROI, knowledge transfer, client engagement in transformation

OUR SERVICE OFFERINGS

SHARED SERVICES	ROBOTIC PROCESS AUTOMATION	BUSINESS TRANSFORMATION
End-to-End: Roadmap to Implementation	Process Suitability Assessment	Operating Model Transformation
Optimization	PoC / Pilot	Organization Design
Outsourcing Assessment	CoE Design	Technology Enablement
Technology Enablers	Vendor Selection	Staffing Services
Global Business Services	Robot Development	Mergers & Acquisitions
Coaching	RPA Training	Business Continuity Planning

GLOBAL MANAGEMENT CONSULTING & ADVISORY SERVICES

Our Experience. Your Success

Significant experience working with higher education

Next-Gen Shared Services

What does Next-Gen Shared Services mean?

- Transformed from activity/functional focus to "as-a-service" focus
- Organization is:
    - **Capable:** Customer-centric and business-aligned structure
    - **Agile:** Synthesize technology, finance support and business processes
    - **Adaptable:** Infuse process improvement, robust Client Interaction Framework
    - **Efficient:** Streamlined, standardized, focused and automated
    - **Proactive:** Build enterprise supporting strategy skill-set
- Positioned for **scalable capacity** and **sustainable improvement**
    - Hybrid workforce, pervasive performance measurement, continuous improvement
- Leverages new **digital technologies**, such as Robotic Process Automation and Intelligent Automation
- Perceived as a **value adding partner** to core service delivery (**education, research, health**)
    - Build influence and support decision-making rather than focusing on just transactional activities

Virtual Shared Services

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Shared services is no longer just about being together in a central building

- **Shared services**:

  The organization that provides non-core services to the business, employing a specialist team, geographically unconstrained, and focusing on the requirements of the internal client.

- **Virtual shared services**:

  Leverages a robust Client Interaction Framework, governance & technology to achieve effective and efficient shared services that is organizationally centralized, while not relying on physical co-location

- **Challenges**:

  - Requires **additional focus to enable collaboration** & working together

  - Can be used as an excuse to do nothing ("**branding exercise**")

  - **Technology is an absolute prerequisite**: digitization of records and transactions, telephony, document management, case management, and performance management for remote team management

Chazey Perspective

Next-Gen shared services and moving to "one-office"

Trends:
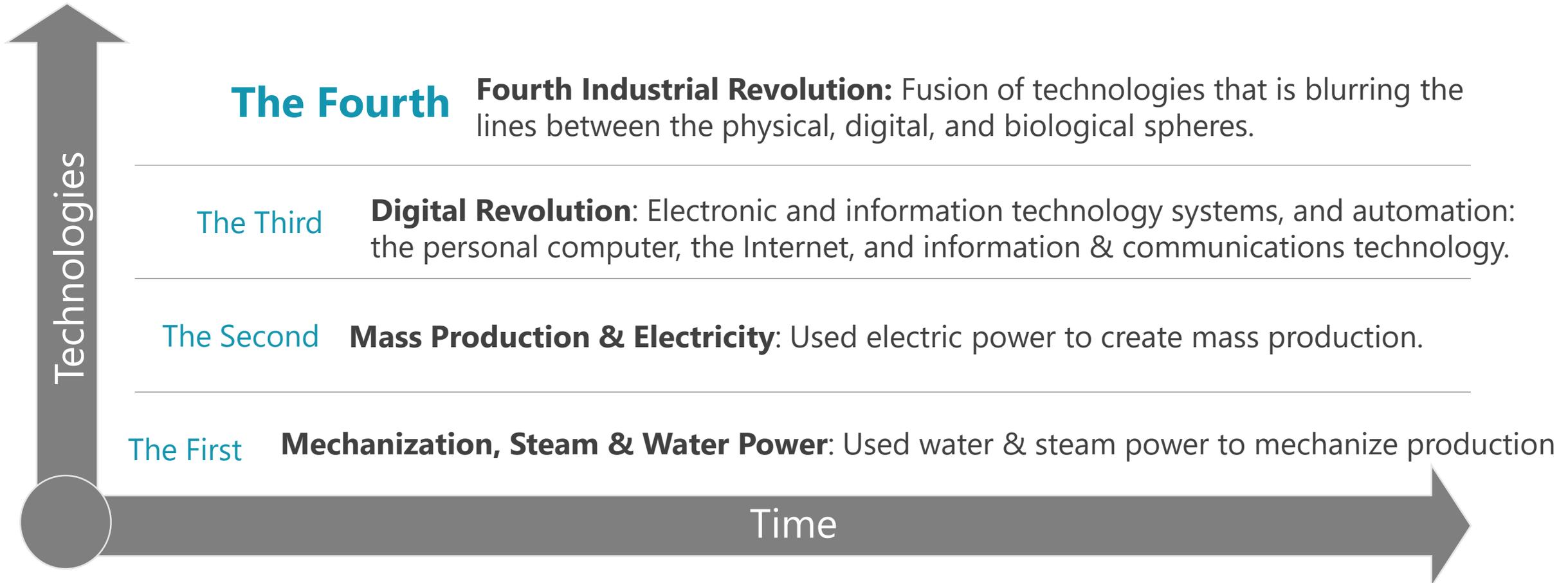Global, digital, pro-active, partnership, expanded scope & data driven

1 Expanding **scope and responsibility** of Shared Services, **more integrated** and **closer to the Business**

2 **Innovation and productivity** improvement, capture and analysis of **Data**

3 New technology disruption: **ERP, Robotic Process Automation (RPA), Intelligent Automation (IA)**, Social Media and Mobile Solutions

4 A slowdown/reversal of traditional **Business Process Outsourcing**

5 Accelerated development of the **Center of Excellence** and **value added services,** as part of enterprise-wide trend to more **Global Business Services**

6 **Robotic arbitrage** phenomena is reducing reliance on third party providers

7 Growing recognition, acceptance and leveraging of **"hybrid workforce"**

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Fourth Industrial Revolution

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Transformation is inevitable!

Fourth Industrial Revolution" is characterized by emerging technology breakthroughs in a number of fields, including robotics, artificial intelligence, blockchain, nanotechnology, quantum computing, biotechnology, the Internet of Things, 3D printing & autonomous vehicles.

Technologies ↑

The Fourth — **Fourth Industrial Revolution:** Fusion of technologies that is blurring the lines between the physical, digital, and biological spheres.

The Third — **Digital Revolution**: Electronic and information technology systems, and automation: the personal computer, the Internet, and information & communications technology.

The Second — **Mass Production & Electricity**: Used electric power to create mass production.

The First — **Mechanization, Steam & Water Power**: Used water & steam power to mechanize production

Time →

RPA

What is Robotic Process Automation?

The frequently used term '**robot**' is slightly misleading…in simplest terms, RPA is **automation software**, not shiny robots…

RPA Software can **mimic** or fully automate routine, rules-based tasks normally performed by humans when interacting with systems and processes
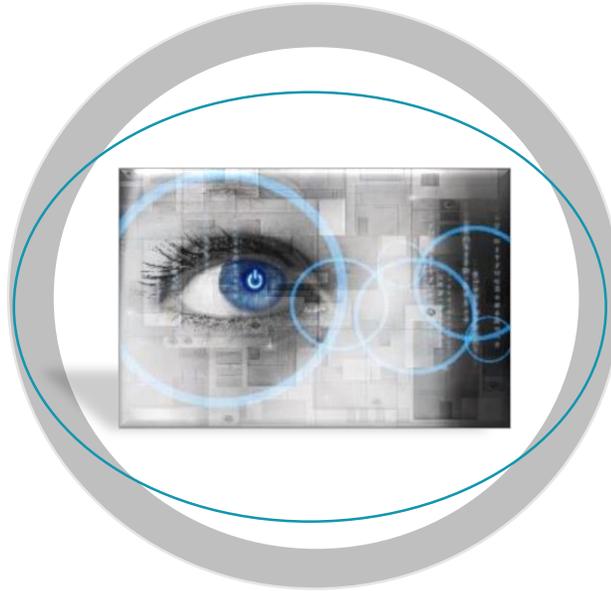
"**Bots**" transact in any IT application or website in the same way a human would, click by click, once "trained" on what steps to follow

Video: https://www.youtube.com/watch?v=gp3hG9UFFk4

Digitization

The digital workforce

What is a Digital Workforce

o It's not just robotic software but digital potential made real through automation, cognitive decision-making and AI

o Can act and think as humans do

Technologies

o Artificial Intelligence
o Machine Learning
o Intelligent Automation
o Robotic Process Automation
o Cognitive Solutions
o Block chain

Current Status

o Still at the relatively infant stage where majority of higher education organizations face the challenges of limited easily accessible and reliable data, plus limited, trained resources to leverage the new technologies

o But adoption of RPA now quite dramatic, scaling has been a challenge

o Shared services leaders are looking to take advantage of this next generation opportunity

Challenges to implement digital workforce

o Truly understand the nature and use of a digital workforce

o Train humans to leverage automation

o Transition to a digitally-enabled enterprise based on this hybrid workforce

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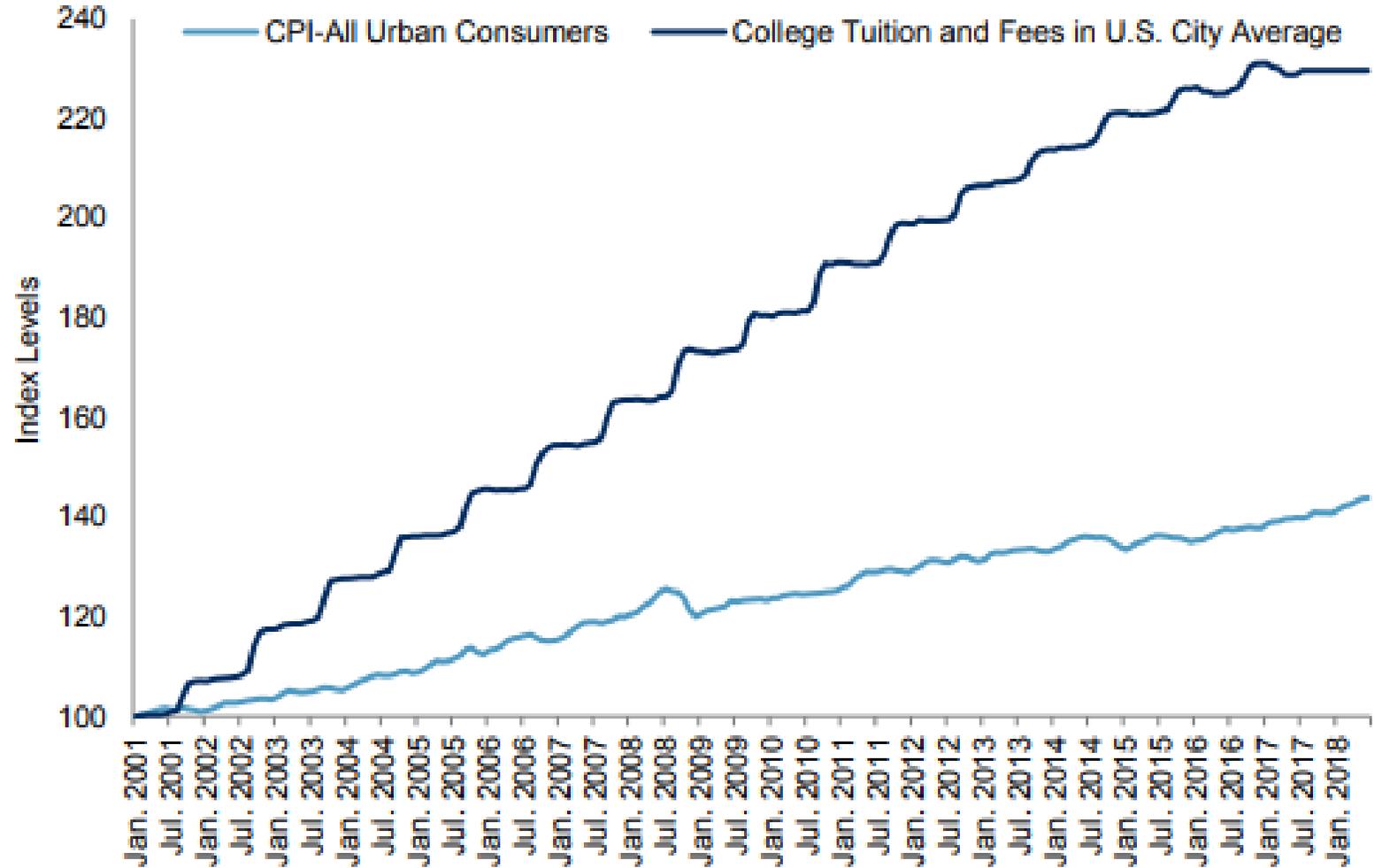5.0 Transformation Roadmap

College tuition inflation has grown much faster than general U.S. inflation ...although curve seems to be flattening

Source: U.S. Bureau of Labor Statistics. Data from January 1, 2001 to June 1, 2018.

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Global monitoring of school closures caused by COVID-19

Visualize evolution over time.

15/04/2020

1,575,270,054 affected learners
91.3% of total enrolled learners
191 country-wide closures

(Picture source: UNESCO)

Localized   Country–wide   Open

The impact of Covid-19 is profound
- Remote working
- Distance learning platforms
- Supporting student & staff wellbeing
- Emergency response plan
- Managing interrupted funding
- Future recruitment strategies

Higher Education Trends

Fiscal capacity is not maintaining pace with rising costs & increasing expectations

- Future impact on state budgets to repay Covid-19 stimulus
- Endowment decreases
- Campus growth
- Price expectations for campus versus virtual learning
- State funding decreases aligned with recession
- Tuition freezes & restrictions
- Covid-19 Travel restrictions for non-resident students
- Covid-19 induced move to online education
- Competition for campus versus virtual learning
- Compliance & administrative requirements

Barriers to Shared Services

Shared services is part of the solution, but barriers exist for any organization

Common aspects of the **pre-transformation journey** within SSOs and GBS organizations

Outdated legacy systems

Manual and messy processes

Teams lack of skillsets to embrace

Risk aversion regarding the complexity of change involved

Absence of investment appetite for the emerging technologies

Lack of enthusiasm or support on the part of staff

Lack of leadership sponsorship

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Barriers to Shared Services

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In addition, higher education presents unique challenges for shared services

- Creates opportunities for criticism
- "Failures" can be public and are sometimes jumped upon

Transparency

- Harder to justify investment in back office
- Costs increasing

Funding

- Multiple distinct cultures
- Many stakeholders with implied vetoes

Change Management

- Within campus
- Across system
- Across State/Federal lines

Politics

- Staff
- Academics
- Postdocs/researchers
- Healthcare
- Students

Unique customers

- Territorial issues
- Governance issues
- Fragmented decision-making

Silos

Shared Services

Several excellent examples of shared services exist today in higher education

Higher education tend to take a more conservative approach to shared services, limiting scope and the transformative impact: a **huge opportunity remains**

Impact of Covid-19

What are the macro trends we are expecting as a result of Covid-19?

- **Greater demand for resilient operating models,** such as those that come with shared services
- **Business continuity planning no longer a theoretical best practice** and will need to be integrated into daily operations as key consideration in agreements, training and operations
- Organizations will be expected to maintain efficiency while **retaining redundant capacity**, maintaining regional hubs, scalable capacity and leveraging a hybrid (human and digital) workforce
- **Robotic Process Automation and Intelligent Automation** will become standard practice
- **Remote working will become normal and even expected**
- **Travel will likely return at lower level**, eliminating one-meeting trips & achieving needed savings
- **State funding restrictions** expected to worsen after peak of crisis when attention of government shifts from reacting to the crisis and prepare for new normal, balancing budgets and recession
- **Distance/online learning** becomes permanent part of many curriculums, increasing competition for resident and non-resident students (marketplace just got a lot larger)
- Higher education organizations will need to grapple with **changing student expectations** as curriculum moves more online: robust networks; new technology investment; faculty skilled with online tools and interaction; expectations for reduced tuition versus reality of fixed costs for faculty and facilities.

Higher Education Trends

What is the impact of the digitization of the workforce on Higher Education?

On human resources, finance, student services & the rest of the back office:

- Freeing up **staff capacity** for more value-adding work
- **Performance measurement** & benchmarking integrated into operations
- Improving **transparency** & compliance
- Improving **student experience** with more self-service and "one-stop shops"
- Retaining **institutional memory** before it is lost
- Increasing scope and moving **moving up the value-chain**
- Leveraging massive change from Covid-19 to define the **new normal**

Changes to delivery of core services:

- **Distance/online learning**
- Prepare for **changing workforce** and educational needs
- Addressing **changing student expectations** and increased use of automations
- Improving **productivity of faculty**
- Faculty as **skilled online facilitators**

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Get the Basics Right

Enable Your Next-Gen shared services with the four critical success factors

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Internal Client
- Service orientation in place
- Structured way of dealing with customers
- Customer satisfaction levels understood
- SPAs in place
- Reality versus perception
- Account management

Process
- Processes documented
- Standardized, controlled & repeatable activity
- Recharging methodology
- Benchmarking – internal/external
- Metrics: Control Based; Efficiency & Effectiveness

CRITICAL SUCCESS FACTORS

Technology
- ERP implemented
- Document Scanning Solution
- Workflow
- Automated Payments
- Elimination of Side Systems
- Self services tools
- Automated Score Cards

People
- Skilled Leadership in place – do not compromise on competencies
- Team shape & stability – process shaped/spans of control/staff – perm v temps
- Team members – culture, values & behavioral competencies assessed
- Team morale, reward & retention
- Working environment conducive to team working

Nine Elements

The Client Interaction Framework is foundational to sustainable transformation

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Account Management

SSO to client; via reporting, interaction, escalation & communication

Client Contact Management

Client to SSO; to manage and resolve queries & drive learning/improvement

Service Partnership Agreements

SPAs are 2-way agreements clarifying both SSO services and client inputs

Client Feedback

Client satisfaction continuously monitored both informally and formally

Continuous Improvement

Mechanisms to identify the areas for improvement and to develop solutions

Process Control Database

Documents end-to-end SSO processes; highlights activity of both SSO & client

Performance Measurement

Comprehensive framework of output, input, operational & individual KPIs

Performance Reporting

Process performance will be reviewed monthly by SSO and client

Recharging Methodology

Define basis for charging for SSO services to turn consumers into clients

Client Interaction Framework

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Performance measurement is a critical part of next-gen shared services

Input	Process	Output

Input KPIs

Measure client input to process

Timely, standardized and in the prescribed format?

Upstream part of process

Aka "leading" or "reverse" indicators

Operational & Individual KPIs

Measure effectiveness and efficiency of SSO

"The engine room"

Achieving targets?

Working as a team?

Output KPIs

Measures the success, quality and effectiveness of service delivery

Downstream part of process

Aka "lagging" indicators

Operating Model

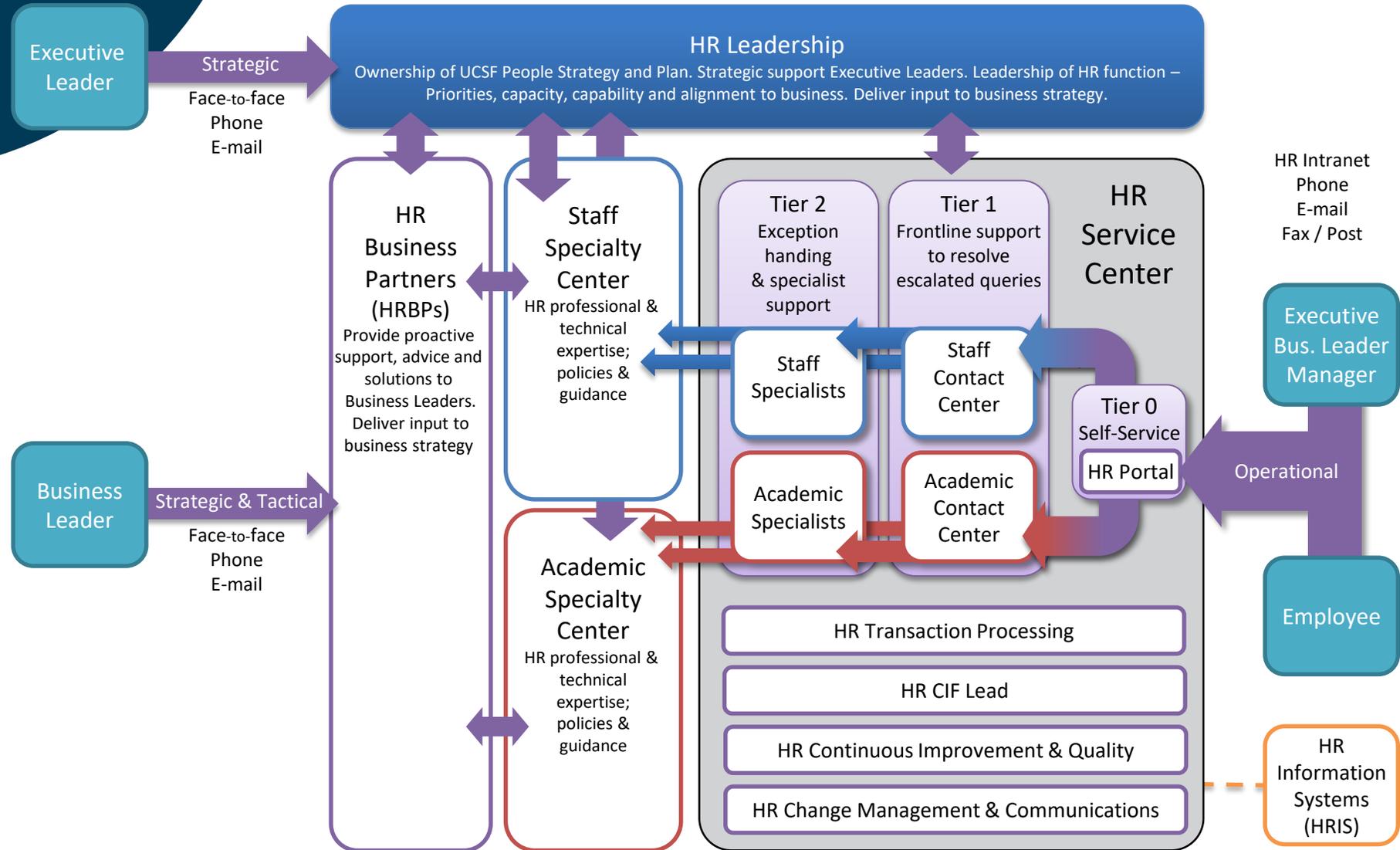*Sample HR Next-Gen Operating Model*

Resiliency is a characteristic of next-gen shared services operating models

Leverage **building blocks** based on leading practices

This sample model provides for the **unique needs of staff & academic** employee groups

Executive Leader

Strategic
Face-to-face
Phone
E-mail

Business Leader

Strategic & Tactical
Face-to-face
Phone
E-mail

HR Leadership
Ownership of UCSF People Strategy and Plan. Strategic support Executive Leaders. Leadership of HR function – Priorities, capacity, capability and alignment to business. Deliver input to business strategy.

HR Business Partners (HRBPs)
Provide proactive support, advice and solutions to Business Leaders. Deliver input to business strategy

Staff Specialty Center
HR professional & technical expertise; policies & guidance

Academic Specialty Center
HR professional & technical expertise; policies & guidance

HR Service Center

Tier 2
Exception handing & specialist support

Tier 1
Frontline support to resolve escalated queries

Staff Specialists

Staff Contact Center

Academic Specialists

Academic Contact Center

Tier 0
Self-Service

HR Portal

HR Transaction Processing

HR CIF Lead

HR Continuous Improvement & Quality

HR Change Management & Communications

HR Intranet
Phone
E-mail
Fax / Post

Executive Bus. Leader Manager

Operational

Employee

HR Information Systems (HRIS)

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Operating Model

The enabling functions embed the Client Interaction Framework into your operating model

Global Business Process Owners	Client Interaction Framework Team	Change Manager/ Communications	Continuous Improvement	Business Technology Group Lead	Training Lead
Act as the organization's gatekeeper for process standardization and compliance, drives continuous improvement	Fosters dialogue with fact-based analysis & reporting, effectively managing transparency and process compliance	Leads organizational, process and cultural change activities, engages stakeholders, drives transparency	Coordinate projects, provides technical project management skills	Leads projects and support initiatives around systems capability and configuration	Coordinates the prioritization, planning and resource allocation for training needs

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Lessons Learned

Learn from those who have gone before

- Having a **Business Case** is key

- Remember who the **ultimate customer** is (students, patients, community, etc.)

- It is really important to distinguish between **"solutions" vs "quick fixes"**

- **Multifunctional** now often the chosen way to proceed

- Consider how far **up the value chain** you want to go

- **Senior level Executive sponsorship is key** - executives must understand and support the roll-out

- **Separate transformation** from ongoing activities

- Do not underestimate the **change management** required

- Consider a **multi-faceted communication and advisory approach**

- Generate a **culture of service and continuous improvement**

- Make sure your team includes both **academic & administrative resources** and be prepared to travel to meet and work with users

- Assign your **best resources** and people to the project

- Assign **end-to-end process owners**

- Offer **end-to-end services** by provisioning as many non-core services as possible under one organizational umbrella

- **Realignment can help remove silos** and foster a strong shared service culture and team spirit

- Enable **succession planning, job rotation, new opportunities and targeted and consistent training programs**

- Remember always that the **project does not end with "go-live"**

- **Do things differently** – that's the whole point!

Recommendations

Leverage the unprecedented change from Covid-19 to define your new normal

- Use this time to assess and **strengthen your operating model**
  - Much of the documentation, assessment and development can be done remotely
  - Consider how to build aspects of virtual shared services into your service delivery
- Lean into **Robotic Process Automation & Intelligent Automation** and build your hybrid workforce
- Develop & distribute **benchmarking & performance measurement** reports
- Integrate **business continuity planning best practices** into operations
- Address the gaps in your **Client Interaction Framework**
- **Define your new normal** for when the peak of the Covid-19 crisis passes
- **Get started, move quickly & be bold!**

**Next-Generation Shared Services -
Make the workforce shift happen!**

Leverage Our Experience
for Your Success
THANK YOU

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