

ITS Town Hall

May 15, 2015



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Today's Agenda

Submit questions during the live session: ITSTownHall@ucop.edu

- 10:00** Welcome and Agenda Review – *Tom Andriola, CIO*
- 10:05** Office of the Chief Investment Officer – *Arthur Guimaraes, Associate Chief Investment Officer*
- 10:20** Role of the Chief Operating Officer – *Rachael Nava, COO*
- 10:35** IT Shared Services – *Tom Andriola, CIO*
- 10:45** UCOP Efficiency Review Update – *Shirley Bittlingmeier, Co-Chair, Efficiency Review Working Group*
- 10:55** Questions
- 11:00** Meeting Adjourns

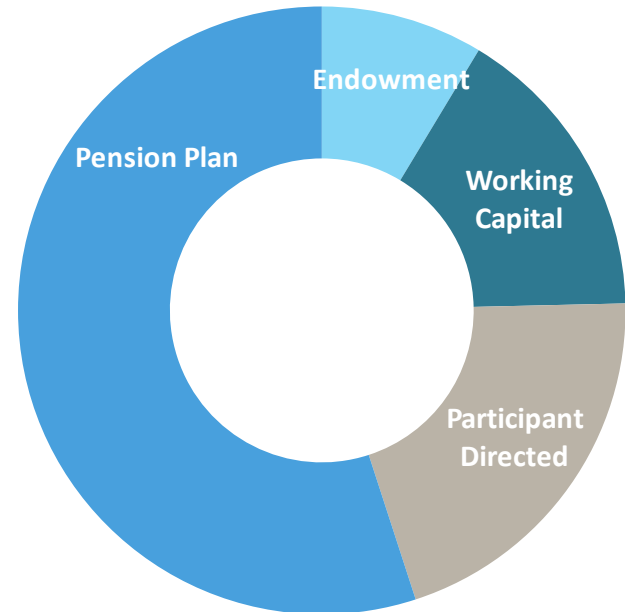
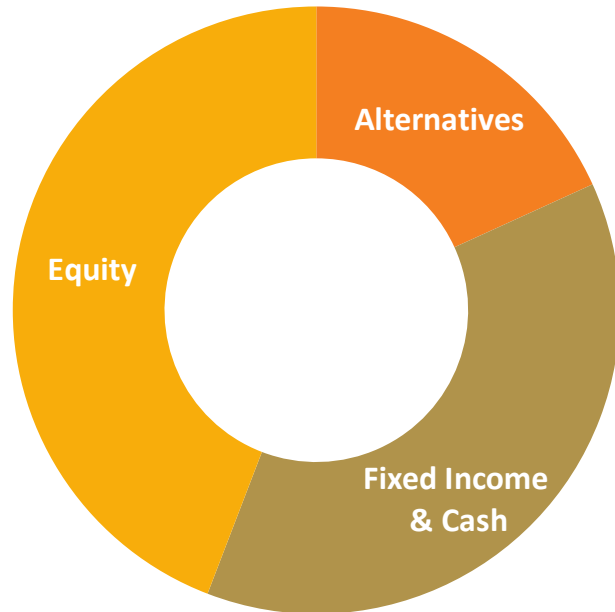
Office of the Chief Investment Officer – *Arthur Guimaraes*

- Governance and mandate
- Overview of UC entity
- Investment beliefs
- UC ventures

Governance and Mandate

- Operate under policies established by the Regents Committee on Investments (COI)
 - Regents establish and approve asset allocation, objectives/benchmarks, and investment policy and guidelines
 - Office of the CIO implements, monitors, and advises
- Office of the CIO manages all investments of the University
 - Five different Plans and custom alternative pools available for Foundations
 - UC Retirement Plan (UCRP)
 - General Endowment Pool (GEP)
 - Short-Term Investment Pool (STIP)
 - Total-Return Investment Pool (TRIP)
 - UC Retirement Savings Program (UCRSP)

UC Entity - \$99.5 Billion



● **Equity: 44%**
\$43.9B

● **Fixed Income & Cash: 38%**
\$37.5B

● **Pension Plan: 55%**
\$54.7B

● **Endowment: 9%**
\$8.6B

● **Alternatives: 18%**
\$18.1B

● **Participant Directed: 20%**
\$20.3B

● **Working Capital: 16%**
\$15.9B

Working Capital includes TRIP and STIP;

Performance

Entity Performance As of Mar 31, 2015	Market Value In \$ Million	3 Month	6 Month	9 Month	1 Year	3 Year	5 Year	7 Year	10 Year	20 Year
Endowment	8,598	2.7	4.8	5.0	9.8	10.9	9.7	6.1	7.4	9.3
Benchmark		2.0	2.6	2.3	6.2	8.7	7.5	5.1	6.7	8.7
<i>Value-added</i>		<i>0.7</i>	<i>2.3</i>	<i>2.7</i>	<i>3.6</i>	<i>2.2</i>	<i>2.2</i>	<i>1.0</i>	<i>0.8</i>	<i>0.6</i>
Pension	54,706	2.7	4.1	3.5	7.8	10.0	9.4	6.0	6.5	8.8
Benchmark		2.0	2.7	1.9	6.0	9.0	8.4	5.2	6.0	8.4
<i>Value-added</i>		<i>0.6</i>	<i>1.4</i>	<i>1.6</i>	<i>1.7</i>	<i>1.1</i>	<i>1.0</i>	<i>0.8</i>	<i>0.5</i>	<i>0.4</i>
Participants Directed	20,254									
Total-Return	7,642	2.7	4.4	3.0	7.6	8.8	8.6	-	-	-
Benchmark		2.6	3.9	2.3	6.6	8.3	8.2	-	-	-
<i>Value-added</i>		<i>0.2</i>	<i>0.5</i>	<i>0.7</i>	<i>1.0</i>	<i>0.5</i>	<i>0.4</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Short-Term	8,263	0.3	0.7	1.1	1.4	1.8	2.1	2.5	3.1	4.2
Benchmark		0.1	0.2	0.3	0.4	0.3	0.3	0.6	1.7	3.1
<i>Value-added</i>		<i>0.2</i>	<i>0.5</i>	<i>0.8</i>	<i>1.0</i>	<i>1.5</i>	<i>1.8</i>	<i>1.8</i>	<i>1.3</i>	<i>1.1</i>
Entity	94,760	2.3	3.9	3.3	7.1	8.8	8.2	5.5	6.0	-
Benchmark		1.9	2.7	2.0	5.5	7.7	7.1	4.6	5.4	-
<i>Value-added</i>		<i>0.5</i>	<i>1.1</i>	<i>1.3</i>	<i>1.5</i>	<i>1.1</i>	<i>1.1</i>	<i>0.9</i>	<i>0.7</i>	<i>0.0</i>

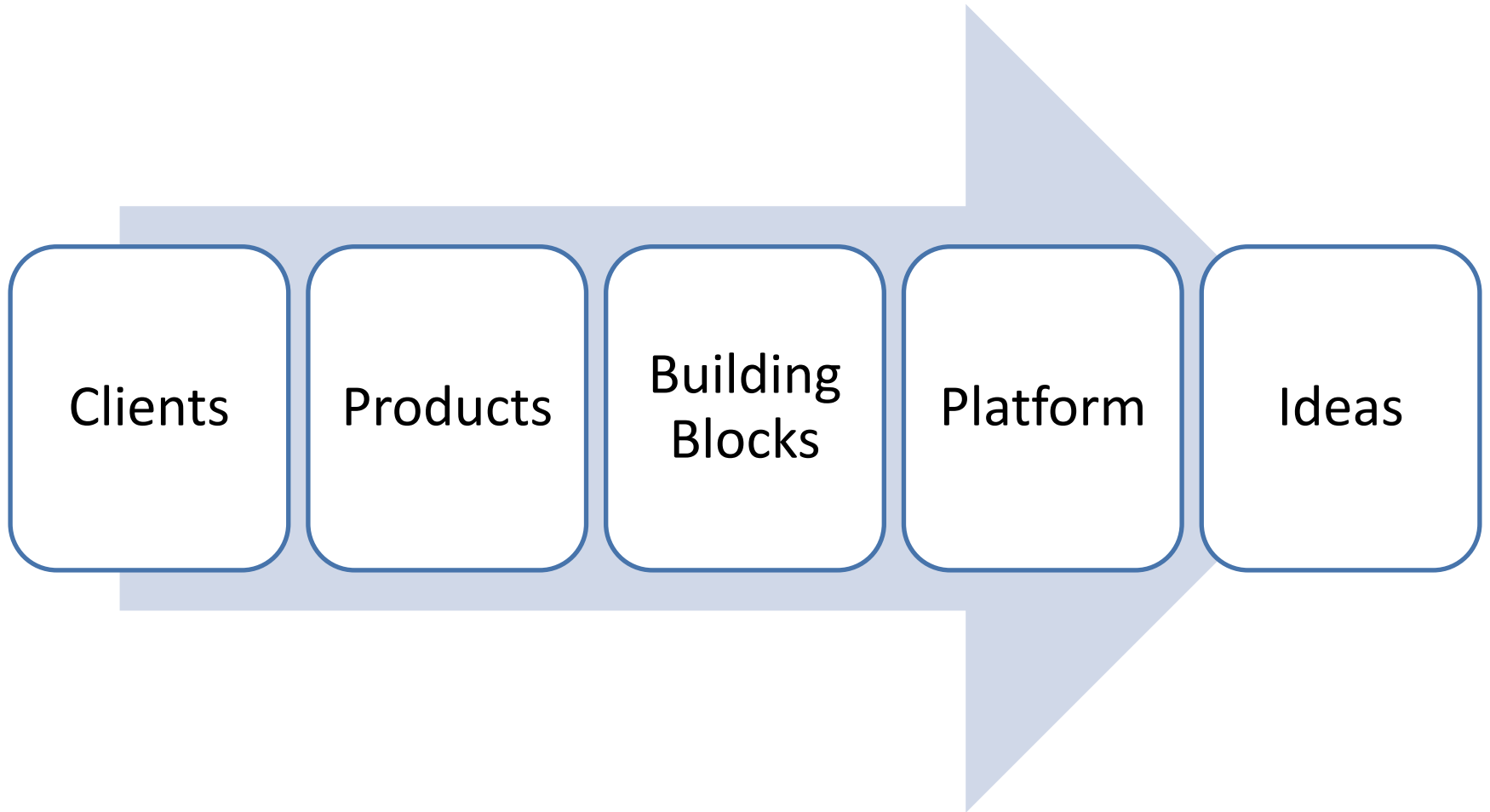
Investment Beliefs

- Invest for the long term.
- Invest in people.
- Build a high-performance culture.
- We are all risk managers.
- Allocate wisely.

Investment Beliefs

- Costs matter.
- Diversity with care. Act with clarity.
- Sustainability impacts investing.
- Collaborate widely.
- Innovation counts.

Our Approach



UC Ventures – Investment Strategy

Key Fund Parameters:

- Bulk of the Fund will invest directly in early stage investments; 10% in local funds.
- Objective is to generate an attractive return on investment.
- Expect to deploy \$30M-\$50M of capital per year.

Three-pronged investment strategy will be used to drive returns:

LOCAL FUND STRATEGY

- Up to 10%, or \$25M, will target local campus-based seed stage venture funds
- Will help drive deal flow for UC Ventures
- Promotes innovation ecosystem
- Strengthens ties with campuses

SYNDICATE STRATEGY

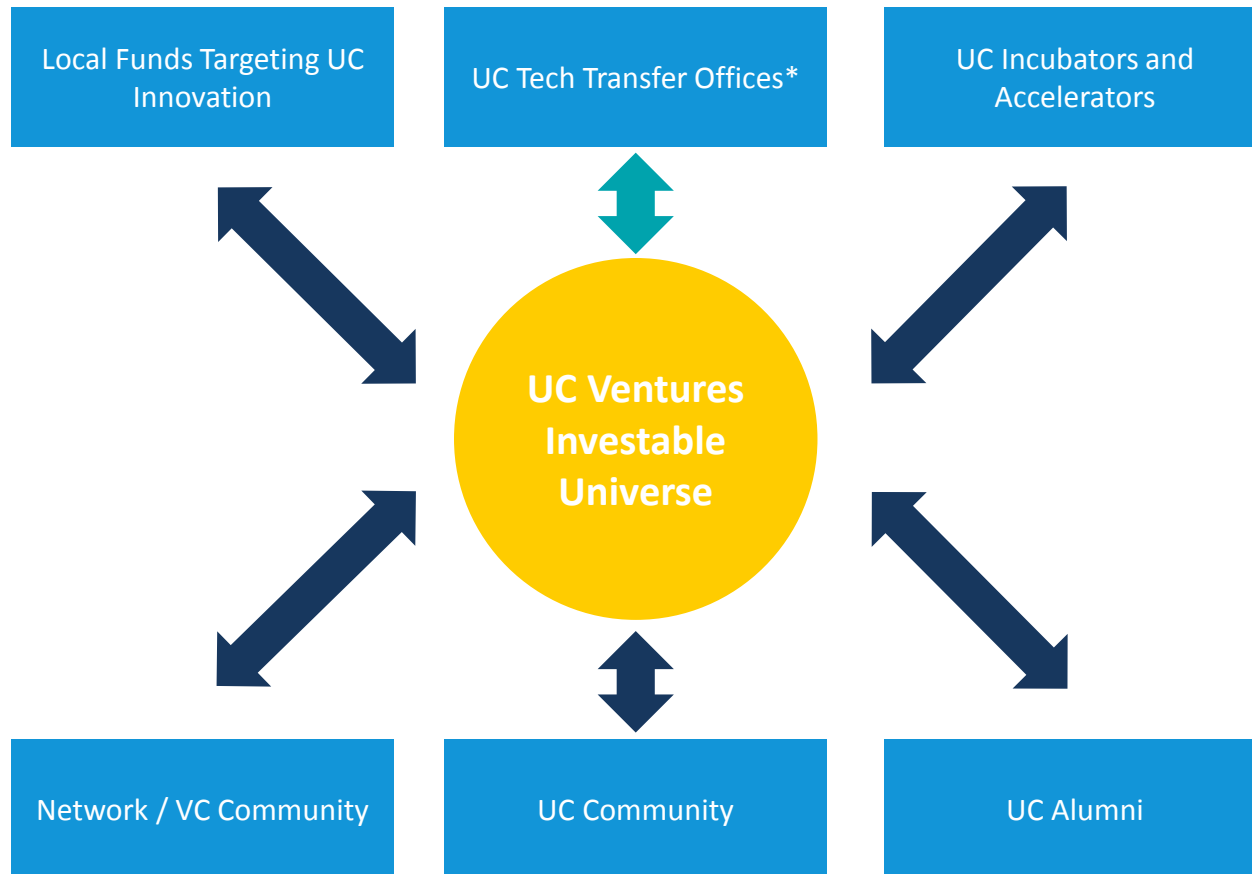
- UC Ventures must syndicate deals with pre-approved set of venture capitalists
- Validates quality of deal
- Brings additional expertise into ecosystem
- Mitigates political risks

ON-RAMP STRATEGY

- Deals that exceed UC Ventures investment capacity will be offered to OCIO
- OCIO would need to bring in an institutional quality co-investor

Sourcing Channels

The UC ecosystem generates at least 200 investable opportunities per year. UC Ventures will work across six sourcing channels to identify the most attractive investment opportunities.



Chief Operating Officer Rachael Nava

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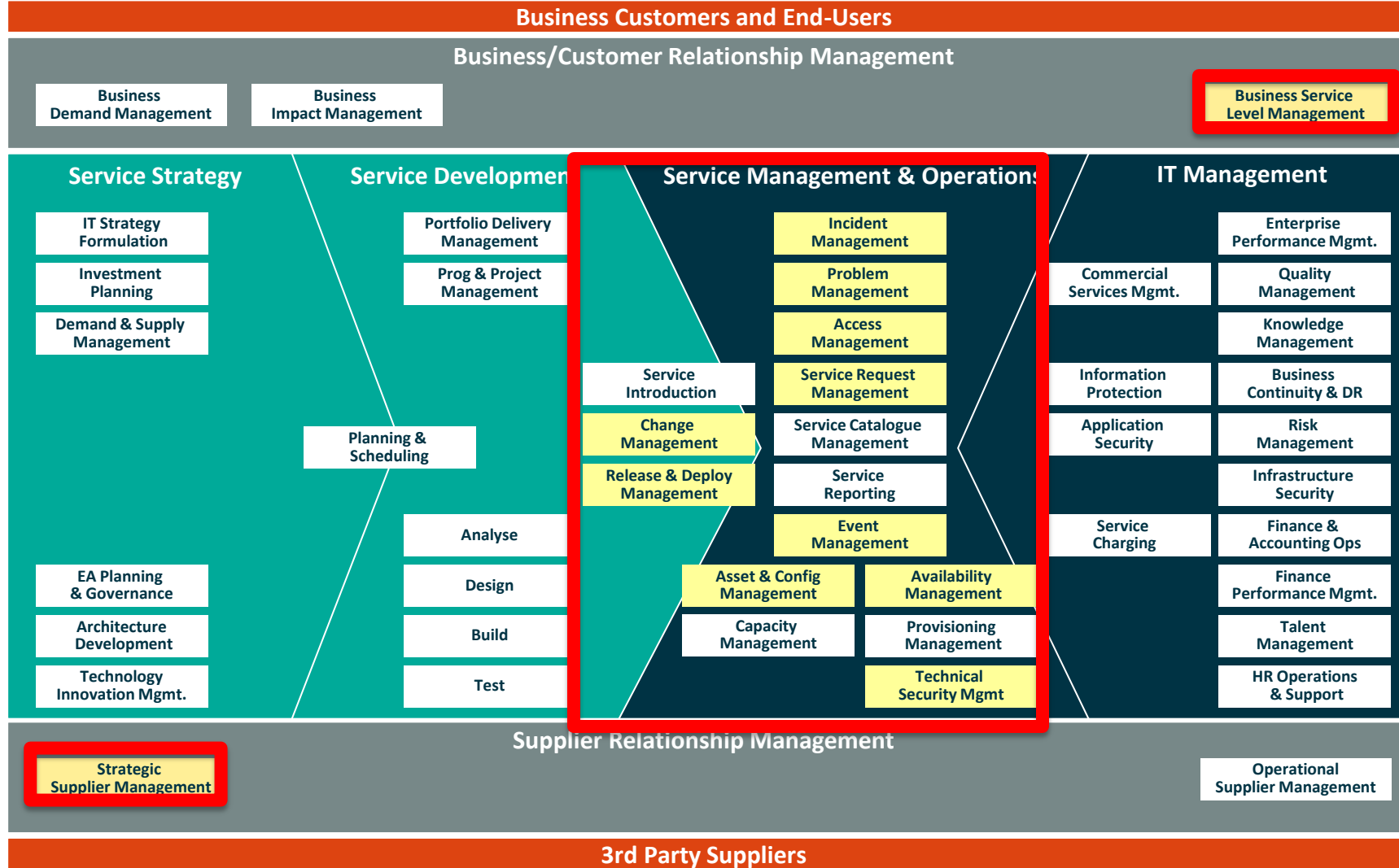
Nick Kamboj – Accountability & Responsibility

- Since July 2014, Nick has been the IT Shared Services Lead for the UCPATH project.
- As of April 27, 2015, Nick became Director of Shared Services for HR & Payroll Applications (current scope).
 - Works closely with the UCPATH Delivery Lead and Operational Readiness Lead to coordinate UCPATH and ITS activities.
 - Ensures that ITS is operationally ready to support the UCPATH UCOP go-live.
 - Leads service management activities after the UCOP go-live, working closely with ITS teams responsible for high quality service delivery.
 - Coordinates between ITS, the UCPATH Center, and campus locations to deliver end-to-end services for UCPATH.
 - Serves as the ultimate point of escalation for any issues related to UCPATH IT services delivery and being accountable to resolve with the respective service and process owners.



Shared Service Scope

Level 2 Process View has 47 Processes



 targeted in scope for UCOP Pilot

Shared Services Focused Work Streams

- IT Process Design & Validation
 - Designed 12 IT Shared Service processes
 - Recommendations made to Senior & Executive Leadership
 - Conducting process testing utilizing Use Cases
- Post Production Support
 - Responsible for management of Post Production Support after UCOP go-live
- Service Design
 - Implementing Configuration Management Database (CMDB)
 - Creating Service Partnership Agreements (SPAs), SLAs, OLAs
- Operational Governance
 - Create operational governance model for HR and Payroll applications

Shared Service Work Recent Outcomes

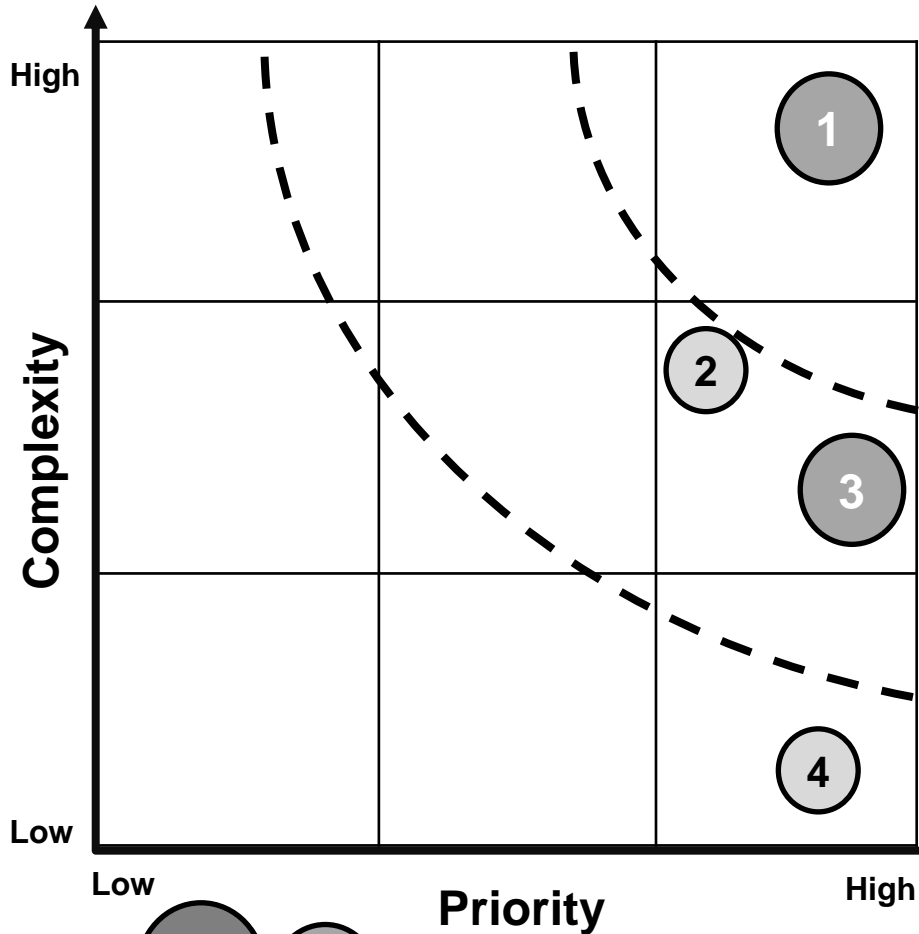
IT Process Design

- Refined 12 best-practice IT processes to fit UCOP
- Defined roles and responsibilities for each process
- Identified the As-Is state for each process in ITS
- Identified activities currently performed manually where efficiencies could be gained by automating

Recommendations

- Identified top process enhancements needed
- Prioritized the activities and roles that need to be implemented and established before UCOP's UCPath go-live

Shared Service Focus Prior to UCOP Go-Live



#	Recommendations	Priority	Cost	Complexity
1	Implement CMS/CMDB for consistent service asset and configuration tracking.	High	Med	High
2	Implement the Service Asset & Configuration Management process.	High	Low	Med
3	Establish a SACM team to manage the SACM process. Includes the SACM Manager and SACM Analyst roles.	High	Med	Med
4	Document service agreements for UCPath services and applications.	High	Med	High

Cost **H** **M** **L**



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UCOP Efficiency Review Update

– Shirley Bittlingmeier

- **Launched October 2013. Led by employees.**

From: UC OP Staff List [UCOP-L@LISTSERV.UCOP.EDU] on behalf of UCOP News [UCOPNEWS@UCOP.EDU] Sent: Mon 10/14/2013 1:06 PM
To: UCOP-L@LISTSERV.UCOP.EDU
Cc:
Subject: A message from Executive Vice Presidents Brostrom and Taylor

Monday, Oct. 14, 2013

Dear UCOP Colleague:

We are writing to announce that, at the direction of President Napolitano, we are launching an Efficiency Review at the Office of the President. Its objective is to reduce costs, increase transparency, streamline processes, eliminate duplication and improve the quality of service both for OP staff and its campus customers.

President Napolitano has asked us to take this step mindful that the Office of the President has already undergone significant restructuring over the years. The organization has explored, with some notable successes, other efficiency measures. But her experience, both in Arizona and in Washington, D.C., is that more can always be done. And more *must* be done given continuing budget pressures to ensure that the Office of the President is providing the highest quality service at the lowest possible cost to the campuses and our other stakeholders.

This initiative will be different in two important ways. First, it has the full support of senior leadership, starting with the President. And second, and as importantly, it will be driven not from above but by all of you — those who do the work and know how it can be done more efficiently, effectively and at the lowest possible cost.

This will be a multi-leveled process:

Leadership: The two of us will serve as executive sponsors for the Efficiency Review. Other senior leaders who comprise the President's Operations Group (Provost **Aimée Dorr**, Senior Vice Presidents **Dan Dooley** and **John Stobo**, and General Counsel **Charles Robinson**), will be responsible for providing broad organizational leadership and review, in keeping with POG's previous and ongoing work on budget, efficiency and organizational improvement.

Working Group: Associate Vice President Michael Reese will convene a working group of subject matter experts and divisional representatives, to be co-chaired by **Kobie Crowder** and **Cathy O'Sullivan**. Membership will include **Karla Campbell**, executive director of the Center for Operational Excellence; **Ginny Cox Delaney**, organizational consultant; **Jason Simon**, director of marketing and communications services; **Donna Collins**, deputy director of operations; **Steven Murray**, director of Building & Administrative Services; **Paul Weiss**, chief technology officer; **Shirley Bittlingmeier**, ITS client services officer; and **Jenny Gautier**, deputy to the vice president for research and graduate studies. Others will be named as needed.

Operations Group: To ensure that we fully identify the range of efficiency opportunities as well as their impacts, we will deploy the existing **OP Operations Council**, which includes representatives from all of the consolidated business units as well as from all divisions and major departments. This existing group has already been involved in a number of previous efficiency efforts, including the printer initiative, the technology asset management program, and the revised smartphone usage policy.

Goals of the Efficiency Review

- Reduce costs
- Streamline processes
- Eliminate duplication
- Improve customer service
- Increase transparency
- Enhance the work environment

UNIVERSITY OF CALIFORNIA Office of the President

Jobs People Search

HOME MISSION ORGANIZATION INITIATIVES

UCOP > COO > Efficiency Review

UCOP Efficiency Review

OVERVIEW PROCESS IDEAS UPDATES FAQ

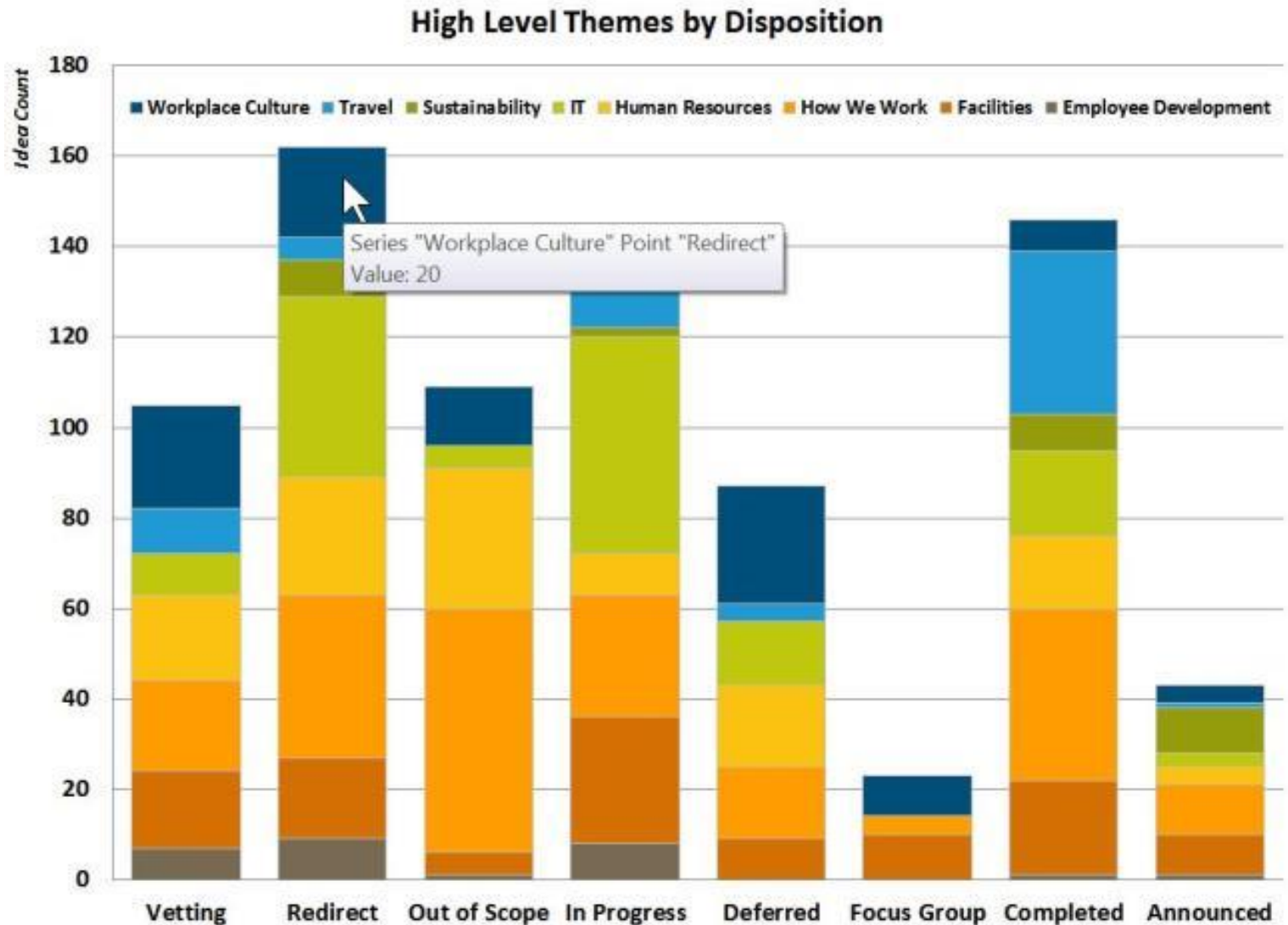
The success of the Efficiency Review rests with you.

President Janet Napolitano launched the UCOP Efficiency Review in fall of 2013. Driven by UCOP staff, this initiative supports the UC mission by ensuring that UCOP prioritizes its resources and work efficiently and effectively. The objectives of the Efficiency Review are to:

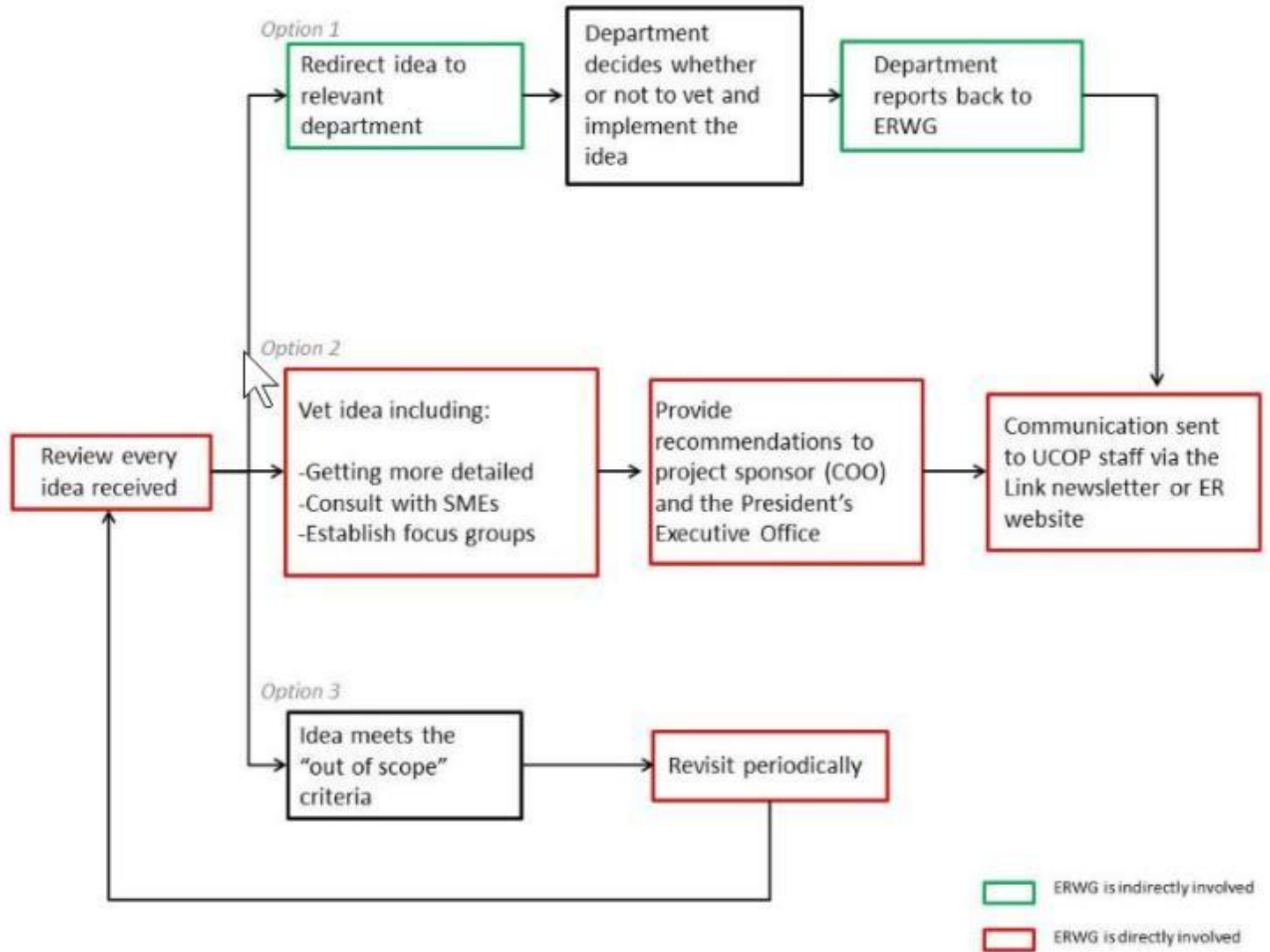
- Reduce costs
- Streamline processes
- Eliminate duplication

Got an idea? [Send an idea!](#)

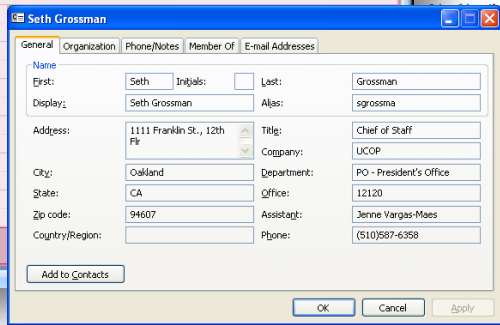
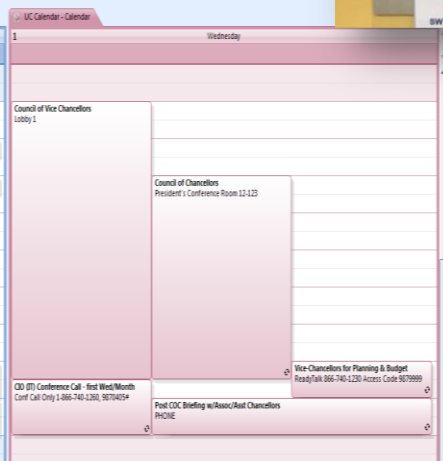
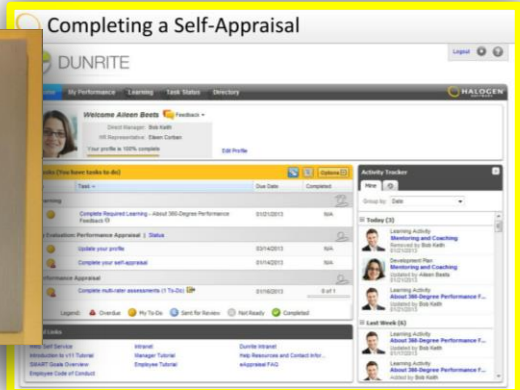
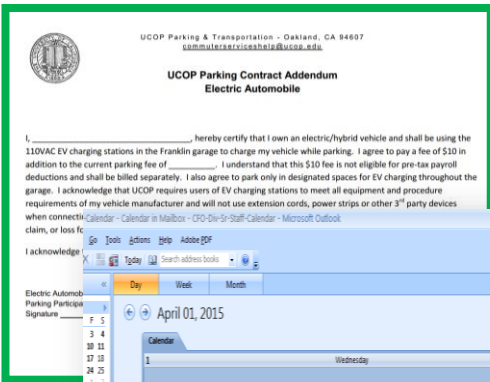
800 ideas – what's happening with them?



All ideas are considered



A sampling of implemented ideas



business-resource-center/_files/giftcard_req.pdf

Gift Card Request - UCOP

Return completed form to:
Business Resource Center
 1111 Franklin St, 9th floor - BRC POP Team
 brcpurchaseandpay@ucop.edu

Employee Recognition Awards (Spot) (Maximum \$75 each)
 Retirement (up to \$400)
 Other _____

Department name _____ Dept Code _____ Date _____

Loc	Account	Fund	Project	Sub	Source	%
FAU 1						
FAU 2						

Gift card selection

Brand	Quantity	Amount (on page 2)	Subtotal	Delivery method	TOTAL AMOUNT
Select one			\$ 0.00	Mail (7-15 business days)	\$ 0.00
Select one			\$ 0.00	Mail (7-15 business days)	
			\$ 0.00	Mail (7-15 business days)	
			\$ 0.00	Mail (7-15 business days)	

*Please note that shipping and handling fees may apply to some gift cards.

Content of purpose for Gift Card(s). If known, include recipient's name, venue/date of presentation, etc.

Person responsible for gift card inventory
 by responsibilities under Business & Finance G-41 to keep the cards in a secure location and maintain adequate support the valid business use of the cards. I understand that any cards unaccounted for will result in a 1099 Income tax statement being issued to me.

Signature _____ Print Name _____ Phone number _____ Date _____

Authority Signature
 I certify that this request for Gift Cards is for the purpose of University business, and I will ensure that cards obtained will

Implemented IT ideas

- **April 2014**
 - Data Center move
 - Administrative support names added to UCOP Outlook directory information
- **May 18**
 - Cloud computing
 - FUZE desktop and mobile device video conferencing
- **July 14**
 - Simpler, more effective support for Mac users
- **October 2014**
 - Hoteling workstations for UCOP and campus mobile workers

How can you help?

- **Submit ideas!**
- **Keep informed - read the monthly ER updates**
- **Encourage colleagues to participate**
 - <http://www.ucop.edu/efficiency>

Your Questions

ITSTownHall@ucop.edu

