

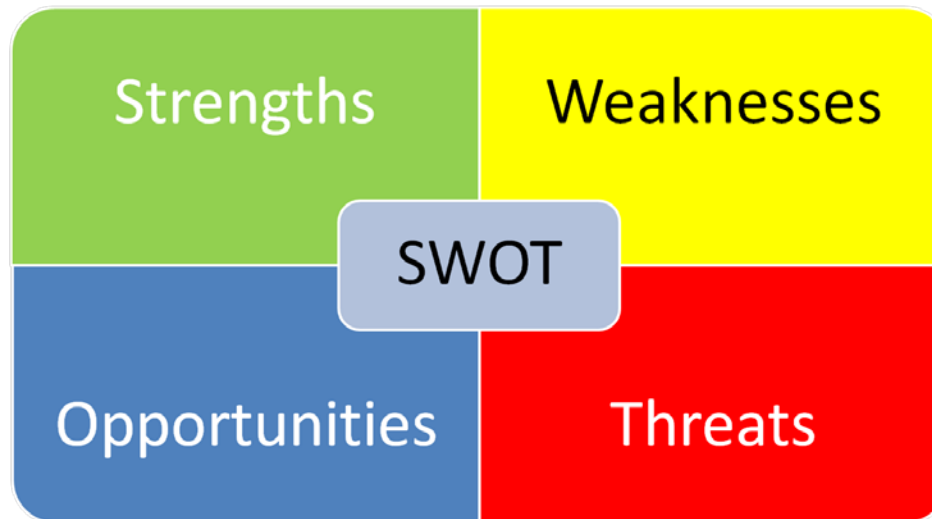
University of California's Bi-Modal Approach to Shared Services

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Major challenges: Things will never be the same again

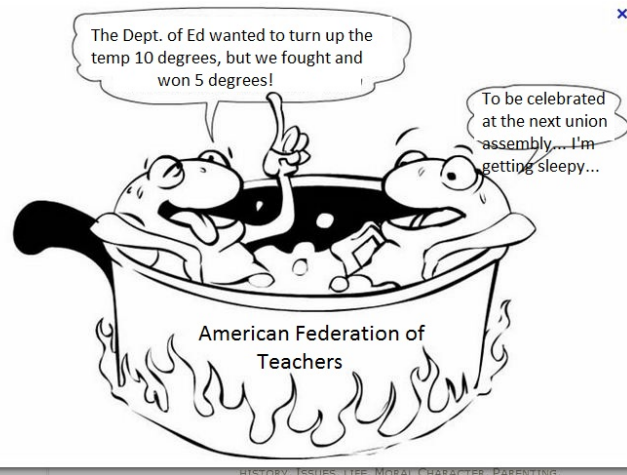
- *Affordability without improved state funding*
- *Growing number of students to serve*
- *The retiree reality*



Beware: The POT That Boiled The Frog

AKA: The Parsimonious Optimization Trap

Signs and Symptoms:



1. Highly Optimized Tolerance
2. Shearing Layers
3. Keep it Working
4. Reconstruction
5. Piecemeal Growth
6. Throwaway Work
7. Sweeping it Under the Rug

The Promise and Challenge of Shared Services

- **Why not?** Has worked well in the Private Sector for 20+ years, and is also working in the Public Sector and Higher Education today.
- **Significant funding issues today ... everywhere.** Shared Services can deliver potential “triple benefit” of efficiency/effectiveness/control
- **Some of the same basic challenges and significant opportunities** around implementing Shared Services in the Private Sector are also there in the Public Sector....**but need to be adapted and applied differently.**
- Cost savings from the “back office” can be used to **fund core and front line services.**
- In terms of the Public Sector (and it is just the same in the Private Sector) one needs to determine **what needs to be physically close to the internal “customer” or “client” vs what can be done remotely.**

Source: UC’s work with Phil Searle, Chazey Partners, 2015

Looking at Higher Ed through a New Lens



Top Down

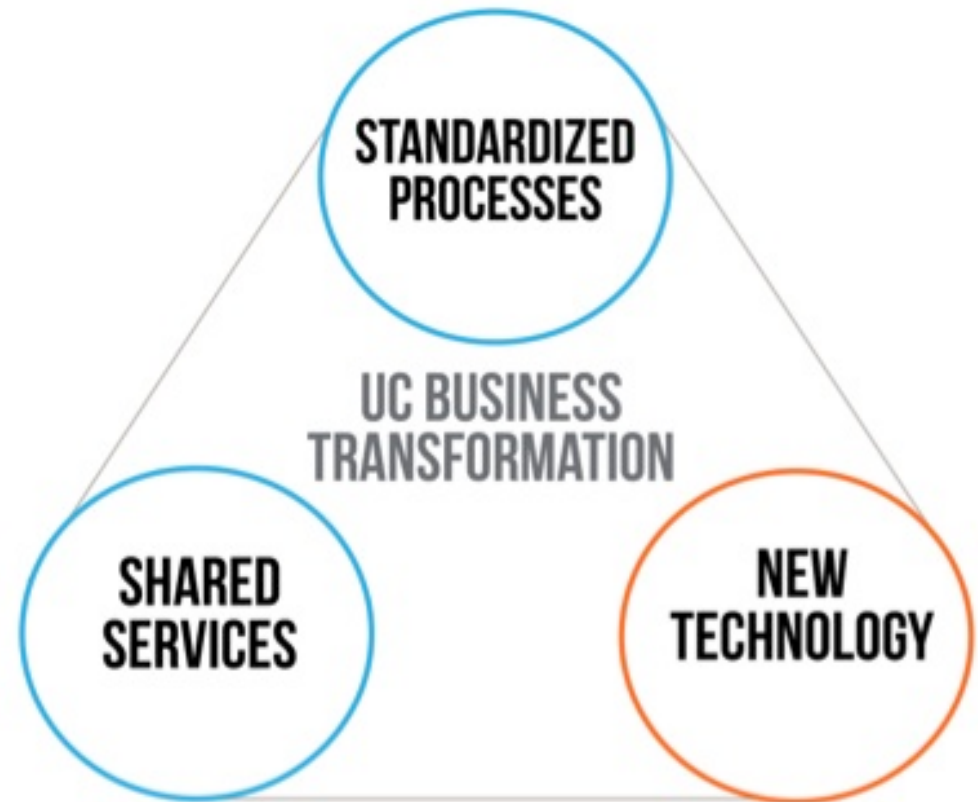


Bottom
Up

- Studied both success and failure inside our University and others
- Worked with people who understand the dynamic of public sector and higher education
- Utilize my own experiences as a change catalyst
- Classic interview of customers – but not only for what they wanted but also where we needed be
- *“Fresh set of eyes”*

Top Down: E.g., UC's HR-Payroll Program

- Launched as HR-Payroll replacement in September 2011.
- *Evolved scope in 2013 to address business transformation potential.*
- Moved project in-house to better meet UC's needs and promote knowledge retention.
- Process standardization and shared services create platform for local requirements and future efficiencies.
- First deployment live as of Nov-2015



The Possibility of Bottom Up

We could see inefficiencies in IT Services across our system

- Non-strategic business systems duplicated 10+ times (for some 15+)
- Solving the same IT problems independently
- Overbalance on commodity IT vs strategic technology
- Top-down, centralized approach has limited applicability and struggles with cultural acceptance
- Would-be Service Providers face huge hurdles to expand
- Differing technical standards across UC locations

What's we saw as an opportunity (fresh eyes)

- Complementary approach that is more ground-up and peer-to-peer in nature
- IT Services: high quality, consistent, sustainable, broad adoption.
- An “incubation highway” to accelerate and professionalize location-led shared IT services . . . And think beyond that



UC's Bottom Up Approach

Overview

UC IT innovate (UCITi) is a **Location-led, System-supported** approach to shared services, developed by UC IT leaders Gabe Youtsey (ANR), Kian Colestock (UCI), Emily Deere (UCSD), and Safa Hussain (UCD) – an effort that is part of the ITLC's Collaboration Framework.

Discovery

Through an extensive discovery process, the UCITi Team interviewed over **45 stakeholders** regarding **30+ systems** at **10 locations across the UC** and, from this tiny sampling of the UC-wide IT community, found the following:



UCITi as a "change platform"

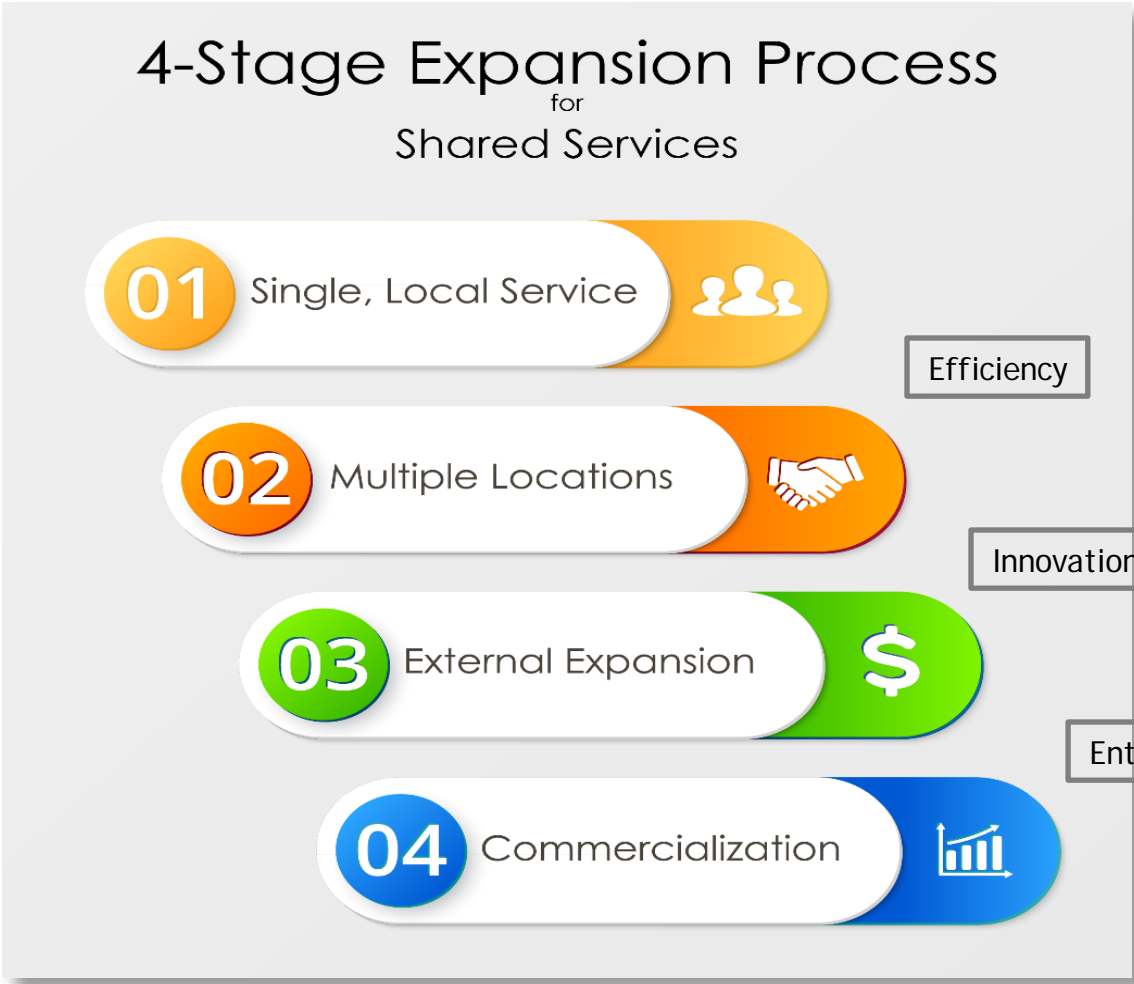
UNIVERSITY OF CALIFORNIA



IT Manager

Innovator

Intrapreneur

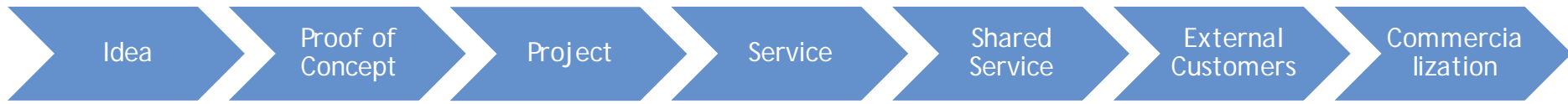


Efficiency

Innovation

Entrepreneurship

UCITi is a "change platform"



Structured, Repeatable Innovation Process

Ideation Space

UC NEXT

- Ideation
- Collaboration tools
- Profiles



UC IT Innovate
Location-Led, UC-Supported Shared Services

Support Mechanisms

- * Financial
- * Service Delivery, SLA
- * Agile Development
- * Marketing & Comm.
- * User Experience

Portfolio Management

Community Building (~7000 FTE)



UC IT Blog



Blog
News stories & features
Design Events

Tools
Webinars
Collaboration platform
Competitions

Social media
Portal
Exchanges

Competency Building

- UC-IT Leadership Program (Haas)
- Boot camps
- Value Proposition / Biz case
- Business /Pricing models
- Product Management
- Customer / Engagement Mgmt.

Change Platform*

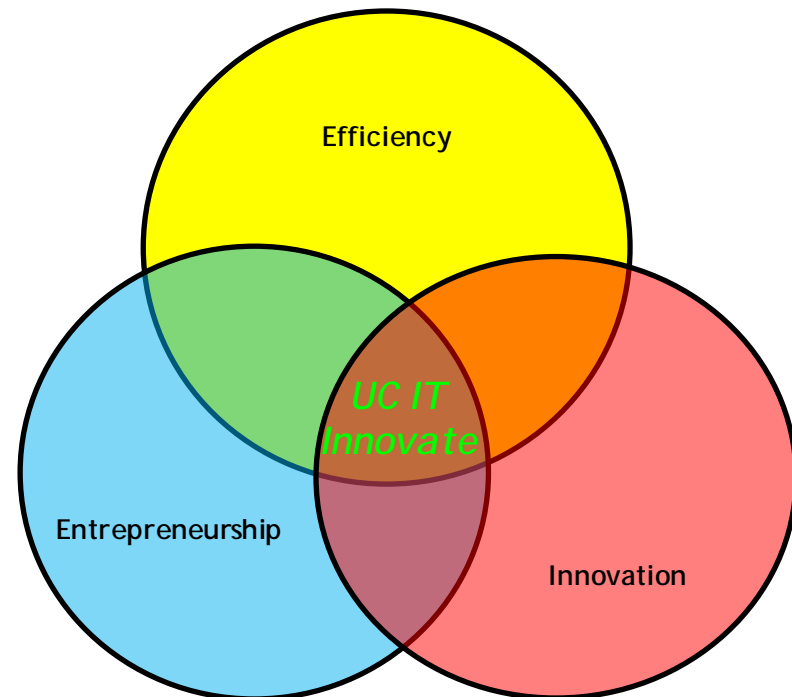
Top-Down → Activist-Out

Sold → Invited

Managed → Organic

The UC IT innovate Program

"Universities may work by 1000 flowers blooming, but great organizations are able to take innovation to scale."



@Andriola_UC

