

User Designed Shared Services

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Abstract

The University of Louisville is transitioning to a centralized transactional processing environment designed by the customers and implemented one process at a time. Business Operations, the shared services nexus, processes transactions in a centralized office that leverages technology and provides data quality consistency. Process workgroups comprised of departments and central offices develop the future vision together assuring departments maintain budgetary control and central offices maintain regulatory control. Consistent transaction management in the middle by Business Operations improves related data integrity. Driven by data, the continuous improvement approach applies customer feedback to prioritize future enhancements.

Introduction of the Organization

General University

The University of Louisville is a state supported research university located in Kentucky's largest metropolitan area. It was a municipally supported public institution for many decades prior to joining the university system in 1970. The University has three campuses. The 287-acre Belknap Campus is three miles from downtown Louisville and houses seven of the university's 12 colleges and schools. The Health Sciences Center is situated in downtown Louisville's medical complex and houses the university's health related programs and the University of Louisville Hospital. The 243-acre Shelby Campus is located in eastern Jefferson County.

Operational Environment

The University of Louisville operates a decentralized business structure. Duties, systems access and authorities are disbursed across the enterprise at various levels. The decentralized environment presents consistent challenges for training on any operational change. Various units and areas have centralized unit operations in attempts to address the struggles that come with the disbursed authorities. Notably, the Health Sciences Center launched a shared services initiative to support fourteen departments. The creation of Business Operations provides an enterprise-wide transactional support unit to provide consistent input to the central units and to support the schools and units through improved processes, focused on the users and best of class customer service.

Statement of the Problem/Initiative

Like many higher education institutions, as a highly decentralized organization, the University of Louisville struggled to deploy new operational solutions effectively. The number of people at various levels involved in processes presented challenges for documenting and training changes.

The training and development costs for even simple changes often delayed implementing positive enhancements and limited technology systems changes.

Centralizing the technical transactions in the Business Operations department allows for a highly and deeply trained transactional staff that knows the exceptions to the exceptions. Recently the university trained over 200 employees on a simple criminal background check process change. With the centralized Business Operation such a change will be implemented by training a handful of staff that are proficient in hiring processes.

In the developed processes, the departments retain approval authority for all transactions. The central offices maintain policy and regulatory authority. Between the department and central unit, Business Operations focuses on an “Amazon-esque” customer experience and streamlining processes. Business Operations is strategically “eating the elephant a bite at a time” by working process by process to deploy enterprise solutions that have been developed by stakeholders.

Design

The University of Louisville had discussed shared services for the better part a decade. Having institutional trust and support has been critical to a successful initiative. Through the communication with key stakeholders and with full leadership support a data driven continuous improvement process redesign approach was adopted. A commitment was made to develop a dedicated unit, Business Operations, from staff within the Finance and Administration unit.

Implementation

Focus Group: A focus group representative of lead unit fiscal officers, deans and central units met to recommend the process and top transactions for redesign. The group supported a

continuous improvement process based approach and through further consultation with departmental business managers and the larger group of lead unit fiscal officers a “Top 10” list was developed (November 2016).

Data: Data was analyzed (November 2016) for the “Top 10” processes to determine overall volume, monthly activities and leading customers for each processes. Additionally, the data indicated that some interrelated processes needed to be combined and others had components that needed to be broken out for review. The 10 key processes were then mapped for implementation so that the implementation of redesigned processes would affect a peak time allowing the departments to feel the full impact of the improvements made.

Organizational structure: A new organizational structure to manage the redesigned transactions was developed (February 2016) that focused in three areas: human resources, finance and customer service. These area directors focus on transactions/interactions, data and customer feedback. Staffing of the Business Operations’ Executive Directors and Directors was done through internal reassignments within the Finance and Administration areas. Business Operations is led by an Executive Director and reports to the Associate Vice President for Performance Improvement and Business Analytics through the Senior Vice President of Finance and Administration.

Town halls: A status report was provided to the university community in April 2016 through two town hall style meetings. The need for change, path for change and reassigned staffing were highlighted in the sessions. The town hall meeting was recorded for those who were unable to attend.

Workgroups: Workgroups comprised of the top three customers (lead fiscal officers and those who currently do transactions), central units, audit services and business operations were assigned. The workgroup for onboarding students and temporaries started in April 2016 with the other workgroups kicking off in June 2016. The other workgroups include Personnel Actions, Timekeeping for Hourly Employees, Time Reporting for Monthly Employees, Leave Management (including FMLA), Travel and Expense, Billing and Accruals, Payroll Expense Transfers, General Expense Transfers, Procard Reconciliations, and Speedtype Reconciliations.

The workgroups typically have upwards of 18 members, larger than recommended for most working groups. To address the size of these groups interactive exercises are used to document processes, create flow charts and document key data elements.

Space: A central location to provide services was critical. Business Operations occupies a space that facilitates the customer service activities as well as the functional specialist needs. The space is convenient to both students and employees. While the space was occupied in “move in” ready condition, a winter break renovation to better utilize the space will improve both the customer and the Business Operations employee experience.

First redesigned process: In July 2016 the first redesign process, hiring of student assistants, graduate assistants and temporaries, was soft launched with the top three customers. A four-week launch plan was developed to gradually increase the volume of requests in advance of the August peak time. Information sessions were conducted providing a brief overview of Business Operations and details regarding the new process. The intuitive redesign process did not require training sessions, rather the information sessions were sufficient to transition the new process. When questions arose the dedicated customer centered business counselors addressed questions.

The new process eliminated a 36-page paper packet. The new intuitive and mobile enabled paperless process cut the initial process time by over 60%. Projected savings from the new process includes over 100,000 sheets of paper and nearly 2,300 staff hours across the enterprise. Customer satisfaction over the first three months has 83% of customers rating the new process as very good or good.

Benefits

The primary benefit of Business Operations is a highly trained and flexible team of functional specialists. This team knows the exceptions to the exceptions, provides efficient transactional support and adapts nimbly as changes develop. The customer service focused business counselors provide consistent information to the departments. Customer information is gathered and analyzed to drive future continuous improvements.

With Business Operations addressing the transactional actions, the departments have additional time to reallocate to institutionally critical initiatives. The University of Louisville has purposely chosen to focus conversations around the time now available for staff to focus on strategic initiatives rather than the dollars saved.

Retrospect

For every project there is always the desire and need for additional communication, as one can never communicate enough. While targeted and strategic communications are planned and executed, the need for more communication is always preferable.

Ideally a budget strategy is well known and understood. In the University of Louisville's case due to multiple senior leadership transitions the budgetary implications have remained open.

Phase I of the project was funded from reassigned Finance and Administration staff. Funding for future phases has not been finalized.