Administrative Transformation Program Update

Board of Regents

February 2025

ATP

Agenda / Topics

- Review of Background and Business Case

- Update on Project Activities and Progress

- Update on Key Risks and Readiness for Go-Live

- Discuss Expectations for Go-Live

Executive Summary

- **Modernization** - ATP is a "once in a generation" modernization effort

- **Challenging** - Such projects are hard, complex, and will impact all faculty and staff across the Universities of Wisconsin
  - Perfection is not possible
  - We can expect bumps that we will iron out quickly
  - We can expect an extended stabilization period as users adjust to new ways of working

- **Worthwhile** – But it will be a worthwhile endeavor creating immediate benefits and revealing long-term opportunities
  - A powerful foundation from which to continuously improve

- **Risks** – While there continue to be real and evolving risks, UW leadership is continuously tracking and mitigating the issues

- **On Track** – As such, we are on track for a successful go-live in July 2025

- **Under Budget** – And are currently on track to be within the original $212M budget

# What is ATP and how did we get here?

Business Case (from Oct 2020)

- Existing Environment – significant, persistent challenges
    - Technology – Inefficient, costly for its value, impedes financial controls, prohibits effective business analytics, along with hundreds of shadow systems performing parallel functions

    - Processes and Practices – Inconsistent processes of unnecessary complexity, lacking modern practices like accrual accounting

- Conclusion – the status quo is unsustainable

- Outcome – moving forward immediately is the best path to increase efficiency, reduce risk, and enable future opportunities

Pre-ATP Architecture - Small Fraction of the Current Landscape for One University

Complex/Fragile

Poor User Experience

Scattered Data

Impossible to Secure

Unsustainable

Not a matter of <u>IF</u> we need to modernize, but **WHEN**
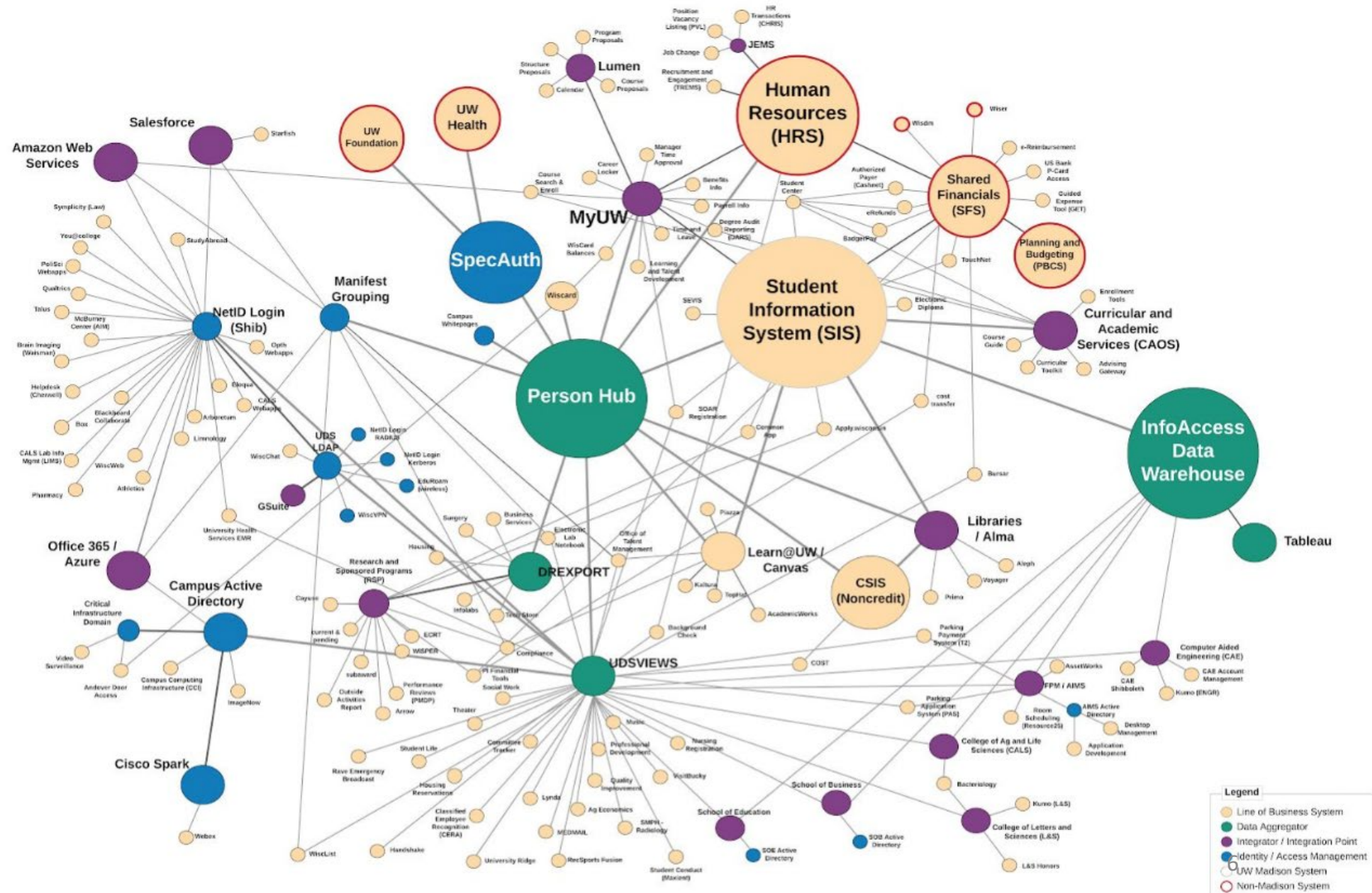
What are the goals of ATP?

FINANCE **HR** **RESEARCH ADMINISTRATION**

A <u>sustainable</u> environment

Craft a sustainable information systems environment that is resilient to continuous change, responsive to innovation, with the minimal number of shadow systems

with <u>simplified processes</u>

Streamline, standardize, and simplify administrative process (Finance, HR, and Research Administration)

delivering a <u>high-quality user experience</u>

Deploy a modern interface with mobile app for a consumer-grade experience for users

with <u>better data</u>

Provide more trustworthy data for improved decision making

while <u>reducing cyber risk</u>

Adopt a cloud platform to reduce cybersecurity risks

How did we get here?

October 2020
5-year, two-phase implementation $212M budget

Madison First	Non-Madison to Follow

July 2021 — 3 years — July 2024 — 2 years — July 2026

May 2021
3-year, unified implementation

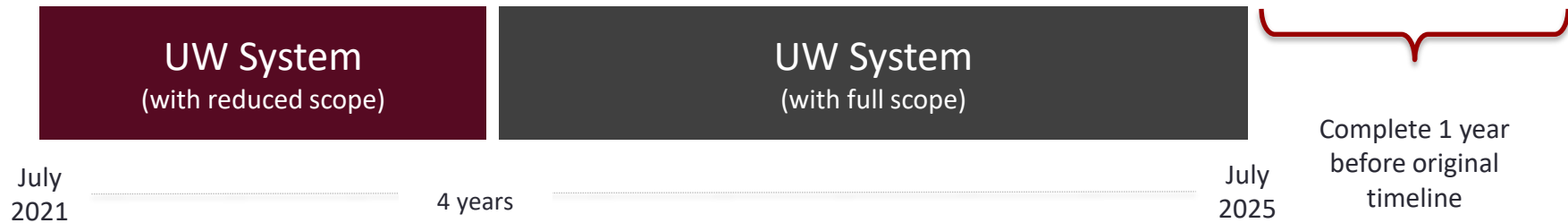| UW System (with reduced scope) |
|---|

July 2021 — 3 years — July 2024

To achieve a 60% shorter timeline, scope had to be eliminated or shifted outside ATP:
- Campus ancillary systems
- Campus process adoption
- Data warehouse

October 2023
Revised schedule to achieve full scope within the original $212M budget

UW System (with reduced scope)	UW System (with full scope)

July 2021 — 4 years — July 2025

Complete 1 year before original timeline

Why are these types of projects so challenging?

Change is Hard ...

- The larger the scope ... the harder the change
  - ATP will change all HR, finance, procurement, and budget processes
  - ATP will eliminate hundreds of customizations
  - ATP can replace 700+ ancillary systems
  - ATP is an enormous data conversion as ~ 31M rows of data will be loaded into Workday at go-live

- The larger the population ... the harder the change
  - ATP will affect all faculty and staff for all Universities of Wisconsin

- The shorter the transition ... the harder the change
  - ATP will go into effect "over night"

Bottom Line – ATP represents a high degree of complexity and change, thus making the change particularly difficult
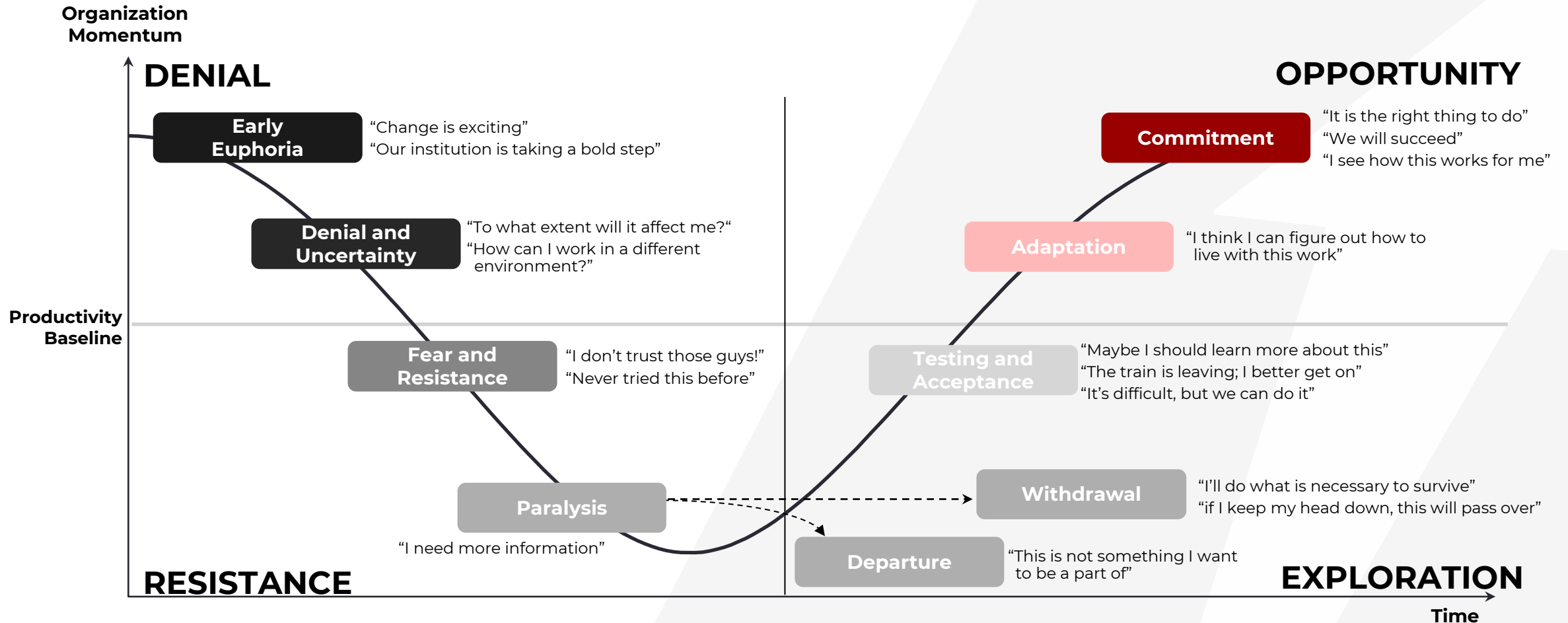
Analogy: "Hagen D"

On September 3, 1967, Sweden switched from driving on the left-hand side of the road to the right.

By Jan Collsiöö - Så var det, Public Domain,
https://commons.wikimedia.org/w/index.php?curid=3713432

Theory of Change: *The Change Curve*

Organization Momentum

DENIAL

OPPORTUNITY

Early Euphoria
"Change is exciting"
"Our institution is taking a bold step"

Commitment
"It is the right thing to do"
"We will succeed"
"I see how this works for me"

Denial and Uncertainty
"To what extent will it affect me?"
"How can I work in a different environment?"

Adaptation
"I think I can figure out how to live with this work"

Productivity Baseline

Fear and Resistance
"I don't trust those guys!"
"Never tried this before"

Testing and Acceptance
"Maybe I should learn more about this"
"The train is leaving; I better get on"
"It's difficult, but we can do it"

Paralysis
"I need more information"

Withdrawal
"I'll do what is necessary to survive"
"if I keep my head down, this will pass over"

Departure
"This is not something I want to be a part of"

RESISTANCE

EXPLORATION

Time

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Three Change Management Strategic Pillars

Communications

Stakeholder Engagement & Readiness

End-User Training

Design integrated strategies to help people through the change curve... flatten the curve

Pre-Training Learning Events: Campus Open House Events

"This is very intuitive. I like the user interface. I think it will be easier to use than our current systems."
-Staff Member, UWO Admissions Office

"I'm really excited about the onboarding features. I think this is going to be fantastic."
-UW-Stevens Point Library Manager

"I think this is going to be great. It seems intuitive and this event was really helpful." UW-Superior, Manager

What are the benefits of this transition?

Benefits Realization

- ATP identified <u>225</u> intended benefits
- On track to realize **88%** by go-live
  - According to Berry Dunn, the independent quality assurance reviewer

Overall Benefits	HR Benefits	Finance Benefits	Research Administration Benefits	Future Opportunities
• Business process standardization • More trustworthy data for decision-making • Improved user experience for all employees • Modern technology is responsive to innovation and cybersecurity risks • Workflow transparency	• Improved access to self-service • Consolidated team dashboard for managers • Quicker post-to-hire times • Comprehensive and uniform onboarding for all staff	• Accrual accounting for more accurate and timely balance sheet and monthly income statements • Greater visibility to financial transactions • Less offline spreadsheet work	• Easier to manage budgets with real-time information • Improved ability to comply with sponsor requirements	• Decommission of 700+ ancillary systems • Additional shared services

How do we know things are going to work properly at go-live?

Challenges at Other Universities

UNIVERSITY OF MARYLAND

ELEVATE

About Elevate | News & Events | Resources & Training | Updates & Insights | Support | WORKDAY LOGIN
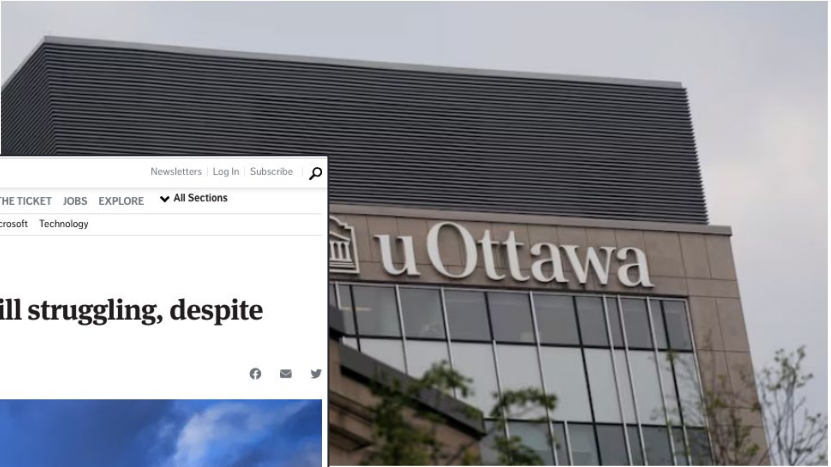
ANNOUNCEMENT

Postponing Workday implementation

Ottawa

Switch to cloud-based HR system creates storm of problems for U of O

Workday and university spokespeople say nothing wrong with the system

Nicole Williams · CBC News · Posted: Nov 29, 2023 3:00 AM CST | Last Updated: November 29, 2023

The Miami Student

Established 1826 — Oldest College Newspaper West of the Alleghenies

NEWS

Miami University's transition to Workday creates issues for employees

Loretta Parker, an administrative assistant in the Howe Center for Writing Excellence sits at her desk in King Library where she uses Workday for many aspects of her job. **Photo by Kasey Turman | The Miami Student**

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**UW's $340 million finance upgrade is still struggling, despite progress**

March 25, 2024 at 6:00 am | Updated March 25, 2024 at 9:54 am

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What is UW Doing to Avoid Similar Issues?

- **<u>Peer Visits</u>** - Pre-implementation peer visits to review lessons learned to help improve the structure from the beginning of the project

- **<u>Resource the Universities</u>** – Invested ~ $16M into university-level resources for direct hires, backfill, and stipends to provide capacity to both maintain operations and implement the project

- **<u>Testing, Testing, … and more Testing</u>** – Rigorous focus on multiple areas of testing (unit testing, user experience testing, end-to-end testing, payroll parallel testing, etc)

- **<u>Focus on Training</u>** – In addition to the overall change management activities, focus on creating strong training materials with ample opportunities and modalities

- **<u>Watchlist Methodology</u>** – Establish a continuous course correction methodology to quick identify and respond to emerging issues

- **<u>Readiness Scorecard</u>** – Create a readiness scorecard with key checkpoints to validate with UW leadership that we are ready to move to the next stage

Testing Overview and Metrics
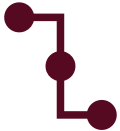
End-to-End Testing

A comprehensive evaluation of functionality from start to finish comparing the actual results to the expected results

17,464 Tests Executed

98% Passed

User Experience Testing

Evaluate the usability and overall user experience by observing and gathering feedback from real users.

26,338 Tests Executed

1,594 Participants

13 Universities

Payroll Parallel Testing

Direct comparison of actual biweekly payrolls in PeopleSoft to simulated payrolls in Workday.

1.2M Rows Compared

71k Pay Slips Compared

98.14% Match

Note - 95% is the expected match rate for Workday at this stage of the project

Defect Resolution

The systematic correction of issues identified throughout the collective testing process.

832 Critical/High Defects

783 (94%) Resolved

49 Remaining

Note - Expect 100% of critical and high defects to be resolved before go-live

Metrics as of 1/24/2025

How are issues and feedback prioritized?

Category	Prioritization	Resolution Timeline
Defect The actual behavior is different than the expected behavior	**Critical/High** Issues that are "showstoppers" because failure to address would create significant end user challenges that would jeopardize accuracy of the system or its adoption	Before go-live
	Regular Issues that need to be fixed, but have work-arounds or the impact is sufficiently minimal to not delay go-live	As many as possible before go-live Remainder after go-live
Enhancement 1) The actual behavior is the expected behavior, but is undesired 2) it is an entirely new feature or functionality	**High** Suggestions with a high-degree of cross campus agreement that could cause significant distress to campus stakeholders and could be resolved without adding unacceptable levels of risk to go-live	Before go-live
	Regular Good ideas that can be considered for future roadmaps and releases	After go-live with prioritization from system-wide governance

Examples of Pre-Go-Live Enhancements from Campus Feedback

- Removed unnecessary approvals from multiple business processes for student hourly and student assistants

- Created questionnaires for initiating staffing actions without the need to grant access to HR security roles

- Made the Principal Investigator (PI) more accessible when viewing an award

- Added security roles to facilitate better delegations in approving financial transactions

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Workday Training Curriculum Summary

~ 360+

Learning materials created

~ 30 formal courses
~ 300 job aids
~ 30 how-to videos

~ 11,600

Employees to receive at least one role-based training

~ 54,000

Total role-based training courses to be delivered

4

Delivery modalities

- instructor led trainings
- webinars
- workshops
- computer-based trainings

40,000+

Self-service trainings

All employees are expected to take either manager or employee self-service training

Special Training Focus for Faculty and other 9-month Employees
September to October '25

Training Development & Preparation
July '23 to February '25

Training Launches
March to June '25

Support
July '25 to Ongoing

"The Watchlist" Critical Risks, Issues, Decisions

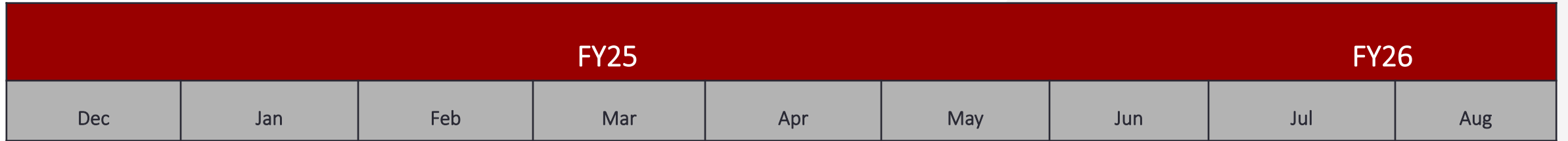| Critical/High Risks/Issues with unknown impacts or developing mitigations	Key decisions with major impacts	Critical/High risks with active mitigations

UW-Madison Ancillary Systems Retrofit & Testing
• Campus Technical Preparations (ID1871)
• Local Data Warehouses & Downstream Systems (ID2044)
• Regression Testing Timeline (ID2174)
• Tier 2 Integration Recommendations (ID2166)
• Lack of Extension for AS Int Testing (ID2178)
 	
ACT 10 / Collective Bargaining Impacts (ID2260)
		• DOA Requirements & Testing (ID 2210)
		
		• IAS Project with ETF - Timeline Extended (ID2114)
		
		• Overlapping / Competing Priorities (ID1878)
		
		• E2E2 Testing Exceptions (ID2188)
		
		• University Re-Organizations Planned for 2025 (ID2187)
		
		• Standardizing Workday Organizations (ID2123)
		
		• SIS Development & Testing
		  • SIS Refunding Testing – Post E2E2 (ID2160)
		  • SIS PASS Testing – Post E2E2 (ID2161)
		
		• UW-Milwaukee & Comprehensives Ancillary Systems and Retrofit & Testing
		
		• Training Asset Review Progress (RID 2249)
		
		• TMA Development and Testing Delay (ID2251)
		
		• SCM Readiness

Key Readiness Checkpoints

FY25							FY26	
Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug

Dress Rehearsal

Gold Build **Production**

Learn and Refine

ATP Executive Sponsor Approvals

Core Components and Functionality

Key Characteristics		Human Resources		Finance & Research Admin.	
Employee Experience	Data & Application Security	University Readiness	Pay Employees	Recruit & Hire Employees	Collect Revenue	Set Up and Spend On Grants
Reporting	Cutover Readiness & Data Integrity	Student Service Impact	Insure & Provide Benefits	Track Time & Absences	Buy Goods & Services and Pay Vendors

**Begin
Data Conversion
(Mo 6/16)**

**Workday
General
Availability
(Su 7/6)**

**Execute Dress Rehearsal
(Th 1/16)**

**Complete Dress
Rehearsal
(Th 4/3)**

**Begin Gold
Tenant
(Th 5/15)**

**Workday
Go-live Auth. /
Soft Launch
(Su 6/29)**

Deployment Readiness Scorecard Monitoring

ATP Project Leadership, Governance, Steering Committee & Sponsorship Groups

What should we expect between now and go-live in July 2025?

Readiness Concerns Will Emerge Between Now and Go-Live

- Some will be fact-based, and some will be fear-based, likely stemming from a complex version of the "telephone game"

- We want to know about **all** of them
  - If you encounter stakeholders with concerns, bring them directly to AVP Hopper, VP Gordon, or VC Cramer
  - Alternatively, the stakeholder can bring the issues directly to us

- We can't address what we don't know about, but we will address everything we do
  - Details and specifics will be required to resolve
  - Critical/high concern issues will be addressed before go-live
  - Other issues will be addressed through continuous improvement after go-live

Expectations for Go-Live – Operational Front

- Major functionality will operate correctly for the preponderance users and situations
    - Can hire people, pay people, enroll people in benefits, buy things, pay our bills, etc
    - Critical and high priority ancillary systems will work as expected (eg. collect tuition)
    - Will be manual work arounds for some systems for a period of time

- Some users will experience defects in the data conversion or the new business processes
    - Testing results suggest these will be minimal, but there will be some and will be addressed quickly

- The overall pace of business will slow down for a period as everyone learns, adapts, and forms new habits

Stabilization and Support After Go-Live

Hypercare	Stabilization	Ongoing Support

July 2025   Sept 2025   Jan 2026

Hypercare – Quickly identify and resolve issues

- Command Center - Establishes a command center approach to quickly identify and aggregate issues

- Enhanced Staffing – Extended staffing hours, increased number of resources with extra support from Huron
  - Heightened monitoring
  - Proactive issue resolution
  - Dedicated user assistance
  - Intensive support

- Overall Goal – Smooth out the bumps and quickly get help to those who need it
  - Showing progress and being responsive to issues on the ground will be important to success

Expectations for Go-Live – Challenges

- FY25 closing in PeopleSoft while opening FY26 in Workday
  - Shift from cash to accrual accounting is an added complexity

- Emotional state of both ATP and campus HR, finance, and IT
  - Relieved to be live, but exhausted from the journey
  - Challenged to face the daunting task of stabilization

- Emotional state of staff and faculty
  - Mix of: excited, scared, confused, and frustrated

High Degree of Confidence we will "Land the Plane"

... but will need constant vigilance

Mindset of the Future

Go-live is not the end, but the beginning!