

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

**Joint Meeting of the Audit Committee
and Business & Finance Committee**

Thursday, March 30, 2023

8:00 a.m. – 8:45 a.m.

Cedarwood/Maplewood Room
UW-Stout Memorial Student Center
302 10th Avenue East
Menomonie, Wisconsin
& via Zoom Videoconference

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Administrative Transformation Program Update

March 30, 2023

ADMINISTRATIVE TRANSFORMATION PROGRAM UPDATE

REQUESTED ACTION

No action is required; this item is for information only.

SUMMARY

The current administrative infrastructure of the UW System is built on outdated, disconnected technology and supplemental systems, which increases security risks, limits access to reliable data, increases staff burden, and hinders the UW System from fulfilling its mission.

The Administrative Transformation Program (ATP) seeks to modernize this environment across the UW System by standardizing finance, human resources, and research administration business processes and implementing Workday and Huron Research Suite, integrated, cloud-based technology systems. Once completed, the UW System will have a resilient administrative environment to advance its mission of research, teaching, and outreach more efficiently and effectively.

This report and companion presentation are part of ATP Leadership's efforts to transparently represent project status and highlight key risks to the Board of Regents.

Presenters

- Sean Nelson, Vice President for Finance and Administration, UW System Administration
- Rob Cramer, Vice Chancellor for Finance and Administration, UW-Madison
- Lois Brooks, Vice Provost for Information Technology and Chief Information Officer, UW-Madison
- Steven Hopper, Senior Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer, UW System Administration

BACKGROUND

The following list chronicles the high-level history of ATP and significant milestones as pertaining to Board of Regents oversight and updates:

- **October 2020** – The full business case for ATP was presented to the Business and Finance (B&F) Committee by Laurent Heller and Rob Cramer and was approved to move forward. The project was originally conceived as a ***two-phase*** implementation with UW-Madison going live in July 2024 and the remaining 12 universities following with go-live in July 2026.
- **February 2021** – The project was formally initiated and included in the Large and High-Risk Project reports that are presented to B&F on a semi-annual basis with subsequent transmission to the Joint Committee on Information Policy and Technology (JCIPT) as required by [s. 36.59\(7\), Wis. Stats.](#)
- **May 2021** – After being informed by the initial planning efforts, the UW System President and UW-Madison Chancellor agreed to a ***unified approach*** where all universities would implement the new solution concurrently by July 2024.
- **July 2021** – The Board of Regents approved a ten (10) year contract with Workday, Inc. as the primary cloud-based enterprise resource and planning (ERP) vendor, which serves as the foundation for ATP’s human resources and financial transformation efforts.
- **October 2021** – The Board of Regents approved a five (5) year contract for the Huron Research Suite, which serves as the foundation of ATP’s research administration transformation effort. The implementation of this software package is known as the Research Administration Modernization Project (RAMP).
- **December 2021** – The Board of Regents approved a two (2) year contract with Huron Consulting Group, Inc. to serve as the systems integration (SI) consulting partner to help guide and facilitate the implementation of Workday.
- **February 2022** – Dr. Joanna Wang was hired as the ATP Executive Director to lead the overall program and its implementation.
- **June 2022** – The Board of Regents approved a two (2) year contract with Berry Dunn McNeil and Parker, Inc. to serve as the Quality Assurance (QA) oversight for ATP.
- **November 2022** – The ATP Executive Sponsors established the administrative systems portfolio to identify, track, and resolve key interdependencies between Workday and other initiatives/systems (more details below).
- **December 2022** – The Board of Regents approved a five (5) year contract with Kainos WorkSmart, Inc. for cloud-based software to streamline and automate the testing of Workday. In addition, the project team successfully concluded the Architect phase and moved into the Configure and Prototype (C&P) stage.

- **January 2023** – Dr. Wang resigned from ATP and Senior Associate Vice President Steven Hopper was assigned as the replacement to lead ATP going forward.
- **February 2023** – The Board of Regents approved two amendments to contracts with Huron Consulting Group, Inc. The first amendment was for additional consulting hours for the Workday implementation to supplement UW's challenges in hiring personnel with Workday experience. The second amendment was for the technical integration work required to seamlessly integrate the Huron Research Suite with Workday.

Discussion

Business Value of ATP

The current administrative systems infrastructure for the UW System is overly complex and brittle since it has incrementally evolved over the past thirty (30) years without integrated planning. As such, UW System has a myriad of loosely connected systems with significant gaps/overlaps that are difficult to manage and slow to change. Furthermore, these systems deliver an extremely poor user experience that scatters important data, making it impractical at best (impossible at worst) to synthesize for decision-making or protect from a cybersecurity perspective.

Simply put, the UW System's current environment is unsustainable, and ATP is necessary to modernize and strengthen the foundational administrative systems that drive all major UW operations. In short:

ATP will establish a sustainable information system environment with simplified processes that deliver a high-quality user experience with better data while reducing cyber risk.

The following list deconstructs this statement into its individual components to highlight the key benefits:

- **Sustainable environment** – Leverage modern cloud technologies that are designed for continuous change/innovation while adopting more rigorous governance and discipline to minimize the number of shadow systems.
- **Simplified processes** – Streamline, standardize, and simplify processes in human resources, finance, and research administration, thus increasing the efficiency and effectiveness of administrative operations.
- **High-quality user experience** – Deploy a modern interface with mobile application to provide a consumer-grade experience to improve usability and satisfaction.
- **Better data** – Provide more trustworthy, integrated data to improve decision-making by minimizing the manual data integration efforts commonplace in the current environment.

- **Reduce cybersecurity risk** – Adopt a cloud platform with enhanced security controls to reduce cybersecurity risk and shrink attack surface by decommissioning redundant on-premises shadow systems.

Continuous Learning and Adaptation

Due to the expected long-term duty cycle (30+ years) of these modern cloud ERP systems like Workday, a project like ATP is a once-in-a-career initiative, which means there is scant internal experience executing such a complex undertaking. Furthermore, since each implementing organization is unique, the experience of an SI partner is (while extremely valuable and helpful) only a part of the solution. ERP implementations are often fraught with delay and challenged with tradeoffs due to the size and complexity of the change.

Given these realities, the ATP Executive Sponsors and ATP Leadership understand this project will not be perfectly smooth and have adopted a strategy of continuous learning and adaptation to: 1) quickly identify and resolve issues, 2) keep positive momentum, and 3) ensure the highest quality outcomes within the shortest possible duration.

Based on the hands-on experience of the Planning and Architect phases, ATP Executive Sponsors and ATP Leadership identified several emerging issues and gaps, and initiated several interventions to preserve quality and keep the project on track. The following table summarizes these observations and corrective actions.

| Observation | Corrective Action(s) |
|---|--|
| <p>Schedule Tracking – The original project tracking status was based <u>only</u> on the blueprint and deliverables provided by the SI partner with no weighting of the tasks based on the effort required.</p> <p>By not including the UW-focused activities and assuming every task in the plan contributed equally toward completion, it presented an overly optimistic view of the status and masked important issues and constraints.</p> | <ul style="list-style-type: none"> • Modified the project plan to include all known activities required to successfully deliver Workday and RAMP. • Modified the Key Performance Indicators (KPIs) to ensure the completion percentage metrics properly considered the effort involved in each activity. • Modified the KPI dashboard to include forecasts of schedule status along with risks and mitigations underway. • Established mitigation plans for activities that were running behind schedule and jeopardizing the transition to the Testing phase. |

| Observation | Corrective Action(s) |
|--|--|
| <p>Portfolio Gaps – Originally, ATP was tightly focused on Workday and the Huron Research Suite. As part of the Architect phase, the team got a clearer understanding of the 2nd and 3rd order effects that will result from the transition.</p> <p>ATP identified a series of projects with interdependencies that were not fully understood or actively managed yet could negatively impact the overall success of ATP.</p> | <ul style="list-style-type: none"> Formally established an administrative systems portfolio framework and staffing resources to identify and track the key dependencies. Refocused the existing governance structures (i.e., steering committee) to cover the full portfolio with appropriate oversight. Established a portfolio-level dashboard to track the collective status and key dependencies. |
| <p>University Resource Gaps – Until the conclusion of the Architect phase, ATP was not able to provide insight into effort required by the local universities to successfully adopt Workday.</p> <p>Once this picture came into focus, ATP leadership realized that the local universities were not well-positioned to absorb the effort without jeopardizing existing operations.</p> | <ul style="list-style-type: none"> Conducted an in-person summit in December 2022 with senior leaders across the UW System to build a common understanding of the upcoming effort and timing. Collaborated with the universities to identify \$16.5M in staffing and financial resources for the non-UW-Madison universities to successfully adopt Workday. |
| <p>Student Information System (SIS) Gaps – At the conclusion of the Architect phase, the team realized that there were still significant unknowns in how the new Workday solution would integrate with the thirteen (13) university SISs.</p> <p>This lack of understanding is a significant risk as it could negatively impact the critical tasks of collecting tuition and distributing financial aid.</p> | <ul style="list-style-type: none"> Established an “SIS Connections” system-wide group to fully understand the issues and design the solution. This group consists of eight (8) working groups with over 500 participants across the UW System. Provided funding (as part of the \$16.5M highlighted above) to specifically address these integration issues in a consistent, standard approach. |

Biggest Risks

The ATP team proactively tracks the risks, issues, and key decisions and establishes mitigation plans to keep the project successfully moving forward. The following table summarizes the highest risks that are being monitored by ATP leadership.

| Risk | Mitigation |
|--|---|
| <p>Staffing Challenges Given the tight employment market, ATP and local universities continue to experience challenges hiring qualified personnel with appropriate skills and experience.</p> | <p>Persistent re-posting of vacancies; increased training of internal employees; increased use of contractors, consultants, and staff augmentation contracts.</p> |
| <p>Ancillary Systems and Integrations Discovery activities have revealed 1,800+ ancillary systems that are either duplicative of Workday functionality or connected to the current PeopleSoft system. While many of these systems will be retired, we will need to integrate approximately 800 with Workday.</p> <p>There are still significant unknowns around establishing a comprehensive plan across thirteen (13) universities to collect requirements across hundreds of different systems with the goal of developing an integration mechanism that the local universities can use to complete their portion of the project.</p> | <p>Establish the authority and accountability for the newly hired ATP Integration Strategy Lead to work across multiple teams to create a comprehensive plan to eliminate the unknowns.</p> |
| <p>Document Management Unknowns While Workday will store many administrative digital files going forward (e.g., offer letters), it will not store all possible documents (e.g., FMLA documents that contain personal health information), nor will it contain the legacy documents currently stored in PeopleSoft.</p> <p>However, the UW System has both compliance and operational requirements to keep these documents, but there is currently no strategy, technology solution, or project in place to make this transition.</p> | <p>Upon realizing this key gap, the ATP leadership team created and resourced a team specifically focused on establishing and executing a strategy for document management. The team is working with urgency to ensure a solution and associated transition plan is in place to complete the Workday go-live.</p> |

| Risk | Mitigation |
|---|--|
| <p>Workday Transition to Testing Phase ATP Leadership realized the original plan to complete all integration and data conversion activities during the C&P phase was not feasible given the volume and complexity of the effort involved. However, delaying the transition to the Testing phase would jeopardize the timeline and likely result in a delayed go-live.</p> | <p>The ATP Leadership team transitioned from a waterfall to agile methodology that prioritized the work so that testing could begin on schedule for the highest priority items while the remaining integrations and data conversions were completed and ready for a second round of testing.</p> |

Overall Status

| | | |
|-----------------|---|---|
| Scope | ● | The project scope is in flux and will likely increase due to the unknowns stemming from the introduction of the full portfolio tracking. These lingering scope issues were always present but were hidden until the portfolio brought them into view. The top priority for the ATP leadership team is working through these unknowns and making final dispositions. |
| Schedule | ● | The potential scope adjustments add delay risk to the overall timeline. With the mitigations currently in place, the Workday effort is on-track for go-live in July 2024. However, the unknowns around ancillary systems and other key aspects of the portfolio could delay the go-live if not successfully mitigated. |
| Budget | ● | The project is currently tracking under budget with financial contingencies available to help address the scope and schedule risks to avoid delays in go-live. |
| Overall | ● | ATP Leadership is actively monitoring all critical elements and is using all resources available to resolve the scope and schedule issues as all aspects of the portfolio must be in an acceptable state before going live with Workday. A successful go-live in July 2024 is achievable but at risk and is still the target of the collective ATP team. |