Huron Education

UNIVERSITY OF WISCONSIN SYSTEM

Information Technology Business Case Development

University of Wisconsin System Administration

Business Cases 1, 2, & 3

August 2015

Executive Summary

BUSINESS CASES

This document presents 3 business cases developed over the course of the 12 weeks that Huron was engaged by UWSA.

Contents

Business Case Template

Business Cases

BUSINESS CASE OVERVIEW

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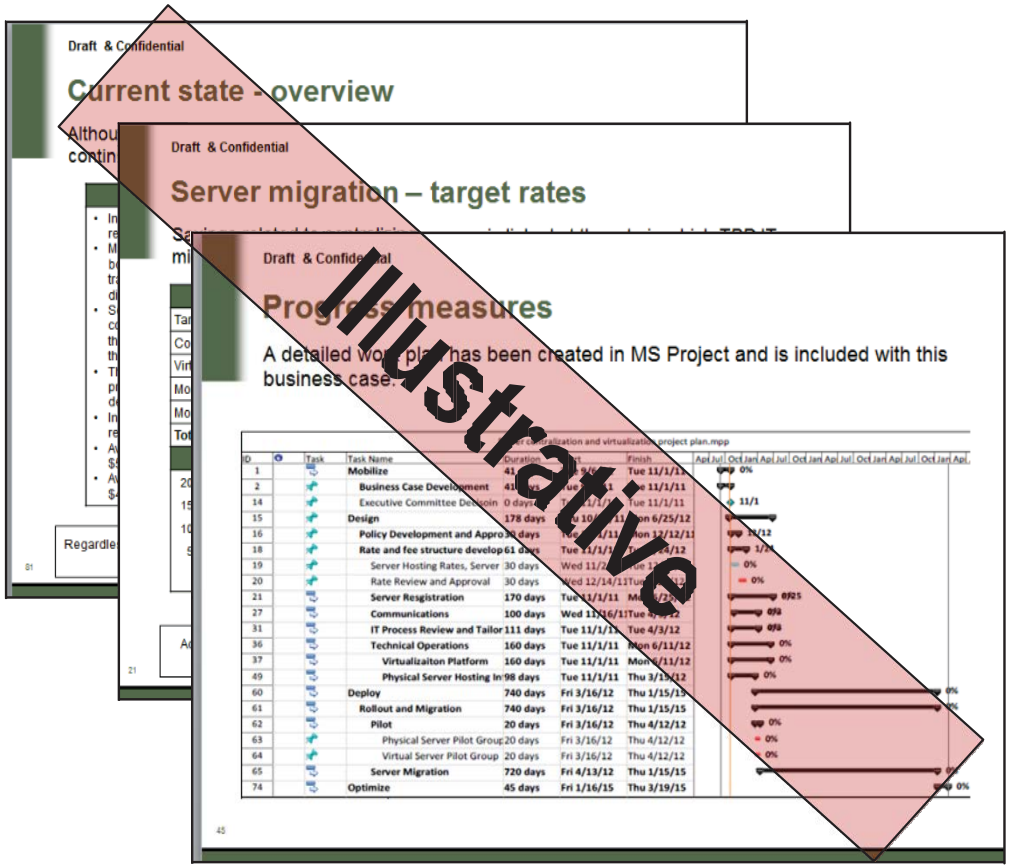
Huron's business cases are structured proposals that outline the benefits and considerations of an initiative to add informational and analytical value to decision-making.

Business cases are designed to:

- Quantify the impact of recommendations
- Provide analysis to support and justify the findings
- Create an impetus to take action

Strong business cases draw conclusions based on:

- Current-state assessment
- Benchmarking, gap analysis or option evaluation
- Cost benefit analysis



Business Cases

DATA & ASSUMPTIONS

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Data Assumptions and Notes:

- Data available at the time of this report was either inconsistent, incomplete, or unknown. This underscores the need for a more standardized and transparent approach to data collection and reporting.
- Projected financial impact displayed may not include full cost of implementation. For opportunities selected to pursue, the UW should engage in more robust data collection and analysis to identify the full scope of implementation, resource requirements, and associated costs.
- Analyses may not incorporate campus-level initiatives taking place to reduce costs in reaction to the announced budget cuts. Additional consideration should be given to reductions that have already taken place at the institutional level.

Organizational Context

Business Cases

ORGANIZATION CONTEXT

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The work that culminates in the business cases presented in this document was conducted during a period of immense challenge with an uncertain budget future and therefore unclear responses to cuts. Before we get into the detail of the business cases, we wish to acknowledge the engagement of the IT community across the University of Wisconsin system campuses, including the CIOs, and the engagement of Provosts and Chief Business Officers in providing input, data, guidance, perspective, institutional and historical context, and encouragement.

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ORGANIZATION CONTEXT

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Providing the full context is infeasible, however, there are several critical elements of context that are important to understand when considering the ideas and recommendations presented in this document.

Organizational Context:

- The University of Wisconsin System is facing reductions in state funding by approximately $125 million per year
- Those cuts are the largest of a series of cuts the University has received over the past decade
- The campuses that comprise the UW System operate predominately independently with several noted exceptions including: (System-wide high-speed network, Common Systems Review Group, VoIP collaboration, virtualization collaborations)
- Recent leadership turn-over throughout the UW System (Chancellors, Provosts, UW system leadership)
- Culture of decentralized and distributed decision making both at the system and institutional level

IT Trends:

- Rapid pace of innovation
- Changing user preferences require that IT functions be increasingly nimble and adaptive
- Increasing adoption of digitization and technology across nearly every facet of the academy
- Increased capacity and capability for 3rd party services (e.g., Amazon Web Services)
- Students who are “digital natives” served by faculty and staff with vastly different attitudes, capabilities, and understanding of technology

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BUSINESS CASE OPPORTUNITY IDENTIFICATION

Huron utilized a process by which a broad group of stakeholders provided contextual knowledge of UWS, engaged in identifying opportunities, and provided input into language / grouping of opportunities.

- Initiated data request to all campuses
- Conducted multiple CIO working sessions
- Utilized ITMC brainstorming notes
- Distributed survey to all CIOs, CBOs, and Provosts

Identified 52 Opportunities

- Synthesized opportunities, applied prioritization framework, and presented to Advisory Committee

Combined multiple opportunities into three proposed business cases

- Finalized opportunities presented to Executive Leadership Team for consideration

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CONSIDERATIONS

The following contextual considerations were identified through our working sessions, surveys, and discussions with UW stakeholders.

1. **Culture:** UW Institutions have a high degree of autonomy; this independence is ingrained in institutional cultures to varying degrees. Feedback received from institutional stakeholders indicates that this may be very difficult to overcome for certain opportunities identified.
2. **Collaboration**: Institutions have begun collaborating with respect to IT initiatives, both as a result to improve service and to reduce costs (e.g., leveraging institutions for VoIP or backup location for servers).
3. **Flexibility**: CIOs believe that while centralization may make sense for certain initiatives / opportunities, special consideration should be given to the need to remain flexible / sufficiently nimble to respond to institutional and market demands in order to better serve constituents and students.
4. **Trust:** Our discussions with stakeholders and respondents to the survey indicated that there is a lack of trust with respect to centralization initiatives. Historically, results have been mixed and the corresponding service enhancements and costs reductions have not been achieved.
5. **Timing:** The timing / implementation of opportunities should be carefully considered as it will have significant impact on change management, available funding, and service provided to constituents.
6. **Accountability:** For any opportunity pursued, there must be clearly articulated service expectations and responsibilities among the institutions and UWSA.

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EFFECTIVE IT DECISION MAKING STRUCTURES

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A disciplined governance structure aligns investment decisions with institutional and system priorities. Leadership aligned at the appropriate levels can focus IT priorities with long-term strategies and goals.

IT Decision Making Structures

Decision making structures in the case of IT are:

- Mechanisms through which clear and repeatable sets of data, inputs, analyses, priority-setting, and accountability are provided
- Supported by processes and norms that engage stakeholders and increase transparency

Decision making structures in the case of IT are not:

- IT strategy, but the processes and organization to enable strategic decisions and successful execution
- Bureaucratic structures to slow the evaluation and execution of initiatives

<u>Components of Successful IT Decision Making Structures:</u>

- Clearly delineated decision rights and ownership
- Transparency and active communication with stakeholders
- Decisions aligned with strategic direction
- Stakeholder control of cost management and investment
- Defined triage and intake process for new issues that require attention
- Process for business case analysis, review, and input based on institutional needs and appropriate justification
- Consistent, repeatable processes for executing approved initiatives that are scalable for large and small projects

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BUSINESS CASE OPPORTUNITIES

The following opportunities were selected by UWSA leadership for business case development.

Business Cases:

1. Migrate specific ERP systems currently hosted internally to third-party providers.
2. Explore alternative delivery models for IT services and administration.
3. Engage in enhanced strategic sourcing for IT hardware, etc.

Business Case Opportunities & Strategic Enablers

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IDENTIFIED COST SAVINGS AND STRATEGIC ENABLEMENT OPPORTUNITIES

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Each opportunity will be presented in the following "menu" format representing summary-level analyses found within the business cases.

	Opportunity	Annual Financial Impact	UWS Risk Exposure	Efficiencies Gained	Implementation Complexity	Timeframe (Months)
#	High-Level Description					
1	2	3	4	5	6	7

1	Opportunity number
2	Description of each opportunity worded as an action to clarify the opportunity, not to represent a recommendation
3	Estimation of the annual cost savings or revenue enhancement (Net initial investment required)[1]
4	Assessment of the risk assumed if implemented on a scale of low to high, either for the UW System or institutional-level
5	Assessment of the indirect or "systemic" effects of the opportunity on other opportunities for efficiency
6	Assessment of the complexity of moving forward with implementation for each opportunity
7	Estimate of the timeframe to realize efficiency savings (beginning from a decision to implement)

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IDENTIFIED COST SAVINGS AND STRATEGIC ENABLEMENT OPPORTUNITIES

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	Opportunity	Annual Est. Savings	UWS Risk Exposure	Efficiencies Gained	Implementation Complexity	Implementation Timeframe
Business Case # 1						
1	Consolidate hosting of SISs	$$$$	Medium	Medium	Medium	12-36 Months
2	Reduce customizations within SIS and consolidate instances	Enabling	Low	High	High	24-36 Months
3	Explore vendor managed infrastructure and rationalize current infrastructure for HRS and SFS	$$$$	Medium	Medium	Medium	6-18 Months
4	Reduce customizations within HRS and SFS	Enabling	Low	High	High	36-60 Months
5	Develop financial model allocating the costs of customizations to requesting campus	Enabling	Low	High	Low	0-6 Months
6	Develop a total cost of ownership model for future customization requests	Enabling	Low	High	Low	3-6 Months
7	Develop a System-wide IT decision making process and mechanism	Enabling	Low	High	Low	6-12 Months
8	Include cloud option as part of vendor system selection for Budget System	Strategic Investment	Low	High	High	12-36 Months
9	Explore transition of non-ERP systems to cloud solutions	TBD	TBD	TBD	TBD	TBD

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IDENTIFIED COST SAVINGS AND STRATEGIC ENABLEMENT OPPORTUNITIES

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	Opportunity	Annual Est. Savings	UWS Risk Exposure	Efficiencies Gained	Implementation Complexity	Implementation Timeframe
Business Case # 2						
10	Centralize IT security resources	Enabling	Low	High	Medium	6-12 Months
11	Consolidate IT Helpdesks	$$$$	Medium	Medium	High	12-24 Months
12	Consolidate High Performance Computing	Enabling	Low	Medium	Medium	6-24 Months
13	Consolidate datacenter facilities	$$$$	High	High	High	24-48 Months
14	Identify additional areas for system-wide collaboration	TBD	TBD	TBD	TBD	TBD
15	Re-Organize IT Leadership	$$$$	Medium	High	High	24-48 Months
Business Case # 3						
16	Create System-wide standardized bundles for laptops, desktops, and peripherals	$$$$	Low	Medium	Medium	6-12 Months
17	Enforce policies for preferred purchases (Madison foregone savings displayed)	$$$$	Low	Low	Low	0-6 Months
18	Develop a collaborative, System-wide procurement function to take advantage of scale	Enabling	Low	High	High	12-24 Months