



Board of Regents University System of Georgia

Shared Service Initiative Update August 20, 2014



Purpose

- Brief overview for new Board Members
- Five Years Later:
 - Review Progress and Accomplishments
 - Lessons Learned
- Opportunities and Path Moving Forward:
 - Partnerships
 - Enhancements
 - Future Services
- Reaffirm the commitment to a shared service approach



Shared Services: 2008

- Shared Service Initiative Approved By Board in 2008
- Initial Offering: Payroll and Benefits Administration
- Project Goals:
 - Reduce costs through economies of scale/shared capabilities
 - Develop an effective and efficient Human Resource Management and Payroll system
 - Streamline and standardize processes
 - **Improve functionality and service quality**
- Identify Additional Services for Shared Approach



Shared Services: 2009 - 2014

- Payroll and Benefits Administration Outsourced to Automatic Data Processing (ADP)
- Transition from PeopleSoft to ADP in August 2009
- Currently: 28 of 31 Institutions are on ADP
 - 52% of full-time employees ADP
 - 48% of full-time employees Not on ADP (UGA, GT and GRU)



Shared Services Center



- Opened April 2010
- Located in Sandersville
- Call and Service Center for Payroll/Benefits
- 27,000 Square Feet
- 44 Employees
- Capacity for Additional Services

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SSC By The Numbers

- Shared Services Center (SSC) open in Sandersville
 - Employee/Retiree call center
 - Steadily increasing volume and timely resolution of issues
 - SSC Processes GPLS, Archives, ITS and System Office
 - SSC Statistics (Calendar 2013):
 - \$1.3 billion total taxable payroll earnings
 - 24,000 employees
 - 8,000 retirees
 - 737,000 payroll transactions (varying payroll cycles)
 - 64,000 employee W2s
 - 50,000 responses to employees, retirees and institutions



Accomplishments

- Throughout transition – employees have been paid!
- Payroll and benefit function is now stable
- Payroll now centralized for 28 institutions
- Negotiated improvements to existing vendor contract
- Standardization of voluntary benefits
- Significant potential for further improvement and accomplishment of the original Board goals



Lessons Learned

- Resistance to Change and Centralization
- Deployment Issues:
 - Payroll Process Not Standardized Prior to Rollout
 - 28 Institutions with Varying Business Practices
 - Insufficient Testing Prior to Implementation
 - Mass Rollout of Service to All Institutions vs. Phased
- Difficulties With Existing Vendor Contract:
 - Contract Price and Terms
 - Performance/Inexperience with Higher Education
- After 5 Years: Shared Services Primarily Payroll/Benefits
- Other Service Opportunities Missed



Future Opportunities

- Reaffirm Commitment to Shared Services and Original Project Goals
- Recognize the USG is One Company – Not 31!
- Administrative Efficiencies Exist – Money Can Be Saved
- Institutions Should Focus on Serving Students
- Steps Moving Forward:
 1. Partnership (Involvement of Entire University System)
 2. Business Process Standardization
 3. Vendor Selection
 4. Implementation
 5. Additional Services



Step 1 – Partnership with All USG Institutions

- Optimal Solution: Common HCM (Human Capital Management) Platform – **Entire University System**
- More Standardized HR Processes throughout USG
- Advantages:
 - Purchasing Power of System: Better Contract Terms/Price
 - Reduced Costs in the Future (Upgrades, Customization)
- Discussion and Exploration With Non-ADP Institutions
 - University of Georgia
 - Georgia Tech
 - Georgia Regents University
- Non-ADP Institutions = 48% of Employees



Step 2 – Business Process Standardization and Design

- Shared Services Center currently accommodates 28 institutions with up to 28 different business practices
- Additional vendor expense due to non-standardization
- Examples:
 - Policies and procedures vary widely and are specific to institution
 - Last year 129 different voluntary benefit plans (dental, vision, disability, etc.)
 - 10 different investment plans – some with low enrollment
- Employee pay cycles
- Underway: Accenture Study to work with all institutions to design and standardize payroll and HR practices



Georgia *TEAM*

(Talent, Employment, And Management)

- USG partnering with **Accenture**
- Review current HCM practices with following goals:
 - Simplify and standardize processes within Human Capital Management (HCM): HR, Payroll, Benefits, Time and Labor, and Others
 - Translate revised processes into an effective HCM system
- Effort includes participation from all USG institutions
- Examining ~55 key business
- Accenture Report due October 2014



Step 3 – Vendor Selection

- ADP Contract at 5 years
- Leadership participation in product demos
- Most Likely Vendor: Peoplesoft (If Terms Are Right!)
 - Prior Relationship and Experience
 - University System Owns Existing License
 - Best Product for Unifying the University System
 - Not “Software As Service”....Can Customize As Needed
 - Other Advantages (Pricing, Payroll Float, Financials, etc.)
- Change will likely result in reduced contract cost
- Existing ADP contract has remaining renewals and terms
- May need other partners to enable all features/fill gaps



Step 4 – Implementation

- Partner With All Institutions: Upfront Discussion on Business Process Design and Needs
- Design HCM System to Most Complex Institution
- Thoroughly Test New System Before Implementation
- Select and Pilot System at Institution(s) – Likely in CY 2015
- Phased Orderly Rollout (Rather Than One-Time) Based on Individual Institution Priorities and Capabilities
- Provide Institutions Flexibility and Proper Training in Rollout



Step 5 – Additional Services

- Identify and explore new opportunities
- Develop a plan for each service using lessons learned
- USG Financials and Standard Chart of Accounts
- Other Potential Candidates:
 - Financial Aid Functions (Processing & Call Center)
 - Procurement (Centralized Vendor Repository)
 - Employment Verification
 - Document Imaging
 - Other Functions and Opportunities As Identified
- Free Up Institutions to focus on Teaching Mission



Questions



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