

The background of the slide features a large, faint watermark of the Rutgers University seal, which is a circular emblem with a sunburst in the center and the words "RUTGERS UNIVERSITY" around the perimeter.

RUTGERS

THE STATE UNIVERSITY
OF NEW JERSEY

Administrative & Student Information Systems Refresh: Phase I Project Update

Treasurer's Town Hall @ Rutgers University – New Brunswick

J. Michael Gower, SVP for Finance and Treasurer

September 21, 2015

Purposes

- The integration with University of Medicine and Dentistry of New Jersey (UMDNJ) necessitates a migration to a single Enterprise Resource Planning (ERP) platform
- University-wide efficient, effective, and responsive business practices and systems is a foundational element of the Rutgers Strategic Plan and a way to provide real savings for strategic initiatives
- The University's move to a Responsibility Center Management budgeting approach requires changes to budget processes and supporting infrastructure
- The University must provide reliable and accessible information to our academic and administrative leadership

Organizational Design and Business Process Review

In order for the consolidated Rutgers to benefit from this project:

- Administrative business processes need to be reviewed and updated to reflect the “right practices” suggested by the “vanilla” configurations of the Oracle and other applications
- New organizational designs for service functions are critical to:
 - *Eliminating duplicative efforts* (departments, schools, central)
 - *Improving quality*
 - *Reducing “touches”*
 - *Enhancing customer service*
- Improved business processes that are *not dependent* on technology must go into effect immediately
- **Change management, communications, and training** are essential to achieve success

Organizational Design and Business Process Review

Between internal and external talent and best practices from other institutions and industries, we must generate ideas and *plans that can be implemented* related to the five pillars of administrative efficiency and effectiveness:

- Rutgers' **people** and **organizational structures**
- The business **processes**
- The **impact** of the services on **internal and external** customers
- The way that Rutgers **measures its performance** and applies metrics
- The **technologies** employed in conducting services

Phase 1 – Planning Targets

Workstream	Projects	Target Timeline
Financial Management	<ul style="list-style-type: none"> BPR/Organizational Assessment and Implementation G/L, AP, AR, Projects and Grants Implementation 	Fall/Winter 2015 July 1, 2016
Budget and Financial Planning	<ul style="list-style-type: none"> FY17 Hyperion Planning Implementation (central planning) FY17 Hyperion Planning Implementation (unit planning) 	October 2015 March 2016
Cost Management	<ul style="list-style-type: none"> Hyperion Profitability and Cost Management 	September 2015
Procurement	<ul style="list-style-type: none"> Marketplace Tool Expense Management Travel Card Program) 	July 1, 2016
HR/Payroll	<ul style="list-style-type: none"> Banner Payroll Migration to PeopleSoft BPR/Organizational Assessment 	July 1, 2016 Fall 2016
Research Administration	<ul style="list-style-type: none"> Business Process Initiatives – Implementation RAPSS Implementation 	June 2016 Spring 2016
Student	<ul style="list-style-type: none"> BPR/Organizational Assessment – 1st Round System Selection 	January 2016 Spring 2016
Technology	<ul style="list-style-type: none"> Virtualized Administrative Environment University-wide Cloud-based email Upgrade of Data Centers 	November, 2015 July, 2016 TBD
Reporting	<ul style="list-style-type: none"> Reporting Strategy and Roadmap Hyperion Financial Management Reporting 	On-going through systems implementations

Financial Management

	Summary of Project	Target Timeline	Next Steps
Monthly Financial Close	Establish and implement a monthly close, review and financial reporting process plan that supports the goals of the university for obtaining timely financial information in order to make informed decisions.	End of Dec 2015 – Implement a pilot of the Monthly Close Process Spring 2016 – Roll out Monthly Close Process for all	<ul style="list-style-type: none"> Select cost centers, schools, and institutes for pilot of December month end
BPR/ Organizational Review	Assess and implement an efficient and integrated accounting organization within the Controller's office to better support the new monthly close, financial review and reporting processes. The scope is each of the 4 Vice Chancellor's units and 3 Central Administrative SVP units.	Dec 2015 – Implement recommendations	<ul style="list-style-type: none"> Develop plan for implementing recommendations including staffing
Chart of Accounts and HFM	Redesign the chart of accounts structure to incorporate the mission reporting of the University.	Oct 2015 – Develop definitions for each chart value	<ul style="list-style-type: none"> Finalize data mapping of existing Orgs to new Divisions and Orgs
General Ledger, AP, AR, Projects and Grants	Implement a single GL that incorporates the needs of both the legacy RU and legacy UMDNJ schools, centers and central units currently using Oracle and Banner GL systems.	July 1, 2016 – Go-Live	<ul style="list-style-type: none"> Develop project work plan

Budget and Financial Planning

	Summary of Project	Target Timeline	Next Steps
Budget Planning and Forecasting - FY17 Implementation	Update the Hyperion application to accommodate the new RCM budget model for FY17 budget process.	<p>Oct 15, 2015 – Cost Center Planning Application Go-Live</p> <p>March 1, 2016 – Responsibility Center Planning Application Go-Live</p>	<ul style="list-style-type: none"> • User Acceptance Testing and Training

Cost Management

	Summary of Project	Target Timeline	Next Steps
Cost Management	Implement a university cost management model.	End of Sept 2015 – Go-Live	<ul style="list-style-type: none"> • Complete User Acceptance Testing and Training

Procurement

	Summary of Project	Target Timeline	Next Steps
Procure to Pay (P2P)	Implement an automated, university-wide purchasing and accounts payable tool that streamlines the purchasing and payment process at the University.	July 1, 2016 – Go-Live	<ul style="list-style-type: none"> Develop project work plan
Expense Management	Implement an automated, university-wide expense management tool to expedite the travel and expense reimbursement process.	July 1, 2016 – Go-Live	<ul style="list-style-type: none"> Finalize and issue RFP
Travel Card Program	Implement a University Travel Card Program.	July 1, 2016 – Go-Live	<ul style="list-style-type: none"> Finalize and issue RFP

HR / Payroll

	Summary of Project	Target Timeline	Next Steps
Interim Solution – RBHS Migration to PeopleSoft	Migrate legacy UMDNJ employee records on Banner payroll system into the existing legacy Rutgers PeopleSoft.	July 1, 2016 – Go-Live	<ul style="list-style-type: none"> Develop project work plan
BPR/ Organizational Review	Conduct an organizational review of the Human Resources and Payroll function.	Fall 2016 – Complete BPR Assessment	<ul style="list-style-type: none"> Finalize and issue RFP

Student

	Summary of Project	Target Timeline	Next Steps
BPR/ Organizational Review	Conduct phase 1 of business process and organizational review of student processes: enrollment management and financial aid.	Sept 2015 – Evaluate vendor presentations	<ul style="list-style-type: none"> Select vendor Develop project work plan
System Selection	Select a system that optimally meets requirements determined in the BPR/Organizational Review Project.	TBD	<ul style="list-style-type: none"> TBD

Research Administration

	Summary of Project	Target Timeline	Next Steps
Excellence in Research Administration	<p>Implementation of process improvements, including updated policies, procedures and forms to create efficiencies in research administration functions for faculty and staff.</p> <p>For more details please visit: era.rutgers.edu</p>	June 2016 – Completion of Wave 2 and 3 process enhancements	<ul style="list-style-type: none"> • Continue to monitor feedback and evaluate changes • Complete Wave 2 implementation
RAPSS Implementation	Implementation of an electronic research administration and proposal submission system in two phases; Phase 1 implementation is complete and Phase 2 is underway.	Spring 2016 – Phase 2 Go-Live	<ul style="list-style-type: none"> • Complete design/build phase

Technology

	Summary of Project	Target Timeline	Next Steps
Virtualized Administrative Environment	Create a virtualized hardware and software environment to provide University services reducing costs and equipment footprints in a more robust data center.	November 1 , 2015 – Fully Operational	<ul style="list-style-type: none"> Final configuration of Hardware and Network components
University-wide Cloud-based Email and Calendaring	Consolidate the numerous email and calendaring systems into Microsoft’s Office 365 A single University-wide Cloud-based environment.	July 1, 2016 – 75% of University migrated	<ul style="list-style-type: none"> Finalize licensing and implementation partner contracts
Upgrade of Data Centers	Improve services provided by the University Data Centers to better support Research Computing.	TBD	<ul style="list-style-type: none"> Improve the power and cooling capacity of the Hill Research Data Center

Reporting

	Summary of Project	Target Timeline	Next Steps
Reporting Strategy and Roadmap	Define Reporting Strategy and Roadmap to meet key University Requirements. Create solutions, determine tools and transition path to meet University needs.	October - 2015	<ul style="list-style-type: none"> Review current architecture and prepare future cloud-based reporting model Inventory current reporting tools and use
Hyperion Financial Management Reporting	Build a core of 10 – 15 management reports that will support FY16 financial analysis.	November 1, 2015	<ul style="list-style-type: none"> First two completed reports are in testing and will be used in Pilot for month-end variance analysis



Questions?

The background of the slide features a large, faint watermark of the Rutgers University seal. The seal is circular with a sunburst in the center and the words "RUTGERS UNIVERSITY" around the perimeter. The word "RUTGERS" is written in a large, red, serif font at the top left of the slide.

RUTGERS

THE STATE UNIVERSITY
OF NEW JERSEY

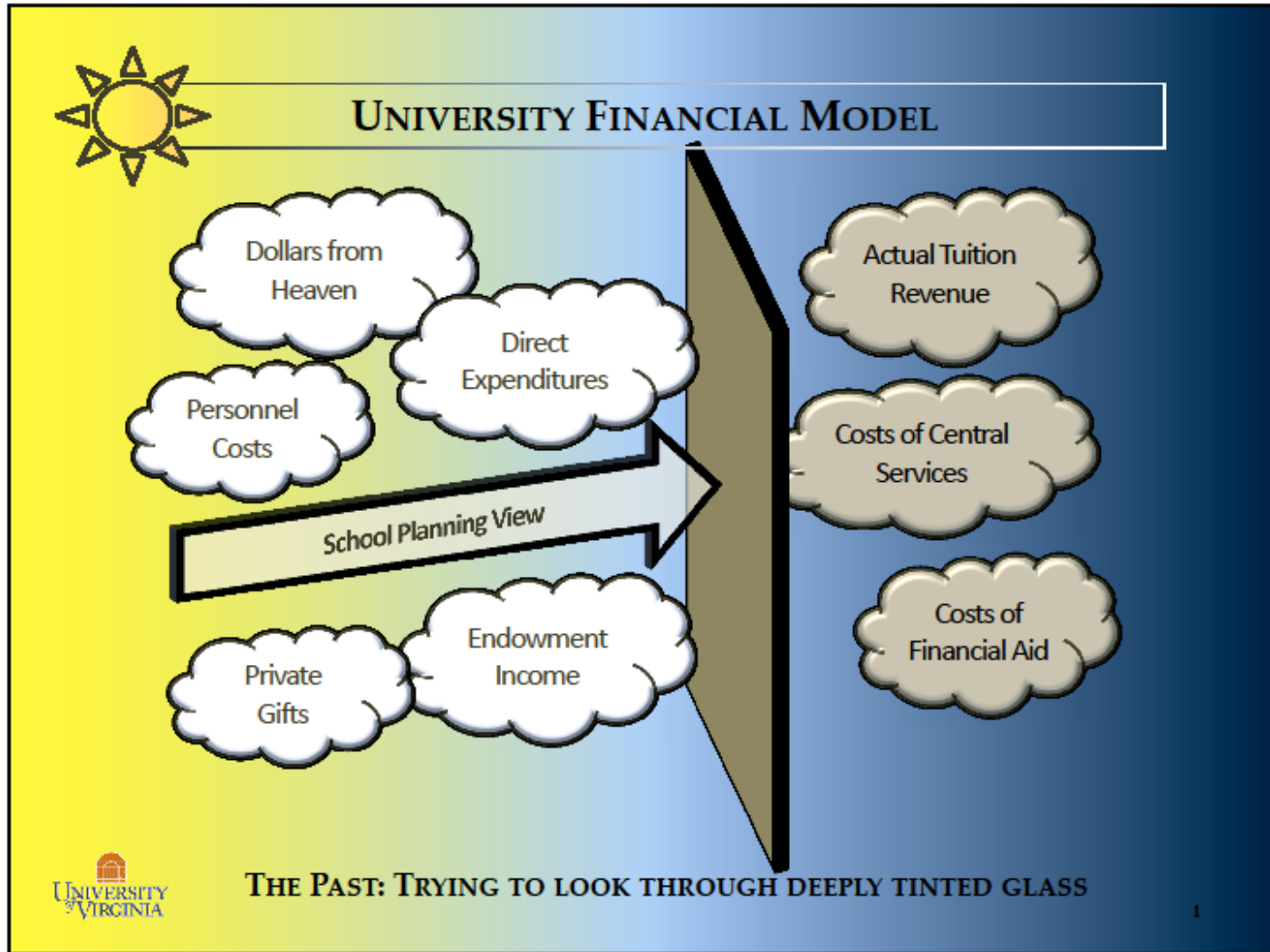
An Update: Responsibility Center Management (RCM)

Treasurer's Town Hall @ Rutgers University – New Brunswick

J. Michael Gower, SVP for Finance and Treasurer

September 21, 2015

Similar Budget Issues At Other Universities



Why Switch to RCM?

Academically Centered -
“Academics over Economics”

Provides schools with better
data, more control, and greater
flexibility over resource
decisions

Increased
accountability and
transparency

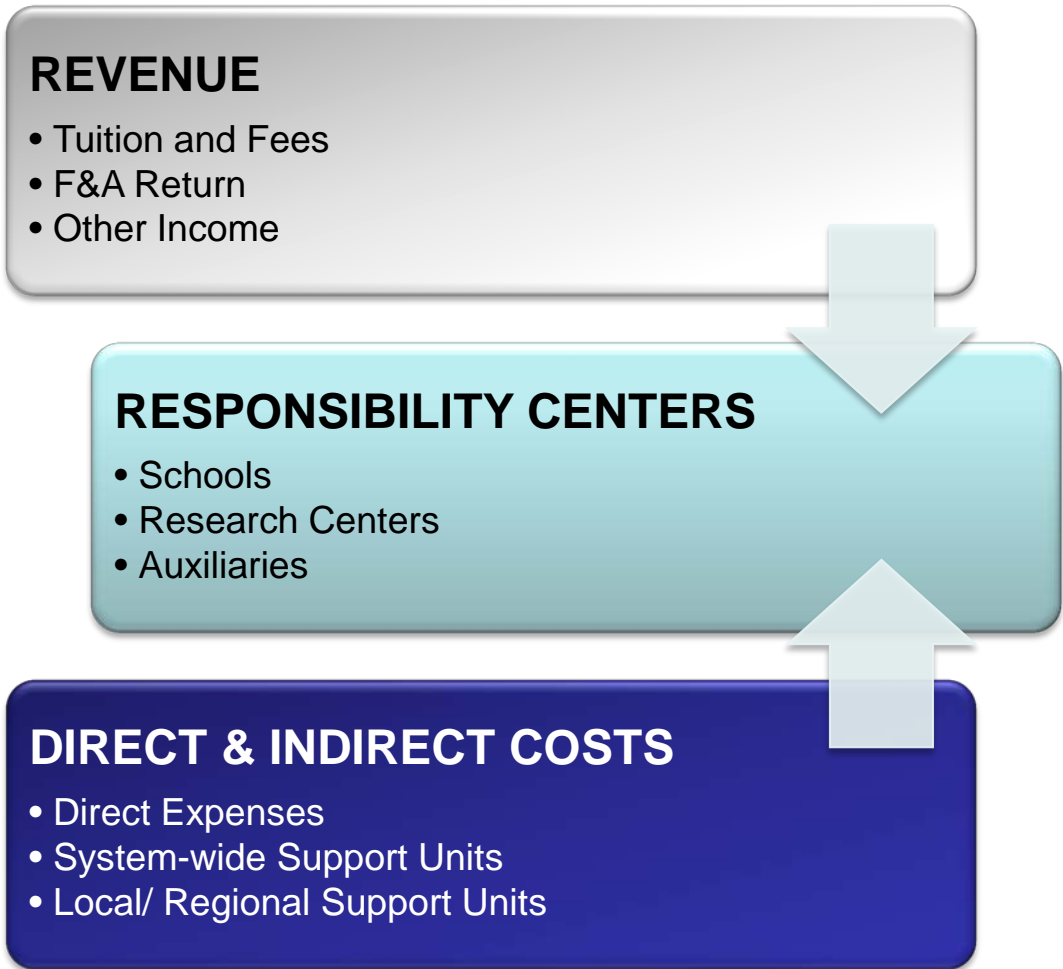
Greater focus on long-range
strategic planning

RCM enables understanding of
“ROI” and priority decisions
given limited resources

How Does RCM Work?

Revenues are credited to the Responsibility Center that generate them

Responsibility Centers must then pay for their direct expenses as well as a share of the expenses to fund the Support Units



Allocation of Costs

System-wide



Costs that are incurred by system-wide support units providing services to NB, RBHS, Newark and Camden

Local/ Regional



Costs that are incurred by support units providing services at the local/ regional or chancellor level

Allocation of Costs

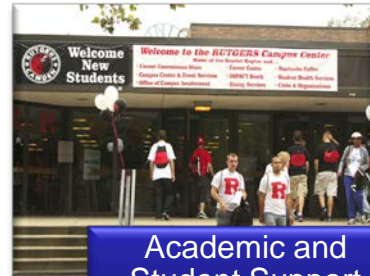
System-wide Cost Pools



General Administration



Facilities (O&M and Utilities)



Academic and Student Support



Debt Service



Strategic Fund



Information Technology



Libraries



Research Support

Metrics for Allocation of Costs

- Cost pools allocated to the schools and other RCs using a metric that is a *reasonable measure of their use of those services*
- The metrics based on “best practices,” verifiable, easy to understand, and uniform
- Our model includes the following metrics: unit expenditures, net assignable square footage, F&A return data, student headcounts and faculty & staff FTE

Who Decided on the RCM Model?

- RCM Steering Committee
 - Consists of Chancellors, CFOs, SVP Finance, SVP Administration, and VP Budget
 - Provided policy direction and came to consensus on the current model
 - Committee will continue in FY16 and also include the SVP Academic Affairs

- RCM Advisory Committee
 - Consists of deans, support unit heads, and faculty representatives from the Senate budget committee
 - Provided ongoing advice, questions, etc.

- RCM Technical Committee
 - Consists of business managers from major units
 - Reviewed metrics, data sources, and calculations

Is the Model Done?

- No budget model is perfect or “done”
- Collecting “parking lot” issues for further discussion
- Current model is a significant step forward in increasing the understanding of the true financial position of RCs under a common set of assumptions
- Finishing project to automate cost allocations for budget and accounting needs

Systems Work to Support RCM in Progress

- **Hyperion Financial Management**
 - Consolidated chart of accounts for both Oracle and Banner
 - Align monthly closing procedures
- **Hyperion Planning/Budget and Strategic Finance**
 - Align current budget planning tool with RCM
 - Provide tools for “what-if” analysis
 - Overall economic model
- **Hyperion Profitability and Cost Management**
 - Automate RCM cost allocations (statistics, bases, multiple versions)
 - Foundation for mission-based costing information
- **Oracle Fusion “Cloud-Based” Financial System**
 - Consolidating from two legacy general ledgers
- **Reporting Strategy for Financial Data**
 - Relating to other data from new and legacy systems
 - Multiple tools for analytics



Questions?