Administrative & Student Information Systems Refresh: Phase I Project Update

Treasurer’s Town Hall
Rutgers University – New Brunswick
J. Michael Gower
Senior Vice President for Finance and Treasurer
November 19, 2015
Project Background
Transformational Goals

• University-wide efficient, effective, and responsive business practices and systems are foundational elements of the Rutgers Strategic Plan as 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
Transformation Guiding Principles

Our vision is being guided by these five pillars for organizational transformation, focusing on administrative efficiency and effectiveness:

1. Rutgers’ **people** and **organizational structures**
2. The business **processes**
3. The **impact** of the services on **internal and external** customers
4. The way that Rutgers **measures its performance** and applies metrics
5. The **technologies** employed in conducting services
The Projects
Business Process and Organizational Review Projects

Assessment and implementation of organizational alignment and business process improvement across the following areas:

- Research Administration
- University Procurement
- Controller’s Office
- Budget Office
- Student – Enrollment Management and Student Accounts
- Human Resources / Payroll
Administrative Systems Projects

• **General Ledger, AR, Projects and Grants**
  – Implement a single Financial System that incorporates the needs of both the legacy RU and legacy UMDNJ schools, centers and central units currently using Oracle and Banner systems

• **Budget Planning and Forecasting**
  – Update Hyperion Planning application to accommodate the new RCM budget model for FY17 budget process and new chart of accounts structure

• **Procure to Pay**
  – Implement an automated, university-wide purchasing and accounts payable tool that streamlines the purchasing and payment process at the University

• **Expense Management**
  – Implement an automated, university-wide expense management tool to expedite travel and expense reimbursement process, including Travel Card Program

• **Banner Migration to PeopleSoft**
  – Migrate employee records on Banner payroll system into existing Rutgers PeopleSoft System in preparation for ultimate migration to Cloud Payroll Solution
The Timeline
# Phase 1 Projects – Target Timeline

<table>
<thead>
<tr>
<th></th>
<th>CY 2015</th>
<th>Today</th>
<th>CY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Management</strong></td>
<td>Chart of Accounts and HFM</td>
<td>Controller’s Office BPR</td>
<td>General Ledger Implementation</td>
</tr>
<tr>
<td></td>
<td>3/1/15 - 10/15/15</td>
<td>Implementation 8/1/15 - 1/31/16</td>
<td>Project Accounting / Grants</td>
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<tr>
<td></td>
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<td>Management (including related AR)</td>
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<td>Accounts Receivable for non-grants,</td>
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<td>Fixed Assets, Cash Mgmt and</td>
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<td></td>
<td></td>
<td>Treasury - TBD as capacity permits</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Cost Management 6/1/15 - 9/25/15</td>
<td></td>
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</tr>
<tr>
<td><strong>Budget</strong></td>
<td>Budget/Planning: FY17 Imp - Central Units 8/15/15 - 10/15/15</td>
<td>Budget BPR 11/1/15 - 12/31/15</td>
<td>Capital Planning, Position Mgmt, Strategic Finance - TBD</td>
</tr>
<tr>
<td></td>
<td>Procurement Org Alignment 8/1/15 - 12/31/15</td>
<td>Budget Planning: FY17 Implementation - All Units 10/1/15 - 3/1/16</td>
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<tr>
<td><strong>Procurement</strong></td>
<td>Procure to Pay 9/1/15 - 7/1/16</td>
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<td></td>
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<td></td>
<td>Expense Management System 1/1/16 - 7/1/16</td>
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<td></td>
<td>Travel Management Program 1/1/16 - 7/1/16</td>
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<tr>
<td><strong>HR / Payroll</strong></td>
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<td>Interim Solution - RBHS Migration to PeopleSoft 9/1/15 - 7/1/16</td>
</tr>
<tr>
<td><strong>Research Admin</strong></td>
<td>Excellence in Research Administration Implementation 5/1/15 - 4/30/16</td>
<td>RAPSS Phase 1 3/1/15 - 4/30/15</td>
<td>RAPSS Phase 2a 5/1/15 - 4/30/16</td>
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<tr>
<td></td>
<td></td>
<td>eCOI</td>
<td>eRB</td>
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<tr>
<td><strong>Student</strong></td>
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<td>Student BPR/Org Review 11/1/15 - 3/1/16</td>
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**System Go-Live**

**Completed**

**Critical Path**

**Planning**
Phase 2 Projects – Target Timeline

<table>
<thead>
<tr>
<th>Phase</th>
<th>CY 2016</th>
<th>CY 2017</th>
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<tbody>
<tr>
<td></td>
<td>Aug</td>
<td>Sep</td>
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<tr>
<td>HR / Payroll</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR/Payroll BPR/Org Review</td>
<td>7/15/16 - 12/16/16</td>
<td></td>
</tr>
<tr>
<td>HCM Implementation</td>
<td>10/1/16 - 1/1/18</td>
<td></td>
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<tr>
<td>Payroll Implementation</td>
<td>11/1/17 - 3/4/19</td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>System selection</td>
<td>Implement 1st Round of Student System Modules</td>
</tr>
<tr>
<td></td>
<td>TBD</td>
<td>1/1/17 - 12/31/17</td>
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University Finance
Stakeholder Engagement & Project Structure
Stakeholder Engagement – Engagement Layers

Governance/Project Roles:

- Executive Steering Committee
- AIS Steering Committee / SIS Steering Committee
- Business Advisory Group(s)
- Subject Matter Experts (SMEs) / Team Members / School/Unit Representatives

Stakeholder engagement at *multiple* levels throughout the organization.
Systems Implementation Project Structure

- Business Advisory Group
  - Champion
    - Project Manager
      - Functional Lead
        - Team Leads
          - Subject Matter Experts (SMEs)
          - School / Unit Representatives
      - Technical Lead
        - Team Leads
          - Technical Matter Experts (TMEs)
      - Business Readiness Lead
        - Change Management Communications Training
## Project Roles and Responsibilities

<table>
<thead>
<tr>
<th>Role</th>
<th>Selection / Definition</th>
<th>Responsibilities</th>
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</table>
| Champion                  | • Oversees the work stream                                                                                                                                                                                          | • Leads the work stream  
|                           |                                                                                                                                                                                                                       | • Has overall responsibility for projects in the work stream                                                                                                                                             |
| Project Manager           | • Full-time  
|                           | • Selected by Champion and PMO                                                                                                                                                                                        | • Leads project team for a specific project(s) within the work stream  
|                           |                                                                                                                                                                                                                       | • Manages project scope, workplan, issues log, project budget, and issue escalation/resolution  
|                           |                                                                                                                                                                                                                       | • Coordinates with external consultants to ensure project is on track                                                                                                                                     |
| Business Advisory Group   | • Project Manager  
|                           | • Business Readiness team  
|                           | • PMO Change Management & Communications  
|                           | • High-level administration from schools/units (i.e., Vice Deans/CFOs of schools/ centers/ institutes/ units)                                                                                                        | • Serves as liaisons to the chancellor unit/campus which they represent  
|                           |                                                                                                                                                                                                                       | • Assists in determining specific change management, communications, and/or training strategies for a specific project  
|                           |                                                                                                                                                                                                                       | • Assists in disseminating information to their chancellor unit/campus  
<p>|                           |                                                                                                                                                                                                                       | • Target is 15-20 people (with representation from across the University) per Business Advisory group                                                                                                  |</p>
<table>
<thead>
<tr>
<th>Role</th>
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<th>Responsibilities</th>
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| **Functional Lead**              | • Full-time  
• Selected by Champion and Project Manager                                           | • Serves as day-to-day lead on the business/ functional components of project  
• Reports to Project Manager all business/functional progress, issues, and deliverables                                         |
| **Functional Team Lead**         | • Full-time  
• Selected by Project Manager and Functional Lead                                     | • Leads a specific business/functional team if applicable  
• Reports to Functional Lead on all progress, issues, and deliverables related to that specific business/function  
• Maintains ownership for key project deliverables |
| **Functional SMEs / Team Members** | • Part-time  
• Selected by Project Leadership based on expertise within a specific functional area  
• Should be users of the relevant system/process from within schools/units                      | • Performs tasks identified in project plan  
• Reports to appropriate Functional Team Lead  
• Hands on during design and testing |
| **School/Unit Representatives**  | • Part-time  
• Selected by Project Leadership to represent schools, campuses, and units across the university | • Provides input into the project  
• Hands on during design and testing  
• Serves as a change agent  
• Communicates project updates and key changes within their organization |
| **Technical Lead**               | • Full-time  
• Selected by Champion and Project Manager                                             | • Serves as day-to-day lead on technical components  
• Reports to PM on all technical progress, issues, and deliverables |
| **Technical Team Lead**          | • Full-time  
• Selected by Project Manager and Technical Lead                                        | • Leads a specific technical team, if applicable  
• Reports to Technical Lead on all progress, issues, and deliverables |
| **Technical TMEs / Team Members**| • Part-time  
• Selected by Technical Lead based on expertise within a specific business/functional area  
• May be selected from within Champion’s division or from across the university               | • Perform tasks identified in the project plan  
• Reports to appropriate Technical Team Lead |
## Project Roles and Responsibilities (continued)

<table>
<thead>
<tr>
<th>Role</th>
<th>Selection / Definition</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| **Business Readiness Lead** | • Full-time  
• Selected by Champion and Project Manager  
• This role and the roles below are interchangeable, it can be performed by one person or multiple people | • Leads the change management, communications, and training components of the project  
• Reports to Project Manager on all progress, issues, and deliverables related to business readiness |
| **Change Management**     | • Part-time  
• Selected by Business Readiness Lead | • Assesses change readiness of stakeholders  
• Works closely with PMO Change Management Director to align change management approach with other ongoing projects |
| **Communications**        | • Part-time  
• Selected by Business Readiness Lead | • Develop communications plans and draft communications across the entire project  
• Works closely with PMO Communications Director to align communications strategically with other ongoing projects |
| **Training**              | • Part-time  
• Selected by Business Readiness Lead | • Develops and implements training plan, often in conjunction with external consultant training team |
Questions
An Update: Responsibility Center Management (RCM)

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Senior Vice President for Finance and Treasurer
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Implementation Unique In Higher Education

- Most complex RCM implementation that we can identify
- Involves multiple campuses
- Complicated by merger taking place simultaneously with two universities that are:
  - On different IT systems
  - With different practices and procedures
Why Switch to RCM?

Academically Centered - “Academics over Economics”

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

Greater focus on long-range strategic planning

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

Increased accountability and transparency
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.

REVENUE
- Tuition and Fees
- F&A Return
- Other Income

RESPONSIBILITY CENTERS
- Schools
- Research Centers
- Auxiliaries

DIRECT & INDIRECT COSTS
- Direct Expenses
- System-wide Support Units
- Local/Regional 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
Primary Benefits
Responsibility Centers (RCs)

- Makes clear the full cost of programs, both direct expenses and overhead costs for support services
- Demonstrates the level of university support needed for each RC on common set of assumptions
- Encourages discussion of appropriateness of ratio of self-funding to university support
- Promotes trade-off discussions
- Encourages better planning
Primary Benefits
Support Units (Cost Centers)

- Pushes support units to justify their costs and evaluate services being provided
- Makes support units more accountable to schools and other RCs that clearly see the charges for the services being provided
- Makes clearer that choices are needed within fiscally constrained environment
- Encourages priority setting
NO Fund Raising in Chancellor’s or President’s Office

- Requests for university funds need to be truly strategic and to complement other revenue sources
- Focus on new audiences, new revenue sources, strategic initiatives to move the university forward
- Emphasis on greater self reliance in a changing higher education fiscal environment
Is the Model Done?

- No budget model is perfect or “done”
- Issues deferred to phase 2 for further study now underway
  - Enrollment Management / Student Accounts
  - Information Technology
  - HR/Payroll
  - Development / RUF
  - Libraries
  - Research Administration
- Business process redesigns in key areas in progress
- 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
- HOWEVER: RCM went into effect and the sun came up in the morning
- Units becoming accustomed to thinking in an RCM way: more strategic, more tradeoffs, more cognizant of the need to take control of both revenues and costs
RCM IT Work In Progress
With Hyperion Products

- Consolidating chart of accounts for two universities
- Aligning monthly close procedures for two universities
- Aligning the revised budget planning system and the new AIM system with RCM’s HPCM to allow sharing of data between the various systems
- Automating RCM cost allocations
- Reducing amount of time required to create “what if” cost allocation scenarios