

**INFORMATION TECHNOLOGY**

UNIVERSITY *of* WASHINGTON

# **HUMAN RESOURCES / PAYROLL MODERNIZATION PROGRAM**

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**IT STRATEGY BOARD**

December 7, 2015



# HUMAN RESOURCES/PAYROLL MODERNIZATION UPDATE



Over the past several months, there have been significant changes on the Human Resources/Payroll (HR/P) Modernization project. With the retirement of Senior Vice President V'ella Warren in July, Kelli Trosvig, Vice President for UW Information Technology (UW-IT) and CIO, became the project's new Lead Executive Sponsor. The project also welcomed two new Executive Sponsors: Paul Jenny, Senior Vice President for UW Planning & Management and Lead Executive Sponsor on the Finance Business Transformation project; and Dave Anderson, Executive Director for the Health Sciences Administration, who also has a reporting relationship with Finance & Facilities. These two join the other Executive Sponsors: Cheryl Cameron, Vice Provost for Academic Personnel; Mindy Kornberg, Vice President, Human Resources; and Lori Mitchell, Chief Financial Officer, UW Medicine.

In addition, the project has new leadership, with Aubrey Fulmer joining the team as Executive Program Director on November 23, after a nationwide search. Aaron Powell, Vice President for Information Management in UW-IT, served as Interim Executive Program Director while the search was underway. Aubrey comes to the UW from the University of Chicago, where she was a Senior Project Manager responsible for the successful implementation of a new Workday HR/Payroll system. Aubrey has extensive experience in managing the complexities of large-scale system implementation and change management efforts, and in building strong partnerships across an institution. In addition, Ryan McHugh, Senior Director for the Huron Consulting Group, joined the team as Deputy Program Director. Ryan also has in-depth experience in HR/P system implementations, having overseen the completion of a multi-campus PeopleSoft HCM implementation for the University of Wisconsin System. Finally, Sherry Steinaway, Director for UW Organizational Excellence, completes the leadership team as Program Change Director. Sherry has broad experience throughout the University in designing strategic change, as well as leading educational and institutional people readiness efforts.

As part of the transition, a full evaluation of the project was conducted by an external consultant. The findings revealed several significant challenges, including lack of visibility across the seven interrelated projects crucial for go-live (Human Resources Information Systems, HR/P Modernization, HR/P Intersections, Academic Personnel, Medical Centers, School of Medicine and the Operating Model), inadequate coordination between those projects, and insufficient resourcing across the overall effort. As a result, it was determined that the projects were not making sufficient progress toward a June 2016 go-live, and the project status was moved to red.

In response, key mitigation steps were implemented, including: unifying the seven interrelated projects into a program, investing in a robust people-first change management approach, and redeploying resources to the program. An overview of these steps is provided in the sections below.

# UNIFYING PROJECTS INTO A PROGRAM



To provide better coordination across all related Human Resources/Payroll projects, HR/Payroll Modernization is now operating as a program. This alignment delivers better support to the UW community in preparing for the transition to the new Workday system, and enables the University to fully realize the benefits of this change.

The program provides a unified approach to the HR/Payroll Modernization effort, bringing together all of the related projects, including Human Resources Information Systems, HR/P Modernization, HR/P Intersections, Academic Personnel, UW Medicine, School of Medicine, the Operating Model, as well as important stakeholder groups. The Operating Model project will implement a sustainable support model for the new Workday system once it goes live, and encompasses all of the organizations that will be supporting HR/P systems and processes.

An essential part of this new structure is the establishment of a centralized Program Management Office (PMO) that enables both technology and people-readiness through coordinated leadership. The PMO manages all of the HR/P projects, as well as the Test and Deploy and Integrated Change Management functions. The new program is headed by a Deputy Program Director and a Program Change Director, who report to the Executive Program Director. For a visual representation, see Appendix A, HR/Payroll Modernization Program Organizational Structure.

With the projects united under the PMO leadership, the new structure allows for better oversight across all aspects of the program, ensuring a unified approach to risk identification, management and mitigation, and better transparency and accountability. The program uses a single set of performance metrics across all projects to continually monitor status, risks and issues. These unified processes provide improved visibility into program status. The new program dashboard is included as Appendix B, Workday HR/Payroll Implementation Program Dashboard.

# INVESTING IN CHANGE MANAGEMENT



To support the transition to the new Workday system, the program's change management effort is focused on a people-first approach that is designed to help units work effectively with the new system and business processes. The Integrated Change Management team has assigned Change Managers to guide academic and administrative units through a seven-step, people-centric process to ensure readiness across the University.

The Change Manager, working with an Instructional Designer and an Operations Support Manager, serves as the liaison between the units and the HR/P Modernization program. These teams focus on supporting academic and administrative units as they engage in the seven-step process. Their role is to optimize the capacity for change across the University, and to support units in maximizing the potential of the new Workday system.

The seven-step process was designed using best practices in the Change Management field, and includes gathering information, analyzing the current state, testing new processes from end-to-end, implementing new processes, and assessing the effectiveness of this approach. For a visual representation, see Appendix C, Seven Steps for People Readiness.

Each unit will complete the seven-steps in sequential order before the June 2016 go-live. Entrance and exit metrics will be used to determine when units are ready to move onto the next step; units may go through the steps at slightly different paces.

As of November, all units have completed step one of the process, which provided visibility into Workday processes, gathered information on which individuals will be responsible for specific tasks in the Workday role structure, and identified each individual's level of access within the system.

Step two is now underway and ends in January. During this step, Change Managers are engaging with units to examine their existing end-to-end processes and identify specific changes units need to make to work with the new system. This step also identifies all the changes to policies, procedures and practices that HR/P Modernization will introduce.

## **RESOURCING FOR SUCCESS**



To ensure appropriate support for the program, significant resources have been deployed from other University units, including UW Information Technology and UW Organizational Excellence. These resources were strategically selected to support key areas of the program essential for its success. They include: Project Management, Change Management, Instructional Design, and Operations Support.

This resource deployment is necessary, but will result in delays to existing UW-IT projects and diminished capacity to undertake other requests. UW-IT projects that will be impacted include: Undergraduate Admissions Modernization (transition UW Seattle undergraduate admissions to a streamlined, electronic and paperless process); Exchange Online General Availability (offer Exchange Online email and calendaring service to the entire UW community); Data Analytics and Reporting (expand the data available in the UW Enterprise Data Warehouse); Telecommunications Refresh project (upgrade the University's legacy telecommunication infrastructure to enable modern functionality); Geographic Redundancy (replicate the University's core applications in a different location to ensure business resumption after a disaster), as well as other service improvements and resiliency projects.

## **CURRENT STATUS - TEST PHASE**



The program has now entered the Test phase, which will provide the comprehensive visibility needed to determine whether the program is back on track. Until this phase is completed, the program status will remain red.

During this phase, every process and function within the Workday system will be tested from end-to-end, including Time Reporting, and Benefits and Payroll. This phase also provides the first opportunity for the UW community to explore Workday’s look, feel and functionality. The Test phase began in September and will run until the Deploy phase in late spring. Throughout this phase, specific exit criteria and stage gates will determine the ability of the program to move forward.

# CURRENT STATUS - BUDGET

In February 2014, the Board of Regents approved a budget of \$67.5M, which included a contingency of \$10M. As of October 2015, the total projected expenditures through the December 2016 program end date is \$60M, for an ending balance of \$7.5M. This includes the use of \$2.5M of the contingency funds.

	Approved Budget	Spent to Date Oct 2015	Total Projected Spend	Projected Balance
HR/P Modernization				
Workday Consulting/Travel	\$ 27,879	\$ 16,281	\$ 31,882	\$ (4,003)
UW Project Implementation	29,585	13,559	28,080	1,505
Total Implementation Costs	57,464	29,840	59,962	(2,498)
Contingency	10,000	-	-	10,000
<b>Total</b>	<b>\$ 67,464</b>	<b>\$ 29,840</b>	<b>\$ 59,962</b>	<b>\$ 7,502</b>
%	100%	44%	89%	

Project Timeline: March 2014 - December 2016

A further draw against the contingency is anticipated over the next 15 months to address additional costs.

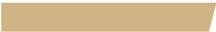
# A NEW APPROACH TO ADMINISTRATIVE TECHNOLOGIES

Workday represents the first large-scale Software as a Service (SaaS) program that the University has undertaken for its core administrative business systems. Under the SaaS model, software is licensed and hosted by a third-party, and capabilities are typically added with each release. This model is more cost effective, but the delivery of functionality occurs over time and customization is limited. In addition, this model requires standardization of business processes across the University, and the continual need to improve these processes with each software release.

When Workday goes live at the University, the system will start with core functionality, and then every six months the vendor will release major enhancements, continually delivering new capabilities. After each major enhancement the UW will optimize the system to best meet the University's business needs. The benefit of this model is that functionality is continually updated by the third-party vendor throughout the life-cycle of the system.

This first implementation of a SaaS program creates a framework for continuous improvement that will enable the University to successfully integrate new technology in the future. By creating a framework for change and technology implementation now, the University is laying the foundation for future administrative modernization efforts.

## **TRANSFORMING HOW THE UW DOES BUSINESS**



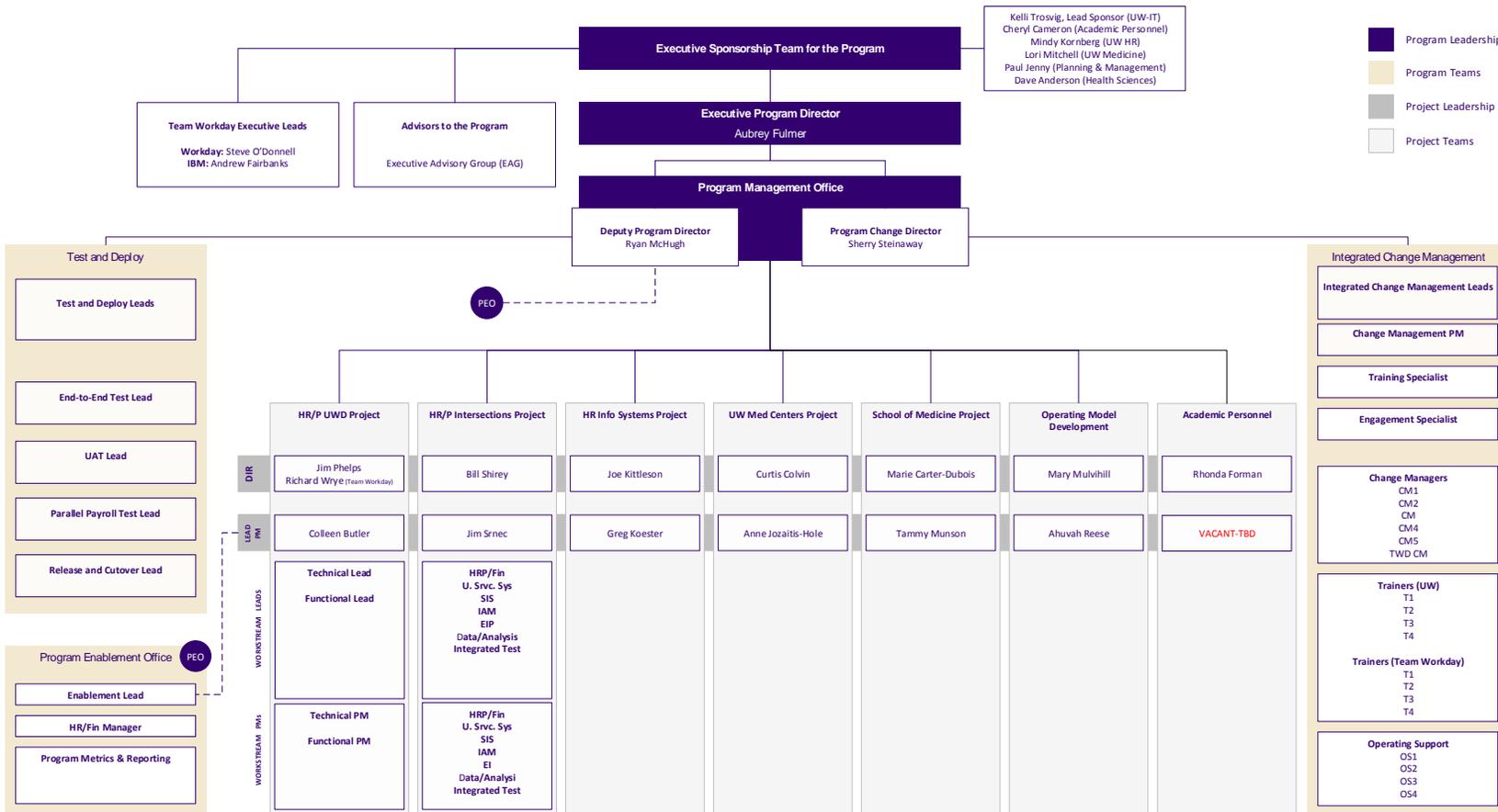
The HR/P Modernization program is the largest single administrative initiative ever undertaken at the University, and is the UW's highest administrative priority. It will increase efficiencies across the institution, improve reporting and compliance, provide better data for decision making, and transform the way the University does business.

The new Workday system will enable people across the University to work better and smarter by having consistent, streamlined and modern HR and payroll practices, as well as user-friendly and intuitive online resources. The new system offers modern capabilities that will enable the UW to attract and retain the best people. It marks a major step in a larger effort to transform the UW's administrative infrastructure to better support the University into the future.

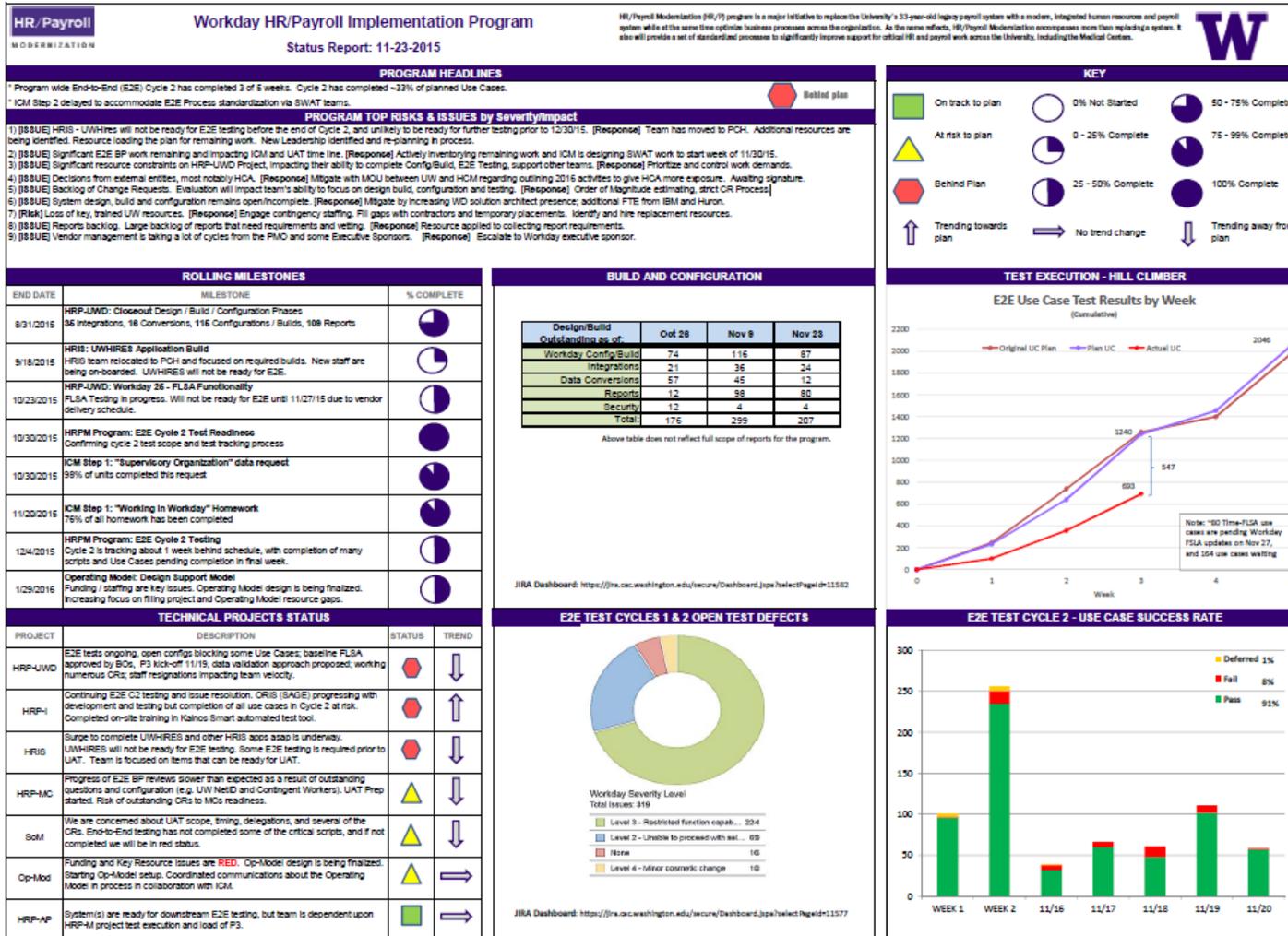
With significant mitigating measures in place, the HR/P Modernization program now has the right structure, resources, and change management approach. The Executive Sponsors are committed to providing careful oversight and accountability, as well as continually evaluating the program and taking any necessary steps to ensure a successful launch of the new Workday system.

# APPENDIX A: HR/PAYROLL MODERNIZATION PROGRAM ORGANIZATIONAL STRUCTURE

HR/PAYROLL MODERNIZATION PROGRAM – ORGANIZATIONAL STRUCTURE



# APPENDIX B: HR/PAYROLL IMPLEMENTATION PROGRAM DASHBOARD



# APPENDIX C: SEVEN STEPS FOR PEOPLE READINESS

## **OPTIMIZING OUR PROCESSES AND WORK**

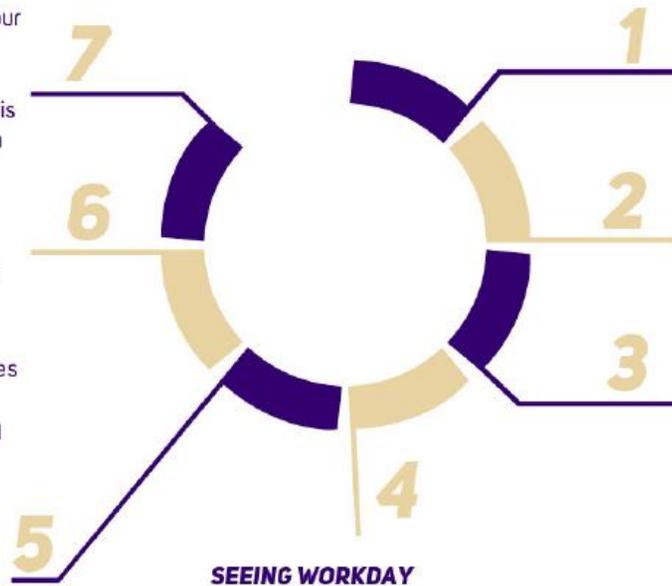
- What could we do to optimize our new End-to-End Business Processes?
- What have we learned about this first cycle? How can that inform and improve future efforts?

## **EVALUATING OUR NEW WAY OF WORKING**

- How well are our new End-to-End Business Processes working for us?
- How well are leaders prepared for leading and managing continuous change?

## **KNOWING WORKDAY**

- Time for training and knowledge transfer



## **WORKING IN WORKDAY**

- What work happens in Workday and who does it?

## **WORKING WITH WORKDAY**

- How does Workday fit into our End-to-End Business Processes?

## **PREPARING FOR NEW PROCESSES**

- What actions can we take to mitigate the change impacts?
- Learning and using BPI

## **SEEING WORKDAY**

- Time to test Workday and other impacted systems, and to share demos