

A photograph of a wooden walkway on a university campus, lined with tall trees and a brick building in the background. The walkway has wooden railings and benches. The scene is bright and sunny, with shadows cast on the ground.

University of Central Florida *IT Shared Services Assessment*

ITRCC – March 20, 2015

Experience the Power of Being Understood.

Agenda

Agenda:

- Introductions
- Questions to the Audience
- About our Engagement
- Key Findings and Impact
- Industry Practices & Lessons Learned
- Vision for IT at UCF
- Recommended Path Forward

Introductions

McGladrey has been a trusted advisor to UCF, engaged to assist the University with reviewing administrative functions and their organizational structures, operations, and processes

About McGladrey

McGladrey is a leading provider of tax, audit and consulting services, backed by a strong network of national and global professionals.



About Our Team



Jeff Britton

- 13 years in IT and Advisory
- Key Experience in IT Service Management, IT Strategy and Operations



Craig Finley

- Over 20 years total experience in education
- Specific areas of focus include governance, technology and change management

McGladrey Assistance to the University

McGladrey has been a trusted advisor to UCF, engaged to assist the University with reviewing ***administrative functions*** and their organizational structures, operations, and processes

UCF Improvement Goals

1. Increase effectiveness
2. Enhance service levels
3. Optimize administrative resources and service delivery

... While effectively supporting the academic mission.

If we surveyed a mix of 100 people at UCF with the following questions...

Whom do you contact for technology support and how is that contact made?

What criteria are used to determine what technology projects are executed at UCF?

How much does UCF spend on technology and resources every year?

Would everyone answer the same way?

About our Engagement with UCF

McGladrey was engaged in October, 2014 to perform an evaluation around the state of adoption of IT Shared Services across the University – and provide a path forward for enhancing that adoption.

Understand your environment

- 50+ interviews with key stakeholders at UCF
- Site visits
- Operational testing
- Vendor engagements

Analyze findings and results

- Calculate total spend on IT at UCF
- Compare findings against leading practices and benchmarks
- Deep-dive review into similar industry models and projects

Develop a recommended path forward

- Leverage lessons learned from similar efforts at large Universities
- Maintain respect for individual needs
- Provide a path forward that can help achieve long-term goals for IT at UCF

Engaged Stakeholders

The success of any project is built upon the foundation of getting the support and input from key stakeholders early and often.

Our thanks to the many members of the UCF community who provided their insights and suggestions throughout this assessment.

Organization	Faculty	Organization	Faculty	Organization	Faculty
Regional Campuses	J. Jeffrey Jones	College of Health and Public Affairs	Ross Wolf	Computer Services & Telecommunications	Robert Yanckello
	Aaron Misiano				Aaron Streimish
	Jason Mayer	College of Business Administration	Paul Jarley		Joe Alcala
	Kimberly Hardy		Foard Jones		Andy Hulsley
	Calston Llewellyn	College of Graduate Studies	Jana Jasinski		Elizabeth Hale
	Brian Graham		Jim Ennis		
Burnett Honors College	Marty Dupris	Student Development & Enrollment Services	Maribeth Ehasz		Chris Vakhordjian
College of Medicine	Jerry Aubert		David Pavlonnis		Vicki Vitale
College of Sciences	Michael Jones		Craig Froehlich		John-Paul Estes
College of Engineering	Charles Reilly	University Libraries	Barry Baker		Tim Larson
English Faculty	Mark Kamrath	Center for Distributed Learning	Tom Cavanagh		Bob Mello
Philosophy Chairperson	Bruce Janz	Office of Instructional Resources	Don Merritt		Mike Scruggs
College of Arts and Humanities	Rudy McDaniel				
		John Lazar	Facilities, Public Safety, and Parking & Transportation		Andrew O'Mara
College of Education	Allison Jefferson				
	Larry Jaffee				
	Kelly Hogan				
	Christopher Tellez				

IT Delivery Models & Shared Services

Shared Services for IT is an industry-accepted practice that marries the benefits of Centralized and Decentralized IT delivery; however, this “hybrid” model must be carefully managed to avoid adverse impact to the organization.

Universities are more commonly using a Hybrid delivery model approach for IT, but must recognize that a defined balance between models must be established to achieve the desired results.



Too Far Left:

- Lack of standardization and control
- Duplicated resources & efforts
- Challenges managing overall cost and risk

Too Far Right:

- Reduced flexibility
- Disconnection between IT & org.
- Challenged meeting strategic needs

Shared Services

Decentralized

Challenges

- Disparate processes
- Multiple standards
- Duplication of effort
- Varying levels of control
- Higher costs and increased difficulty managing costs
- Not scalable

Benefits

- Responsive to business needs
- Business and operations control decisions
- Customized solutions to meet specific needs

- Customer focused
- Accountability driven
- Flexible delivery
- Improved transparency

Benefits

- Common systems and support
- Consistent standards and control
- Improved control over costs and spend
- Economies of scale

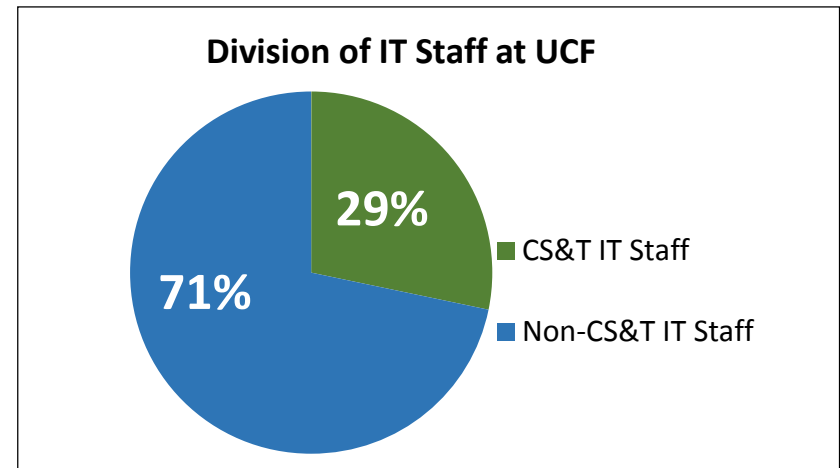
Centralized

Challenges

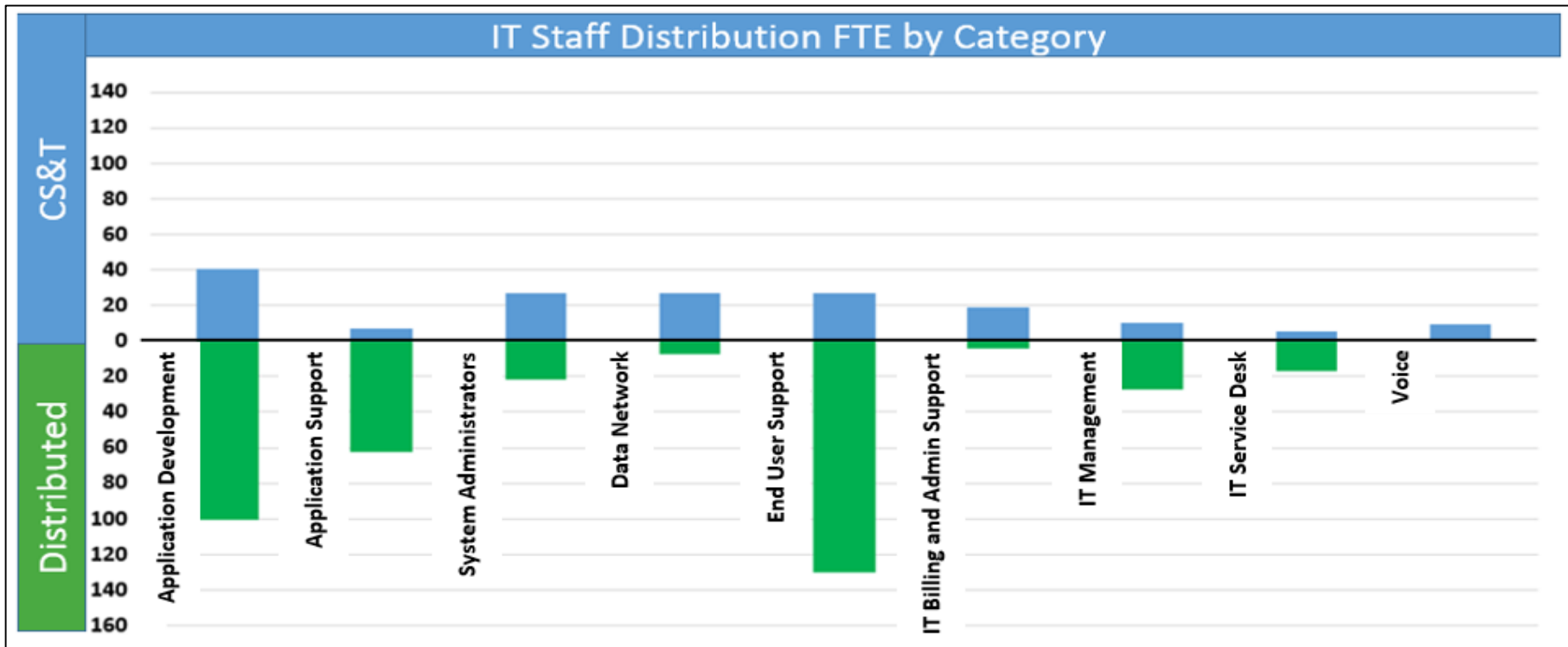
- Remote from business
- Less flexibility
- Less visibility into efforts
- Viewed as central overhead
- Prevalence of shadow operations

Current State Observations

- IT is primarily delivered and managed through a decentralized (localized) model, where colleges and departments are individually responsible for hiring IT staff and pursuing priorities
- Smaller presence of a centralized IT function (accounting for only 29% of total IT staff)
- Limited University wide policy or standards that establish a common understanding on “who is doing what” in the realm of IT (default to local responsibility)
- CS&T Shared Services was launched to achieve improved cost and performance efficiencies through economies of scale
- Limited success in gaining adoption of Shared Services, which has prevented the University from realizing those efficiencies



UCF IT Staffing– By the Numbers



Current State By the Numbers:

- **Fully Functioning IT Departments: 5** (Medicine, College of Sciences, CS&T, Office of Research and Communications, SDES)
- **Service Catalogs: 2** (CS&T, College of Science and Engineering)
- **CS&T Total IT Personnel Spend: 34.8%** (\$14.4 Million of \$41.4 Million)
- Director level heads of IT: 27
- Employees:
 - IT Service Desk, App Support, and End User Support – CS&T: 35 Others: 230
 - Data Network – CS&T: 26 Others: 7
 - Data Center – CS&T: 24 Others: 22

UCF Shared Services Adoption Status

UCF is challenged in realizing the benefits of IT Shared Services, due to the lack of overall adoption.

Human Resources	Interdisciplinary Studies	Instructional Resources	College of Arts & Humanities	College of Health & Public Affairs
Finance & Accounting	International Services Center	Administration & Finance	Burnett Honors College	College of Medicine
ITR	UCF Library	Business Services	College of Business Administration	College of Nursing
Academic Affairs	Student Development & Enrollment Services	Presidents Office	College of Education & Human Performance	College of Optics and Photonics
International Services Center	Regional Campuses	Education	College of Engineering & Computer Science	Rosen College of Hospitality Management
Academic Faculty & International Affairs	CREOL	International Services Center	College of Graduate Studies	College of Sciences
International Studies	UCF Marketing & Communication	Research & Commercialization	Burnett School of Biomedical	UCF Foundation
Multilingual/Multicultural	Nano-sciences	University Police	Others	

Adopted Shared Services

In Transition

No Adoption

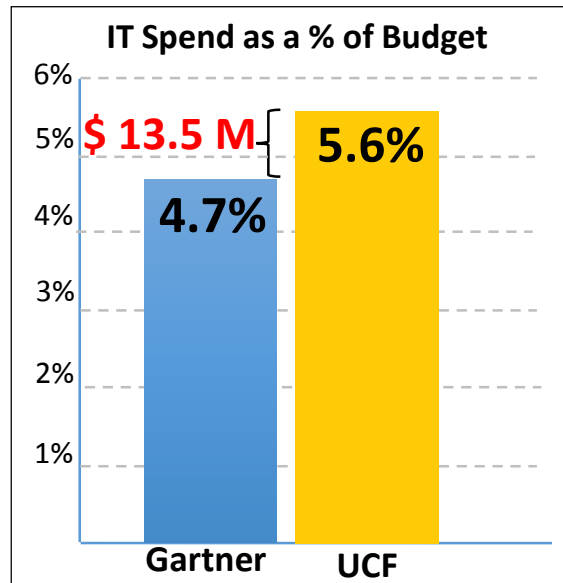
The Cost of Technology at UCF

FY 14 Total
IT Spend
\$84 M

\$41 M People
\$18 M Hardware
\$15 M Software
\$8 M Tech-Fee Spend
\$2 M CS&T Spend

Key Points:

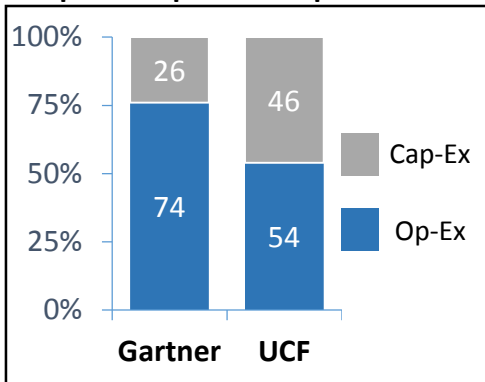
- Benchmarks should not be used to make any final conclusions, but point you in a direction to investigate further
- Decentralized IT models are typically more expensive than alternatives, and present challenges to manage costs and risk
- The difference between Gartner benchmarks and UCF actuals for IT Spend as a Percent of Budget is \$13.5M
- Total UCF IT spend can only be managed if it is actively visible



Potential Opportunities for Savings

Optimizing IT Projects & Spend

IT Spend: Op-Ex vs. Cap-Ex



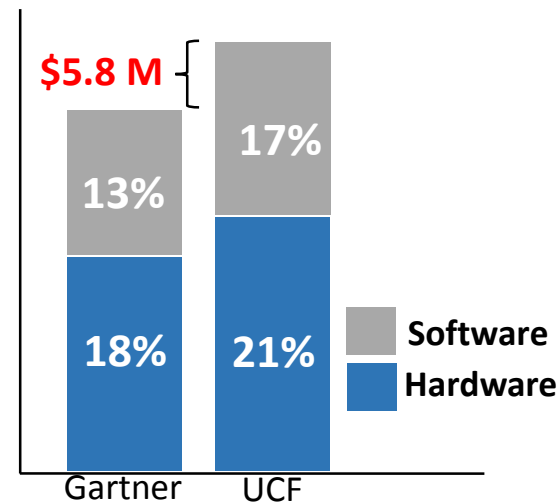
Many of the colleges and departments with the highest percentage of Cap-Ex IT spend are currently not using Shared Services.

College/Department	% Cap-Ex Spend	Shared Services?
Rosen Hospitality	79%	Not Adopted
Burnett Honors Colleges	76%	Not Adopted
Office of Research and Commercialization	76%	Not Adopted
College of Arts and Humanities	68%	In Transition
College of Sciences	67%	In Transition
College of Engineering and Computer Science	67%	Not Adopted

Optimizing IT Roles and Alignment

Function/Job Type	FTE Count	Total Ann. Cost (incl. Ben.)
Application System Analysis	53	\$5.3 M
IT Managers	38	\$4.0 M
Systems Administrators	36	\$3.4 M
Web Design/Development	36	\$2.8 M
Database Ops & Management	19	\$1.9 M
Totals	182	\$17.4M

Optimizing Hardware & Software Spend

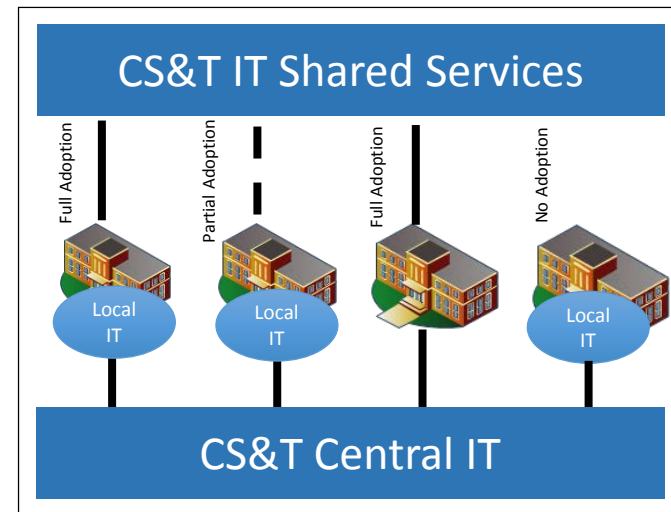


Core Issue #1: Lack of Consistency in IT

UCF does not define or enforce a consistent standard for how IT is managed and delivered

Observed Impacts:

- Lack of consistency across practices, tools, and levels of service, and job titles
- Duplication and redundancy in responsibilities, efforts and staff
- High potential for excess spending, with decreased ability to manage IT costs
- Additional exposure to security risks and vulnerabilities
- Technology projects are not evaluated against a common set of criteria that allows prioritization to University needs



Top 10 (of 96) UCF IT Position Titles by Count

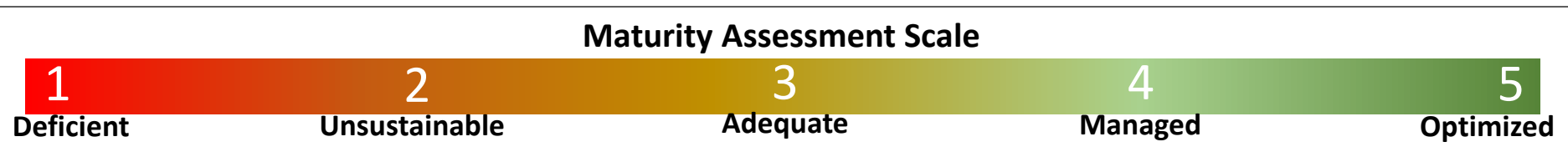
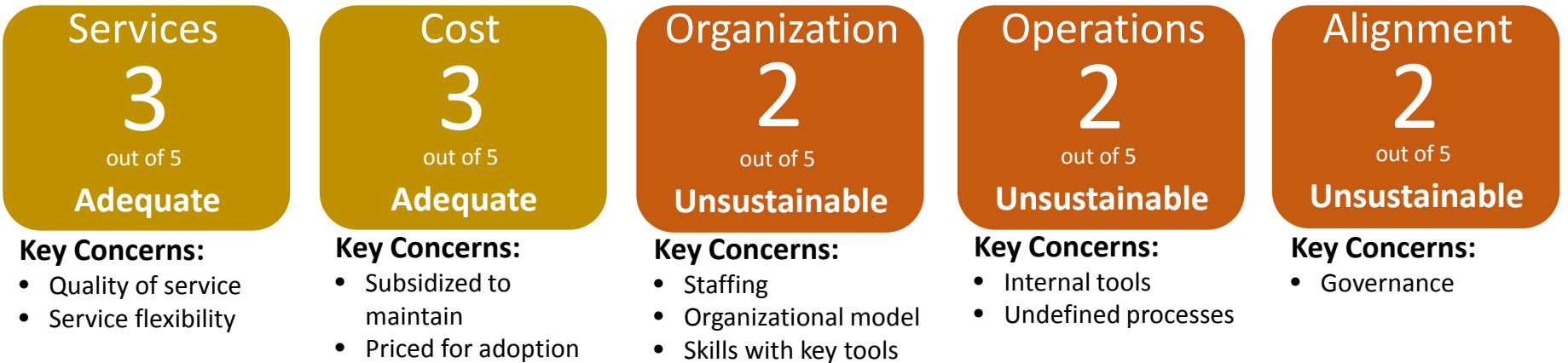
Position Title	FTE Count
Appl Syst Analy Programmer	26
Systems Administrator	21
Senior Computer Specialist	17
Computer Specialist	16
Systems Administrator Senior	15
Department IT Manager	14
Appl Syst Analy Program Lea	13
College IT Manager	13
End User Computing Speciali	13
Web Designer	13

Core Issue #2: IT Shared Services Will Not Scale

The IT Shared Services organization is currently not capable of providing IT services University-wide.

- Some adopters of Shared Services have offloaded work, however IT staffing models remained static
- The costs of Shared Services are comparable to those of external providers
- Current customers are pleased with Shared Services offerings

IT Shared Services Assessment Results



Industry Practices & Lessons Learned

Key Points:

- Other large Universities have successfully leveraged a hybrid delivery model for IT services (using a combination of Centralized, Decentralized and Shared Service structures)
- Most notable failures in similar University efforts have stemmed from a lack of including key stakeholders in the decision-making process

University	Enrollment	Primary Delivery Model	Shared Services?
Arizona State University	76,771	Centralized	No
University of Central Florida	60,821	Decentralized	Yes
Ohio State University	57,446	Hybrid	Yes
Florida International University	52,980	Hybrid	No
Texas A&M University	52,449	Hybrid	Yes
University of Texas at Austin	51,145	Decentralized	Attempted
Michigan State University	49,300	Hybrid	Yes
University of Florida	49,042	Hybrid	Yes
University of Minnesota	48,308	Shared Services	In Transition
Indiana University	46,817	Hybrid	No

Key Lesson Learned:

Keep Stakeholders Engaged



Each of these Universities have experienced significant challenges transitioning to or adopting IT Shared Services because they did not engage key stakeholders in the decision-making and transition process.

A “Hybrid” delivery model is defined as using a combination of Centralized, Decentralized and sometimes Shared Services models to deliver IT services.

Developing a Priority-Aligned Vision



Capability

Continue to deliver the tools and technologies that enable success throughout the UCF community.



Efficiency

Deliver commodity IT services in a cost efficient manner, without sacrificing individual needs.



Security

Deliver a secure computing environment for students, faculty and staff.

How – Our Guiding Principles

- Governance & Collaboration: Work with the UCF community to develop comprehensive decisions around IT, and provide greater visibility into projects and operations going forward
- Quality: Improve the quality and flexibility of services to better accommodate needs
- Standardization: Create an environment that reduces redundancy, and provides a better ability for management
- Communication & Transparency: Keep the University community engaged and aware of efforts and initiatives

Proposed Strategy for UCF IT

Proposed 3-Year Strategy & Key Initiatives

Phase 1

Build the Foundation

- Build UCF Strategic Governance Committee
- Define UCF IT Policies
- Stand-up University IT Project Management forum
- Enhance IT Service Desk & support services
- Re-organize CS&T

Phase 2

Plan & Prepare

- Develop and finalize IT staff resource plan
- Create inventory of hardware, software and applications
- Finalize IT costing and funding model
- Develop transition plan and timeline

Phase 3

Execute Transition

- Transition IT staff resources and funds
- Implement IT costing and funding model
- Establish IT Shared Services Governance Committee
- Migrate systems/services (as dictated by Phase 1 outcomes)

Phase 4

Optimize

- Standardize IT roles and job descriptions
- Optimize and align staff resources
- Cost and capacity reduction review

Project & Change Management

IT Strategic Governance

Immediate Core Goals:

- Collaboratively define institutional standards for IT
- Define staffing plan and costing model for IT services
- Stand-up Project Management forum

IT Strategic Governance Committee

Proposed 12 Member Board:

- UCF CIO
- Academic Arts/Health/Hospitality
- Academic Business/Ed/Graduate/Honors
- Academic Medicine/Nursing
- Academic Eng/Optics/Sciences
- SDES
- Office of Research & Commercialization
- CFO/AVP of Finance
- Regional Campuses Dean Rep #1
- Faculty Senate Rep #1
- HR Rep
- Finance Rep
- Others based upon need

IT Strategic Governance Committee

Service Desk
& Support

Data Center
& Hosting

Project
Management

IT Financial
Management

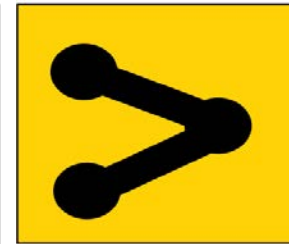
Central IT



Sample Criteria:

- Heavily standardized
- Centrally visible and managed
- Minimized cost

Shared Services



Sample Criteria:

- Standardized, but flexible
- Managed through governance
- Cost-managed consumption


Local IT

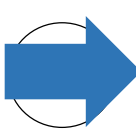


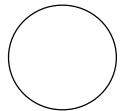
Sample Criteria:

- Unique needs
- Preferred localized attention
- Individually managed and maintained

Getting Started & Immediate Next Steps


 Gain Executive buy-in and commitment

 Presentation to key stakeholders to build support

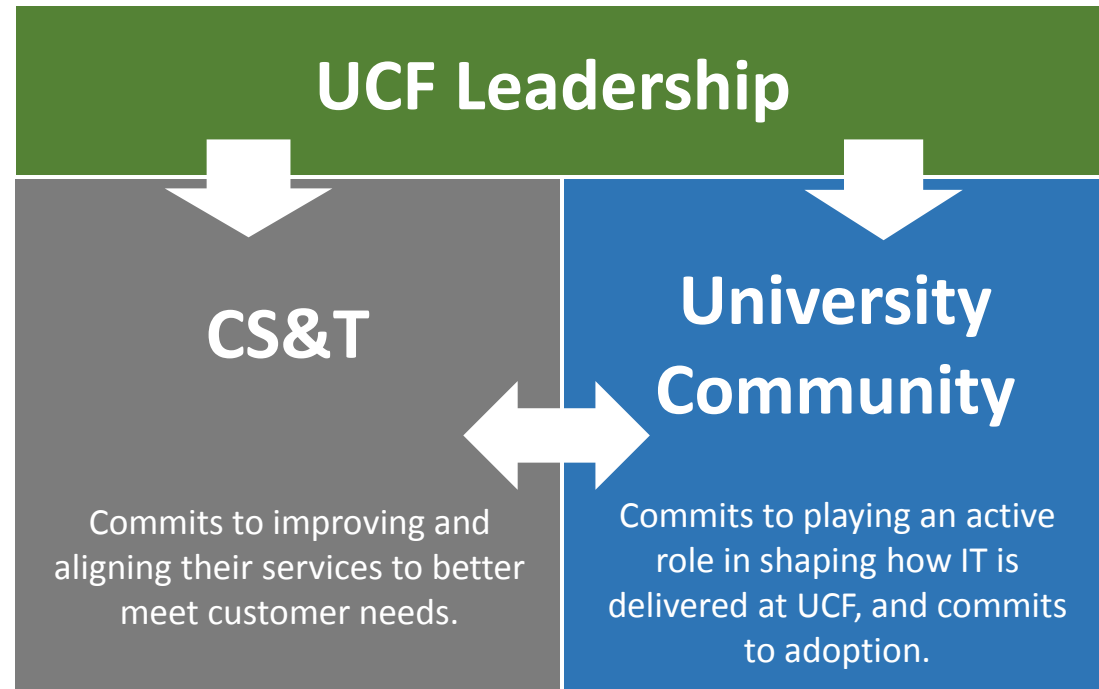
 Begin Phase 1 execution

 Stand-up governance committees

 Collaboratively build UCF Project Management process

 Operational improvements to IT Service Desk

UCF Executive Leadership has committed to providing the support and resources to execute on the proposed plan.



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