Leadership Retreat

4/20/2018
<table>
<thead>
<tr>
<th>Topic</th>
<th>Time</th>
<th>Presenter/Facilitator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast &amp; Arrival</td>
<td>7:30 - 8:00 am</td>
<td>NA</td>
</tr>
<tr>
<td>Seated and Open Event</td>
<td>8:00 - 8:05 am</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Welcome Remarks and Big Picture</td>
<td>8:05 - 8:15 am</td>
<td>Jacque Cabe, Jeff Scott</td>
</tr>
<tr>
<td>President’s Remarks</td>
<td>8:15 - 8:25 am</td>
<td>Ana Mari Cauce</td>
</tr>
<tr>
<td>Leadership Retreat Goals &amp; Where we have been</td>
<td>8:25 - 8:40 am</td>
<td>Ann Anderson</td>
</tr>
<tr>
<td>Leadership Retreat Expectations</td>
<td>8:40 – 8:50 am</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Background - UWFT Finance Transformation</td>
<td>8:50 – 9:05 am</td>
<td>Jeanne Marie Isola, Tammy Ayyoub, Jenn Dickey</td>
</tr>
<tr>
<td>Launch Flash Rounds</td>
<td>9:05 – 9:10 am</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Flash Rounds (12 min each):</td>
<td>9:10 – 10:25 am</td>
<td>- Brett Simmons</td>
</tr>
<tr>
<td>- Guiding Principles (BS)</td>
<td></td>
<td>- Jeanne Marie Isola</td>
</tr>
<tr>
<td>- Governance &amp; Issue Escalation (JMI)</td>
<td></td>
<td>- Jenn Dickey</td>
</tr>
<tr>
<td>- Stakeholder Engagement (JD)</td>
<td></td>
<td>- Sarah Cantwell</td>
</tr>
<tr>
<td>- Maintaining Momentum (SC)</td>
<td></td>
<td>- Bryan Houl, Gwen Trentham</td>
</tr>
<tr>
<td>- Realizing Value Through Transformation (BH)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Agenda – Day of Event

<table>
<thead>
<tr>
<th>Topic</th>
<th>Time</th>
<th>Presenter/Facilitator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debrief Flash Rounds – Full Group</td>
<td>10:25 - 10:35 am</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Viewpoint Exercise &amp; Lunch</td>
<td>10:35 – 12:35 pm</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Facilitated Report Out</td>
<td>12:35 - 1:05 pm</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>UWFT Guiding Principles - Overview and Descriptions</td>
<td>1:05 – 1:20 pm</td>
<td>Jeanne Marie Isola, Brett Simmons</td>
</tr>
<tr>
<td>Guiding Principle Deep Dive</td>
<td>1:20 - 2:50 pm</td>
<td></td>
</tr>
<tr>
<td>Scouting Rounds</td>
<td>2:50 - 3:25 pm</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Afternoon Energizer</td>
<td>3:25 - 3:30 pm</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Insight Integration</td>
<td>3:30 - 4:15 pm</td>
<td></td>
</tr>
<tr>
<td>Final Report Out</td>
<td>4:15 – 4:45 pm</td>
<td>Steve Killian</td>
</tr>
<tr>
<td>Closing Remarks</td>
<td>4:45 - 5:00 pm</td>
<td>Brian McCartan</td>
</tr>
</tbody>
</table>
UWFT Leadership Retreat Participant List

Event Sponsors:
- Jeff Scott, EVP, Finance and Administration*
- Ann Anderson, Assoc. VP, UW-Finance
- Brian McCartan, VP Finance
- Jacqueline Cabe, CFO, UWM and VPMA UW

Program Sponsorship
- Jeff Scott, EVP, Finance and Administration*
- Aaron Powell, VP UWIT and CIO
- Brian McCartan, VP Finance
- Jacqueline Cabe, CFO, UWM and VPMA UW
- Joy Grosser, CIO, UWM
- Ruth Mahan, Chief Business Officer - UWM and VPMA UW
- Sandra Archibald, Dean of Evans School (unavailable)
- Sarah N. Hall, Assoc VP, Planning and Budgeting
- Sean Sullivan, Chair of Board of Deans

Program Leadership Team (PLT)
- Anja Canfield-Budde, Interim Assoc. VP, UW-IT
- Ann Anderson, Assoc. VP, UW-Finance
- Beth Britt, UWITS
- Brett Simmons, Director Fin. Bus Systems, UWM IT
- Dan Schaal, Assoc. Controller, UW Finance
- Dave Green, School of Medicine
- Jason Campbell, Sr. Dir., Financial Analysis & Budget Strategy
- Jeff Techico, UWM Supply Chain Management
- Jim Kresl, Assistant VP; Office of Provost Research
- Linda Nelson, College of Arts & Sciences
- Maureen Hooley, UWP
- Tammy Ayyoub, Controller, UW Med

UW/ UWM Leaders & Key Stakeholders
- Barbara Wingerson, Associate VP and Chief of Staff
- Bill Ferris, CFO – UWIT
- Bob Ennes, Health Sciences Administration
- Brad Greer, Chief Technology Officer, UW-FA; IT
- Chris Malins, Associate VP, UW-FA
- Erik Walerus, Chief Supply Chain Officer, UWIM
- George Sandison, Vice Chair for Medical Physics
- Jan Rutledge, UW Tacoma
- Josh Bakelaar, Interim Strategic Sourcing Director, UWMHS
- Katie Friday, Interim Director of Materials and Logistics, UWMHS
- Kirsten DeFries, Research and Student Accounting
- Kojay Pan, College of Engineering (unavailable)
- Lisa Pascuzzi, UWM
- Lynn Barnhart, UWM (unavailable)
- Mark Conley, UW Procurement
- Mark Stanley, Housing and Food Services
- Mary Clark, Information School
- Mary Fran Joseph, Assoc. Dean for A&F, School of Medicine
- Mary Lidstrom, Vice Provost Research
- Maureen Broom, Assoc. VP and UWM Enterprise Finance Officer
- Nancy Jagger, Director of Integrated Service Center
- Richard Cordova, Executive Director, Internal Audit
- Rob McDade, Information Architect, EDA, UW-IT
- Robert Bradshaw, UW Financial Management
- Robert Stacey, Dean of College of Arts & Sciences
- Ruth Johnston, UW Bothell
- Segan Jobe, UW Bothell
- Sue Camber, Associate VP and Controller, UW Finance
- Thaisa Way, Chair of Faculty Senate (unavailable)
- Tye Minckler, UW Tacoma
- Zoe Barsness, Chair Senate Com. on Planning & Budgeting (unavailable)

* Executive Sponsor

UWFT Program Team
- Gwen Trentham (UW)
- Jeannne Marie Isola (UW)
- Jenn Dickey (UW)

• Anna Brannen, External QA (unavailable)
OPENING REMARKS
Ana Mari Cauce, Jeff Scott, Jacque Cabe
Retreat Objectives and Where We Have Been

Ann Anderson
Why this program

A premier public university must have accurate and complete financial information to empower value-driven decisions and ensure integrity and responsible stewardship necessary to achieve cost efficiencies.

Why Now

This is a unique moment:

**Leadership:** Across the enterprise, we have a shared understanding regarding the importance of this effort, and commitment to provide access to core financial data and common definitions.

**Environment:** We have the opportunity to bring clarity and simplification to our organization, which is currently facing a tremendous amount of complexity, change, and financial pressures.

**Opportunity:** The solutions facilitated by this program will enable us to make the right financial decisions at the right time—in order to manage scarce resources, seize new opportunities, and to ensure we remain competitive.

* Original Source March 2016 Leadership Retreat, updated April 2018
To enable success by engaging the extended leadership team in key components of the financial transformation readiness program

While keeping an eye to achieving targeted productivity gains, maintaining momentum, decreasing program and operating costs, and minimizing rework
1. Establish a common understanding of pertinent program information going forward, including:
   > Our shared vision and what success looks like
   > The importance of this opportunity to move forward as a single organization (UW Academy + UWM)
   > Key definitions for common understanding
   > Current state level-set (business, system, and organizational complexities)

2. Review program work done to date, and capture best thinking as follows:
   > Program guiding principles
   > Stakeholder engagement
   > Issue escalation / resolution
   > Maintaining momentum

3. Deep dive into the program guiding principles with a focus on how to achieve targeted productivity gains, maintain momentum, decrease program and operating costs, and minimize rework
   > What does it look like for the organization? For the unit?
   > What hard decisions need to be made (start / stop / change)
   > Identify known risks
Business processes and policies will change to achieve transformation efficiencies

Simplification is our focus

Build with UWM, UW Academy, and overlap in mind

There are some things we will not be able to accommodate
# Relative Complexity

<table>
<thead>
<tr>
<th>HR/P</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 year old system</td>
<td>43+ year old system</td>
</tr>
<tr>
<td><strong>Scope factors:</strong></td>
<td><strong>Scope factors:</strong></td>
</tr>
<tr>
<td>• No HR system</td>
<td>• No Accounts Receivable process or system</td>
</tr>
<tr>
<td>• Implementing 1 system in Phase 1</td>
<td>• No Budgeting and Forecasting process or system</td>
</tr>
<tr>
<td>• DRS reporting challenges</td>
<td>• Implementing Core Financials in Wave 1 and Budget/Planning in Wave 2</td>
</tr>
<tr>
<td></td>
<td>• # of major functional areas included</td>
</tr>
<tr>
<td></td>
<td>• # of entities involved in reporting</td>
</tr>
<tr>
<td></td>
<td>• <strong>UWM includes 7 entities with 7 different accounting systems</strong></td>
</tr>
<tr>
<td></td>
<td>• EIP/EDW build-out for data not currently in EDW</td>
</tr>
<tr>
<td></td>
<td>• Non-standardized reporting</td>
</tr>
<tr>
<td><strong>Magnitude of change:</strong></td>
<td><strong>Magnitude of Change:</strong></td>
</tr>
<tr>
<td>• Extremely distributed processes</td>
<td>• <strong>Extremely distributed processes</strong></td>
</tr>
<tr>
<td>• Complexity of labor framework</td>
<td>• # of people involved in Finance functions</td>
</tr>
<tr>
<td>• Job displacement with change in work</td>
<td>• Job displacement with change in work</td>
</tr>
<tr>
<td></td>
<td>• Chart of Accounts/Financial Data Model redesign</td>
</tr>
<tr>
<td><strong>3 projects under different sponsors:</strong></td>
<td><strong>Major Dependency on HR/P Stabilization</strong></td>
</tr>
<tr>
<td>• HR/P</td>
<td>• Need to retrofit HR/P with new data model – this impacts integrations, reports, business processes</td>
</tr>
<tr>
<td>• Intersections</td>
<td>• Need to retrofit other systems with new financial data model</td>
</tr>
<tr>
<td>• Medical Center</td>
<td>(Student, Pre-Award, etc.)</td>
</tr>
</tbody>
</table>
Synergies: Standard Taxonomy, Foundational Data Model, Enterprise Level Financials, Minimize IT footprint, Standardized Processes and Policies in Procurement and Finance, Productivity Gains
Business Case – The Opportunity

- **Financial Management**
  - Reduce the time required to close books across the institution both monthly and annually
  - Improve visibility into financial performance across the enterprise
  - Improve ability to manage operating margins more closely
  - Deploy resources more effectively for maximum impact

- **Reporting & Information Management**
  - A single system of record across the enterprise with common definitions and classifications
  - Improve quality and accuracy of reporting
  - Pull information rapidly to make better decisions quickly as conditions change or opportunities present themselves

- **Operational Efficiency & Effectiveness**
  - Strengthen support for finance functions across the organization
  - Reduce investment in redundant technology used to compensate for deficiencies in legacy system
  - Achieve greater efficiency and productivity through consistent and standardized processes across the enterprise

- **Risk Management**
  - Strengthen internal controls and reduce risks including risk of fraud and security breaches
  - Reduce reliance on legacy system knowledge and risk of operability or system failure
## Organizational and Functional Scope

### Organizational

- **UW Campus Units**
  - UW Medical Center
  - UW Neighborhood Clinics
  - Harborview Medical Center
  - UW Physicians
  - Airlift Northwest
  - Northwest Hospital

- **OTHER UW Entities**
  - Real estate entities
  - Portage Bay
  - Metro Tract

### Functional

- Banking and Settlement
- Budgets
- Business Assets
- Customer Accounts
- Customer Contracts
- Endowments
- Expenses
- Financial Accounting
- Post-Award Grants Management
- Inventory
- Procurement
- Projects
- Supplier Accounts
- Supplier Contracts
- Transaction Tax
- Foundation Data Model
- Planning (includes OpEx, Capital and Workforce Planning)

### Other

- HCM Workday Remediation
- Conversions
- Integrations
- Workday Reports
- UW Campus Enterprise Information, Integration & Analytics (EIIA) (Enterprise Integration Platform, Finance Data Warehouse & BI Portal)
- UWM EIIA
- Change Management
- Technical and Functional Readiness

### System Replacement

- FAS
- McKesson HEMM for UWMC, HMC, NWH, VMC
- McKesson HEFM for UWMC, HMC, NWH, VMC
- BGT
- OASIS
- FASTRANS
- MyFD
- JD Edwards
- eFECs
- Ariba
- UWMC Bar Interface
- Sage 100 for UWP
- MS Dynamics for UWNC, ALNW
- PAS

---

* Valley Medical Center will be integration only

** Assumes integrations only

*** Includes Effort Certification, Cost Share and Labor Distribution

**** Wave 2
Readiness Activities

Prep

• Define Strategic guardrails
• Determine process transformation goals
• Define communication and change mgmt. and training strategies

Benchmarking and Data Collection Activities
• Systems Inventory and reports inventory
  • Develop Enterprise Requirements Database
  • Recruit, onboard and training for key positions
  • Hire, on-board, and training readiness team

• RFP, Contract and on-board Readiness Partner
  • Detailed Readiness Planning
  • Define Foundational Data Model (FDM) Approach and Methodology
  • Workday contracting

Blue Print

• Onboard readiness partner
• Design new FDM
• Operating model strategy
• Execution of top business process transformation and Technical priorities (identified in workshops)
• Define Portfolio Mgmt and Unit Engagement Strategy
• Prioritize process inventory
• Document current state and envision future state in end to end process areas.
  • Start HRP Remediation Activities
  • Define IT Strategy for EDW/BI Portals
  • Strategic decision on shared/centralized service models
  • Update Systems inventory and retirement strategy

Prototype

• Prototype new FDM
• Prototype future state processes
• Develop use cases
• Prototype playback sessions
• Document Enterprise Requirements in technical requirement database
• Detailed Future State Systems Landscape
• Update Systems Retirement and Remediation Strategy

Design

• Complete Workday design Workbook
• Campus Training Strategy defined
• Iterate on Reports, Conversion, and Integration Discovery
• Design Data Integration for Inbound/Outbound interfaces and inventory of system transactions
• Begin Implementation Planning
• Scope FDM converter capabilities
• Develop detailed conversions plan
• Define reports strategy
• Define EDW/BI Portal strategy

• Recruit, onboard and training for key positions
• Hire, on-board, and training readiness team
• RFP, Contract and on-board Readiness Partner
• Detailed Readiness Planning
• Define Foundational Data Model (FDM) Approach and Methodology
• Workday contracting
How Today's Work Will Be Used Going Forward

- What our shared vision is
- How we work together
- How we engage stakeholders over the course of this program
- Our vendor selection approach
- How to organize the program structure
- Design of our future state operating model
- How we plan and approach future strategic events like this
Background

Jeanne Marie Isola, Jenn Dickey & Tammy Ayyoub
Complexity of the University

Annual Report Entities for Consolidated Reporting

- HMC (1)
- UW Medicine (clinical operations - all entities, except HMC)
- UWM, UWP, UWNC, Airlift NW
- Northwest Hospital
- Valley Medical Center (2)
- Commuter Services
- UW Financial Accounting
  Consolidates blended component units and share of joint ventures with balance of University activity
- Housing and Food Services (Student Life)
- Real Estate Entities
- Intercollegiate Athletics
- Metro Tract
- Seattle Cancer Care Alliance (SCCA)
  Children’s University Medical Group (CUMG) (Joint Ventures)
- UW Alumni Association & UW Foundation (immaterial)
- Portage Bay Insurance

Notes:

(1) Not part of consolidated UW reporting; owned by King County but part of combined UW Medicine reporting
(2) Is discretely presented
Organizational Chart: DEPARTMENTS & % FTE

**Vice Provosts** (4.6%)
- UW Tacoma (1.74%)
- UW Bothell (2.06%)
- Vice Provosts
- Minority Affairs and Diversity (.37%)

**Vice Presidents** (8.87%)
- Health Sciences Administration (1.53%)
- UW Medicine (30.48%)
  - Harborview Medical Center
  - UW Medical Center Airlift
- Other Schools and Colleges (11.32%)
  - Evans School Public Affairs (.28%)
  - Information School (.44%)
  - College of Built Environments (.4%)
  - School of Law (.5%)
  - Foster School of Business (1.02%)
  - College of Education (1.13%)
  - University Libraries (.86%)
  - College of Environment (3.14%)
  - College of Engineering (3.55%)
- Health Sciences Schools & Colleges (5.59%)
  - School of Pharmacy (.75%)
  - School of Social Work (.92%)
  - School of Nursing (.74%)
  - School of Dentistry (.94%)
  - School of Public Health (2.24%)

**CEO UW Medicine and SOM (54.35%)**
- Intercollegiate Athletics (0.71%)
- Provost (.81%)
- Minority Affairs and Diversity (.37%)
- Attorney General (.07%)
- Board of Regents Presidents (.11%)
- Faculty Senate
# UWM Profile - $4.9B

<table>
<thead>
<tr>
<th>FY17 Operating Expense</th>
<th>UWMC</th>
<th>HMC</th>
<th>NWH</th>
<th>VMC</th>
<th>UWNC</th>
<th>UWM Shared Services</th>
<th>ALNW</th>
<th>UWP</th>
<th>SoM</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.2B</td>
<td>$975M</td>
<td>$390M</td>
<td>$602M</td>
<td>$64M</td>
<td>$267M</td>
<td>$49M</td>
<td>$256M</td>
<td>$1.4B</td>
<td></td>
</tr>
</tbody>
</table>

## Business Model
- **Medical Centers**
- **Clinics**
- **IT & Finance**
- **Medivac**
- **Physician Billing**
- **Teaching, Research & Clinical**

## Legal
- Gov’t - Dep’t of University County
- 501(c)(3) Public Hospital District
- 501(c)(3) Gov’t - Dep’t of University
- 501(c)(3) Gov’t - Dep’t of University
- Gov’t - Dep’t of University

## Audit Report
- UWM Consolidated Standalone UWM Consolidated Standalone UWM Consolidated
- UW Consolidated

## Primary ERP
- McKesson 1 McKesson 2 McKesson 3 McKesson 4 MS Dynamics 1 McKesson 1 MS Dynamics 2 Sage FAS

## Finance & Accounting Service Delivery
- UWM Centralized Standalone UWM Centralized Standalone Standalone Decentralized

## Supply Chain Service Delivery
- UWM Centralized Standalone UWM Coordinated Standalone Decentralized

---

**UNIVERSITY of WASHINGTON**

21
UWM Enterprise Financial Systems
UW Academy Financial Systems (illustrative only)
Focus on business transformation – this is not just a technology project

Scope, schedule and budget are interrelated – you can’t change one without impacting others

Engage the right people at the right time

Focus on end-to-end processes; must understand current state processes to identify change impact of future state

Establish a culture that values voice, collaboration and the courage to make course corrections as circumstances change; and where the Leadership and Program Team speak with one voice

Maintain UW commitment and momentum when turnover occurs among leadership or staff

Focus on reporting early
Flash Round

Guiding Principles
Definitions & Hierarchy

Guiding Principles
A set of general rules that help program team and governance members make the right decisions when faced with a choice. They are rarely amended and are used to inform and support the manner in which an organization sets about fulfilling its mission.

Guardrails
Guardrails are intended to help program team and governance members make high-quality decisions faster and with less risk. They are designed to keep projects from unintentionally straying into dangerous territory as well as to support greater alignment across an organization by providing a context for understanding the business needs.

Tactics
Assessments that consider both short and long term needs when describing how the Finance System fits into the broader UW (UW Academy and UW Medicine) Business and IT ecosystem. They evolve from guardrails and provide detailed tactics for UWFT team members to follow when configuring the system.
UWFT Guiding Principles

> **Senior Leaders are engaged and unified in supporting** UW Finance Transformation as a **top administrative priority** for the University of Washington. Leaders will provide focus needed to ensure a successful program.

> Future state processes, **policies and procedures are standardized and simplified**, to ensure **substantial productivity gains across the Enterprise**, justifying any exceptions.

> The computing infrastructure and services are **consolidated and integrated across the Enterprise** to eliminate redundancy, justifying any exceptions.

> Financial and management reports result from a **trusted system of record with consistently applied data definitions**, eliminating redundant and disparate data repositories.

> One of the key ways **risk is mitigated** is through clearly **defined stage gates with entry and exit decision criteria**.

> Broad **University engagement and communication** to define, design, and implement the future state vision will ensure **all units are operational** at launch.
Guiding Principle – The computing infrastructure and services are consolidated and integrated across the Enterprise to eliminate redundancy, justifying any exceptions.

Guardrail – Consolidate our solution for Workday integrations across UW Academy and UW Medicine to eliminate redundancy.

Tactic – Define a set of generic integration definitions and use to solve as many integration scenarios as possible. Systems requiring more robust integration will be our exceptions to the guiding principle in this case.
Flash Round

Governance and Issue Escalation
What is Program Governance?

> Program governance is the management framework within which program decisions are made.

> The goal is to provide a decision making framework that is logical, robust and repeatable to govern an organization’s investments.
Top Governance Challenges

> Difficulty driving to consensus
> Decisions are not timely enough
> Don’t follow escalation path
> Making decisions that stick
> Passive-aggressive governance: end runs, silent "coup," reversals
> Inconsistent prioritization and resource allocation
> Lack of accountability
> Factional strife (e.g. business unit vs. business unit)

> Aligning decisions with changing conditions
> Balancing delivery with innovation
> Governance body is not representative of key stakeholders impacted
> Decisions are made are sub optimal addressing needs of only small group of stakeholders
> Decisions are not aligned with guiding principles and guardrails
UWFT Governance Structure

- Sponsor Team
  - Program Leadership Team
    - Core Transformation Team
    - Technical Leadership Team
  - Program Team

*Administrative leadership for program team is VP Finance
UW Finance Transformation Governance Structure

**President and Provost**
- Ana Mari Cauce, UW President
- Jerry Baldasty, UW Provost

**Program Sponsorship**
- Jeff Scott, EVP, Finance and Administration*
- Aaron Powell, VP UWIT and CIO
- Brian McCartan, VP Finance**
- Jacqueline Cabe, CFO, UWM and VPMA UW **
- Joy Grosser, CIO, UWM
- Ruth Mahan, Chief Business Officer - UWM and VPMA UW
- Sandra Archibald, Dean of Evans School
- Sarah N. Hall, Assoc. VP, Planning and Budgeting
- Sean Sullivan, Chair of Board of Deans

**Operational (SME) Support:**
- Ann Anderson, Assoc. VP, UW Finance
- Erik Walerius, Chief Supply Chain Officer, UWM
- Maureen Broom, Assoc. VP and UWM Enterprise Finance Officer
- Sue Camber, Assoc. VP and Controller, UW Finance
- Richard Cordova, Exec. Director, Internal Audit
- Anna Brannen, Bluecrane (external QA)
- Laura Parma, OCIO

**Ex-Officio**
- Ruth Mahan, Chief Business Officer - UWM and VPMA UW

**Program Leadership Team (PLT)**
- TBD, Asst. VP, Finance Transformation
- Anja Canfield-Budde, Assoc. VP Information Technology, UW-IT
- Ann Anderson, Assoc. VP, UW Finance
- Beth Britt, Director of Analytics, UWM ITS
- Brett Simmons, Director, UWM Finance Business Systems
- Dave Green, CFO, School of Medicine
- Erik Walerius, Chief Supply Chain Officer, UWM
- Jason Campbell, Sr. Dir., Financial Analysis & Budget Strategy
- Jim Kresl, Asst. Vice Provost, Office of Vice Provost Research

**Program (SME) Support:**
- Linda Nelson, Director, College of Arts and Sciences
- Maureen Hooley, CFO, UWP
- Sue Camber, Associate VP and Controller, UW Finance
- Tammy Ayyoub, Controller, UWM
- Jeanne Marie Isola, Project Director UWFT
- Jenn Dickey, Senior Project Analyst, UWFT

**Ex-Officio**
- Richard Cordova, Exec. Director, Internal Audit
# UW Finance Transformation Governance Structure

## Technical Leadership Team (TLT)

- **Aaron Powell**, VP UWIT and CIO
- **Anja Canfield-Budde**, Assoc. VP Information Technology, UW-IT
- **Beth Britt**, Director of Analytics, UWITS
- **Brett Simmons**, Director, UWM Finance Business Systems
- **Gwen Trentham**, Senior Business Architect, UWFT
- **Jeff Techico**, UWM, Supply Chain
- **Jim Kresl**, Assistant Vice Provost, Office of Research Information
- **Joy Grosser**, CIO, UWM

## Core Team

- **Bob Ennes**, Health Sciences Administration
- **Dan Schaaf**, UW Finance
- **Dave Green**, School of Medicine
- **Jan Rutledge**, UW Tacoma
- **Josh Bakelaar**, UWM Supply Chain
- **Kirsten DeFries**, Research and Student Accounting
- **Kojay Pan**, College of Engineering
- **Linda Nelson**, College of Arts & Sciences

## Process Transformation Team(s)

- **Lisa Pascuzzi**, UWM Financial Reporting
- **Lynn Barnhart**, UWM Accounting
- **Mark Conley**, UW Procurement
- **Mark Stanley**, Housing & Food Services
- **Mary Clark**, Information School
- **Segan Jobe**, UW Bothell
- **TBD**, UWIT Information Management

### Program (SME) Support:

- **Jeanne Marie Isola**, Project Director UWFT
- **Gwen Trentham**, Senior Business Architect UWFT
- **Brian Hoult**, Senior Business Analyst UWFT

### Advisory:

- **Charlene Hanson**, Internal Audit

### Some qualities of PTT members:

1. Subject matter experts in one of nine end to end process areas
2. Able to “think out of the box”
3. Able to wear their “University hat” – i.e. what is best for the institution
4. May have subject matter expertise in multiple parts of the organization
5. Understands team dynamics and like being part of a team
Objectives of the Issue Escalation Process

> Promote identification and **timely resolution of issues** that represent material impact to program cost, schedule or quality

> **Mitigate the impact of any potential delay** in issue resolution by having a clear, widely understood escalation path with a standard review cadence for all issue types

> **Empower the program** to efficiently make decisions and resolve issues rapidly at the appropriate level

> **Utilize escalation criteria to tailor issue escalation** to governance structure, accountability levels, and distribution of Stakeholder expertise

> Mechanism to **resolve Issues with cross institutional or strategic implications** need to be resolved at the program leadership level.
What are the Escalation Criteria?

Issue escalation criteria are the variables identified (and agreed upon) by Program Leadership that drive key measurements of success:

<table>
<thead>
<tr>
<th>Proposed Escalation Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Budget</strong></td>
</tr>
<tr>
<td><strong>Operating Budget</strong></td>
</tr>
<tr>
<td><strong>Schedule</strong></td>
</tr>
<tr>
<td><strong>Scope Change</strong></td>
</tr>
<tr>
<td><strong>Technical Risks</strong></td>
</tr>
<tr>
<td><strong>Impacted Stakeholders</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Legal or Compliance Issues</strong></td>
</tr>
<tr>
<td><strong>Deviation from guiding principles, guardrails or tactics</strong></td>
</tr>
</tbody>
</table>
Proposed Issue Escalation

- **President/Provost**
  - Highest level issue resolution

- **Executive Sponsor**
  - Program Vision and Goals
  - Strategic Direction

- **Program Sponsors**
  - Program Priorities
  - Program Direction

- **Program Leadership**
  - Sprint Priorities
  - Daily Direction

- **Work Stream Managers, Program Team, Core and Process Transformation Teams, Technical Teams, etc.**
  - Daily Task Status
  - Work Stream Risks
  - Task Blockers/Help Needed

- **Work Stream Status**
  - Program Status
  - Key Program Risks/Issues/Decisions
  - Critical Path Blockers

- **Work Stream Risks**
  - Task Blockers/Help Needed

- **Proposed Issue Escalation**
  - Large budget issues that cross UW/UWM
  - Program Status
  - Key Program Risks/Issues/Decisions
  - Critical Path Blockers
Flash Round
Stakeholder Engagement
Stakeholder Engagement

**CHALLENGE for UWFT:**

> Keep stakeholders across 30 academic units and 7 UWM legal entities involved in UWFT **at the right level and the right time.**

> Create a framework for **ongoing end user engagement** in the planning, design, configuration, testing and deployment of the new system.

> Stakeholders are needed to achieve the UW Finance Transformation initiatives.

> Large # of Finance System Users.
Stakeholder Engagement

> Governance and Advisory Groups
> Key Influencers and Relationship Partners
> Process Transformation Team Framework
> Volunteer Subject Matter Experts and Testers
> Administrative Network
> Functional Readiness Teams
> Technical Readiness Teams
UWFT Governance Structure

*Administrative leadership for program team is VP Finance
Stakeholder Engagement

Proven success with University Services Renewal (USER) project model

Engage University community
- Sponsors
- Steering Committee
- Process Improvement Teams
- Technical Teams
- End USER Task Teams
- Units/Departments
- Business Stewards

USER PRODUCT DEVELOPMENT TEAMS
Iterative Approach
- Test ideas
- Get feedback
- Engage in dialogue
- Collaborate
- Change Agents

Outcomes
- Web tools for Users
- Streamlined business practices
- Culture of change
- Ownership

ADAPTING USER PROJECT MODEL FOR FINANCE TRANSFORMATION
Core and Process Transformation Team Framework

Core Transformation Team:

> 12-15 Central, Auxiliary, College, School, Department or Division and Medicine Administrators

> Represent integrated process Subject Matter Expertise

> Major role in **guiding Foundation Data Model** design and guide all activities associated with process framework in support overall goals and objectives of UW Finance Transformation.

> Provide **guidance, input, etc. into data gathering work, policy changes, change management, communication, training, etc.**

> **Champion of the Program**
Process Transformation Teams:

> 8-12 people
> Provide detailed subject matter expertise on systems, reports, and sub processes.
> Document high level current state processes, policies and roles
> **Support data gathering** for process area side systems, reports inventory and detailed use cases, side system analysis, report analysis, change management, security requirements, communication, training, etc.
> **Change Agents**
> Become super users in Workday
UWFT Process Transformation Teams

- Manage Cash and Financial Assets
- Hire to Retire
- Project Inception to Close
- Asset Acquire to Retire
- Plan and Manage the Business
- Supplier Requisition to Payment
- Grant Award to Close
- Record to Report
- Customer Requisition to Payment

User Task Group around specific need

UNIVERSITY of WASHINGTON
Other Engagement Strategies

> Focus Group Participant
> Participant in Workday Demos
> Participant in Surveys
> Beta Tester
> Other?
Flash Round

Maintaining Program Momentum
What Can Impact Momentum?

> Resistance to change
  - Unclear value to end users
  - Unspoken concerns

> Slow decision making
  - Collaborative nature of culture and “management by committee”

> Key leadership and direction changes
  - Fresh eyes can bring benefit, but can also lead to momentum loss
  - Leadership changes e.g. hiring UWFT Program Director/AVP, incoming Provost

> Competing Priorities
  - Other key enterprise and unit projects
  - Ongoing operating priorities

Large, complex programs fail to deliver anticipated outcomes nearly 70% of the time.
Best Practices to Maintain Momentum

1. **Define program vision and priorities at the highest executive level**
   - Establish a compelling reason for change
   - Create a stake in the outcome
   - Infuse the organization with purposeful action
   - Set priorities across the enterprise
   - Clear objectives

2. **Invest in strong program governance and leadership**
   - Basic project management approaches do not scale
   - Sets the tone for the initiative
   - Drive, determination and passion are needed to deliver large scale change
   - Instill confidence with a positive focus, while having hard conversations

What is the most important consideration?
- Transforming the way work is done?
- Containing costs?
- Delivering on a promised date?
3. **It's about the people**

   > Empower and support teams to do what they do best
   > Perception is powerful – leverage change management techniques throughout the program
   > Identify key roles and skills - get the right people at the right time
   > Resources will change – have a robust knowledge transfer process and leverage interim roles where needed

4. **Prioritize communication and transparency**

   > Foster an environment of truth telling where participants can be heard and concerns addressed
   > Communication should be concise and timely
   > Be present or send an informed designate
5. **Commit to crisp decision making**

> Push decision making down to the lowest level

> Gather the right information and represent differing viewpoints

> Confidently make decisions and stand by them – limit rework and backtracking

6. **Set a reasonable pace**

> Be realistic about the progress you expect to see; aim to crawl, walk, or run as appropriate.

> Set checkpoints to objectively measure progress and prepare to adjust

7. **Plan for change**

> Despite the best plans and intentions change will come and it will be disruptive

> Where possible build in contingency in both schedule and cost

> Don’t stand still - encourage other work to move forward while key decisions are evaluated
Flash Round
Realizing Value Through Transformation
Where are we and where we want to go . . .

Where we are . . .

> Largely Decentralized and Federated

> Sacrificing enterprise efficiency in order to optimize processes for the unit

Where we want to go . . .

> Leverage system functionality that enables modern accounting practices and supports consistent/streamlined processes and policies across the enterprise to achieve productivity gains
UW/UWM Process Maturity Workshops & Fit Gap Analysis

FSNA/FSSR Requirements fed initial UW Fit Gap review; Over 3,400 requirements. UWM did not have detailed requirements.

21 maturity model workshops complete focusing on various processes across the UW Academy and UW Medicine.

Over 1,719 business requirements identified (1,605 UWM/114 UW) throughout the maturity model workshop process.

Over 200 Participants across the finance taxonomy participated in the workshops.

The revised business requirements fed the Fit / Gap Analysis, TCO and Business Case for the ERP implementation.

13 Transformation Initiatives identified focusing on People, Process, and Technology.
SUMMARY: Overall Workday meets the needs of UW and UWM; A deeper dive in the areas of concern such as effort reporting that includes practice plan salaries, post award grants management and cost sharing, budgeting and planning, costing, supply chain, sourcing, inventory and logistics are needed to explore workaround solutions.

Note: Fit gap considers Workday’s future roadmap and assumes implementation of key requirements prior to go-live.
UW/UWM Requirement Maturity

---Is the Solution
---Are the gaps
---How do we close the gaps?
---Identify Solution - what's not there?
---Identify Pain Points (what we need to do but can't?)

We are here

Descriptive

Traceable

Project Activity

Initiation Pre-Readiness Readiness Implementation
# UW/UWM Maturity Model Output Combined Summary

<table>
<thead>
<tr>
<th>Workshop Session</th>
<th>Developing</th>
<th>Defined</th>
<th>Advanced</th>
<th>Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeting and Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Accounting and Financial Reporting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts and Endowments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants Award to Close</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## UW/UWM Maturity Model Output Combined Summary cont.

<table>
<thead>
<tr>
<th>Workshop Session</th>
<th>Developing</th>
<th>Defined</th>
<th>Advanced</th>
<th>Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous AR and Internal Billing</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
</tr>
<tr>
<td>Procure to Pay and Supply Chain</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
</tr>
<tr>
<td>Fixed Assets and Capital Projects</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
</tr>
<tr>
<td>Project Cost Accounting and Costing</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
</tr>
<tr>
<td>Treasury, Bank Reconciliation and Cash Management</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
<td>![Icon]</td>
</tr>
</tbody>
</table>
What are we transforming to?

> Make processes **Standardized and simplified**

> **Optimize processes for the enterprise** while continuing to support UW’s entrepreneurial spirit and the specific needs of the units
How do we plan to get there?

> Establish leadership commitment to **promote standardization** and limit exceptions

> Implement strategic change mgmt. that highlights the **value of enterprise optimization** and engages key stakeholders in design activities

> Identify process exceptions through an **analysis of current state to inform a future state design** and eliminate redundancy across the enterprise

> Define business process criteria and **implement a robust assessment and acceptance process** for any exceptions
Enterprise Operating Model Maturity

**ADVANCED**
- Units execute standard process in parallel
- Standard procedures with some variations (local needs)
- Central system with varying workflows

**LEADING**
- Efficiency and reduced risk – no process variations needed
- Central unit operates shared service for all
- One procedure, common workflow

**DEVELOPING**
- Disparate systems, lack of enterprise efficiencies
- Multiple units execute varying processes
- Little or no shared procedures
- Distributed systems largely not integrated with central system

**DEFINED**
- Specialized systems and processes
- Multiple units execute comparable processes in parallel
- Fewer standard procedures, combined with local procedures
- Distributed systems integrated with central system

© MIT Sloan Center (adapted)
Closing Remarks
Brian McCartan