February 28, 2020

To: Dan White, Chancellor

From: Amanda Wall, Interim Associate Vice Chancellor for Financial Services
            Kellie Fritze, Director of Business Services & Executive Officer, Facilities Services

cc: Julie Queen, Vice Chancellor for Administrative Services

RE: Central Shared Services Business Office Proposal

The proposed UAF Central Shared Services Business Office (CSSBO) is customer-centric business model that will perform transactional functions for the University of Alaska Fairbanks administrative and centrally supported units with a holistic approach. The office will perform specific business transactions with best practices, efficiency, and innovation while maintaining industry standards.

The proposed model is an expansion of the existing Administrative Services Shared Office (Admin SSO), leveraging the current expertise in Facilities Services (FS). The Admin SSO currently provides back-office accounting and budgeting to Environmental Health, Safety, and Risk Management; Facilities Services; Financial Services (Office of Finance and Accounting, Office of the Bursar, Office of Management & Budget); and the VCAS office. Services provided include journal vouchers, monthly proformas, budget revisions, management reports, financial reporting and data analysis, recharge rate proposals and billings, and work-order billing. Expansion of services would not only include incorporating additional units into the new CSSBO, but also the addition of other transactional types of service such as acquisition of goods, travel coordination, and personnel/payroll actions. Current staffing and annual volume of the Admin SSO, plus the FS staffing and volume for purchasing, travel and personnel/payroll is shown below:

> Fiscal Support: 3.25 FTE
> > $79M+ budgets: Fund 1, recharge, auxiliary
> > $50M+ rolling capital budget
>
> Warehouse Purchasing: 3 FTE transactional / 3 FTE warehouser/expediter
> > $9.7M annual operation
> > 9,200 pro-card transactions
> > 9,140 special orders (items not in 4,400 warehouse inventory)
> > 1,060 blank purchase orders (BPO)
> > 150 requisitions / purchase orders
> > Work-order system entry by building/project for each item

Personnel / Payroll: 0.75 FTE
        Supports 167 benefited staff
        ~ 120 student hire / rollover
        ~ 70 annual benefited/temp hires
        ~260 job form submissions

Travel: 0.75 FTE
        ~70 trips annually

We propose creating a cost-saving structure through the reduction of duplicative practices at the unit level and align processes and procedures to increase efficiencies for all customer units. The objective of shared services is to reorganize and standardize many of the transactional services occurring in decentralized units across an institution within a new, specialized organization to align with industry-leading practices. The office will be progressive and deliver a full-service business center to provide a depth and breadth of service in a reduced budget environment.

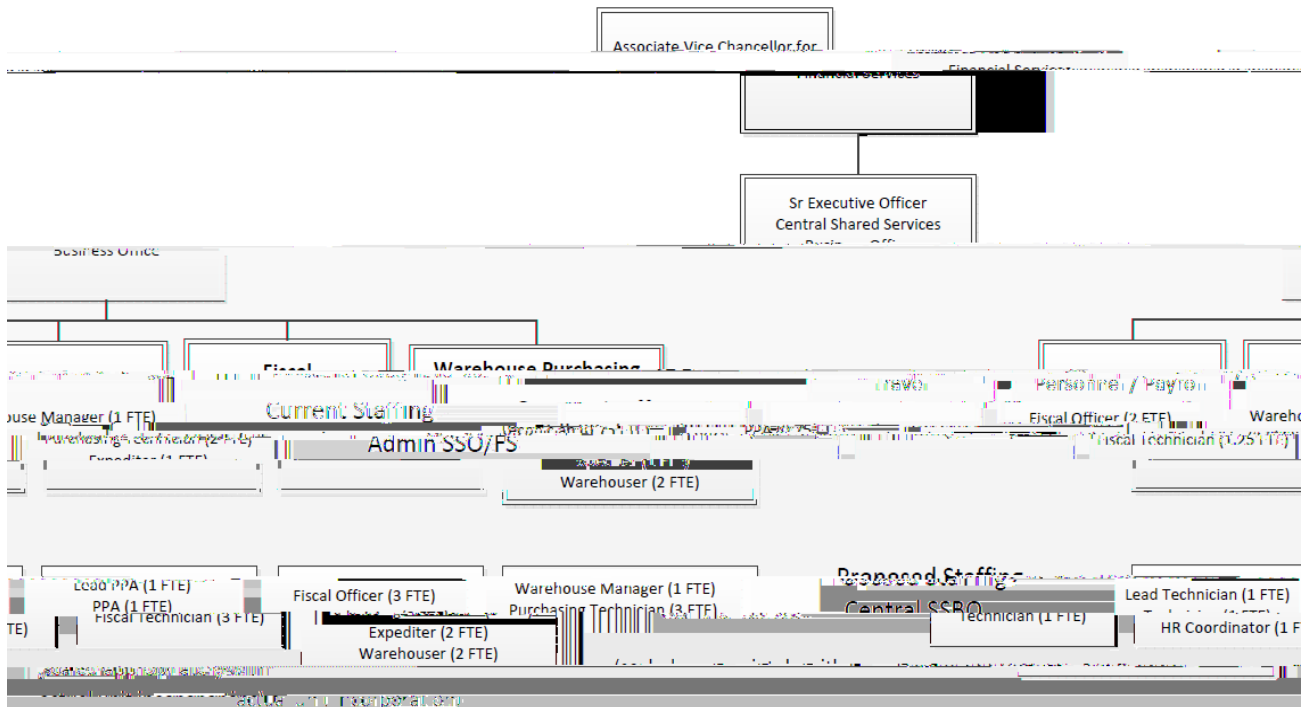|	Central Shared Services Business Office
Model	The center will include travel, purchasing, personnel/payroll support , and financial transaction management (Executive Officers would remain with VC/Dean leadership) The service center could be located centrally at Lola Tilly Commons, or other selected location as appropriate.
Characteristics	Exceptional customer service Primary transactional staff can become experts, with built-in cross-training opportunities Balanced workloads Increased ability to provide backup, avoiding delays due to absences Internal career ladders with increasing specialization Staff are exposed to a variety of functions, developing skills need4(s)3r ref539.76 406.

Benefits	Specialized staff rather than current generalists within units Activities are transactional Activities have a high level of standardization There are efficiency gains with scale Benefits from coordination across units outweigh unit-specific expertise Cost-savings to units outweighs benefits from physical proximity

Goals	Establish trust relationships that lead to a better sharing of knowledge and understanding both within the CSSBO and units served
	Retain valuable organizational knowledge that comes with the continuity of staff and the sharing of information
	      Promote from within
	      Regular staff meetings
	Generate new ideas and insights
	Create a climate where innovation and new ideas are supported and members listen to diverse points of view
	Multiply impacts while maintaining or reducing the resources needed to do the job

Central Shared Services Business OffiT59e85 3T0 2 0.9s)(C) 1 e 23D 9.5d( )TjT0 1f0.005 Tc-8

The chart below shows both the current Admin SSO/FS and the proposed CSSBO staffing.

Accountability structure

The CSSBO reports through the Senior Executive Officer to the Associate Vice Chancellor for Financial Services, with the current financial services advisory group (represents all UAF units) for use as an Advisory Board and guidance on areas impacting other units on campus. The group's contribution would be to define expectations from the unit and central perspectives, align philosophies, and ensure that services are responsive to customer needs.

Operational Level Agreements (OLA)

An OLA will be used to describe the provided services and delivery expectations, and manage the working relationships between the CSSBO and the supported units. The objective of the OLA is to establish a mutual understanding of the support expectations for the services provided and will:

> outline services to be offered and working assumptions
> define mutual requirements and expectations for critical processes and overall performance
> strengthen communication between CSSBO and its customers
> quantify and measure service level expectations
> delineate mutual requirements and expectations for critical processes and overall performance
> provide a vehicle for conflict resolution

Plan - how we transition to shared services

Plan	Activities	Timeline
Phase 1: Plan	Approval for restructuring from Chancellor Conduct project kick-off meeting, develop guiding principles/vision, and draft project charter Develop a plan to meet with key unit/department stakeholders to create assessment and design plan	April 1 – 30, 2020