

UNIVERSITY OF
WISCONSIN

OSHKOSH

Chancellor's Study Group
Financial Business Processes


Chancellor's Study Group: Financial Business Processes

Leadership Council Update

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FBP Study Group Members

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Executive Summary

- There are essentially four organizational models from which to choose (details momentarily)
- The primary opportunities for improvement on *all* KPIs involve making FBP more efficient, independent of organizational reporting relationships
 - Financial Services help desk
 - Clean, user-friendly Financial Services web site
 - Modular training for new personnel in new roles
 - Electronic forms
 - Transparent processes (FS and units can see status)
 - Timely recording of transactions (many cross-charges appear long after the economic event and “surprise” units)

Common Key Performance Indicators (KPIs)

- Strategic Alignment
 - Do our FBP support the institution's achievement of its priorities and mission objectives?
- Customer Service
 - How satisfied are our students, faculty, and staff with using our FBP and with the outcomes our FBP produce?
- Operational Excellence
 - Are we executing our FBP as efficiently as possible?
- Risk Management
 - How well do our FBP protect the institution's assets?

Types of FBP

- Transactional
 - FBP that involve accounting for revenues and expenses correctly, paying vendors and employees, managing cash, reconciling actual to budgeted revenues and spending, etc.
 - Analytical
 - FBP that involve assessing the costs and benefits of resource allocation decisions (such as whether to make a purchase, match a competing salary offer, continue a particular program, begin a new program, etc.)
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Organizational Models

Model	FBP Design	FBP Resources	Transactional and Analytical Activity	Implications for Official and Shadow FBP Systems
Decentralized Units design and implement processes and deploy resources independently.	Units (independently)	Units (independently)	Units initiate and execute; FS may support	Units may or may not contribute to improving official systems. Many shadow systems exist, different across Units
Centralized FS designs and implements processes and deploys resources.	FS	FS	Units can initiate; FS executes; FS can initiate and either execute or Units comply and execute	Official systems support FS needs, not Units'. Many shadow systems exist, different across Units
Standardized FS designs processes. Units deploy resources to implement processes following standard design.	FS	FS; Units	Units can initiate and execute following standard process FS can initiate and either execute or Units comply and execute following standard process	Official systems support FS needs, not Units'. Many shadow systems exist, different across Units
Shared Services Center A Shared Services Center (SSC) within FS has client relationships with Units governed by service level agreements and/or memoranda of understanding	Units specify outcome quality; SSC designs	SSC, typically with a designated Client Manager for each Unit	SSC and/or Units initiate; SSC executes	More local official systems that support SSC needs to meet Unit requirements; fewer (if any) shadow systems

Current approaches

- Transactional FBP
 - Primarily centralized or standardized
 - Value-stream maps likely include many non-value-added activities and places where information and activity can be lost
- Analytical
 - Primarily decentralized
 - Supporting information for program planning analysis and decisions difficult to obtain
 - Shadow systems (mostly Excel-based, but two Colleges use Oracle for budget activities) in place

Models and KPIs

	Key Performance Indicator			
	Strategic Alignment	Customer Service	Operational Excellence	Risk Management
Model				
Decentralized	Medium	High	Low	Low
Centralized	High	Low	Medium	High
Standardized	High	Low	High	High
Shared Services Center	High	High	High	High

Rating	Description
Low	This organizational model is not very effective at delivering strong performance on this KPI.
Medium	This organizational model is moderately effective at delivering strong performance on this KPI.
High	This organizational model is very effective at delivering strong performance on this KPI.

Comments on Moving (Further) Toward:

Model	Costs and Benefits of Emphasizing the Model
Decentralized	<ul style="list-style-type: none"> • Units have some sense of ownership and control • Units responsible for staffing and training • Lower operating efficiency and more idiosyncratic systems • Units' analytical needs addressed most thoroughly • Highest risk for low strategic alignment as units may not consider synergies
Centralized	<ul style="list-style-type: none"> • Likely to have good operating efficiency in central area • Units have no sense of ownership and control • More shadow systems if central is not responsive or does not invest in understanding units' needs (particularly analytical needs)
Standardized	<ul style="list-style-type: none"> • Should improve operating efficiencies of units are all using common processes and systems • Units have little sense of ownership and control • More shadow systems if central is not responsive or does not invest in understanding units' needs (particularly analytical needs)
Shared Services Center	<ul style="list-style-type: none"> • Profound cultural change at UW Oshkosh • SSC Members must be technical experts and manage client relationships (but jobs more satisfying (?)) • Likely to provide best customer service and operating efficiencies (eventually) • Reduces overall risk through cross-training and elimination of shadow systems

Next Steps

- Financial Services consider establishing help desk setup similar to academic computing
- Leadership Council (or appropriate individual/group) must decide whether to
 - Invest in Financial Services website redesign
 - Establish task force to invest in FBP “lean” project
 - Establish task force to develop common operating budget management system for units (to replace shadow systems and ideally communicate with WISDM)
 - Establish task force to develop implications of changing organizational model

FBP Study Group Charge

- Study national best practices, including private-sector principles, to optimize financial business processes and fiscal management
- Gather, from stakeholders across campus, transactional, advisory, analytical, and strategic fiscal management needs and/or concerns
- Identify resources supporting campus financial business processes and fiscal management, including, but not necessarily limited to, personnel and shadow systems
- Develop and present two to three new service delivery models and their pros and cons addressing the following goals:
 - Enhancing the efficiency, strategic effectiveness, and quality of financial/budget services
 - Ensuring a comprehensive strategy utilizing concepts such as enabling technology, shared services, process reengineering, process standardization, business process outsourcing, and change in organizational structure
 - Defining competitive positioning of services as it relates to skills and resources
 - Identifying the impact of a new service delivery model
 - Facilitating continuous improvement of core financial business processes and fiscal management