

Modernization of Finance and Human Resources Administrative Processes

Recommendations

May 2019

Context

- Human and financial resources tools, systems and processes no longer meet the needs of the University of Ottawa.
- Transformation 2030 will set a clear direction to improve our administrative processes.
- Deloitte was hired to assist uOttawa in evaluating our current state, designing a desired future state and proposing a multi-year roadmap to get us to the future state.
- The following is what the Associate Vice-President, Financial Resources; the Associate Vice-President, Human Resources; the Deputy Provost of Financial Planning; the Vice-Provost of Faculty Relations and the Chief Information Officer recommend based on Deloitte's final report and modified based on internal consultations.

Diagnosis

Our consultations with Deans, Professors, Researchers, and administrative management show:

1. Our inability to meet current stakeholders' needs, including:
 - Providing data and information to properly manage resources;
 - Timely hiring, processing of expenditures, response to service queries, etc.
2. Administrative processes that hinder the ability of faculties and services to deliver on their core mandate
3. A realization that change is necessary
4. A willingness to change

Diagnosis (continued)

Current challenges and opportunities to improve include:

Talent misalignment

- Depth and breadth of Finance and HR skill sets is highly variable across business units.
- Specialized Finance and HR skill sets are located inconsistently across business units.

Inconsistent support models

- Pathways and channels to support are confusing to end users.
- Support varies and can be dependent on historical arrangements.

Limited information strategy

Lack of formally defined information and data needs of key users contributes to challenges in obtaining timely and accurate data.

Disparate and inadequate Finance and HR systems

Over the years, several point solutions have been built/acquired to address business needs the current Enterprise Resources Planning (ERP) system can't fulfill.

Process inefficiency and variability

- Administrative processes include numerous exception paths.
- Multiple reviews, approval and re-keying, results in duplication of effort and loss productivity.

Overview

Mandate

Offer financial and human resources services to faculties and services so they can concentrate on fulfilling their mandate effectively and efficiently.

Overall high level objectives

1. Accurate, complete and timely information to facilitate analysis and data-based decision-making
2. Enhanced service levels to professors, researchers, employees and students
3. Improved efficiency and effectiveness through automation and harmonization
4. Refined compliance and controls based on risks

High level benefits

1. Financial, HR and research grant information that useful and easier to understand
2. Less administrative burden on professors, researchers, employees and students due to simpler and efficient processes
3. New, more intuitive self-service tools for analysis and decision-making
4. Enhanced services through harmonization, automation and a user-focused approach
5. Simplification of the technology resulting in lower licences and ongoing maintenance costs

Examples of Benefits

Senior Management

- Real-time visibility on university-wide data and KPIs
- Comprehensive decision/strategy driven by data (e.g., capital assets)
- Improved analysis and easier scenario modeling to support decision-making

Examples of Benefits

Faculty members

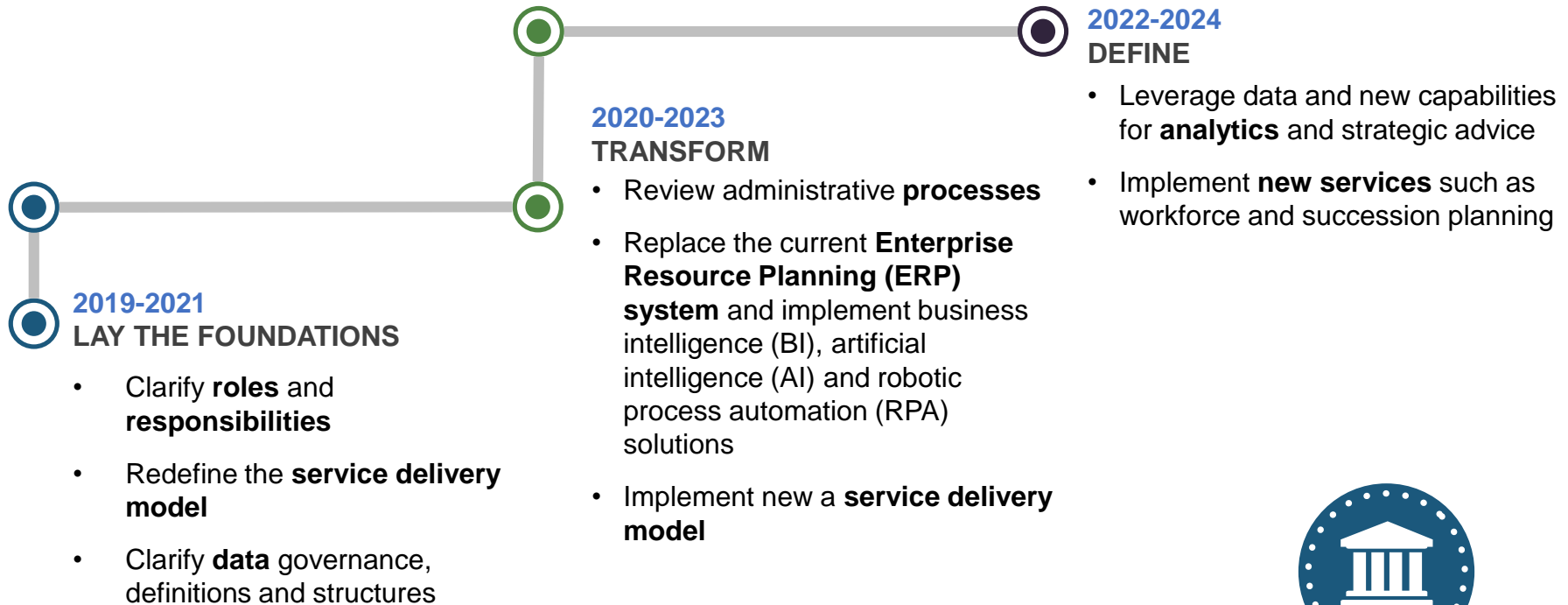
- Real-time financial analysis, charts, ratios, graphs for better decision-making
- Real-time capital project financial status for better management
- Ability to produce financial reports for external and internal request in an efficient and timely matter

Examples of benefits

Administrative staff

- Complete HR data (employee information, such as leave balances, hire date, vacations, including for temporary employees)
- Streamlined access to information and simplified task execution (including from mobile phones) such as leave approval, reimbursement and payment approval, etc.
- Real-time research grant information (remaining funds, etc.)

Overall Program Approach



2019-2021 LAY THE FOUNDATIONS

- Clarify **roles** and **responsibilities**
- Redefine the **service delivery model**
- Clarify **data** governance, definitions and structures
- Select a **cloud Enterprise Resource Planning (ERP) system**

2020-2023 TRANSFORM

- Review administrative **processes**
- Replace the current **Enterprise Resource Planning (ERP) system** and implement business intelligence (BI), artificial intelligence (AI) and robotic process automation (RPA) solutions
- Implement new a **service delivery model**

2022-2024 DEFINE

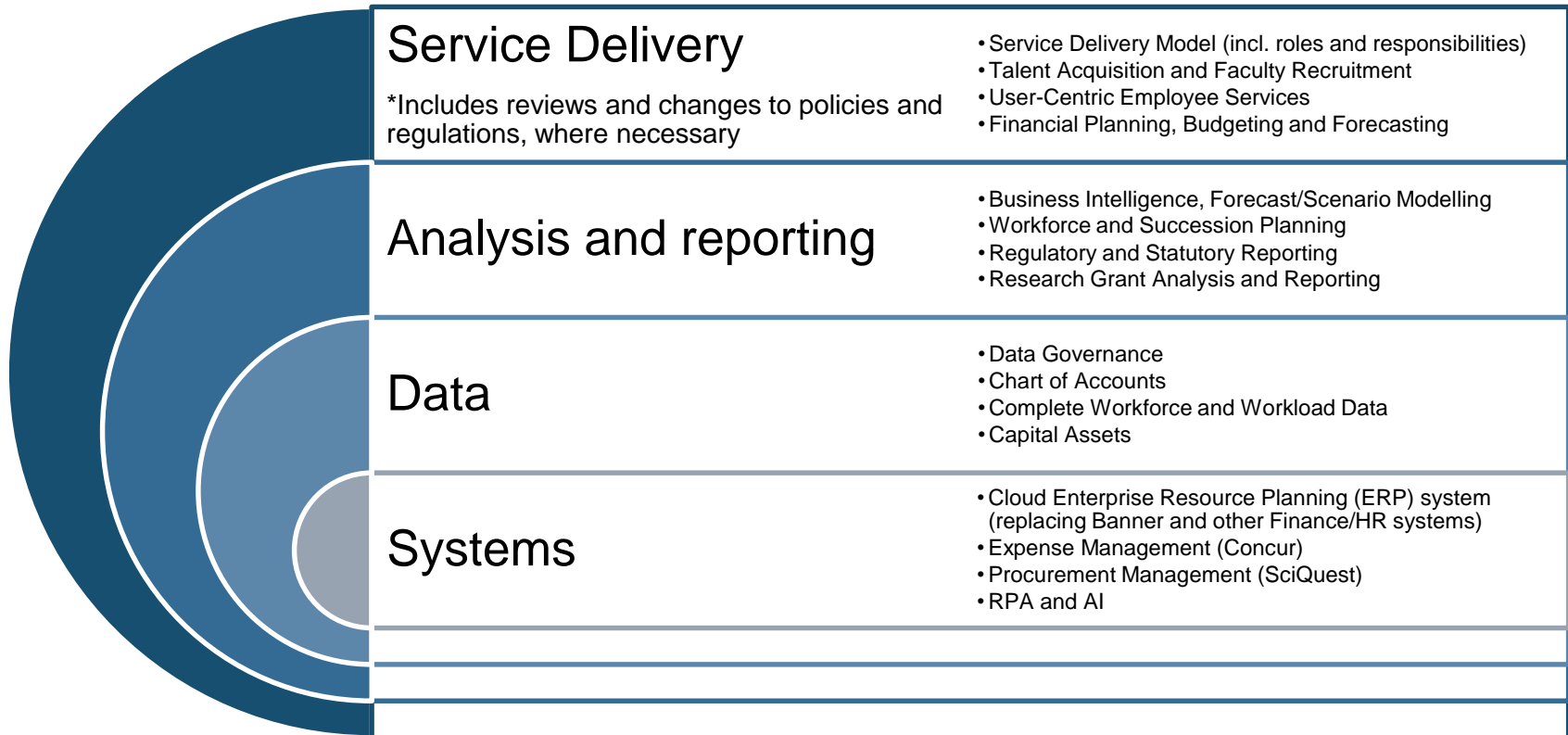
- Leverage data and new capabilities for **analytics** and strategic advice
- Implement **new services** such as workforce and succession planning



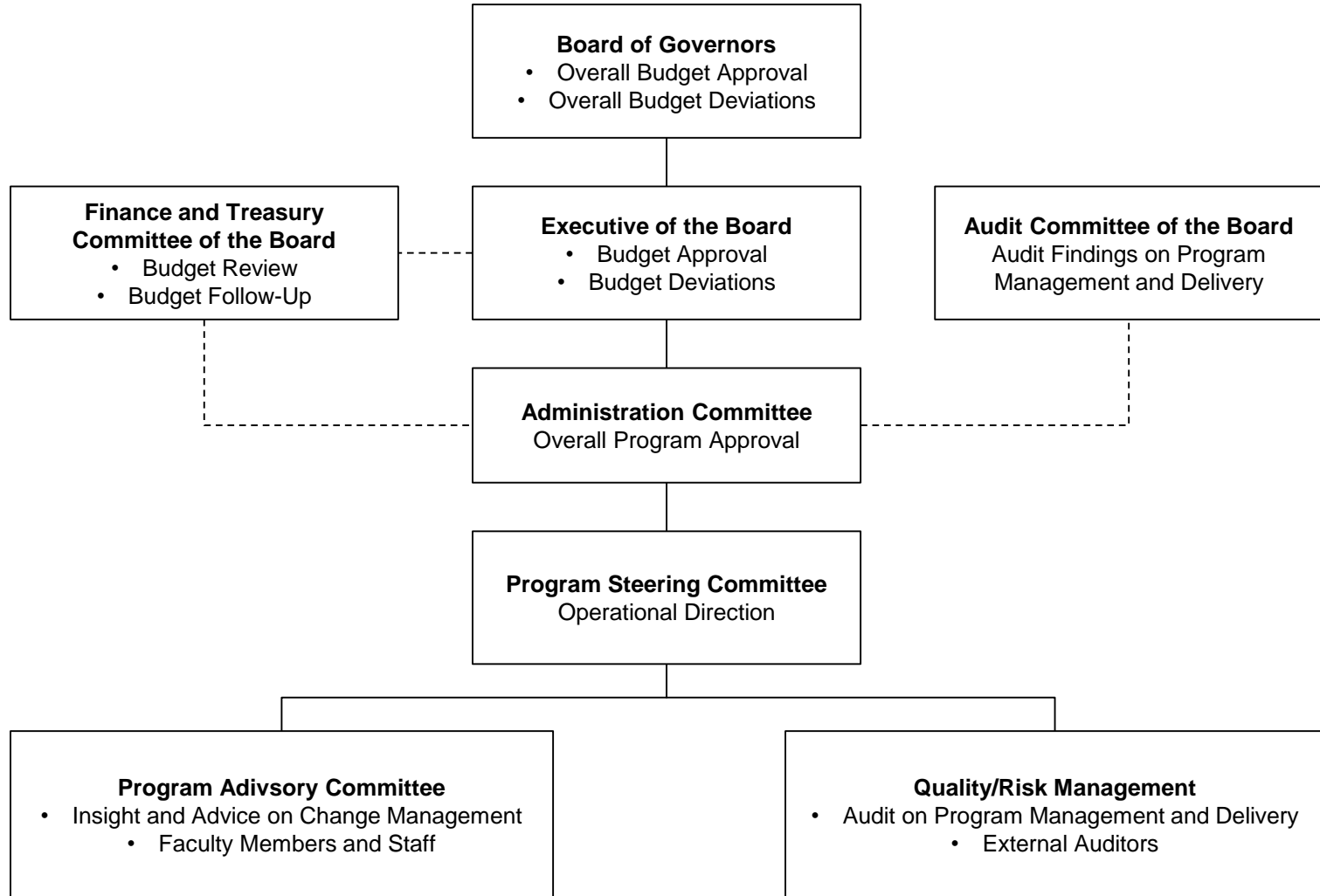
GOVERNING PRINCIPLES

- Be flexible in adapting and harmonizing our business processes to best practices, in particular to avoid system customization (vanilla approach).
- Use phased implementation, where possible, to benefit from incremental benefits throughout the duration of the Program.
- Adopt a user experience design approach to improve the satisfaction for segments of users (faculty members, staff and students).

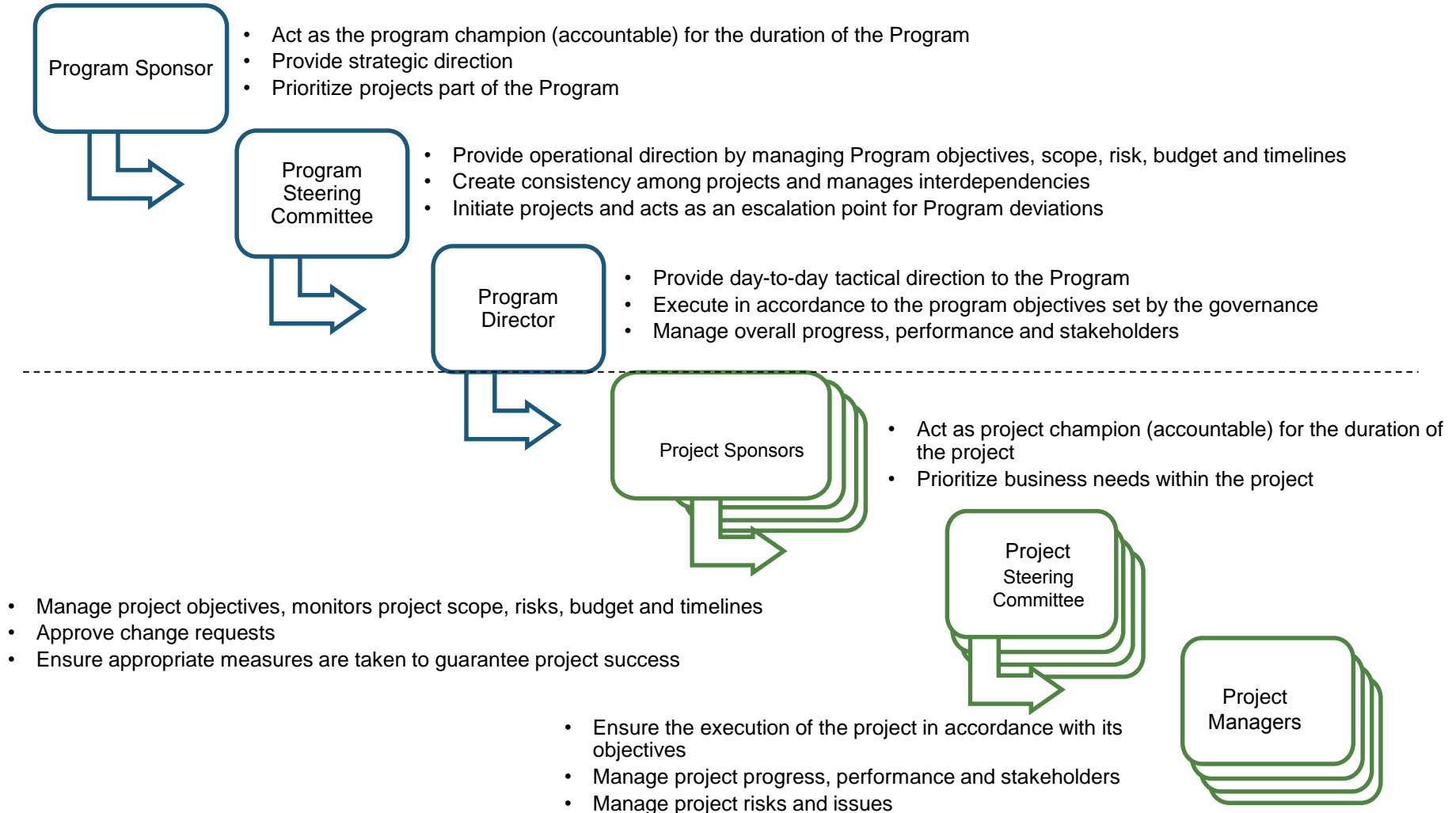
Deliverables



Governance



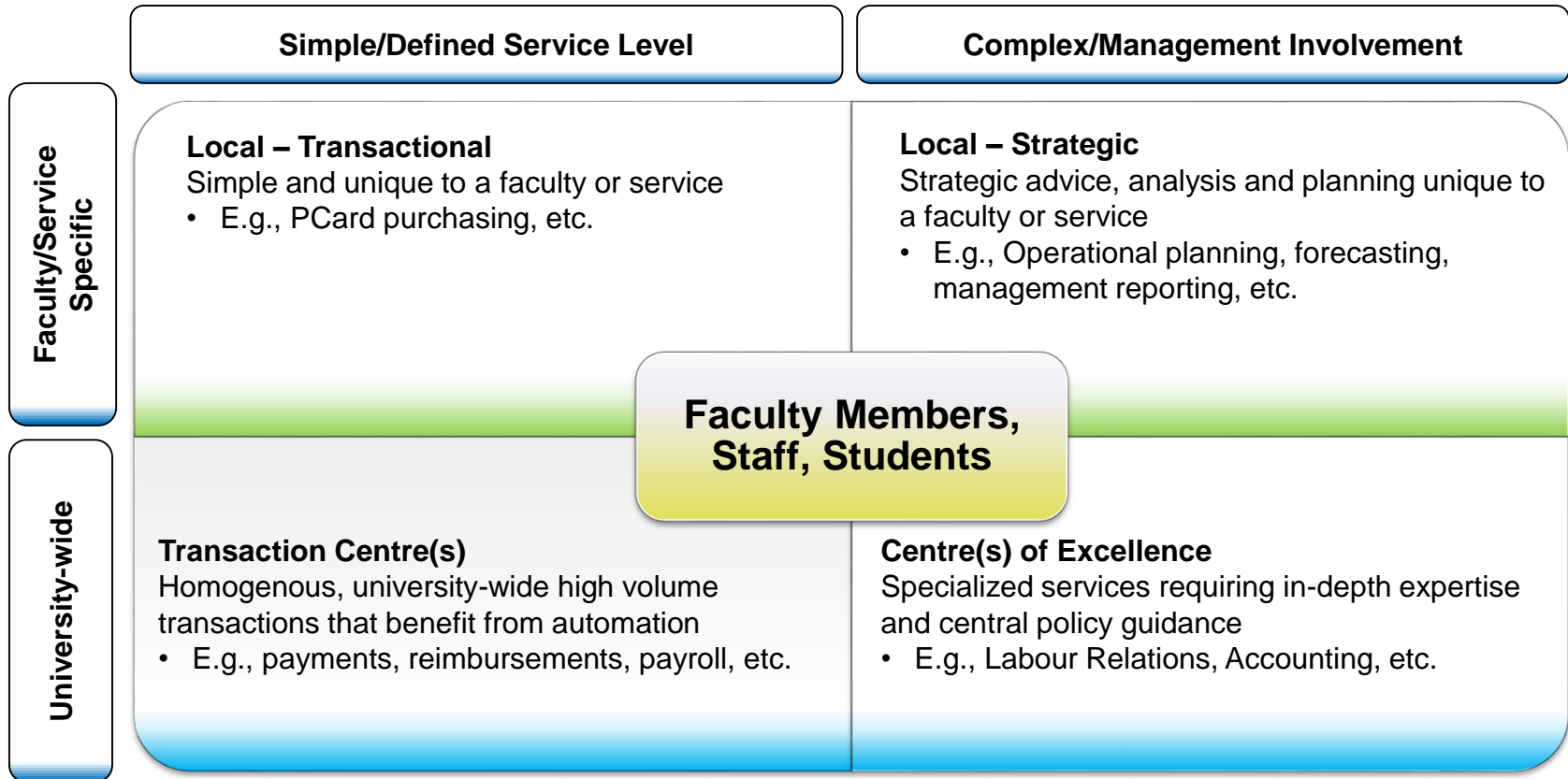
Program and Projects Governance



Proposed Governance Membership

- Executive Sponsor: President and Provost
- Program Sponsor: Vice-President, Resources
- Program Steering Committee:
 - Associate Vice-President, Financial Resources
 - Deputy Provost, Academic Planning and Budgets
 - Associate Vice-President, Human Resources
 - Vice-Provost, Faculty Relations
 - Associate Vice-President, Research
 - Chief Information Officer
 - Vice-Provost, Graduate and Postdoctoral Studies
 - Dean's Representative

Clarifications of Tasks Responsibilities in Administrative Processes



Impact

Replacing the current Enterprise Resource Planning (ERP) system has an impact on a wide variety of internal and external stakeholders.

- **Over 4,400 suppliers paid per year; 16,000 research funds and 9,000 POs**
- **Over 15 000 stakeholders**
 - Faculty members
 - Staff
 - Students
 - Retirees
 - Clinicians
 - Etc.

- **Where they work**
 - 10 faculties
 - 50 services
 - Affiliated hospitals and institutes
- **Collaborators**
 - 10 unions
 - Regulatory bodies and governance
 - Partners (banks, Manulife, Morneau Shepell, United Way, etc.)

High-Level Budget Estimate*

Investment	2019-20	2020-21	2021-22	2022-23	Total
Operating**	\$1.2M	\$2.4M	\$3.8M	\$2.4M	\$9.8M
Enterprise Resource Planning (ERP) system***	\$0.2M	\$3.4M	\$9.4M	\$9.4M	\$22.4M
Contingency****	\$0.4M	\$1.4M	\$3.3M	\$3M	8.1M
Total Investment	\$1.8M	\$7.2M	\$ 16.5M	\$14.8M	\$40.3M

*High Level Budget Estimate: These budget estimates are subject to change and will be updated regularly and as required.

**Operating: Includes salaries of the project team, including salaries to backfill resources assigned to the project and non-salary expenses such as equipment, furniture, materials and supplies.

***ERP: Includes the purchase of software licences and the services of an integrator in order to configure and implement the ERP. Based on avg. cost estimates provided by Deloitte.

****Contingency: High risk project contingency for unplanned changes or delays.

Financing (based on 2019-20 three-year plan)	2019-20	2020-21	2021-22	2022-23	Total
Budget Allocation	\$2M	\$5M	\$15M	\$TBD	\$TBD
Surplus	\$0M	\$0M	\$0M	\$TBD	\$TBD
Total Financing	\$2M	\$5M	\$15M	\$TBD	\$TBD

Timeline of Next Steps

- Fall 2019: Prepare and present the business case
- Winter 2019-20: Prepare and launch an RFP for a cloud Enterprise Resource Planning (ERP) system
- FY 2020-21: Regular Quarterly Reporting to Audit Committee
- Work on foundational elements for a new cloud ERP system



2019-2021.

ÉTABLIR LES BASES



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- Re-define **service delivery model**
- Clarify **data** governance, definitions and structures
- Select new cloud **Enterprise Resource Planning (ERP) system**

