1. Executive Summary

In the fall of 2009, the Provost established several task forces to develop recommendations about ways in which the University can position itself to deal with the financial challenges it is facing. The charge of the Creative Staffing and Shared Services task force was to look systematically at ways of sharing resources for more efficient delivery of administrative support services. This report provides the results of task force discussions and outlines recommendations for the Provost’s consideration.

This executive summary lists the high-level recommendations of the task force. Sections 5-7 of this report put “meat on the bones” of these recommendations, by listing specific job functions from the highest priority job categories identified by the task force, and, for each, making a recommendation about whether the function is a good candidate for Shared Services (SS) or Creative Staffing (CS), and if so, what form of SS or CS appears to be most appropriate.

The task force considered a broad range of delivery models and service functions. In particular, it explored the use of shared services, a concept originally developed in the private sector as a means of improving efficiency and service responsiveness in large, complex, and decentralized organizations, by consolidating back-office functions in a way that assures accountability and avoids the problems often associated with centralization of services (lack of responsiveness, sometimes exacerbated by an increase, rather than decrease, in cost). Accountability in a shared services unit is achieved in at least three ways: (i) through specific and enforceable service level agreements (SLAs) that specify in detail the performance each unit can expect; (ii) through customer-run governing boards that are responsible for setting the metrics used in the service level agreements, for assessing performance, and for setting priorities for the service center; and (iii) through the assignment of individual customer-relationship managers (or “account managers”) who provide a cognizant and responsible point-of-contact for customers.

RECOMMENDATION #1: In all cases in which there is a consolidation of administrative functions, that consolidation should be made with a deliberate emphasis on a shared services approach, including service-level agreements, an empowered customer governance structure, and the provision of individual customer-relationship managers.

This recommendation should not be taken to mean that the task force believes shared services provide the right approach to increased efficiency in all instances; rather, it is a recommendation about how to approach consolidation when that is the most appropriate strategy for enhanced efficiency of service delivery. In some cases, creative staffing and other approaches will be a more advantageous way of achieving increased efficiency.

Within the broad spectrum of shared services and creative staffing arrangements, the task force considered four main models:

1. Model 1: A shared-services unit created from an existing current central unit.
2. Model 2: A newly created shared services unit.
3. Model 3: A shared-services unit created within a center of excellence on the campus.
4. Model 4: Creative staffing and other approaches to staffing efficiency, including
   1. small-scale, *ad hoc* staffing agreements between individual units;
   2. outsourcing to an organization entirely external to the university;
   3. use of improved technology and work process re-engineering;
   4. increased efficiency and improved quality of performance resulting from the sharing and implementation of best practices;
   5. elimination of some activities.

Existing central units for the most part lack a shared-services culture, and while we understand that central administrative units have taken steps in recent years to better understand their customers, culture-change is nevertheless extremely difficult to achieve. Thus the task force recommends against widespread adoption of the first model.

**RECOMMENDATION #2:** Model 1—creation of a shared services unit from an existing central unit—should be avoided in most cases.

While there are certain circumstances in which a center of excellence can be a good model for shared services, this approach can also potentially result in significant stresses between units, with the schools or colleges that are consumers of a service risking service that is secondary to that of the provisioning unit. We therefore recommend limited use of this model.

**RECOMMENDATION #3:** Model 3—the use of a center of excellence—should be considered for adoption in a narrow but important set of circumstances, specifically, when the service in question either:

1. requires some special equipment or facilities that an academic unit possesses;
2. or is closely tied to the teaching, research, and/or service mission of a specific unit.

Our next recommendation is a direct consequence of the previous two. As noted above, Sections 5-7 provide more detail about specific job functions and their mapping to particular models of SS or CS.

**RECOMMENDATION #4:** In most cases, the preferred model for shared staffing at the University of Michigan will be a newly created service center, i.e., Model 2.

That said, there are also opportunities for increased efficiency that do not rely on a shift to shared services, but instead make use of the approaches outlined in Model 4, such as creative sharing and work-process re-engineering. In fact, there are already a number of efforts to implement creative staffing underway, in LSA, the Medical School, the School of Dentistry, the Fleming building, and elsewhere; the task force applauds these and believes that the lessons learned from them will be valuable to the broader campus community.
RECOMMENDATION #5: Give serious consideration to the use of creative staffing and related approaches, e.g., work-process re-engineering, elimination of activities, etc., as outlined in Model 4 above, for many administrative functions.

In particular, the task force believes that there are many opportunities to use technology to increase quality of service while reducing costs, and indeed the success of shared services and creative staffing will depend upon improved technology.

RECOMMENDATION #6: Invest in information technologies that are more intuitive and user-friendly, require less training, eliminate incentives to create shadow systems, and make use of electronic work flow.

A shift to service centers may either involve formation of a single site or geographic hubs; we re-iterate that Sections 5-7 give specific recommendations about services and the appropriateness of different geographic models for provisioning them.

RECOMMENDATION #7: In deciding whether a shared service should be provided in a single service center or in geographic hubs, take into account the nature of the services being provided.

We also distinguish amongst different models of participation:

1. Fully optional participation by units.
2. Optional participation, but with mandatory financial contributions. We call this the “private school option” model, by analogy to the situation where citizens of a town all pay real estate taxes that support the public school, but may opt to send their children to private schools if they bear the additional cost.
3. Mandatory participation by all units (schools, colleges, centers, central units).

If units are not required to support shared services models, there is a danger that the needed efficiencies will not be obtained. On the other hand, given the University of Michigan culture, mandatory participation without the option of providing a service locally seems unlikely to work.

RECOMMENDATION #8: In most cases where shared services are adopted, a “private school option” should be implemented, with a cost structure that incentivizes participation but allows a unit to opt out if there is something special about job function that makes it essential for that unit to take local responsibility for it. In a small number of cases, we recommend the provision of shared services on an optional, pay-for-use basis.

The task force identified a set of principles to be used in deciding whether a given staff function is a good candidate for movement to SS or CS. The decision model has two components. The first comprises a set of characteristics of job functions that qualifies them as either relatively good or relatively poor candidates for a shift to SS or CS. These were developed taking into account the specific mission and culture of the University of Michigan. The second provides further qualification: even if a job function is a relatively good candidate for SS or CS according to the general criteria, transition to SS or CS should still be contingent on the existence of a plausible business case. Specifically, because of the
potential downside of shifting to SS or CS, job functions should only be transitioned to such a model if there are identifiable, tangible, and likely benefits from doing so.

RECOMMENDATION #9: The decision to shift a job function to a SS or CS model should be based on its satisfying one or more of the characteristics of good candidates (listed in Sec. 4.1); on its not satisfying any of the characteristics of poor candidates (listed in Sec. 4.1); and on there being a good business case made, using the criteria in Sec. 4.2.

A systematic review of administrative functions across the University led the task force to conclude that the best opportunities for near- to middle-term introduction of SS and CS are in the areas of human resources, financial operations, and IT. We also concluded that it is extremely important to have a carefully planned and ultimately successful transition of some job functions to SS and CS, rather than to attempt to do massive transformation all at once.

RECOMMENDATION #10: Begin the process of shifting to SS and CS with job functions from the human relations, financial operations, and IT areas.

Finally, we recognize that the task force has only begun the work required to realize savings from a shift to SS or CS; significant additional effort will be required to translate our recommendations into actions. We suggest that the Provost move quickly and appoint an implementation committee, tasking them with operationalizing the recommendations of this task force. This committee should include both staff with suitable expertise in university business processes to carry out a detailed analysis of the resource requirements and expected benefits of particular staffing reconfigurations, and should also include representation of the deans and faculty.

We concluded that it is extremely important to have a carefully planned and ultimately successful transition of some job functions to SS and CS, rather than attempt to do massive transformation all at once.

RECOMMENDATION #11: Appoint an implementation committee to quickly operationalize the recommendations made by the CSSS Task Force, selecting a small subset of job functions identified in this report, making a detailed business case for their shift to CS or SS, and implementing the shift. The identified functions should include both ones for which a shift to SS is the best approach, and ones for which enhanced work-flow technology is most appropriate.
4. **Task Force Process**

The Provost’s Task Force on Creative Staffing and Shared Services included four deans (from Architecture and Urban Planning, Dentistry, Information, and Social Work), four key administrators from schools and colleges (Business, LSA, Medicine, and Public Policy), and three representatives of central administrative units (Office of Budget and Planning, Office of Business and Finance, and Office of University Development). A complete list of the task force members can be found in Appendix A.

The team met every other week, between 9/15/09 and 3/23/10, with members reviewing and preparing materials in between meetings. The meetings focused on the following topics:

1. Early meetings emphasized the development of a common understanding of alternative approaches to shared services and creative staffing, including development of a shared sense of the distinction between traditional, centralized staffing, and “shared services,” as the term is currently used in industry and government.

2. On 9/29/09, Robin Sarris briefed the task force on the shared and centralized administrative staffing initiatives going on in LSA. Jim Bell briefed the task force on creative staffing arrangements in the Department of Surgery. We also reviewed a report on the Service Center Initiative at UIUC.

3. Subsequent meetings involved formation of a set of criteria for determining whether particular job functions were good candidates to shift to a shared services or creative staffing model.

4. Next the task force used the identified criteria to systematically consider each category of administrative jobs on campus (human resources, financial operations, student services, etc.), with the goal of determining whether there are particular job categories that are most amenable to shared services or creative staffing.

5. On 11/16/09, Martha Pollack gave an interim briefing on the task force’s efforts to the APG Budget Subcommittee.

6. On 1/12/10, the task force heard comments from David Lampe, Vice President for Communications; Jerry May, Vice President for Development; Laura Patterson, Associate Vice President and Chief Information Officer; and Laurita Thomas, Associate Vice President and Chief Human Resource Officer. Each gave a brief description of the services currently being provided by their units that they view as most essential, discussed examples of beneficial but potentially non-essential or non-core services their units provide, and answered questions from the task force.

7. Because human resources and financial operations emerged as the areas of highest priority for a move to shared services or creative staffing, the task force next returned to a more detailed analysis of these job categories, developing recommendations for particular approaches to shared services and creative staffing for functions within them.

8. The task force completed its work by preparing this report, presenting it to the Provost in March 2010.
9. **Shared Services and Creative Staffing**

One of the great strengths of the University of Michigan is its decentralized structure. Everyone on the task force recognizes and feels strongly that perhaps the principal reason that our university has such broad excellence—broad excellence that is, indeed, its distinguishing characteristic—is because both the university culture, and the university policies, notably including the budget model, make it possible for units with vastly different missions and programs to make decisions that are tuned to their own needs. Without this decentralization and unit-level autonomy, it seems hard to imagine that there could be such a high degree of excellence across a college of literature, science, and arts that enrolls more than 18,000 students and a school of public policy that enrolls 265; a medical school where more than 1500 faculty members perform major clinical duties, a school of music, theatre, and dance, where one-on-one intensive instruction is the norm, and an engineering college where faculty regularly oversee research programs with annual expenditures of hundreds of thousands of dollars.

At the same, the task force realizes that the current budget climate demands significant increases in efficiency, and that one key potential approach to achieving such efficiency is to reduce the costs of providing certain back office administrative functions. The University already has a number of services that are shared across units, including financial reporting, procurement, legal services, benefits administration, university-wide communications, many aspects of IT support, etc. The task force notes that the attitudes of the individual schools and colleges towards these existing centralized functions are mixed at best. On the one hand, it is clear that many of them are of necessity centralized: for example, labor negotiations or employee benefits management could not possibly be done within individual schools and colleges, much less departments. On the other hand, there is a feeling of dissatisfaction with the level of service provided by some, but by no means all, of these centralized units.

Complicating the issue is the University’s culture of “exceptions”: central units spend an inordinate amount of time handling exceptions to standardized rules and policies. While it is imperative that university policies have a certain degree of flexibility, the current level of exceptions adds to the dissatisfaction both of central providers of service, who have to manage all the requested exceptions, and to users in the units, who experience delays while exceptions are handled. The task force notes that as services are consolidated, efforts will need to be made to reduce the expectation that exceptions to policy are the rule instead of, well, the exception!

**The Shared Services Concept: “Centralization with a Customer-Oriented Attitude”**

The concept of *shared services* was developed to serve as a means of improving efficiency and service responsiveness in large, complex, and decentralized organizations. Large organizations are well known for developing central administrative units that over time act as service monopolies. These monopolies often struggle at cost control, have difficulty justifying price increases to customers, and are not customer service oriented since they are often the only game in town. “Shadow” administrative units develop locally to provide a service that is more responsive, and perhaps lower in cost, than the central monopoly. The literature on shared services emphasizes that where traditional, centralized services within an organization report “up” to the top-level management, shared services are intended to report “out”, to the units across the organization that they serve. Accountability is to the customers, who in
the case of the University of Michigan, would not only consist of the schools, colleges, and centers, but might also include other centralized and shared units. For example, HR functions within a shared services unit would likely not only be provided to the schools and colleges, but also to the Office of University Development, to Athletics, to the Office of the Vice President for Communications, and so on.

Accountability in a shared services unit is achieved in at least three ways:

1. Through specific and enforceable service level agreements (SLAs) that specify in detail the performance each unit can expect. In some cases, these may be negotiable, so that different units can be guaranteed different levels of service, at different costs, depending upon their needs and priorities.
2. Through customer-run governance, i.e., governing boards that are not dominated by central administrators, but rather by customers, i.e., representatives of the individual units that the shared services unit supports. The governing board must be responsible for setting the metrics used in the service level agreements, for assessing performance, and for setting priorities for the service center. Of course, in fulfilling these tasks, they will need to work closely with the center itself.
3. Through the assignment of individual customer-relationship managers (or “account managers”) who provide a cognizant and responsible point-of-contact for customers.

The task force feels very strongly that without these distinguishing features of shared services, large-scale shifts of administrative functions out of individual schools and colleges, or, on a smaller scale, from departments, will be fraught with problems, and likely not have the benefits expected. In no case do we recommend increased centralization, in the traditional sense of simply “lifting and shifting” responsibilities from within academic units over to a central unit, and assuming that the job is done. That said, we do see many potential opportunities for shared services. Indeed, we recognize that there are already a number of groups on campus that have begun shifting to shared services and creative staffing models, including the regional consolidation of human resources and financial transactional work being done for the smaller units in LSA, medicine, OVPR, and the units in Fleming.

We have taken to thinking of shared services as “centralization with an attitude—a customer-oriented one”.

**RECOMMENDATION #1**: In all cases in which there is a consolidation of administrative functions, that consolidation should be made with a deliberate emphasis on a shared services approach, including service-level agreements, an empowered customer governance structure, and the provision of individual customer-relationship managers.

This recommendation should not be taken to mean that the task force believes shared services provide the right approach to increased efficiency in all instances. Instead, as we describe below, for some functions, alternatives ranging from enhanced technology to creative staffing agreements are more appropriate.
Models of Shared Services and Creative Staffing
Within the broad spectrum of shared services and creative staffing arrangements, we identify four main models:

1. Model 1: A shared-services unit created from an existing current central unit. [Example: Reinvent central HR, to have a shared-services philosophy and governance structure, and to take on an even broader range of HR tasks, including ones that may not be within the domain of the academic units.]
2. Model 2: A newly created shared services unit. [Example: Create a new shared services unit to handle a range of finance tasks.]
3. Model 3: A shared-services unit created within a center of excellence on the campus. [Example: The College of Engineering takes on IT support for all North Campus units.]

In addition, the task force examined ways to achieve efficiency using methods other than shared services. We classify these together:

4. Model 4: Creative staffing and other approaches to staffing efficiency, including
   1. small-scale, ad hoc staffing agreements between individual units [Example: Two schools in proximity to one another agree on a one-off basis to share a facilities manager.]
   2. outsourcing, to an organization entirely external to the university;
   3. use of improved technology and work process re-engineering;
   4. increased efficiency and improved quality of performance resulting from the sharing and implementation of best practices;
   5. elimination of some activities.

Existing central units for the most part lack a shared-services culture. We understand that central administrative units have taken steps in recent years to better understand their customers, for example, through the Business and Finance Customer Service Survey. Culture-change is nevertheless extremely difficult to achieve. A general perception of centralized services is that they necessarily represent a reduction in service relative to what can be provided “locally”—or, even worse, a reduction in service coupled with higher long-range costs. Thus the task force recommends against widespread adoption of the first model. It should be noted that certain functions could be moved from existing central units to shared services. However, the new unit needs to see itself as starting afresh, as a new shared services unit, rather than being as part of a central unit that has lost power and control. Furthermore, such new units require an understanding of the client units’ business operations.

RECOMMENDATION #2: Model 1—creation of a shared services unit from an existing central unit—should be avoided in most cases.

While there are certain circumstances in which a center of excellence can be a good model for shared services, this approach can also potentially result in significant stresses between units, with the schools or colleges that are consumers of a service risking service that is secondary to that of the provisioning unit. We therefore recommend limited use of this model.
RECOMMENDATION #3: Model 3—the use of a center of excellence—should be considered for adoption in a narrow but important set of circumstances, specifically, when the service in question either:

1. requires some special equipment or facilities that an academic unit possesses; [Example: LSA’s machine shop.]
2. or is closely tied to the teaching, research, and/or service mission of a specific unit. [Example: SI’s expertise on social computing.]

Our next recommendation is a direct consequence of the previous two:

RECOMMENDATION #4: In most cases, the preferred model for shared staffing at the University of Michigan will be a newly created service center, i.e., Model 2.

That said, there are also opportunities for increased efficiency that do not rely on a shift to shared services, but instead make use of the approaches outlined in Model 4; our detailed analyses of job functions in Sections 5-7 provide suggestions of specific job functions that are amenable to Model 4 approaches, such as creative sharing and work-process re-engineering. In fact, there are already a number of efforts to implement creative staffing underway, in LSA, the Medical School, the School of Dentistry, the Fleming building, and elsewhere; the task force applauds these and believes that the lessons learned from them will be valuable to the broader campus community.

RECOMMENDATION #5: Give serious consideration to the use of creative staffing and related approaches, e.g., work-process re-engineering, elimination of activities, etc., as outlined in Model 4 above, for many administrative functions.

The task force also believes that there are many opportunities to use technology to increase quality of service while reducing costs, and indeed the success of shared services and creative staffing will depend upon improved technology; again, in Sections 5-7, we provide a number of examples of cases in which current information systems are creating inefficiencies, and hence where investments in technology could be advantageous.

RECOMMENDATION #6: Invest in information technologies that are more intuitive and user-friendly, require less training, eliminate incentives to create shadow systems, and make use of electronic work flow.

Additional Characteristics of Shared Services and Creative Staffing

The second axis along which we distinguish different approaches to shared services and creative staffing is physical location of the service. Service centers may vary from multiple geographic hubs, located across campus, to a single, service center somewhere on campus. More generally, there is a continuum of approaches to geographic consolidation, and movement over the continuum may happen over time, so that initially consolidation is at a relatively small scale, e.g., involving two or three departments within a large school, but with that initial consolidation paving the way for larger implementations of CS or SS in the future.
The decision of whether to provide shared services in hubs or a single service center depends on the nature of the job function; the task force thus ties specific geographic recommendations to the analysis of specific functions in Sections 5-7.

**RECOMMENDATION #7:** In deciding whether a shared service should be provided in a single service center or in geographic hubs, take account the nature of the services being provided.

We also distinguish amongst different models of participation:

3. Fully optional participation by units.
4. Optional participation, but with mandatory financial contributions. We call this the “private school option” model, by analogy to the situation where citizens of a town all pay real estate taxes that support the public school, but may opt to send their children to private schools if they bear the additional cost.
5. Mandatory participation by all units (schools, colleges, centers, central units).

If units are not required to support shared services models, there is a danger that the needed efficiencies will not be obtained. In particular, if large units implement shared services approaches on their own, there will not be the scale needed for real efficiency, even if all the smaller units participate in university-level sharing. On the other hand, given the University of Michigan culture, mandatory participation without the option of providing a service locally seems unlikely to work.

**RECOMMENDATION #8:** In most cases where shared services are adopted, a “private school option” should be implemented, with a cost structure that incentivizes participation but allows a unit to opt out if there is something special about job function that makes it essential for that unit to take local responsibility for it. In a small number of cases, we recommend the provision of shared services on an optional, pay-for-use basis.

Examples of functions that the task force believes might be best provided on an optional, pay-for-use basis include event planning and web page design.
6. Criteria for Selecting Tasks for Shared Services or Creative Staffing

The task force identified a set of principles to be used in deciding whether a given staff function is a good candidate for movement to SS or CS. The decision model has two components. The first (Sec. 4.1) comprises a set of characteristics of job functions that qualifies them as either relatively good or relatively poor candidates for a shift to SS or CS. These were developed taking into account the specific mission and culture of the University of Michigan. The second (Sec. 4.2) provides further qualification: even if a job function is a relatively good candidate for SS or CS according to the general criteria, transition to SS or CS should still be contingent on the existence of a plausible business case. Specifically, because of the potential downside of shifting to SS or CS, job functions should only be transitioned to such a model if there are identifiable, tangible, and likely benefits from doing so.

RECOMMENDATION #9: The decision to shift a job function to a SS or CS model should be based on its satisfying one or more of the characteristics of good candidates (listed in Sec. 4.1); on its not satisfying any of the characteristics of poor candidates (listed in Sec. 4.1); and on there being a good business case made, using the criteria in Sec. 4.2.

1. General Criteria

Characteristics of Good Candidates

The following are characteristics of relatively good candidates for movement to SS or CS at the University of Michigan:

1. Activities that are done in the same way in different units, with relatively uniform expectations and little customization. [Example: P-card processing]
2. Activities that are infrequently performed within individual units and require specialized knowledge that may be forgotten between performances. [Example: Visa and green card application processing]
3. Activities that can be centrally supported with reliable technology. [Example: generation of research account financial reports]
4. Activities where movement out of the unit has a relatively low risk of disruption to the unit.
5. Activities that can be “isolated” from other unit activities, so that coordination problems are minimized.

Characteristics of Poor Candidates

The following are characteristics of relatively poor candidates for movement to SS or CS at the University of Michigan:

1. Activities that are strategic to the central mission of the unit [Example: Budgeting and planning]
2. Activities that require deep, ongoing knowledge of unit culture and activities. [Example: Major donor cultivation]
3. Activities that depend crucially on personal relationships and face-to-face interactions. [Example: Executive administrative support]
4. Activities where movement out of the unit would seriously impact faculty productivity or the student experience in a negative way. [Example: Pre-proposal research administration]

These are not intended to be either necessary or sufficient conditions, but rather should serve as strong guidelines in deciding whether to consider shifting a job function to an SS or CS model.

**1. Potential Benefits of SS or CS**

As noted above, before moving a job function to an SS or CS model, there should be a plausible argument that doing so will result in one or more of the following benefits:

1. Decreased costs
2. Increased revenue
3. Improved quality and/or better customer experience
4. Improved compliance and/or strengthening of internal controls
5. Increased flexibility
6. Enhanced opportunities for staff professional development

We elaborate on each of these below.

**Decreased Costs**

Decreased costs may be achieved in several ways. SS or CS may solve “the integer problem,” where a unit needs only a fractional appointment of a staff member’s time for some function, and so uses the remainder of his or her time to perform functions that could be performed less expensively. In this case, by combining the needs of multiple units, SS or CS may make it possible to employ fewer staff at a high salary. [Example: Five units each require a high-end Unix administrator ($90K salary) for about 60% time, and use the remainder of that person’s time to do routine desktop support. If the support functions were combined, it would be possible to hire only three Unix administrators (at $90K each), and two desktop support staff (at, say, $60K each), for a total compensation cost of $390K, versus $450K—a savings of 13.3%.]

In a related fashion, SS or CS may smooth staffing needs over peak demands. Currently, units may need to employ more staff members than are strictly necessary, to ensure coverage over peak demand, and a shift to SS or CS may obviate this need. Note that this benefit only accrues if the peak loads occur at different times for different units. The savings here may come from a combination of employing fewer staff overall and/or fewer staff at a high salary, depending on how the “extra” time of the staff members is currently being used.

SS or CS also has the potential to significantly reduce University costs for training and readiness activities associated with new/upgraded administrative systems, new/changing regulatory requirements, and other new/changing university policies and procedures. The savings is likely to come from a reduction in the number of staff and the number of units that must engage in readiness activities. Currently, over 100 units must identify an individual to coordinate change management activities related to system implementation and upgrades. Depending on the nature of the change, the number of staff that must
be trained can increase to over 7,000 staff. The consolidation of functional activities through SS or CS may lead to additional savings if the current approach to training and other change management activities can be simplified.

Finally, a shift to SS or CS may result in decreased costs through increased efficiency in the performance of staff members. A good example comes from functions that satisfy the second characteristic of good candidate functions: activities that are infrequently or seasonally performed within individual units and require specialized knowledge that may be forgotten across performances. As people perform such tasks more frequently, they become better at them, and spend less time trying to recollect how to do them. However, a case needs to be made that there are sufficient numbers of such functions that can be clustered to see such benefit. For example, simply moving green card processing to a shared services unit will not make it possible to reduce staffing levels within individual units, and will thus not result in any decrease in costs.

**Increased Revenue**

Increased revenue may be achieved by enabling initiatives that could not be done within the smaller scale of an individual unit. One example of this is large-scale advertising of clinic services that may only become feasible when shared across the health-sciences schools.

**Improved Quality and/or Better Customer Service**

Improvements in quality and/or better customer service may result from the same types of changes that can lead to decreased costs. Specifically, SS or CS may result in better staffing for peak demand, in cases where units are not able to hire sufficiently to cover all contingencies. For example, because staff illnesses are generally—though not always—uncorrelated across units, SS or CS may provide more capacity to provide back-up support for absent staff. (Of course, when multiple staff absences are correlated, e.g., in the case of a flu epidemic, this advantage will not be realized).

Improved quality of service may also result from staff members in a SS or CS unit becoming more skilled at the functions they perform, because they perform them more frequently than they might within individual units.

**Increased Compliance**

Regulatory compliance is a rapidly increasing staffing burden across campus. Increased compliance may be achieved in an SS or CS model that enables some staff members to focus on compliance, rather than have this as one task amongst many. As a result, they may develop deeper expertise, particularly as they see repeated examples of similar situations.

Increased compliance and strengthening of internal controls may also be achieved in situations where currently units are too small to have sufficient separation of duties to support good controls.
Increased Flexibility
Increased flexibility can potentially be achieved through SS or CS by creating access to a broader range of resources for specialized needs of relatively small scale. More specifically, units may gain access to a needed process or service that they otherwise would not be able to support. Examples include tasks that involve computing or other technical expertise, or sharing of sophisticated equipment. A unit might not be able to make a business case for investing in a particular piece of expensive equipment that it might only use two or three times a year, but might be interested in shared use of that type of equipment. A clear example of this is sharing of high-performance computing (HPC) systems in on-campus machine rooms.

Enhanced Opportunities for Staff Development
Because CS and SS models provide greater depth and breadth of specialized services than can be offered in some small units, the opportunities for administrative staff professional and career development is also increased for those who transition into these models. These increased opportunities for professional development may help to mitigate potential transition issues and unit loyalty concerns.

1. Highest Priority Job Categories
A systematic review of administrative functions across the university led the task force to conclude that the best opportunities for near- to middle-term introduction of SS and CS are in the areas of human resources, financial operations, and IT. We also concluded that it is extremely important to have a carefully planned and ultimately successful transition of some job functions to SS and CS, rather than to attempt to do massive transformation all at once. Initial successes will result in acceptance from faculty and staff; trying to do too much too soon may doom the entire project to failure.

RECOMMENDATION #10. Begin the process of shifting to SS and CS with job functions from the human relations, financial operations, and IT areas.
7. Human Resources Tasks: Detailed Recommendations

Table 1 summarizes our detailed recommendations for HR functions that are good candidates for SS or CS. It is critical to repeat that in those cases where we recommend a shift to SS, it is only with the understanding that it be a true SS model, and contingent upon the existence of a good business case, as discussed above in Sec. 4. There is significant concern amongst the task force members that for a number of job functions, the economic benefits of a shift to SS or CS are hard to see, yet at the same time there is significant potential for introducing problems into processes that are now functioning well.

Table 2 lists additional HR functions that are already provided in a centralized fashion. Table 3 lists HR functions that are poor candidates for SS or CS.

Table 1. Good candidates for SS or CS in the Human Resources Area

<table>
<thead>
<tr>
<th>Job Function (in order of the employment life-cycle)</th>
<th>Recommendation</th>
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| Posting job descriptions in e-recruit (faculty and staff) | 1. Technology: The best solution would be improved technology enabling people with knowledge of the position to post the job, rather than providing information to someone else for entry into a complicated system.  
  2. SS: If technology improvements are not forthcoming, this is a good candidate for SS (single service center, but could initially also involve multiple smaller efforts).  
  3. Outsourcing: This is also a good candidate for outsourcing. |
| Posting jobs in both print and online journals (faculty) | 1. SS or Outsourcing: Beyond any savings from consolidation of staff, a significant potential savings here is from bulk purchase of advertisements (single service center). |
| Compensation analysis (staff) | 1. SS: A good candidate for SS, with the SS provided by subject-matter experts, e.g., OUD for development officers (single service center, but possibly different ones for different job categories—e.g., analysis of development positions done in OUD, analysis of fin-ops positions done in a fin-ops SS center). |
| Diversity recruitment: outreach to increase the diversity of the pools of candidates (staff) | 2. SS: A good candidate for SS. While already done to some degree, there is potential for expanded service here (single service center).  
  3. Best Practices: It would be helpful to establish a practice of retaining the names of qualified applicants for jobs in one unit who are not hired, to be made available to other units when they start a search for a similar position. OUD, for example, already does this for development staff. |
| Filtering candidate pools for qualified applicants (staff) | 1. SS: A good candidate for SS, but with the SS provided by subject-matter experts. For example, OUD already provides this type of service for applicants for development positions. It would be helpful to add similar services for other types of positions (e.g., facilities, general administrative support, IT |
support), and to include a shared center for testing of skills needed for such jobs (single service center, but could initially also involve multiple smaller efforts).

| Faculty background and degree verification | 1. SS: A good candidate for SS (single service center, but could initially also involve multiple smaller efforts). |
| Orientation and hiring paperwork (faculty and staff) | 2. SS: A good candidate for SS (geographic hubs, since there is a need for face-to-face transactions). Note: Some orientation is already centralized. |
| Visa processing and I9 paperwork (faculty and staff) | 1. SS: A good candidate for SS (geographic hubs, since there is a need for face-to-face transactions). |
| Employee data management and submittal process (faculty and staff) | 2. Technology: The best solution would be improved technology. 3. SS: If technology improvements are not forthcoming, this is a good candidate for SS (single service center, but could initially also involve multiple smaller efforts). |
| Union contract management (compliance, tracking of required reporting, review of schedules/renewals/offer letters, etc.) (faculty and staff) | 4. Technology: The best solution would be improved technology. 5. SS: If technology improvements are not forthcoming, this is a good candidate for SS (single service center, but could initially also involve multiple smaller efforts). |
| Faculty life-cycle tracking: sabbatical eligibility, promotion and tenure schedule, data for annual merit review. (faculty) | 6. Customizable technology: The best solution would be the development of “template” technology that could be adapted to individual needs of units and used locally. Note: This is not a good candidate for SS, because there is too much variability across units. |
| Employee system training | 1. Technology: the best solution would be intuitive technology that eliminated the need for extensive training. 2. SS: More extensive training of a few experts in a shared service unit will be more efficient than training users in all units on processes they might only have to access occasionally. |
| Performance management tracking (e.g., annual reviews) (staff) | 3. Customizable technology: The best solution would be the development of “template” technology that could be adapted to individual needs of units and used locally. 4. Best practices: Sharing of practices for performance management would be very valuable. Note: This is not a good candidate for SS, because it requires deep knowledge of the individual performance of staff members in the units. |
| Extended sick time management, FLMA (faculty and staff) | 5. SS: A good candidate for SS (single service center, but could initially also involve multiple smaller efforts). |
| Tracking skills, qualifications, and certifications (faculty and staff) | 6. Customizable technology: The best solution would be the development of “template” technology that could be adapted to individual needs of units and used locally. |
Conflict of Interest and Conflict of Commitment Tracking

7. Customizable technology: The best solution would be the development of “template” technology that could be adapted to the individual needs of units and used locally. M-Informs has already been adapted by some schools (medicine, art and design, pharmacy) but could be disseminated and used more broadly.

Exit interviews (staff)

8. SS: A good candidate for SS (single service center). This function can probably only be successful when done outside the local units.

Table 2. Examples of appropriate Human Resource functions that are already centralized

<table>
<thead>
<tr>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background checks (staff)</td>
</tr>
<tr>
<td>Terminations and settlements (staff)</td>
</tr>
<tr>
<td>Employee benefits</td>
</tr>
<tr>
<td>Staff orientations</td>
</tr>
</tbody>
</table>

Table 3. Poor candidates for SS or CS in the Human Resources Area

<table>
<thead>
<tr>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing analysis (staff)</td>
</tr>
<tr>
<td>Recruiting (faculty)</td>
</tr>
<tr>
<td>Reference checking (faculty and staff)</td>
</tr>
<tr>
<td>Interviewing (faculty and staff)</td>
</tr>
<tr>
<td>Promotion and tenure (faculty)</td>
</tr>
<tr>
<td>Competencies and performance review and management (staff)</td>
</tr>
<tr>
<td>Salary setting (faculty and staff)</td>
</tr>
</tbody>
</table>

Note that while the list above consists of functions that are poor candidates for shifting to SS or CS, there are ways to increase efficiency in the functions, by sharing best practices across units; by having training provided by centralized units (e.g., for staffing analysis); and by increased data sharing (again, e.g., for staffing analyses).
9. **Financial Operations Tasks**

Financial operations is a second area that the task force sees as a high priority for the introduction of SS and/or CS, because, like HR, it involves many back-office functions. Within the scope of financial operations, one can generally distinguish between decision support activities, which are generally poor candidates for SS or CS, and bookkeeping activities, which are good ones. As with HR, we provide three tables: one showing good candidates (contingent on the use of a true SS model and on the existence of a business case) for SS or CS; one showing activities that are already centralized; and one showing poor candidates for SS or CS. CS could be particularly helpful in situations where internal separation of duties is difficult, such as in small units.

**Table 4. Good candidates for SS or CS in the Fin-Ops Area**

<table>
<thead>
<tr>
<th>Job Function (in order of the employment life-cycle)</th>
<th>Recommendation</th>
</tr>
</thead>
</table>
| P-Card processing                                   | 10. SS: Many parts of P-Card transaction processing are absorbed into the new Concur system. Those that are not become good candidates for SS. (single service center, but could initially also involve multiple smaller efforts)  
Note: Audit approval needs to stay in the units; it cannot be shifted to SS. |
| Travel expense processing                           | 11. SS: As with P-card processing, many parts of P-Card transaction processing are absorbed into the new Concur system. Those that are not are good candidates for SS. (single service center, but could initially also involve multiple smaller efforts)  
Note: Audit approval needs to stay in the units; it cannot be shifted to SS. |
| Providing access to central computer systems to new employees or employees with changed status; deleting access on termination | 12. Should be part of on-boarding and the exit process (see HR section above). |
| Reconciliation of accounts (GF, research, etc.)      | 13. This is a candidate for shared staffing, where units have the option of using a shared service providing this function, particularly in situations where internal separation of duties is difficult. |
| Journal entries                                      | 14. SS: A good candidate for SS. (single service center, but could initially also involve multiple smaller efforts) |
| Gift and endowment bookkeeping                      | 15. Technology: The best solution would be improved technology. There is currently a lot of duplication, and many shadow systems are in use. The task force is cautiously optimistic that the new DART system will rectify these problems, although there are important challenges to be met in ensuring consistency between |
the ways in which financial and development staff “count” gifts. Gift stewardship should remain local.

Pre- and post-award management

16. CS: In general, moving pre- and post-award management away from individual faculty members could have a significantly negative impact on productivity. In units with a significant amount of funded research, it is critical that these functions stay as close as possible to the PIs, not only to ensure that faculty have as much support as possible in carrying out this mission-critical activity, but also because success often depends on the financial staff understanding the special needs of the PIs and the funding agencies they rely on. For units with much smaller research portfolios, however, creative staffing arrangements that involved shared award management staff is an attractive option.

Recharge analysis

17. SS: A good candidate for SS. (single service center, but could initially also involve multiple smaller efforts)

Transfer of grants and equipment when a faculty member arrives at, or leaves Michigan

18. SS: A good candidate for SS. (single service center, but could initially also involve multiple smaller efforts)

Table 5. Examples of appropriate Fin-ops functions that are already centralized

<table>
<thead>
<tr>
<th>Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll (faculty and staff)</td>
</tr>
<tr>
<td>Endowment management</td>
</tr>
<tr>
<td>Investment pool management</td>
</tr>
<tr>
<td>Compliance such as A-21, effort reporting</td>
</tr>
<tr>
<td>Treasury services</td>
</tr>
<tr>
<td>General ledger oversight and management</td>
</tr>
<tr>
<td>Student account billing and collection</td>
</tr>
</tbody>
</table>

The task force noted that procurement is one of the centralized services that currently leads to dissatisfaction in the schools and colleges. Changing the culture of the procurement office to one based on shared-services principles would have a significant positive effect across campus, and could help bolster support for this larger project.

Table 6. Poor candidates for SS or CS in the Fin-ops Area

| Budgeting and forecasting |
| Management reporting and analysis |
| Internal controls (at least many aspects, including development and maintenance of unit policies and |
19. Information Technology Tasks
The third high-priority area for SS and/or CS that was identified by the task force is Information Technology. Because of the ongoing IT Rationalization effort, the task force did not attempt an exhaustive analysis of functions in this area. However, we came to a general consensus that the deciding factor in whether an IT function is a good candidate for SS or CS is whether it involves common hardware, networking and other infrastructure, and/or software. If it does, it is a good candidate, but otherwise it is not. With that in mind, Table 7 lists potential good candidates; Table 8 lists poor candidates. We also note that outsourcing is a viable option for many IT tasks (e.g., email), but we leave it to the IT Rationalization team to identify exactly which ones are most cost-effective.

Table 7. Good candidates for SS, CS, or Outsourcing in the IT Area
Note: In all cases, only if the function uses common hardware, networking, and/or software. Specialized research and educational functions are excluded.

<table>
<thead>
<tr>
<th>Infrastructure management:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maintaining on site hardware</td>
</tr>
<tr>
<td>2. Voice and data networks</td>
</tr>
<tr>
<td>3. Storage management</td>
</tr>
<tr>
<td>4. Account management</td>
</tr>
<tr>
<td>5. Security</td>
</tr>
<tr>
<td>6. Disaster recovery</td>
</tr>
<tr>
<td>7. Networked file service</td>
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<tr>
<td>8. AV and classroom support</td>
</tr>
<tr>
<td>9. Web hosting</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Infrastructure development:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Activities including the planning, design, implementation, and testing of infrastructure projects, such as networks, servers and other hardware</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End user support:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Help desk activities</td>
</tr>
<tr>
<td>2. Desktop support</td>
</tr>
<tr>
<td>3. Infrastructure support</td>
</tr>
<tr>
<td>4. Application support</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application maintenance:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Support of production applications including issue resolution</td>
</tr>
<tr>
<td>2. Interfaces with vendor</td>
</tr>
<tr>
<td>3. Tier II helpdesk support</td>
</tr>
<tr>
<td>4. Design, creation and implementation of enhancements/upgrades to production software</td>
</tr>
</tbody>
</table>

| Application development and implementation: |
1. Planning, design, testing and implementation of new software applications

   **Clinical services:**
   1. Billing
   2. Medical records

   **Email**

   **Print Services**

| Table 8. Poor candidates for SS, CS, or Outsourcing in the IT Area |
|------------------|------------------|
| 1. Monitoring budgets                                      |
| 2. Vendor management and SLA negotiations                   |
| 3. IT personnel supervision and management activities       |
| 4. Setting IT function policies and strategies              |
| Any of the functions in the first table that are unit-specific, especially specialized research and teaching applications |

Finally, we note that there may be substantial savings to be obtained by having units move away from traditional laboratories with desktop machines, instead having students use laptops and virtualized services (virtual desktops and/or virtual applications).
5. Concerns and Caveats about Shared Services

While the task force on balance believes that there are definitely opportunities to use SS and CS to increase efficiency and/or obtain the additional types of benefits listed in Sec. 4.2, we have five key concerns. Several have already been mentioned in this report, but we restate them here for emphasis.

First, it is essential that any move towards SS truly employ a shared services model and not simply be a form of traditional centralization. To achieve the needed efficiency while maintaining the strength of our schools and colleges, we need centralization with a customer-oriented attitude. Centralized services that do not meet the needs of the units will only lead to duplication of effort, shadow systems, and work-arounds, with a resulting increase, rather than decrease in cost.

Second, as already stated, any move towards SS or CS must be preceded by the establishment of a good business case. In many instances, the task force felt that while there were identified functions that could potentially be moved into a shared services unit, there was often insufficient clustering of functions to permit staff reductions within the units. For example, unless units can reduce the number of HR staff they directly employ, there will be no savings from the creation of an SS unit. This was a particular concern for the smallest units, which might, for example, have only a single HR staff member. As it is unlikely that all HR functions should be absorbed into SS, it is not clear how such a unit could obtain a cost benefit from a shift to SS.

Third, and related to the previous point, there is a concern that a move towards SS could have a negative impact on schools and colleges because of the university “tax structure”. The worry is that even if units can and do reduce staff and thus expenditures, their taxes will go up to pay for the new SS units, and indeed, may go up so much as to constitute a net increase in costs. The new shared services must provide a sufficient level of service along with a decrease in costs to the units; the various criteria for assessing success are given in Section 4.2 above. The task force was particularly concerned that customer orientation includes a sensitivity to the different academic and professional cultures of the various units on campus, while of course not falling back into a mode in which exceptions are the norm.

Related to this, we note that a successful transition to more shared services and creative staffing will require an upfront investment at the university level, to cover expenses such as space for a shared service, training, and, importantly, new technology. It is unlikely that individual schools and colleges can bear these upfront costs, especially because they will need to continue supplying services locally until the transition is complete. The university must be willing to incur a short-term increase in expenses to obtain long-term savings.

Fourth, the task force believes that the budget cannot be balanced only on the backs of the schools and colleges. While the schools and colleges are being asked to shift staffing models and make increased use of SS and CS approaches, it will be critical also to make the same staffing shifts in other units. To repeat an example used earlier in this document, if there is a SS unit that takes on certain HR functions, it should take them on for OUD, for the Office of the Vice President of Communications, etc., and not
just for the schools and colleges. There is also concern amongst the task force that unless the budgets of already centralized units are also scrutinized, it will be difficult to obtain buy-in amongst the schools and colleges for SS and CS activities.

Finally, we think it is essential that implementation of a shift to increased SS and CS begin with a small, carefully selected set of job functions, with the goal of demonstrating to the broad university community the feasibility of this approach, and thereby gaining credibility and buy-in. Attempting to do too much all at once, in a university the size and complexity of Michigan, seems to be a recipe for disaster.
6. **Proposed Next Steps**

This report only fully addresses the first two tasks in the charge to the CSSS Task Force. We simply did not have adequate information or knowledge to make specific and detailed recommendations about particular activities to immediately move to a SS or CS model, about required levels of investment, or about overall timing and roadmap. Nonetheless, we believe that the recommendations we have made here can inform an operationalization phase that leads relatively quickly to pilot implementations of SS and CS. To that end, we recommend that the Provost’s office move quickly to appoint an implementation committee and task them with operationalizing the recommendations of this task force. This committee should include both staff with suitable expertise in university business processes to carry out a detailed analysis of the resource requirements and expected benefits of particular staffing reconfigurations, and should also include representation of the deans and faculty.

To do this, they should:

1. Quickly perform a critical review of this report.
2. Select a small set of jobs functions from within the human relations, financial operations, and information technology domains, to serve as pilot activities for a shift to SS or CS. We recommend that these include both job functions for which SS is the best approach, and ones for which enhanced work-flow technology is the best approach.
3. Make a compelling business case for a shift in the way in which these functions are provisioned.
4. Report back to the CSSS Task Force with the identified functions and the business case, no later than Aug., 2010.
5. Work with the Provost’s office to develop a communication plan to inform the university community of planned changes.
6. Begin the process of implementing new models for these functions, and as successes are obtained, expand to additional job functions on campus.

The task force notes that steps 2 and 3 will require careful analysis of various sources of data, including but not limited to (i) the Hackett benchmarking data, which will provide information about the number of staff performing different tasks on campus, and (ii) metrics that provide information about the quantity and types of tasks performed (e.g., volume of transactions, time to complete transactions, etc.) Some, but almost certainly not all, of the required data is available in university systems. We note further that the process of constructing a business case will not be trivial: as noted earlier, it will be crucial to identify real savings and/or additional benefits, as outlined in Section 4.2 of this document. As initial pilot implementations of SS and CS are rolled out, their success should be carefully tracked by the implementation committee, so that needed adjustments can be made, and additional SS and CS projects undertaken.
We recommend that in addition to the implementation committee, the Provost also appoint an advisory board, to consist of a subset of the members of the CSSS Task Force, supplemented with some additional faculty, probably including department chairs.

RECOMMENDATION #11. Appoint an implementation committee to quickly operationalize the recommendations made by the CSSS Task Force, selecting a small subset of job functions identified in this report, making a detailed business case for their shift to CS or SS, and implementing the shift. The identified functions should include both ones for which a shift to SS is the best approach, and ones for which enhanced work-flow technology is most appropriate.
Appendix A. Preliminary Recommendations for Other Job Categories

As a result of recommendation #7, that the initial focus on a shift to SS or CS should be in the areas of human relations, financial operations, and IT, the task force is not making detailed recommendations about other job categories. This appendix describes our preliminary discussions of job functions in these other categories.

A.1 Development and Alumni Relations

Good candidates for SS or CS:
1. Logistical aspects of event planning (It might be valuable to have a pool of event planners whose services could be purchased on an as-needed basis for all kinds of events, not just development events.)
2. Gift and records processing
3. Prospect research
4. Solicitation mailing process
5. Reporting and data analytics (Note: Some of this is already centralized.)

Examples of appropriate development and alumni relations functions that are already centralized:
6. Planned giving expertise
7. Coordination of giving by donors with multiple interests
8. Large-scale university development events
9. Football ticket management
10. Onboarding of new development officers
11. Recruiting (Note: Optional participation by units)

Poor candidates for SS or CS:
1. Major donor cultivation
2. Corporate and foundation engagement (Note: Some of this is centralized, but it is probably infeasible to pull it entirely out of units and make an SS or CS, because of specialized knowledge in the units.)
3. Prospect identification (Note: As with the previous item, some of this is centralized, but it is probably infeasible to pull it entirely out of units and make an SS or CS, because of specialized knowledge in the units.)
4. Strategic aspects of event planning (e.g., what events to hold, whom to invite)
5. Alumni relations
6. Staffing of deans on development trips
7. Management of alumni and executive boards
8. Stewardship, at least of high-end gifts
9. Solicitation letter-writing

Controversial; no recommendation:
1. Stewardship letter-writing
2. Formulation of strategic plans for unit development

A.2 Communications and Marketing
Good candidates for SS or CS:
1. Marketing for clinical services
2. Video taping (electronic and video capture, podcast)
3. Development of web enabled applications
4. Professional consulting on strategic marketing (Note: This is the sort of service that would likely be offered on a fee-for-service basis.)

Poor candidates for SS or CS:
1. Content production for websites
2. Content production for print material (brochures, magazines, recruiting material, etc.)
3. Content production for monitoring/update of social media
4. Content production for event publicity

Good candidates for increased dissemination and use of best practices:
5. Use of social media
6. Publication techniques (electronic vs print)

Controversial; no recommendation:
1. Website management
2. Graphic design
3. Production of print materials
4. Logistics for event publicity

A.3 Facilities
As with IT, the general view here is that when the activity is not specialized, e.g. to a certain kind of lab or clinic, it is a good candidate for SS or CS. However, there will remain a need for in-unit management of certain highly specialized types of facilities. In addition, whatever model is chosen must recognize the importance of geographic proximity of the facilities staff, to ensure timely service and continued on-site awareness of a facility that enables prevention of problems before they become very costly, and to ensure that individuals are able to have the type of deep knowledge of particular buildings that is essential.
Good candidates SS or CS (with the caveats above)
1. Classroom and office setup and furniture rearrangement
2. Phone set up and oversight
3. Energy conservation planning, energy audits
4. Space surveys
5. Security

Examples of appropriate facilities functions that are already centralized:
1. Routine maintenance

Poor candidates for SS or CS:
2. All specialized services like labs, clinical
3. OSEH safety issues

The task force also asked whether there are many more efficiencies in this area that could be obtained by outsourcing. We are cognizant of the difficult politics that arise because of unionization, but suggest that it would nonetheless be worth investigating this. They also noted that there are some services on campus that seem to be anachronisms, such as the upholstery shop, and suggest an evaluation of these.

A.4 General Administrative Support
Good candidates for SS or CS:
1. Some types of administration for clinical services

Poor candidates for SS or CS:
2. Support for executives/deans
3. Faculty support (Not a good candidate because there’s too much variation between units in the level of support provided, and shifting administrative support to a shared services model could negatively impact faculty productivity and morale.)

A.5 Research Administration
As noted in the discussion of pre- and post-award processing in the analysis of fin-ops tasks, the desirability of moving to SS or CS for research administration depends to a large extent on the level of research activity in a unit. Research administration is a poor candidate for SS or CS in units with significant amounts of funding research: faculty need immediate and easy access to support for this mission-critical activity, and they depend on administrators who are familiar with them and with the funding agencies that they work with. That said, there are opportunities for SS, in the form of research administration staff who are shared across smaller units that do only low levels of funded research.

Note that across all units there are activities in this domain that could benefit from technology enhancements and dissemination of best practices. These include:
1. Generation of biosketches
2. Generation of current and pending support documentation
3. Specialized financial reporting for certain types of grants (e.g., the task-based budgeting required by NASA and the Dept. of Commerce)

A.6 Student Services

In general, the area of student services does not seem to be a fruitful area for a significant degree of SS or CS.

Good candidates for improved technology:
1. Financial aid award transaction processing
2. Admissions transaction processing

Examples of appropriate student services functions that are already centralized:
3. Services to new foreign students (service level needs improvement)

Poor candidates for SS or CS:
4. Financial aid award decision making/selection
5. Admissions selection
6. Determining what courses will be taught, when, where and by whom
7. Advising and counseling (some possibility for schools with similarities, opportunities for centralized advising within large schools)
8. Interfacing with student groups
9. Student recruitment
10. Career counseling
11. Job search, internships, job skills
12. General counseling, crisis intervention
13. Professional skills development (practical engagement learning)
# Appendix B. Committee Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martha E. Pollack</td>
<td>Chair, Dean, School of Information</td>
</tr>
<tr>
<td>Jim Bell</td>
<td>Chief Administrative Officer, Medical School</td>
</tr>
<tr>
<td>Marcella Brighton</td>
<td>Chief Administrative Officer, Ford School of Public Policy</td>
</tr>
<tr>
<td>Gail Gentes</td>
<td>Director of Research and Faculty Support, Ross School of Business</td>
</tr>
<tr>
<td>Lori Haskins</td>
<td>Associate Director for University Budget, Office of Budget and Planning</td>
</tr>
<tr>
<td>Laura Lein</td>
<td>Dean, School of Social Work</td>
</tr>
<tr>
<td>Rowan Miranda</td>
<td>Associate Vice President for Finance</td>
</tr>
<tr>
<td>Peter Polverini</td>
<td>Dean, School of Dentistry</td>
</tr>
<tr>
<td>Monica Ponce de Leon</td>
<td>Dean, Taubman College of Architecture and Urban Planning</td>
</tr>
<tr>
<td></td>
<td>(after Jan. 1, represented by Linda M. Mills, Director of Budget and Administrative Services)</td>
</tr>
<tr>
<td>Chrissi Rawak</td>
<td>Assistant Vice President, Office of University Development</td>
</tr>
<tr>
<td>Robin Sarris</td>
<td>Administrative Director, College of Literature, Science, and the Arts</td>
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*Staff Support provided by Stephanie Riegle, Assistant Vice Provost*
Appendix C. Charge to the Task Force

Creative Staffing and Shared Services
Charge
August 1, 2009

Background and Charge: Over the past several years, a number of units on campus have begun exploring creative staffing arrangements in which units share services and staffing, particularly between smaller units. In each case, the goal of these arrangements has been to deliver higher quality services at lower costs. But in addition, there can also be significant advantages to the professional development of the staff themselves and as well as easier transitions in those cases where staff move on to other job opportunities.

Small, stand-alone offices tend to have a single staff member in each functional area or sometimes a single staff member responsible for multiple functional areas. Often that staff member does not have the opportunity to develop deep expertise and lacks a career ladder for professional advancement. If that single staff member leaves, then the office is without support in that functional area until a replacement is found. On the other hand, when smaller offices share services, or purchase services from a larger staff organization, then the staff members work in a richer, more complex environment. This allows for multiple staff members, with differentiated skills and experiences in each functional area. With such a model, the differentiation of staff skill allows for more expert staff that can deliver better service and mentor their less experienced colleagues. And because there can be multiple staff in functional areas, there is less disruption in those cases when staff leave the unit for other opportunities. So even when current staff are highly efficient, a small unit (and the staff within the small unit) can achieve multiple benefits from engaging in a shared staffing arrangement with other units or through a new centrally provided service.

Units often worry that having services provided by someone other than their own staff leads to a lack of responsiveness. This problem has been tackled by many private and public organizations by embedding in the new service delivery model “service management” concepts such as a “board of customers” that provide feedback on services, service level agreements (SLAs) that provide service guarantees, transparency in the charges/pricing, and key performance indicators (KPIs) to assess efficiency/effectiveness year over year.

There are multiple efforts already underway at the University of Michigan to put in place creative staffing arrangements. For example, the basic science departments in the Medical School have aligned their staffing by assigning specific departments to be the lead and expert unit in each functional area. The Fleming Building already has a shared IT staff and this summer will be expanding into other functional areas (HR, Finance, basic clerical services). LSA has a shared staffing services group.
The charge of this group is to look more systematically at creative staffing through shared services opportunities within the academic enterprise at UM. You are encouraged to consider all models of shared services and staffing, e.g., smaller units consolidating their staffing or units purchasing staffing through service level agreements from larger units including central administration or even purchasing services from an external vendor. Please examine all major administrative services areas including finance, human resources, student services, development, facilities, marketing and communications, and clerical support. There will be a separate effort to rationalize IT across the University and so suggestions you might have in the IT realm will serve as input to that separate process.

We ask your group to address six points:

1. **Prioritization and Evaluation Criteria**—Establish a set of criteria that we can use in the future to identify when a Shared Services arrangement makes sense. These criteria can be specific by type of unit or type of functional area. For example, what components of student services work (or HR, or grants management, or communications) might be shared or centralized and what components are best left at the local level? In which functional areas is geography an important consideration? In which functional areas is discipline important?

2. **Confirm In-Scope Functions**—Reach a level of consensus based on specific criteria as to what functions make sense to share generally versus those that are vital to be delivered locally. Outline which functions should be the “first movers” for creative staffing (i.e., implemented in the next year) versus those than can be considered in the future.

3. **Opportunity Identification**—Identify specific opportunities to put in place creative staffing between units. In each case, recommend the functional areas and type of arrangement that you believe makes the most sense for each opportunity.

4. **Recommendations for New Units and Activities**—Make recommendations based on best practices around staffing for new units and activities (e.g., new centers and institutes, new programs).

5. **Support and Investment Levels**—Indicate what kind of assistance is needed to help units transition from stand-alone staff configurations to some shared staffing arrangement. Assistance should be thought of broadly to include things like consulting to identify possible creative staff arrangements, expert help to work through logistics of new arrangements, one-time financial assistance to reconfigure space and IT, etc.

6. **Implementation Roadmap**—Develop a general time line as to the timing and sequencing of the recommendations.

We will want your group to provide quarterly progress reports and provide a final report by March of 2010.