

Shared-Service Centers Transform Administrative Services at the University of Kansas

“While the transition to the Shared-Service Center was very difficult, we have been very happy with the services and the quality of the staff who are serving our school. Our shared-service center staff have taken ownership of several persistent process and procedure challenges that have frustrated the school in the past, and have been able to work effectively with central office to resolve these quickly.”

- Dr. Marilu Goodyear, Assistant Vice Chancellor for Academic Program Development, University of Kansas-Edwards Campus, and Director, KU School of Public Affairs and Administration

The Opportunity

The University of Kansas (KU) is the state’s flagship university, a major public research and teaching institution of 28,000 students and 2,600 faculty across five campuses. A member of the prestigious Association of American Universities since 1909, KU consistently earns high rankings for its academic programs. The overall annual operating budget for the university is approximately \$1.2 billion, with an annual sponsored research program of more than \$300 million.

Like many universities, however, KU has been facing financial challenges. The state has reduced its funding per full-time student by almost 40 percent over the past 15 years. To aggressively pursue its academic and research strategic goals despite this financial pressure, KU undertook an effort called Changing for Excellence, with a goal of making university operations as efficient as possible. KU engaged Huron Education as a partner to identify and help drive transformational change across the university. A Huron team, working with the university, methodically analyzed operations of almost every business function, reviewing each for both efficiency and effectiveness in the context of the overall university goals. The analysis considered current operations as well as alternative options for providing each service, including outsourcing and investments in new technology to make university operations more efficient and cost-effective.



The Approach

KU and Huron conducted a comprehensive review of the University’s administrative functions. They jointly concluded that the university should adopt eight regional shared-service centers to provide a high level of support for units in human resources, accounting, and research administration services. While industry has been utilizing a shared-service approach to decrease costs and improve service for many years, widespread adoption of shared-service models in higher education is still a relatively recent phenomenon.

In most university units, services such as accounting, human resources and research administration services are provided by administrative assistants performing multiple roles for their assigned unit. These staff members have little time for training on the increasingly complex systems that support university transactions, and are challenged to keep up with the policies and procedures across these disparate functions. A shared-services model establishes functional experts who can dedicate time and training to a narrow focus, yet retain a relationship with the units that they serve.

Huron helped KU to develop a model for shared-service centers that reflected the university's culture and values while meeting the leadership's goals of more efficient and effective processes. The approach of regional centers, staffed with individuals assigned to specific departments, creates a cadre of experts in both functional areas (e.g., HR) as well as the particular needs of the units each individual serves. While this approach is not the maximally efficient model employed in many corporate environments, it balances the realities of a university operating environment with the benefits of a shared-service model.

KU is using this new model to redefine how the common business functions and transactions that support the university's mission are conducted. The new model focuses on providing an increased level of service by training staff to specialize in specific functions and providing them with systems and processes that are necessary to succeed.

New business processes were developed, incorporating additional automated workflow and fewer approvals, to reduce the amount of paper moved around campus and increase the speed of transactions. As shared-service center staff become better trained and are held accountable for university processes and procedures, the focus of central staff will shift from individual transaction review to audit and training. The goal of the implementation is to create department support centers that are efficient, timely, based on Best Practices, and which incorporate an accountability structure that drive continuous process improvement.

KU's shared-service centers use customer feedback, assessments of performance, and metrics to ensure high performance. The centers are

Read a message from KU Provost Jeffrey S. Vitter about the success of the shared service implementation in improving service and creating opportunities for staffs:

<http://provost.ku.edu/enews/20140217>

Hear what KU staffs think about the shared-service centers:

<http://cfe.ku.edu/index.php>

comprised of staff with common experience and skill levels. This model builds camaraderie, communication, and knowledge sharing, and fosters a more professional workplace. The improved distribution of resources in KU's shared-service model will ultimately result in funds being freed up to fulfill the institution's academic and research mission.

While shared-service centers offer profound benefits to the university, organizational change of this magnitude can be challenging to successfully implement in higher education. Huron partnered with KU to build the strong foundation of buy-in and change management across the university required for a successful effort. The Huron team worked closely with university stakeholders at all levels to tailor the shared-service model to fit KU's operating environment and unique culture.

Communications about the new approach began as soon as the engagement kicked off, and carried through to implementation. KU leaders and Huron team members met individually with each of the 55 Chairs and Directors involved in the initial site, discussing the benefits of the KU model as well as the expected challenges inherent in a transition of this magnitude. Administrative staff was similarly engaged, with each staff member providing information on the duties comprising his/her role, and focus groups of staff helping to define the new work processes.

The Results

The eight shared-service centers that are being created at Kansas include: four academic centers aligned by geography and affinity, three research services centers aligned by theme, and one center serving the administrative units. Huron worked closely with stakeholders to align units in a manner that considered geographic proximity, unit affinity and functional focus, balancing the efficiency of a shared model with the university's operating environment.

The KU implementation began with the establishment of an initial site serving the College of Liberal Arts and Sciences. Implementation of the remaining shared-service centers will take place in two phases, with three additional centers (the administrative shared-service center and two of the three research shared-service centers) going online in 2014 and the remaining centers going online in 2015.

With the initial site implementation complete, KU is already realizing benefits, including:

- Staffs who get more training in HR, finance, and research administration, enabling them to provide more effective service for their units
- Increased responsibility and authority for staff in the shared-service centers, enabling them to be more efficient and to provide immediate responses to complex questions
- Support staffs who can back each other up during absences:
 - Providing departments with continuous coverage when their dedicated staff person is on vacation, out sick or on extended leave
 - Enabling employees to be trained by the shared-service center staff and managers, eliminating this burden from departments and Chairs
- Shared Best Practices across departments
- Funding to support the initiatives of KU's strategic plan, Bold Aspirations. Once the shared-service centers are fully operational, the university expects to achieve annual savings of \$2 million to \$3 million.

For more background on KU's implementation of its shared-service centers:

<http://cfe.ku.edu/ssc>

To Learn more about day-to-day operations of the shared-service centers at KU:

<http://ssc.ku.edu>

Huron Education has a number of solutions for university performance improvement:

http://www.huronconsultinggroup.com/Expertise/Education/University_Performance_Improvement_Solutions