

SUBJECT	INTEGRATED RENEWAL PROGRAM – FINANCE/HR/STUDENT
MEETING DATE	APRIL 19, 2018

Forwarded to the Board of Governors on the Recommendation of the President

**APPROVED FOR
SUBMISSION**



Santa J. Ono, President and Vice-Chancellor

DECISION REQUESTED	IT IS HEREBY REQUESTED that <i>the UBC Board of Governors approve a funding release of \$60M for the Integrated Renewal Program in FY2018-2019.</i>
Report Date	April 5, 2018

Presented By Peter Smailes, Vice-President Finance & Operations (Interim)
 Andrew Szeri, Provost and Vice-President Academic, Vancouver
 Barbara Meens Thistle, Vice-President Human Resources
 Deborah Buszard, Deputy Vice-Chancellor and Principal, UBCO
 Cynthia Mathieson, Provost & Vice-Principal Academic, UBCO
 Jennifer Burns, Chief Information Officer & Associate Vice-President
 Information Technology
 Kate Ross, Associate Vice-President Enrolment Services & Registrar
 Trish Pেকেles, Executive Director, Financial Operations
 Alex Bayne, Managing Director, Strategic Workplace Initiatives, Learning &
 Engagement, Human Resources
 Stuart Bourhill, Program Director (Interim), Integrated Renewal Program

EXECUTIVE SUMMARY

The Integrated Renewal Program (IRP) is a multi-year initiative to transform UBC’s academic and administrative support processes and system environments, and provide the foundation to meet UBC’s future needs and requirements. The IRP is inclusive of Human Resources, Finance and Student core systems and businesses processes. After successfully completing negotiations and entering into master agreements with Workday for the enterprise solution in December 2017, the IRP Delivery Team undertook a process to validate and determine a recommended scope and an FY18-19 budget. The IRP Delivery Team worked with an independent Project Cost Accountant and an external Strategic Advisor to collaborate with the Steering Committee, the Executive Sponsors Committee, the IT Advisory Council (ITAC) and the UBC Executive to apply a set of scope principles which seek to ensure that UBC successfully implements the IRP as planned while effectively managing risk and establishing a foundation for future enhancements in support of UBC’s Strategic Plan.

This report provides an update on the recent developments within the Integrated Renewal Program with respect to: (1) Background & Vision, (2) Program Milestones, (3) Scope, (4) Deployment Plan, (5) Risk Management, and (6) FY18-19 Budget. The final detailed Implementation Plan and Budget will be available upon completion of the Plan and Architect stages for Board 3 Approval in April 2019.

<p><i>If this item was previously presented to the Board, please provide a brief description of any major changes since that time.</i></p>	<p>The Integrated Renewal Program – HR, Finance, and Student – provided a status update on contract negotiations with Workday, program governance, organizational change management, budget, and risks in February 2018. Since then, the Integrated Renewal Program have made significant progress in refining scope and the FY18/19 budget presented herein.</p>
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INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

- ✓ Learning
 - ✓ Research
 - ✓ Innovation
 - ✓ Engagement
(Internal / External)
 - ✓ International
- or ✓ Operational

BACKGROUND Between 2015 and 2017, UBC leadership recognized that the three core systems in place for HR, Finance and Student were near the end of their useful life and would be unable to support the institution’s strategic and operational needs moving forward. In response, UBC decided to launch two projects: (1) Student Academic Systems Initiative (SASI) and (2) HR and Finance Renewal Project.

In August 2017, under the direction of the UBC Board of Governors, the University’s projects for HR, Finance and Student were brought together to pursue one enterprise solution. The Student project implementation timeline was modified to align with HR and Finance.

In December 2017, following a competitive procurement process for the Student system and a comprehensive product fit/gap analysis for HR and Finance, it was determined that Workday could meet UBC’s enterprise platform solution needs.

VISION & OBJECTIVES

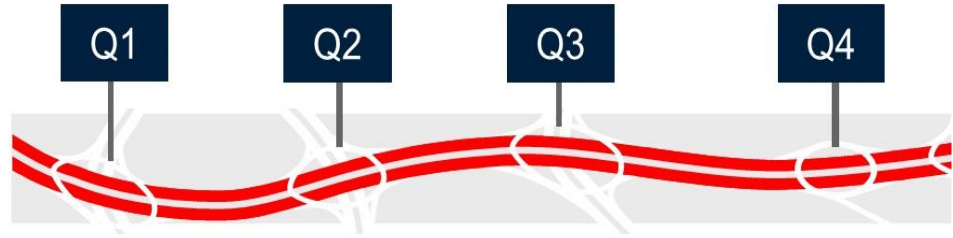
The Integrated Renewal Program (IRP) is a multi-year initiative to transform UBC’s academic and administrative support processes and system environments, and provide the foundation to meet UBC’s future needs and requirements. The IRP was established with the following **vision**:

The way we support learning and research, and how we work at UBC will be transformed, creating a cohesive, integrated, and enriched experience for students, staff, and faculty.

The IRP **objectives** are as follows:

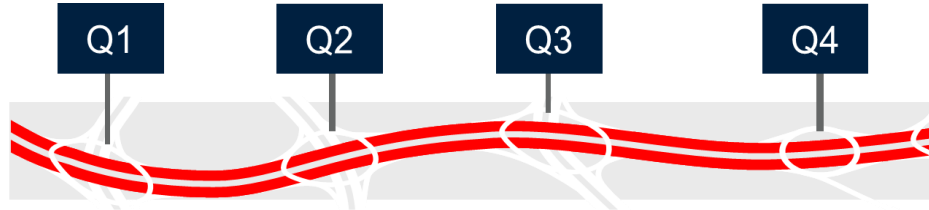
1. *Support an engaged, collaborative, and exceptional learning, research, and working environment for students, staff, and faculty.*
2. *Enable a cohesive alignment of practices and processes.*
3. *Create a simple, intuitive, consistent user experience where we interact with confidence and ease.*
4. *Ensure reliable, integrated, and accessible institutional data that enables people to make informed, strategic decisions.*
5. *Position UBC and its people to embrace opportunities and adapt to future needs and requirements.*
6. *Provide robust, secure, sustainable solutions that are fiscally responsible.*

**FY17-18
MAJOR
MILESTONES**



Key outcomes	Key outcomes	Key outcomes	Key outcomes
<ul style="list-style-type: none"> Approval of Student Academic Systems Initiative Request for Proposal (RFP) Approval of HR & Finance System Renewal Business Case 	<ul style="list-style-type: none"> Workday for Student and UBC began negotiations Formation of the Integrated Renewal Program (IRP) Conducted comprehensive product fit/gap analysis to evaluate whether Workday can meet UBC's enterprise needs 	<ul style="list-style-type: none"> Approval of IRP vision and objectives Approval for UBC to enter master agreements with Workday for an enterprise solution (HR, Finance, Student) 	<ul style="list-style-type: none"> Scope, resource, and budget refinement Finalization of deployment plan and associated release Preparation of FY18/19 plan and budget

**FY18-19
MAJOR
MILESTONES**



Key outcomes	Key outcomes	Key outcomes	Key outcomes
<ul style="list-style-type: none"> Program Charter & Detailed Project Plan Workday Foundation Data Model Workshops Leadership Engagement Campaign Stakeholder Analysis & Business Readiness Data Conversion & Integration Strategies 	<ul style="list-style-type: none"> HR/FIN Business Process Workshops Foundation Data Model & Data Quality Work IRP Community Kickoff Define Data Conversion Scope Student Future State Workshops HR/FIN Complete PLAN Stage 	<ul style="list-style-type: none"> HR/FIN Future State Business Processes Baseline Sustainment Plan Workday Tenant Management Student Complete PLAN Stage HR/FIN Complete ARCHITECT Stage 	<ul style="list-style-type: none"> HR/FIN commence CONFIGURE & PROTOTYPE Stage Student Process Design in ARCHITECT Stage Learning & Knowledge Management Plan Final Implementation Plan & Budget for Board 3 Approval

SCOPE With UBC Executive and IT Advisory Council input, the following principles were developed to guide the Integrated Renewal Program in refining the scope:

- **Execute-ability** – Focus on the set of functionality that is absolutely required to successfully implement the core system, retire legacy systems and enable integrations and reporting.
- **Effective Configuration** – Use ‘Out of the Box’ Workday functionality to drive towards common processes, as more uniqueness generates higher implementation and support costs.
- **Affordability** – UBC cannot afford to do everything. Program to provide maximum value for the investment.
- **University Focus** – Minimize resource conflicts and architectural complexity across the institution by prioritizing the Integrated Renewal Program as a University priority.

- **Continuous Improvement** – This program establishes the foundation for an ongoing cycle of activity and functional enhancements in support of UBC’s strategic plan.
- **Operational Priorities** – Cost/benefit of applying more operational capacity to the Integrated Renewal Program to maximize return on investment.

IRP – Building a Foundation for Continuous Improvement




The key objective of the IRP is to build an affordable, core foundational system that can be successfully implemented at acceptable risk which would then provide a long-term sustainable platform for future functionality and business process enhancements, as appropriate. The Integrated Renewal Program is a foundation investment in a platform for sustainable continuous improvement.

IRP – Scope Refinement Approach

The IRP Delivery Team established a baseline scope in accordance with UBC’s requirements for HR, Finance, and Student. An independent Project Cost Accountant and external Strategic Advisor with experience at Ohio State University were engaged to manage an iterative scope refinement and estimation process. The Scope Principles were applied to a variety of scenarios resulting in resource and cost calculations. The IRP Delivery Team worked with sponsors and executives to iteratively reduce overall resource requirements for UBC, Workday, and Deloitte. This approach balanced successful implementation, risk management, and affordability. The result was a final recommended scope for HR, Finance and Student, along with the identification of future capabilities required to support UBC’s Strategic Plan.

IRP Functional Scope

The IRP Steering Committee, Executive Sponsors and the IT Advisory Council, with input from the IRP Delivery Team, established the IRP Functional Scope as follows:

 Human Resources	 Finance	 Student
<ul style="list-style-type: none"> • Benefits • Compensation • Core HR Management (incl. Onboarding/Off-boarding) • Payroll • Talent Acquisition • Workforce Management – Time & Attendance 	<ul style="list-style-type: none"> • Institutional Accounting • Treasury & Cash Management • Procure to Pay • Travel and Expense • Research/Post Award Grants • Capital and Asset Accounting • Budget Development (core to Workday) • Revenue Accounting • Forecasting (Workday Planning) • Endowment Accounting (UBC Existing Methodology) 	<ul style="list-style-type: none"> • Assessment Outcomes • Curriculum Management (limited) • Graduation • Learner Financial Management • Learner Financial Support • Learner Management • Transfer Credit • Progression • Scheduling • Registration • Enrolment • Program Planning and Mgmt. • Admissions (Undergraduate)

Additional UBC Solution Requirements

The IRP will not address the entire set of solution requirements needed to fulfill UBC’s overall strategic priorities. This is consistent with any comprehensive systems upgrade such as the one UBC is undertaking. Any additional solutions would need to be initiated and approved as separate projects in accordance with UBC Capital Policy #126, and may include the following: Computerized Maintenance Management System (CMMS) (Work Orders, Asset Installation & Maintenance, Inventory), Catalogues / Contract Management/ Supplier Relationship Management, Endowment Accounting (Workday Methodology), Workplace Learning, Talent Management, Academic Calendar Production, Advising Appointments & Inquiry Management, Graduation Ceremony Management, and Enterprise Data Store. It was noted that some of these solutions (e.g. CMMS) will need to be implemented in parallel with the IRP to meet UBC’s strategic objectives.

DEPLOYMENT PLAN

An initial Deployment Plan was developed by UBC in consultation with Workday and Deloitte and takes into consideration the scope and business drivers, academic, fiscal and Canadian taxation year timelines, change management and user experience impacts, similar higher education HR, finance, and student system implementations, as well as data and system of record considerations.

<p>① APR 2020 HR / FINANCE STUDENT HR / FINANCE STUDENT</p>	<p><i>Single deployment with functionality included for:</i></p> <ul style="list-style-type: none"> • HR (Benefits, Compensation, Core HRM, Onboarding/Offboarding, Payroll, Talent Acquisition, Workforce Management – Time & Attendance) • Finance (Capital & Asset Accounting, Institutional Accounting, Procure to Pay, Research/Post-Award Grant Admin, Revenue Accounting, Travel & Expense Management, Treasury & Cash Management) • Curriculum Management (Academic units, Programs of Study & foundational elements)
<p>② JUL 2020 STUDENT</p>	<p><i>Deployment of common enabling technologies:</i></p> <ul style="list-style-type: none"> • Access & Identity Management, Generic Capabilities, Reporting
<p>③ FEB 2021 STUDENT</p>	<p>Curriculum Management (Courses), Admissions, Transfer Credit, Learner Management (Bio Data), Learner Financial Management (Application Fees)</p>
<p>④ MAY 2021 STUDENT</p>	<p>Scheduling, Enrolment, Registration, Program Planning & Management, Progression, Learner Management</p>
<p>⑤ JUN 2021 FINANCE</p>	<p>Assessment Outcomes, Learner Financial Support, Learner Financial Management, Graduation</p>
<p>⑥ JUN 2021 FINANCE</p>	<p>Budget Development & Forecasting</p>

Dependencies on other non-Workday solutions required in support of the multiple release approach have been identified. Additional analysis will occur during the Plan stages in FY18/19 to further validate the planned release dates, the sequencing of functionality, key assumptions, and the availability of new functionality in the Workday product in advance of Board 3 Approval in April 2019.

RISK MANAGEMENT Program risks are future uncertain events that, if occurred, would have a negative effect on achievement of one or more program objectives. The table below captures the top five (5) risks for the Integrated Renewal Program. Residual risk score represents the anticipated risk level after mitigations have been implemented.

Risk Statement	Current Score	Mitigation	Residual Score
Timely Decision Making (Risk #174)	Very High	<ul style="list-style-type: none"> Update the current decision making framework to enable nimble, timely decision making by the various governance bodies with clear thresholds and escalation paths when required (in progress) 	Med.
Ability to Obtain and Maintain In-Kind Resources (Risk #165)	High	<ul style="list-style-type: none"> Execute Leadership Action Plan and leverage Executive Sponsors leadership by having them engage with Deans and Admin Unit leadership to obtain buy-in for the IP (in progress) As part of plan stage, identify number and timing of required in-kind resources and develop recruitment strategy (planned). 	Med.
Budget Restrictions & Management of Contingency (Risk #173)	High	<ul style="list-style-type: none"> Refine the overall costs during the Plan and Architect stages with a final budget estimate to be submitted following the end of the Architect Stage (planned) Develop a framework for the use and management of IRP contingency funds to be approved by Executive Sponsors for the program (planned) 	Med.
Management of Stakeholder Expectations for Level and Timeline of Transformation (Risk #175)	High	<ul style="list-style-type: none"> Execute Leadership Action Plan and ensure Deans and Admin Unit leadership are informed about and engaged in, planned scope in both the short and long term for the program (planned) Ensure OCM plan includes communication to leaders and executives on their role in owning the ensuing change and change outcomes (planned) 	Med.
Consistent Application of Program Methodologies and Approaches (Risk #177)	High	<ul style="list-style-type: none"> PMO to identify the expected services that will be delivered and develop, communicate and monitor the consistent use of program-wide methodologies and approaches (planned) 	Med.

FY18-19 BUDGET The FY18-19 IRP budget is \$60M and is required to complete the Plan and Architect stages for HR, Finance and Student.

Recommended IRP scope: Finance, HR, Student, PMO, OCM & SD&D	FY18/19 (in millions)
UBC Resource Cost	15.3
Business Advisory for Transformation	2.2
External Prime Consultants	25.6
Other Costs [^]	12.1
Contingency @10%, net of exempt items*	4.8
Total Budget	60.0

[^] Other Costs include: Premise Leases & Furnishings; OCM Community Communications & Readiness; Subscription Fees; and, Software Tools, Travel, Legal & Training.

* Contingency exempt items relates to known costs not expected to change; 10% sufficient during Plan and Architect stages of program due to known efforts.

The overall program costs will be refined throughout the FY1819 Plan and Architect stages to determine a Final Implementation Budget for Board 3 Approval in April 2019.

Previous Report Date	February 15, 2018
Decision	INTEGRATED RENEWAL PROGRAM – STUDENT/HR/FINANCE 1. Information Only 2. Status Update on (1) Negotiation Summary, (2) Program Governance, (3) Organizational Change Management, (4) Risk & Issue Management, and (5) Budget.
Action / Follow Up	Complete Next Steps to Establish Integrated Program as Outlined.

Previous Report Date	December 5, 2017
Decision	INTEGRATED PROGRAM UPDATE – STUDENT/HR/FINANCE 1. Proceed to negotiations with Workday for an enterprise solution for Student, HR and Finance based upon the results of a comprehensive fit-gap analysis. 2. UBC enter into an agreement with Workday for the enterprise solution (Student, HR, Finance) subject to final delegated approval granted to the Chair of the Board of Governors Finance Committee upon successful negotiation of the final contracts and a recommendation from ITAC and UBC Executive.
Action / Follow Up	Complete Next Steps to Establish Integrated Program as Outlined.

Previous Report Date	September 21, 2017
Decision	INTEGRATED PROGRAM – SASI/HR/FINANCE UPDATE 1. Proceed to Negotiations with Workday and Deloitte for Student Solution.

Action / Follow Up	<p>2. Conduct a Comprehensive Fit/Gap Analysis to Assess Workday’s Ability to Meet UBC’s HR/Finance Needs.</p> <p>Complete Next Steps to Establish Integrated Program as Outlined.</p>
Previous Report Date	June 6, 2017
	<i>SASI HR FINANCE PROCUREMENT INTEGRATED PROGRAM UPDATE</i>
Decision	<p>1. Information Only</p> <p>2. Status Update on the Request to Establish an Integrated HR FINANCE SASI Program</p>
Action / Follow Up	Complete Next Steps to Establish Integrated Program as Outlined.