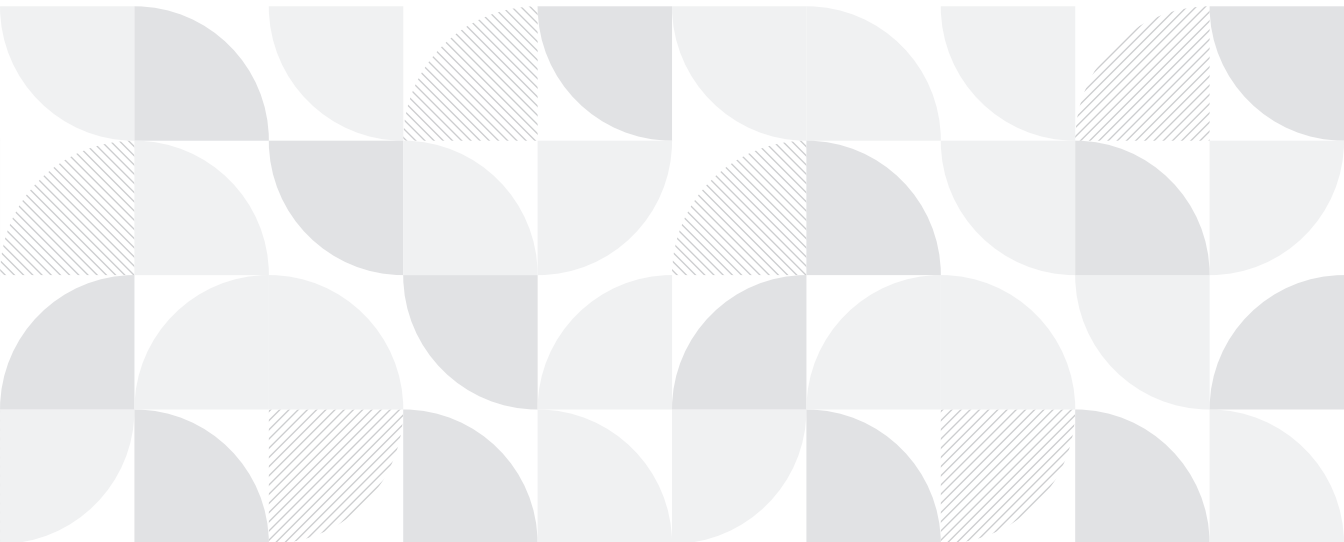




# Shared Services Primer

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Understanding the Opportunities for  
Scaling Administrative Services



“ Under our old model, business services were perceived as low-value and non-core. With shared services, administrative staff have been able to reinvent themselves as high-value service providers. They’re now seen as partners—and it’s because we took the time to get our model right, to focus on our customers, and to simplify and standardize our processes. You can’t rush shared services if you want it to last.”

**Shared Services Director  
Public Research University**

# Shared Services Primer

**1** Understanding Shared Services

**2** Shared Services Readiness Diagnostic

**3** Shared Services Maturity Model

# Understanding Shared Services

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Shared services is a tried-and-true method for increasing the efficiency and quality of administrative service delivery. It's a vehicle to leverage cloud-based enterprise systems and automation to standardize processes, freeing up the capacity for staff to complete more strategic and mission-centric tasks. With careful planning, shared services centers can even generate cost savings over time. However in higher education, shared services initiatives tend to evoke fears of layoffs, increased administrative burdens for faculty, and expensive consulting engagements with questionable returns.

The term "shared services" evokes different connotations in higher ed, from purchasing consortia between schools to payroll administration within state systems. As noted below, this research brief defines shared services as the consolidation of transactional activity performed by generalist staff into a single delivery point.

## EAB's Definition of Shared Services

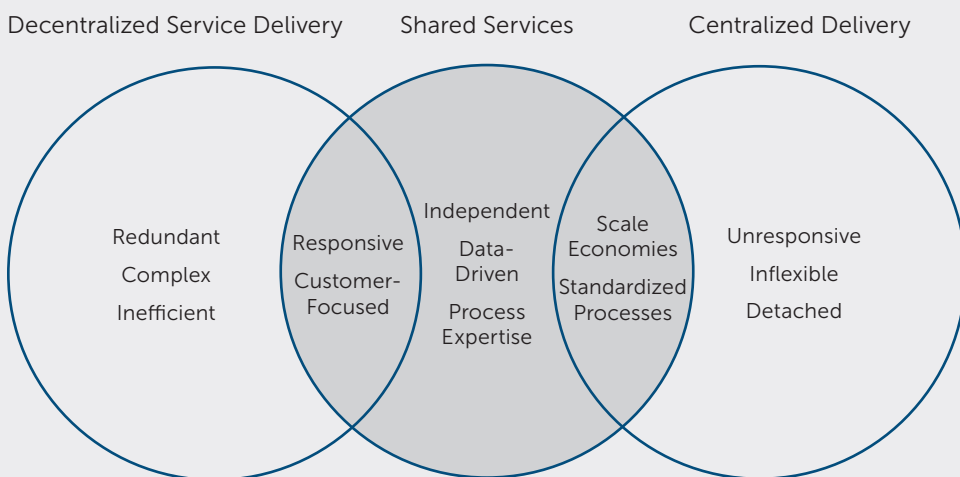
Shared services is the consolidation of administrative activity previously performed by unit-based generalist staff into a centralized delivery point in order to increase service quality and reduce labor costs for customers.

### Key Factors:

- ▶ Consolidation of transactional business activities into a single delivery point
- ▶ Focus on communication and high-quality service
- ▶ Commitment to continuous improvement

Importantly, shared services is different than centralization. As illustrated in the graphic below, shared services offers the responsiveness and reliability associated with decentralized administrative support and also leverages shared services leverages economies of scale and standardizes processes across departments, colleges, or other nonacademic divisions. Service-level agreements ensure shared services units are accountable to their customers in terms of the speed, quality, and scope of work. At peak maturity, shared services units continually improve service levels and efficiency, driving toward greater simplification, automation, and accuracy of workflows based on customer feedback and data-driven management.

## Shared Services: Breaking the Trade-Off Between Centralized and Decentralized Service Delivery



### How Is Shared Services Distinct from Centralization?

- ▶ Focus on customer service levels, through service-level agreements (SLAs), customer liaisons, and governance boards
- ▶ Emphasis on continuous business process improvement, through automation, process expertise, and data analysis

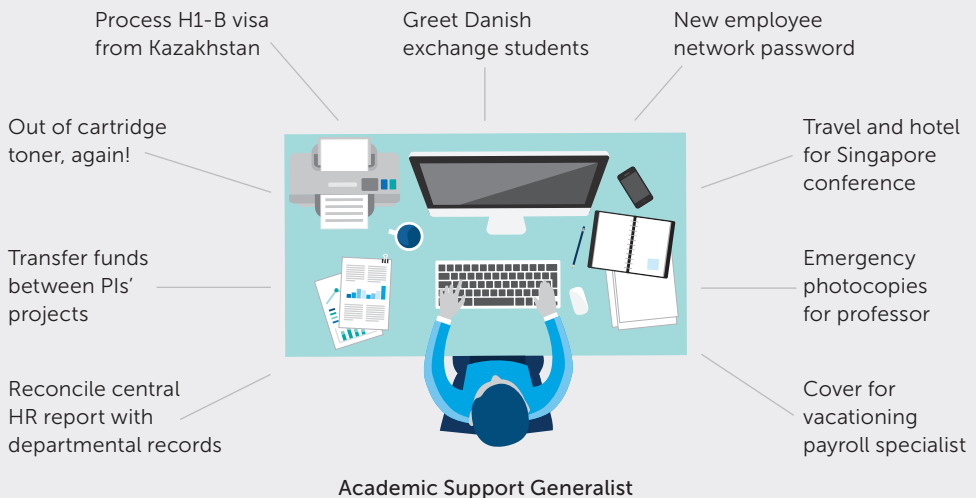
# Tackling the Inefficiencies of the Decentralized Campus

Administrative support staff scattered across an institution are expected to carry out many tasks at varying levels of complexity, from organizing conferences to filling out new employee paperwork to managing payroll lists. Data collected by EAB on administrative workloads suggests that upwards of 70% of administrative activities, whether related to finance, procurement, HR, IT, or beyond, are performed by department-based “generalists.” Central administrators ultimately responsible for these services often struggle to introduce more sophisticated business processes, given the lack of direct managerial control over generalists.

Notably, administrative generalists consistently report a desire to spend less time on paperwork and more time on higher-value tasks that directly advance the mission of their units. Leaders can tap into this desire in mitigating potential resistance to shifting from a generalist model to shared services. Shared services can help alleviate administrative burdens, providing a single “front door” into transactional tasks, reducing wasted time when someone doesn’t know how to get something done.

## Generalists Tasked with Many Administrative and Academic Tasks

- ▶ Holds responsibility for complex human resources, finance, information technology, and procurement activities
- ▶ Reports to a department chair or dean
- ▶ Lacks specialized training or formal accountability to central units



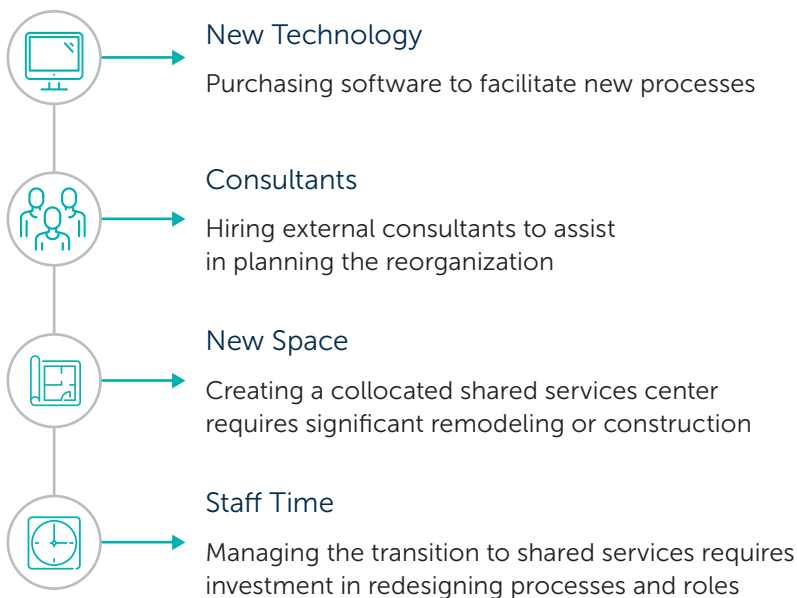
# Shared Services Fails When Framed as a Cost Savings Measure

Historically, enterprises in the private sector adopted shared services to achieve cost savings through workforce reduction. Consulting firms accustomed to the private sector's flexibility and top-down leadership have promised similar opportunities to potential higher education clients.

But higher education institutions that frame shared services as a way to realize short-term cost savings start the entire initiative on the wrong foot. They often abandon shared services after provoking fierce opposition from faculty and staff who fear that employee headcount—the major driver of an institution's costs—will be the primary vehicle for savings.

In reality, higher ed shared services implementations tend to produce smaller short-term financial savings because the campus labor pool is more fixed. Leaders often meet significant resistance to change when introducing shared services alongside workforce reduction proposals. Moreover, up-front expenditures for shared services—such as facilities renovations, new workflow technology and automation solutions, consultant support, and director and managerial salaries—can quickly increase costs.

## Up-Front Costs of Shared Services Launch



# Service Quality and Efficiency Improvements More Likely to Engender Support

Emphasizing up front the ability of shared services to improve the efficiency and quality of business service delivery is key to successful shared services implementations. Persuading campus stakeholders to migrate to a new support model requires campus leaders to make those benefits personal and compelling.

Institutions that have successfully introduced shared services report that the following factors resonated with faculty and staff alike:



**Improving the quality of support services:** Services that are highly manual, error-prone, and undocumented waste valuable faculty and staff time. Perhaps even more worrisome, they introduce compliance risks. Universities have been slow to introduce standardized business processes, and automation capabilities are typically underutilized due to poor enterprise architecture, customer resistance, or prohibitive up-front costs. Shared services offers an opportunity to meet compliance needs through more intentional oversight and accountability.



**Protecting valuable research time:** As grant proposal acceptance rates decline, more submissions are required to achieve the same levels of financial support. The burden of grant-writing is compounded as expanding federal regulations demand a proliferation of compliance reports. Some institutions report that nearly half of faculty time is spent on administrative tasks. Shifting some of this “shadow work” from faculty to administrative specialists in shared services centers can protect valuable research time.



**Serving the have and have-nots:** Administrative support is rarely distributed equitably across the institution, leaving some departments struggling to manage their workloads. Shared services centers provide the same high-quality support to all customers. Service-level agreements ensure that the quality of support is consistent for all faculty and staff, regardless of home department.



**Facilitating career growth opportunities:** Administrative support staff in a decentralized environment have limited opportunities for career growth, meaning that those with high potential often leave the institution. Shared service centers provide staff with a path toward promotion, along with peer networks and training opportunities that can help institutions retain their best staff.



# Spotlight:

## Staff Morale Improves by Centralizing IT Services

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Several years ago, the student affairs division of one large public research institution decided to consolidate its information technology staff and services across 31 units into a single organization. The new shared services center was split into two parts: the Office Technology Center that focused on hardware, server administration, and desktop support, and Student Affairs Information Technology, which focused on programming.

By consolidating all IT staff into a centralized structure, the division was able to leverage the experience of staff across all units and thus provide more effective, efficient, and higher-quality services across the division. Moreover, the shift opened opportunities for better job trajectory for IT staff. Previously, the IT Coordinator role in any given unit had no other position to strive toward, which was frustrating for ambitious and talented employees. The centralized shared services structure offered higher positions, which has boosted staff morale and retention.

In rolling out the initiative, division leaders offered the following rationale:

- ▶ The new IT structure would allow the division to provide higher-quality service in a more efficient way, without increasing costs
- ▶ The move was designed to address a range of workload and morale issues and allowed for more organic staff professional development and promotion
- ▶ The consolidation enabled the unit to “work smarter,” triaging customer problems for more efficient and higher-quality service

## Can Shared Services Deliver Cost Savings in the Long Term?

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While improved service quality, not cost cutting, should be the primary reason for shifting to a shared services delivery model, savings are possible. Labor savings can be unlocked over time through more intentional management of vacated positions or by redeploying staff to more mission-centric work for which additional FTEs would otherwise need to be hired. Some institutions also use shared services as a way to “bend the labor cost curve,” with the same number of administrative staff absorbing more work as the institution grows. Either way, cost savings are unlocked over time, not in the short term.

As illustrated to the right, one research university introduced shared services for research administration. As staff in the shared services center optimized their workflows, they freed up capacity—so much so that university leadership decided not to backfill some positions as they were vacated—without adverse effects on service quality.

## Faculty incentivized to join Research Shared Services (RSS) primarily on the basis of quality, rather than cost...

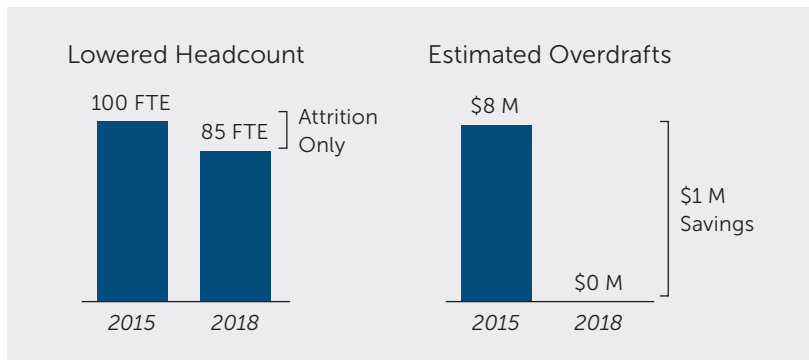
### Improvements in Support Activities from RSS Participations

| Support Activity         | Typical Center  | RES   |
|--------------------------|---|---|
| <b>Reporting</b>         | No/infrequent reporting   | Real-time access with portfolio and project drill-downs |
| <b>Staffing</b>          | Director spends significant time interviewing, managing staff members | RES hires, supervises all administrative personnel      |
| <b>Pre-award Support</b> | PIs responsible for all proposal content                              | PIs focused exclusively on science content              |
| <b>Reimbursement</b>     | Six months  | Two weeks   |

Research center directors receive increased support, especially in compliance and personnel management

Time freed for PIs to concentrate on research

## ...but cost savings are still critical to making the case



- ▶ **Fewer Grant Dollars Funding Administrative Costs**  
RSS estimates decrease in admin costs from 7.5% to 6%
- ▶ **Reduced Compliance Risk**  
RSS now reporting 98% compliance

# Customize Shared Services in Response to Customer Needs and Campus Culture

There is no one-size-fits-all model when it comes to shared services. Broadly speaking, shared services organizations fall into one of three models. Each offers trade-offs between process standardization, scale, and proximity to customers. The three models are illustrated below.

|                                     | <i>Model</i>  | <i>Example</i>   | <i>Strength</i>  |
|-------------------------------------|---|--|--|
| <p>More Scale</p> <p>Less Scale</p> | <p><b>Campus-Wide Shared Service Center</b><br/>A single shared services unit, managed centrally, completes transactional work for all or part of campus</p>                      | <p>A single shared services center at the <b>University of Michigan</b> handles 65,500 cases per month across seven major service areas</p>  | <p>A single unit offers the greatest scale and opportunity for process standardization and service</p>                   |
|                                     | <p><b>Shared Service Hubs</b><br/>Multiple centrally managed shared services units fulfill transactional work, each focusing on a segment of campus customers</p>                 | <p>At the <b>University of Kansas</b>, four shared services centers provide a standard set of services to customers grouped by location and type (admin, humanities, sciences, etc.)</p> | <p>Geographic proximity and segmented focus can alleviate perceived fears about service quality</p>                      |
|                                     | <p><b>Localized Shared Services</b><br/>Individual units or schools offer services to their own departments “at scale,” usually with a dotted-line relationship to the center</p> | <p>At the <b>University of Washington</b>, units have created their own centers based on local needs that provide unit-specific services</p>   | <p>More customized service for units with specialized needs; also useful when buy-in varies across pockets of campus</p> |

Notably, some large campuses have adopted a portfolio of different types of these shared services organizations. At one institution, a college created its own shared services hub for IT needs, and another established a hub for grant administration support. Meanwhile, the institution has a campus-wide shared services center that handles finance, human resources, and payroll tasks for all units.

- ▶ EAB has compiled a **Compendium of Shared Services Profiles** to help institutions understand the many manifestations of shared services across the higher education landscape. Visit **[eab.com/SharedServicesCompendium](https://eab.com/SharedServicesCompendium)** to download the resource and peruse the organizational structures and services offered by 24 different centers.

# The Best Shared Services Model Is the One That Works for You

Based on extensive research and interviews with shared services veterans, EAB has identified two major steps that leaders must work through to bring shared services to life on campus:

## Design a shared services model that reflects campus priorities and goals



### Key tasks:

- ▶ Select an organizational model that balances efficiency and customer responsiveness
- ▶ Determine the activities to consolidate into the shared services center
- ▶ Calculate the number of staff needed in the shared services organization
- ▶ Create a sustainable funding model to support the shared services organization

## Ease the transition to shared services with a plan for common change management hurdles



### Key tasks:

- ▶ Communicate the impact of organizational change early and often
- ▶ Codify business processes and staff responsibilities
- ▶ Engage customers in the conversation about service expectations
- ▶ Ease customer units into shared services with an incremental rollout
- ▶ Track efficiency and service metrics to justify the investment

Thankfully, implementation teams do not need to start from scratch.

- ▶ For guidance and supporting resources for each of the tasks described above, visit [eab.com/SharedServices](https://eab.com/SharedServices)

# A Final Note

## on Executive Support

Campus leaders will benefit from taking the time to develop a thoughtful plan for shared services that reflects the local culture and opportunities for process standardization, simplification, and consolidation. Designing the future state for shared services, however, is only part of the challenge. Redesigning workflows, job descriptions, and the administrative support structure for units will cause a seismic shift in the way work gets done on campus. Consequently, the executive leadership team must be aligned in its willingness to make the case for shared services and work toward a common goal

- ▶ Consider using the diagnostic questions in the next section to spark senior-level conversations about campus readiness to adopt shared services.





# Shared Services

## **Readiness Diagnostic**

The following questions are designed to guide conversations around transforming business processes through shared services. These questions should be used to assist senior leaders with evaluating the urgency of migrating to shared services, designing an end-state model, achieving faculty and key stakeholder buy-in, and pursuing an implementation plan.

## Evaluating Shared Services Opportunities

|  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 1. Is a significant percentage of our transactional, business support activities performed by department- or unit-based business support staff, without oversight or budgetary control by central administrators?    | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do our central administrators struggle to quantify labor expenditures and transactional activities performed by decentralized support staff, making it hard to identify efficiency or cost savings opportunities? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are our larger departments and units over-resourced in support staff, while smaller units suffer from inconsistent coverage or go without key services?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are our faculty completing an increasing amount of administrative tasks (e.g., compliance requirements), limiting their ability to focus on teaching or research?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do we expect a significant portion of support staff to retire in coming years (for some institutions, up to 30–50%)?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Do our younger faculty and staff seem more receptive to self-service mechanisms for administrative support?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Do we have growing online education and/or sponsored research ambitions that necessitate either increasing the number of support staff or scaling existing structures to better meet expanding needs?             | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are there administrative functions on campus where automation capabilities have not been fully utilized?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Do our business processes vary widely across campus, complicating the transition to automated backbones?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Do we have plans to migrate to a new ERP platform, necessitating greater process standardization and central coordination?   | <input type="checkbox"/> | <input type="checkbox"/> |

## Preparing Academic Partners

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Do we have external and/or internal benchmarks to articulate to faculty the cost and quality decrements of the current support model?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Can we incubate shared services in a pilot site to generate longitudinal data to make the case for broader campus migration?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Can the new shared services center provide our faculty with improved service quality and additional services at no extra cost?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are we able to incentivize department heads to participate by promising a tangible portion of shared services savings to reinvest in value-add activities?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Can we provide deans and unit staff with advance warnings to shared services migration plans, allowing support staff to seek other positions or receive the training needed for more task-specialized roles? | <input type="checkbox"/> | <input type="checkbox"/> |

## Designing the Shared Services Model

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Can we reinvest any savings from strategic sourcing, process simplification, or IT consolidation into shared services?           | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do we envision the end-state support model as:   |                          |                          |
| a. multiple business service centers distributed across campus, or  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. a single shared services center supporting the entire institution?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do we know any academic or administrative leaders who might be willing to partner in a shared services "proof of concept" pilot? | <input type="checkbox"/> | <input type="checkbox"/> |

## Designing the Shared Services Model (cont.)

|  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 4. Is there a high-performing administrative or academic unit with the capacity to expand its support services to other customer units?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. In order to conduct the data analysis needed to determine staffing levels and triage processes, do we:  |                          |                          |
| a. have the funding to hire external consultants or  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. prefer to use internal surveys and other data-gathering methods to base-line transaction volume and costs?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Should pilots begin with:   |                          |                          |
| a. "least controversial" processes, establishing trust to address more ambitious projects later, or  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. "most broken" processes, thereby achieving ROI on a few impactful functions quickly, or   | <input type="checkbox"/> | <input type="checkbox"/> |
| c. a wide range of business support services at once, thereby developing and testing a comprehensive structure ready for quick rollout to other units?                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are we using process improvement tools to encourage staff to identify duplicative manual steps and areas primed for simplification or automation?                                   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Can we afford to absorb near-term increases in staff headcount as new services are rolled out, awaiting eventual attrition of unit-based generalists?                               | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Do we have historical trends and predicted retirement data in order to better predict staffing needs?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Have we communicated to staff that positions in the new shared services center come with the prospect of improved training, better compensation, and more attractive career paths? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Have we developed competency assessments to match individuals to positions and encourage resistant staff to self-select out of shared services?                                    | <input type="checkbox"/> | <input type="checkbox"/> |

## Embedding Continuous Improvement into the Model

|   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Does our shared services center use two-way service-level agreements (SLAs) that emphasize both customer and service center responsibilities?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does our shared services center have a governance board with representatives from both central administration and academic units?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Should penalties be charged to departments that ignore standardized processes and create rework?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Does our shared services center incorporate ticketing software that measures incidence, mix, and resolution to customer support requests, identifying areas for continued improvement? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Does our shared services center deploy dedicated staff teams on a rolling basis to examine process vulnerabilities?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Do we set operational or transactional targets for each shared services task, measured on a weekly or monthly basis?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Can we utilize pay-for-performance evaluations of shared services staff based on key performance indicators?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Have we established an online self-service portal or bot to triage initial customer requests across a range of support functions?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Have our shared services leaders invested in a culture of continuous improvement and customer service training for staff?  | <input type="checkbox"/> | <input type="checkbox"/> |



# Shared Services

## **Maturity Model**

Institutions that are further along in the shared services planning process or those that are looking to reevaluate an existing shared services model may benefit from comparing themselves to best practice. This maturity model provides a snapshot of solutions deployed by the most mature higher ed shared services organizations in response to common challenges.

# 1

## Base-Lining Current Transaction Costs

### Typical Campus Challenge

Institutions are unable to quantify the labor expenditures or transaction costs of discrete business activities, as the generalist model obscures volumes, labor intensity, and time to resolve most support requests. While some institutions use external consultants to base-line costs, these engagements can be a cost-prohibitive or culturally unacceptable expense.

### Progressive Practice

After being trained in consistent terminology, distributed support staff complete surveys estimating time allocation for a set list of transactional activities. Results provide estimates of the labor costs associated with each administrative activity.

### Shared Services Exemplar

Shared services centers incorporate CRM ticketing software that measures incidence, mix, and resolution of customer support requests, capturing the granular data necessary to identify inefficiencies.

# 2

## Achieving Faculty Buy-In

### Typical Campus Challenge

Accustomed to deep relationships with local support staff, faculty equate proximity and local control with service quality and thus resist a more consolidated method of service delivery.

### Progressive Practice

- ▶ Faculty and academic staff are presented with internal and external benchmarks to help them visualize cost and quality decrements of current model.
- ▶ Shared services is piloted in central administration or selected academic/research units, allowing the institution to “work the kinks out” and generate compelling quality and cost data.
- ▶ Additional support features are promised to faculty at no extra cost (e.g., annual laptop checkups, 24/7 service).

### Shared Services Exemplar

- ▶ Department leaders are incentivized to participate in shared services with a tangible portion of shared services savings.
- ▶ The shared services center offers a range of both mandatory and optional components. Users are allowed customizations at their own expense while ensuring central compliance and budget requirements are met.
- ▶ Through continuous open-market competition, units have the freedom to purchase services from either the shared services center or external providers.



## 3

### Funding Transition Costs

#### Typical Campus Challenge

Consolidating business services requires meaningful transition costs, especially as automated tools are phased into new support structures.

Directives from the president or board sometimes lead to budget earmarks; otherwise, shoestring budgets endanger project success.

#### Progressive Practice

- ▶ Expanding an existing high-performance support unit into a shared services center allows institutions to leverage sunk costs, minimizing up-front investments.
- ▶ A new ERP implementation provides an opportunity to include shared services transition costs into substantial budget, with less resistance to added costs since ROI will be improved on an already-expensive system.

#### Shared Services Exemplar

- ▶ Savings from quick wins in strategic sourcing, IT consolidation, or process simplification are reinvested in shared services centers.
- ▶ After initial migration, the shared services center retains a portion of over-performance against operational or transactional cost targets to fund the expansion of services.

## 4

### Prioritizing Processes to Migrate and Redesign

#### Typical Campus Challenge

Redesign task forces are short-lived and focused on narrow project sets. No institution-wide mechanism exists for adjudicating which processes must be standardized compared to those deserving continued local customization.

#### Progressive Practice

- ▶ Universities focus initially on “low-hanging fruit,” or lower-stake projects with less danger of stakeholder resistance, outlining a playbook for more ambitious projects to follow.
- ▶ Line staff are trained to use process-mapping techniques to identify areas ripest for standardization, simplification, and (where possible) automation.
- ▶ Central administrators and unit-based business managers meet monthly to identify processes with the greatest need for standardization. Internal benchmarks demonstrate outliers across departments and units, with each unit persuaded to meet its own institution’s best performance standard.

#### Shared Services Exemplar

Dedicated staff teams create a timeline to examine process vulnerabilities on a rolling basis, starting with the areas that have the greatest compliance risk or cost and time savings potential. Teams redefine standardized processes when new best practices or opportunities emerge and have mechanisms for allowing local exceptions based on regulatory or mission-related demands.

## 5

### Achieving Labor Savings Without Layoffs

#### Typical Campus Challenge

Process redesign efficiencies translate into labor savings due to difficulty of “unwinding” generalist administrative staff roles.

#### Progressive Practice

- ▶ Universities absorb near-term increases in support headcounts as new services are rolled out, awaiting eventual attrition of line-based generalists.
- ▶ The shared services center absorbs and redeploys underutilized staff to assist under-resourced units.
- ▶ A two-year warning in advance of a shared services implementation is provided to deans and staff with specialized roles. Staff are given the opportunity to seek other positions or receive the training needed for more task-specialized jobs.
- ▶ New or replacement hire authorization committees ensure open positions are justified and narrowly defined.

#### Shared Services Exemplar

- ▶ A year-by-year predicted attrition plan provides guidelines for how many roles can be consolidated without downsizing. If turnaround falls short, a monthly committee reviews open positions and matches them with internal staff.
- ▶ Staff are offered increased use of flex and part-time work schedules, with the expectation that some will choose fewer hours in exchange for greater scheduling control.

## 6

### Up-Skilling and Transitioning Administrative Staff

#### Typical Campus Challenge

Generalist staff members transition into new roles without the necessary competencies to perform specialized tasks.

#### Progressive Practice

- ▶ Breaking away from seniority-based promotion models, universities afford talented staff the opportunity to apply for positions in new consolidated structures with the prospects of improved training, better compensation, and more attractive career paths.
- ▶ Technology competency assessments match individual skill levels to positions and encourage resistant staff to self-select out of shared services models.

#### Shared Services Exemplar

Staff are incentivized to improve their performance and skill set, as pay-for-performance evaluations are made against role-based key performance indicators (KPIs). Innovation bonuses are provided for successful staff reengineering proposals.

## 7

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### Eliminating Shadow Systems

#### Typical Campus Challenge

Despite best efforts to ensure new systems meet business requirements, end-users find their needs unmet or lack training to utilize full functionality.

Academic units insist on uniqueness, resulting in unprincipled customization requests and continued manual transactions.

#### Progressive Practice

After completing ERP training, end-users are required to pass an online examination proving knowledge of system capabilities.

#### Shared Services Exemplar

- ▶ Periodic system audits identify patches to eliminate department-based applications and ensure continued attention to data integrity and functionality.
- ▶ “Sin taxes” are charged to departments that ignore standardized processes and thus create central office rework. First offenders receive tutorials on the importance of standardization; repeat offenders pay punitive fines.

## 8

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### Preserving End-User Service Levels

#### Typical Campus Challenge

Consolidation efforts flounder when shared services centers are insufficiently resourced to provide adequate service, with faculty perceiving that central projects, controls, and costs take precedence over academic unit needs.

#### Progressive Practice

- ▶ Customer liaisons remain physically located in units or in frequent communication with unit leaders to ease the transition to new processes.
- ▶ Customer service needs are addressed through governance boards, including both central and unit representatives.

#### Shared Services Exemplar

- ▶ Central administration retains a portion of shared services savings to fund continuous improvements, such as assessing and deploying the next round of process migration and automation.
- ▶ Two-way service-level agreements (SLAs) emphasize both customer and service center responsibilities, ensuring mutual accountability.





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## Sources

Business Affairs Forum interviews and analysis.



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