

FY16

Annual Performance

Plan

Division of Business Services

August 19, 2015

Table of Contents

Pages

VCFA Strategic Priorities	2-3
Division Strategic Priorities & Goals - Overview	4
Division Strategic Priorities & Goals - Summary Chart	5-6
Division Strategic Priorities & Goals	
Division Strategic Priority 1: Cultivate a Quality Workforce	
Division Strategic Priority 2: Serve as an Effective Campus Partner	
Goal: Improve User Acceptance and Utilization of Shop@UW	7-8
Goal: Evaluate MDS Operations and Develop an Improved Business/Service Model	9
Goal: Evaluate SWAP Operations and Develop an Improved Business/Service Model	10
Division Strategic Priority 3: Ensure Financial Integrity and Preservation of Campus Assets	
Goal: Improve the Workers Compensation Return-to-Work Program	11
Goal: Increase the Number of Vendors Paid by ACH	12-13
Goal: Improve the Managed Travel Program	14-15
Goal: Develop a Campus Financial Internal Control Framework	16
Division Strategic Priority 4: Promote Strategic Sourcing and Demand Management	
Goal: Implement Strategic Category Spend Management	17-18
Division Strategic Priority 5: Enrich the Student Experience	
Goal: Implement Credit Cards for Student Tuition Account Payments	19-20
Goal: Support the Campus Student/Parent Financial Portal APR Project	21
Goal: Improve Bursar's Office Communications with Students and Parents	22-23

VCFA Strategic Priorities

VCFA Strategic Priority 1: EID

The planned actions to support the VCFA's strategic priority of Engagement, Inclusion and Diversity (EID) are included in the division's 2015 EID Plan Update submitted on August 3, 2015.

VCFA Strategic Priority 2: Student Leadership Development

(1) Division goal/objective statement: Conduct initial WiGrow conversations with all new student employees in the Division of Business Services within 45 days of employment start dates.

Baseline measures: The percentage and number of new student employees who received their first WiGrow conversations within 45 days of employment were as follows in the last two fiscal years:

FY14: 6%, or two out of 32 new student employees

FY15: 33%, or eight out of 24 new student employees

Performance target: In FY16, 100% of the division's new student employees will receive their initial WiGrow conversation during their first 45 days of employment.

Milestones to be accomplished:

- Communication will be sent to all WiGrow supervisors encouraging them to schedule the first WiGrow conversation during the first month of onboarding all new students - by August 2015.
- All new student supervisors will receive training on the WiGrow and Red Folder programs - ongoing.
- In situations where the first conversation has not occurred within 30 days of employment start dates, supervisors of the WiGrow supervisors will be asked for assistance to ensure that the first WiGrow conversations take place in the remaining two weeks of the 45-day goal timeframe - ongoing.

Risks, challenges, or barriers to success:

- Recruitment and hiring of students is done by each department, independent of other departments, and maintaining coordinated and up-to-date student information is time intensive.
- Time constraints, varying workloads and the number of initial conversations a supervisor must have within a specified timeframe may be a challenge.

(2) Division goal/objective statement: Increase the number of student employees that moderately or strongly agree with the following WiGrow survey statement, *"My supervisor helps me make connections between my current work and my academic pursuits."*

Baseline measures: The percentage of students who moderately or strongly agreed with the statement was as follows in the last two fiscal years:

FY14: 75%

FY15: 71%

Performance target: Similar to the VCFA performance target of 75% in FY16, the performance target for Business Services is 75% of the student employees will moderately or strongly agree with the survey statement.

Milestones to be accomplished:

- Results from the Spring 2015 student WiGrow survey along with FY16 WiGrow goals will be reviewed with student supervisors in the division - by August 2015.
- All new student supervisors will receive training on the WiGrow and Red Folder programs - ongoing.
- A semi-annual divisional email newsletter will be sent to all student employees (with copy to supervisors) each semester that will include: (1) a reminder of upcoming WiGrow conversations; (2) encouragement to think about and discuss school/work/career connections; and (3) a soft news feature (i.e., WiGrow success story) - by October 2015 and March 2016.
- A divisional forum will be held for student supervisors to provide additional coaching and an opportunity to share best practices for working with student employees - by June 2016.

Risks, challenges, or barriers to success:

- Time constraints and/or conflicts with other commitments may prevent some students and supervisors from participating fully in all WiGrow opportunities.

(3) Division goal/objective statement: Increase the number of student employees that moderately or strongly agree with the following WiGrow survey statement, *"My supervisor helps me see connections between skills gained/used in my current work that are transferable to a future occupation."*

Baseline measures: The percentage of students who moderately or strongly agreed with the statement was as follows in the last two fiscal years:

FY14: 88%

FY15: 86%

Performance target: Even though the VCFA performance target is 75% in FY16, the performance target for Business Services is 88% of the student employees will moderately or strongly agree with the survey statement.

Milestones to be accomplished:

- Same as those identified in goal/objective statement (2).

Risks, challenges, or barriers to success:

- Same as those identified in goal/objective statement (2).

VCFA Strategic Priority 3: **Resource Stewardship through Process Improvement**

The Division of Business Services has not selected an individual project to highlight for the VCFA priority of resource stewardship through process improvement. Rather, several projects or initiatives are included later in the division's plan that are aimed at improving process efficiency and effectiveness, enhancing services, increasing collaboration, increasing responsiveness to customers, and improving the University's financial performance.

Division Strategic Priorities & Goals - Overview

The Division of Business Services supports UW-Madison's institutional responsibilities of higher education and research through the delivery of business services to campus. The division's service areas are accounting, purchasing, materials distribution and surplus property disposition, risk management, and student account, payment and loan services.

Services have historically focused on compiling data and processing transactions. While these services are essential, last fiscal year (FY15), the division continued on a path of transformation. As a central unit, the division is expanding its role to position itself at the forefront of managing and coordinating financial and business functions and services across campus. In order to do so, the division will need to develop the infrastructure and staff capabilities to assess and oversee financial internal controls, prepare financial reports for internal and external constituencies, identify and mitigate risk, and advance strategic sourcing.

In FY16, the division will continue to strive towards five long-term strategic priorities (highlighted in red below). For the FY16 Annual Performance Plan, the division will measure performance for a total of eleven goals related to four of the strategic priorities:

Division Strategic Priority 1: Cultivate a Quality Workforce

Division Strategic Priority 2: Serve as an Effective Campus Partner

Goal: Improve User Acceptance and Utilization of Shop@UW

Goal: Evaluate MDS Operations and Develop an Improved Business/Service Model

Goal: Evaluate SWAP Operations and Develop an Improved Business/Service Model

Division Strategic Priority 3: Ensure Financial Integrity and Preservation of Campus Assets

Goal: Improve the Workers Compensation Return-to-Work Program

Goal: Increase the Number of Vendors Paid by ACH

Goal: Support the Managed Travel Program

Goal: Develop a Campus Financial Internal Control Framework

Division Strategic Priority 4: Promote Strategic Sourcing and Demand Management

Goal: Implement Strategic Category Spend Management

Division Strategic Priority 5: Enrich the Student Experience

Goal: Implement Credit Cards for Student Tuition Account Payments

Goal: Support the Campus Student/Parent Financial Portal Project

Goal: Improve Communication with Students and Parents

It is important to note that many of the division's goals are strategic in nature and will require the cooperation of campus partners, stakeholders and customers in order to be successful. They also relate to the division's transformation to a central unit at the forefront of managing and coordinating financial and business functions and services across campus and, therefore, will involve a significant paradigm shift. Other goals are operational and are aimed at monitoring and improving the division's existing functions and processes.

Finally, in keeping with the VCFA's mission and strategic priority of resource stewardship, all of the goals are aimed at improving process efficiency and effectiveness, enhancing services, increasing collaboration, increasing responsiveness to customers, and improving the University's financial performance.

Division Strategic Priorities & Goals - Summary Chart

Priority	Goal/Objective	Baseline Measure	Performance Target	Qtr 1 Milestones	Qtr 2 Milestones	Qtr 3 Milestones	Qtr 4 Milestones
Serve as an Effective Campus Partner	Improve User Acceptance and Utilization of Shop@UW	Number of transactions: 251,856 % of addressable spend transactions: 35% Shop@UW spend: \$37,929,100 % of addressable spend: 7.1%	Number of transactions: 255,000 % of addressable spend transactions: 36% Shop@UW spend: \$39,000,000 % of addressable spend: 7.5%				
(same as above)	Evaluate MDS Operations and Develop an Improved Business/Service Model	Net loss \$175,158	Break-even financial position and completion of milestones within schedule				
(same as above)	Evaluate SWAP Operations and Develop an Improved Business/Service Model	Net gain \$30,687	Break-even financial position and completion of milestones within schedule				
Ensure Financial Integrity and Preservation of Campus Assets	Improve the Workers Compensation Return-to-Work Program	Average of 23.9 days	Reduction of current average by 10%, or average of 21.5 days				
(same as above)	Increase the Number of Vendors Paid by ACH	3% of purchase order contract vendors	10% of purchase order contract vendors				
(same as above)	Support the Managed Travel Program	Air contract savings (less fees): \$37,000 FWT/Concur usage: 90% GET usage rate: 40% GET customer satisfaction rate: 96% Expense submission: 90% within 60 days	Air contract savings (less fees): \$66,000 FWT/Concur usage: 100% GET usage rate: 50% GET customer satisfaction rate: 96% Expense submission: 95% within 90 days				
(same as above)	Develop a Campus Financial Internal Control Framework	Does not currently exist	Completion of identified milestones within schedule				
Promote Strategic Sourcing and Demand Management	Implement Strategic Category Management	Does not currently exist	Category strategies developed: 18 % of addressable spend: 18% Category strategies approved: 10 % of addressable spend: 13%				

Priority	Goal/Objective	Baseline Measure	Performance Target	Qtr 1 Milestones	Qtr 2 Milestones	Qtr 3 Milestones	Qtr 4 Milestones
Enrich the Student Experience	Implement Credit Cards for Student Tuition Account Payments	Does not currently exist	Completion of identified milestones within schedule				
(same as above)	Support the Campus Student/Parent Financial Portal Project	Does not currently exist	100% support				
(same as above)	Improve Communication with Students and Parents	Number of phone contacts: - general tuition: 2,445 - financial aid: 1,381 - financial aid / refund timing: 1,121 - 1098T: 878 - authorized payer: 628	Reduce by 10% in each category				

Division Strategic Priority 2: **Serve as an Effective Campus Partner**

Goal: Improve User Acceptance and Utilization of Shop@UW

Why is it important?

The eCommerce solution Shop@UW is the University's lowest cost of transaction for the shop/order/pay cycle. All supplier catalogs hosted on Shop@UW are sourced, negotiated and contracted to provide products that meet the University's requirement at the most advantageous prices. Increasing use of Shop@UW feeds a virtuous cycle in that the University's procure-to-pay transaction costs are reduced, while at the same time improving analytics and volumes that, in turn, drive improved pricing leverage. Due to ease of use and the ability to compare products and prices nearly instantaneously, on-line is rapidly becoming the shopping channel of choice not only for personal shoppers but organizational shoppers as well. To best manage our procured costs, the University should continually improve Shop@UW to assure it is clearly the channel of choice for our shoppers. While Shop@UW currently has some strong user support within the University, feedback has indicated a need to improve the user experience and user acceptance of the solution.

How do we measure it? This goal will be measured by the number and percentage of Shop@UW transactions, as well as the amount and percentage of addressable spend through Shop@UW.

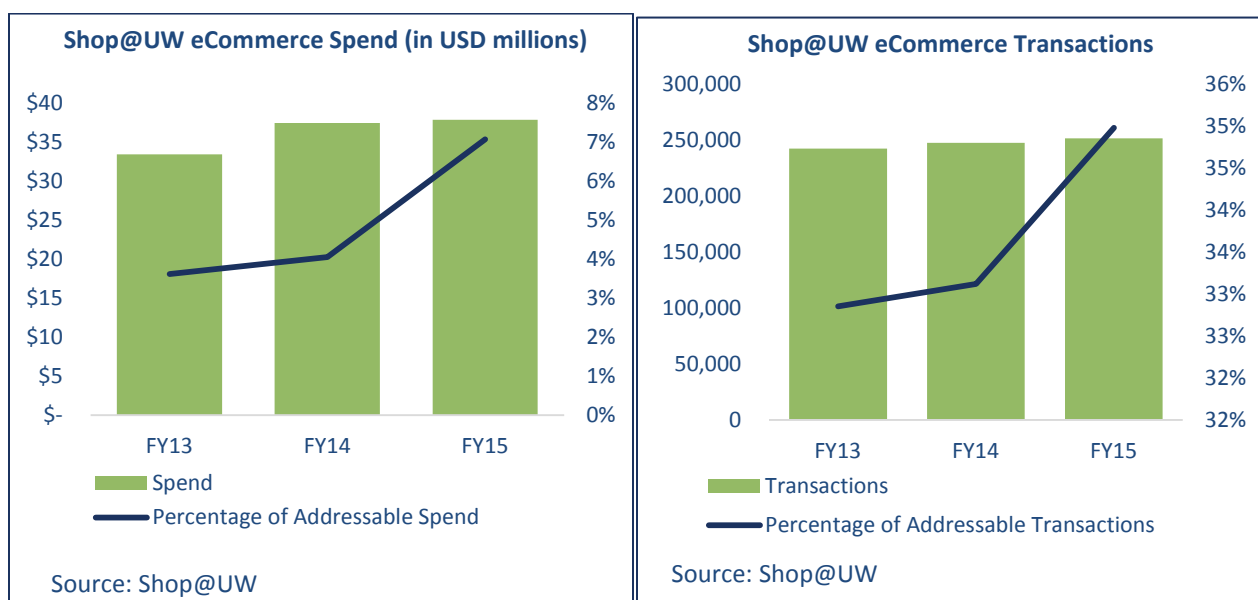
Baseline Measure:

- Number of Shop@UW transactions in FY15: 251,856
- % of Addressable Spend Transactions: 35%
- Shop@UW spend in FY15: \$37,929,100
- % of Addressable Spend: 7.1%

Performance Target:

- Number of Shop@UW Transactions: 255,000
- % of Addressable Spend Transactions: 36%
- Shop@UW spend: \$39,000,000
- % of Addressable Spend: 7.5%

Illustration:



What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Implement improved case management by creating a voice of the customer (VOC) email box for order issues and usability feedback - by December 2015.
- Establish a customer satisfaction survey and metrics; use these tools to continually measure customer sentiment and to data mine for issues - by December 2015.
- Establish a user group and identify an individual champion within significant campus units; conduct user feedback sessions with each campus unit; utilize individual champions to serve as advocates and trainers for Shop@UW -by January 2016.
- From user feedback, document desired usability improvements to Shop@UW, validate with users, and identify new functional requirements - by March 2016.
- Evaluate ability of SciQuest to meet requirements versus alternate providers or solutions - by April 2016.
- Obtain a DOA waiver for a university specific Staples contract addendum allowing for a university focused core item catalog and dynamic pricing - by March 2016.
- Obtain a DOA waiver for MRO, Janitorial and Sanitation allowing the university to consolidate suppliers and standardize on university specific MRO items - by April 2016.
- Convert Staples from hosted to a punch out catalog. This will result in improved usability, a “market price” guarantee (dynamic pricing) and along with a university focused catalog, significantly improved user acceptance - by May 2016.
- Convert MRO, Janitorial and Sanitation suppliers from hosted to a punch out catalog. This will result in improved utility, pricing and along with a university focused catalog, significantly improved utilization - by June 2016.
- Complete and document eCommerce technology strategy recommendation, including evaluation of alternative providers or solutions - by June 2016.

What factors may affect results (*risks, challenges, barriers to success*)?

- The Shop@UW continuous improvement plan consists of many significant actions. Resource capacity to execute these actions may be challenged, considering resources concurrently needed for category strategies, MDS/SWAP evaluations, and internal controls projects.
- Shop@UW spend and transaction performance targets may be offset if campus budget reductions result in an overall reduction in purchasing spend.
- Campus units may not want to participate in user groups or serve as champions.
- The strategy to improve Shop@UW user acceptance and utilization for Staples, MRO, Janitorial and Sanitation require a DOA waiver and cannot be executed without a release from State contract conditions.
- Quality of an eCommerce solution strategy is dependent on Purchasing and AIMS resources to explore and evaluate alternate providers or solutions that may not be fully available given other projects.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- As directed in the governor’s veto message, with the UWSA (or on our own if needed), we will work with the DOA to develop a framework that provides more flexibility in purchasing. As part of category strategies, we will work with campus partners on the business justification for Staples, MRO, Janitorial and Sanitation mandatory contract flexibilities.

Division Strategic Priority 2: **Serve as an Effective Campus Partner**

Goal: Evaluate MDS Operations and Develop an Improved Business/Service Model

Why is it important?

As an auxiliary function, Material Distribution Services (MDS) is a revenue generating operation with the revenue intended to cover the cost of services delivered to the University. Recently, however, MDS revenue has inconsistently matched costs, resulting in declining fund balances. To assure MDS meets client needs and operates at a high performance level, a fresh evaluation of service and operational business models is needed. In the meantime, cost savings measures to improve MDS's financial performance have already been implemented which contributed to the reduction of the actual net loss at the end of FY15 (\$175,158) compared to the net loss that had been forecasted early in the fiscal year (\$566,000). Moreover, additional plans are under consideration during FY16 to ensure the MDS operations are cost effective and services are optimized for the University.

How do we measure it? This goal will be measured by financial performance and the completion of key actions according to plan.

Baseline Measure: In FY15, MDS produced a net loss \$175,158.

Performance Target: Break-even financial results during FY16 and the completion of key actions according to plan.

What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Fully scope and charter a study and workgroup to review the University and MDS warehouse and delivery operations by working cooperatively with other campus units (i.e., FPM) and leveraging the University's business school supply chain expertise and resources, including distribution modeling software tools - by November 2015.
- Benchmark operations relative to peer universities to understand the materials, inventory, and supply chain model they deploy - by January 2016.
- Complete current state assessment of the University's materials warehouse, inventory, and delivery processes - by March 2016.
- Complete study and provide recommendations for an improved business/service model for the MDS operations - by June 2016.

What factors may affect results (*risks, challenges, barriers to success*)?

- Some key governing decisions, such as merging or transferring warehouse / inventory operations, are outside the realm of Business Services to decide.
- Resources, specialized expertise and software tools to execute MDS distribution study are not in place at this time and may not be made available.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- Include others, such as FPM, who may have significant warehouse / inventory operations in scoping, charting and participating in the warehouse / inventory /supply chain study with sponsors chartering the group to consider and recommend novel significant improvements.
- Work with OHR to design a lean/flexible work force and position descriptions that provide a growth path and incentive for staff to acquire skills and flex to where the work is needed.

Division Strategic Priority 2: **Serve as an Effective Campus Partner**

Goal: Evaluate SWAP Operations and Develop an Improved Business/Service Model

Why is it important?

As an auxiliary function, Surplus with a Purpose (SWAP) is a revenue generating operation with the revenue intended to cover the cost of services delivered to the University as well as support a sustainability mission to reuse, resell, or recycle surplus property. In recent years, SWAP revenue has inconsistently matched costs, resulting in declining fund balances. Furthermore, a significant source of SWAP's revenue is derived from providing disposal services to other state agencies, which is not core to the University's mission and has hampered SWAP's ability to provide adequate service to University customers. Some cost savings measures to improve SWAP's financial performance have already been implemented which contributed to a net gain at the end of FY15 (\$30,687) compared to the net loss that had been forecasted early in the fiscal year (\$148,500). However, to assure SWAP meets University customer needs and operates at a high performance level, a fresh evaluation of service and operational business processes is necessary.

How do we measure it? This goal will be measured by financial performance and the completion of key actions according to plan.

Baseline Measure: In FY15, SWAP produced a net gain of \$30,687.

Performance Target: Break-even financial results during FY16 and the completion of key actions according to plan.

What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- A joint workgroup comprised of staff from SWAP, FPM, and the Office of Sustainability has been formed to develop recommendations for an improved and refocused disposal process; deliver final recommendations to executive sponsors; complete current state assessment - by October 2015.
- Benchmark SWAP operations relative to peer universities - by November 2015.
- Benchmark SWAP operations relative to external providers - by March 2016.
- Deliver final recommendations for an improved and refocused disposal process to executive sponsors - by April 2016.
- Begin implementing strategy for refocusing SWAP - by May 2016.

What factors may affect results (*risks, challenges, barriers to success*)?

- Resources and specialized expertise to execute significant studies (i.e., benchmarking, logistics) are not in place at this time and may not be made available.
- Refocusing SWAP towards University customers and away from services to other state agencies will significantly reduce revenue.
- To remain financially solvent, SWAP would likely need to modify how University customers are charged for services.
- Some key governing decisions, such as how the University delivers sustainability solutions, is outside the joint workgroup to decide.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- Assure sponsors encourage FPM/SWAP workgroup to consider and recommend novel ideas for improving SWAP services.
- Work with OHR to design a lean/flexible work force and position descriptions that provide a growth path / incentive for staff to acquire skills and flex to where the work is needed.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

Goal: Improve the Workers Compensation Return-to-Work Program

Why is it important? Return-to-Work programs allow workers who are unable to perform their normal job duties because of injury or illness to return to work in a temporary modified duty capacity. By allowing injured workers to return in a temporarily modified role, an organization can:

- Improve employee morale and self esteem
- Maintain an experienced workforce
- Maintain workflow and quality standards
- Stabilize and reduce workers compensation costs

How do we measure it? By the average number of days to place an employee back on duty after injury.

Baseline Measure: The current average is 23.9 days.

Performance Target: Performance targets for FY16 will be the reduction of the current baseline average by 10% and full completion of identified milestones within schedule.

What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Use snapshot metrics to monitor return to work activities across campus and report those metrics on a quarterly basis.
- Develop training for the divisions and departments that have the higher numbers of workers compensation claims and provide that training to six (see below) departments or divisions. The training will include departmental or division loss history, large claim review and the role of return to work in minimizing worker's compensation costs.
 - Develop training program - by September 2015.
 - Provide training to FP&M, Housing and Graduate School - by December 2015.
 - Provide training to CALS, Athletics and SMPH - by March 2016.
- Conduct follow-up training or meeting with senior management when departments or divisions experience higher than the performance target return to work delays - ongoing.

What factors may affect results (*risks, challenges, barriers to success*)? Departments and divisions are currently challenged by budget constraints; the common misperception regarding modified duty is that it adds costs.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)? An effective and thorough implementation with full support of the management team and a cultural acceptance will result in substantial savings over the long run. Additionally, communicating the benefits of a robust return to work program will be critical. The use of the snapshot metrics and weekly claim reviews by Risk Management will also help identify departments and divisions that may be challenged by an early return to work program. By meeting with those areas and discussing with them the options and benefits to an early return to work program, challenges should be minimized and new opportunities identified.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

Goal: Increase the Number of Vendors Paid by ACH

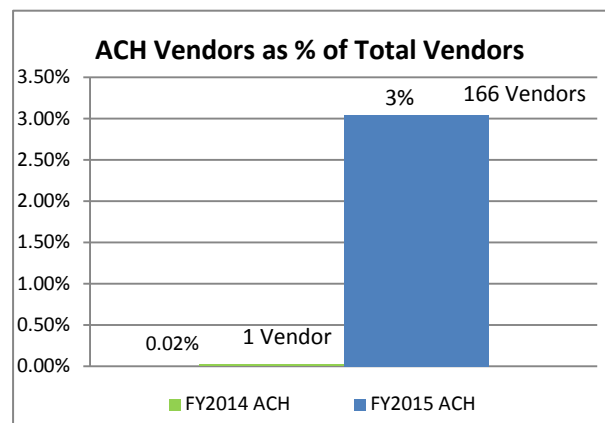
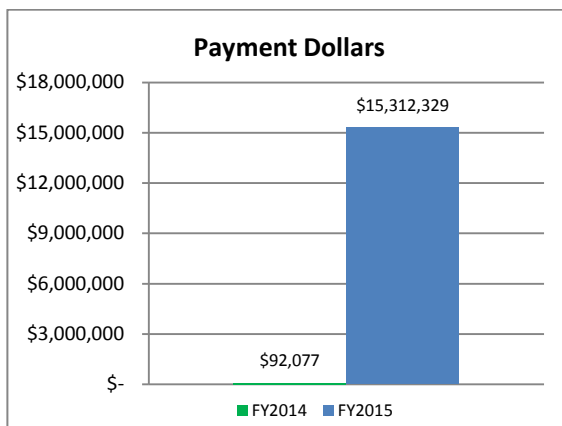
Why is it important? Paper check processing has many costs, including check stock, magnetic toner, and specialized printer maintenance, check sorting, envelope stuffing, postage, and additional manual process steps. There is also the risk of paper checks being addressed incorrectly or getting lost in transit. These undelivered checks then require an additional void and re-issue process, as well as stop payment costs. In addition, many UW-Madison purchase order contracted vendors are requesting electronic ACH fund transfer payments instead of paper check payments.

How do we measure it? By comparing the number of purchase order contracted vendors paid via check to those paid via ACH.

Baseline Measure: This is a continuation of a goal initiated in FY15. At the end of FY15, 3% of purchase order contract vendors were paid by ACH (166 of 5,447 vendors).

Performance Target: By the end of FY16, increase the number of purchase order contracted vendors receiving payment by ACH to 10% (546 of 5,447 vendors).

Illustration:



Note: FY15 data through June 26, 2015

What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Follow-up with vendors introduced to the opportunity to convert to ACH payment through mailings. As of the end of FY15, almost 3,000 vendors have been sent mailings offering payment conversion to ACH - by December 2015.
- Meet with campus departments to discuss converting specialized vendors to ACH including, but not necessarily limited to, Facilities Planning & Management for lease agreements, Research & Sponsored Programs for subcontracts, and Athletic Department for referees and services (currently paid via Payment to Individual Report and Direct Payment form submissions) - by December, 2015.
- Perform a preliminary valuation estimate of the benefits such as reduced personnel time and supplies and postage, identifiable from the vendors converted from check payment to ACH to date - by March, 2016.
- Convert balance of targeted vendor population (546) to ACH payments - by June 2016.

What factors may affect results (*risks, challenges, barriers to success*)?

- Payment remittance advice will be in a different format than previously supplied.
- Garnering support from stakeholders to identify and work with vendors towards ACH as a preferred method of payment.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- Prepare FAQs for vendors to assist with conversion from check to ACH and detail remittance advice information.
- Provide regular status reports to stakeholders.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

Goal: Support the Managed Travel Program

Why is it important? Wisconsin Act 32 (2011-2013 Biennial Budget) granted the Board of Regents the flexibility to establish a new travel program for UW institutions apart from the travel guidelines prescribed in the State Compensation Plan. As a result, several measures have been implemented, or will take effect, during FY16, including the required use of Fox World Travel (FWT) and its on-line booking tool (Concur) as the University's travel service provider; changes in reimbursement rates for meals, incidentals and lodging; and time limits under which travel expense reports must be submitted in order to ensure compliance with IRS Accountable Plan rules. These measures, along with other actions recently implemented at UW-Madison such as the Guided Expense Tool (GET) present opportunities for cost savings, increased the availability of financial data, greater security and duty of care for travelers, and improved customer service.

How do we measure it? Support for the program will be measured by several key metrics related to air contract cost savings (less service fees) and usage rates associated with using FWT/Concur, usage rates and customer satisfaction rates for GET, and submission time for travel expense reports.

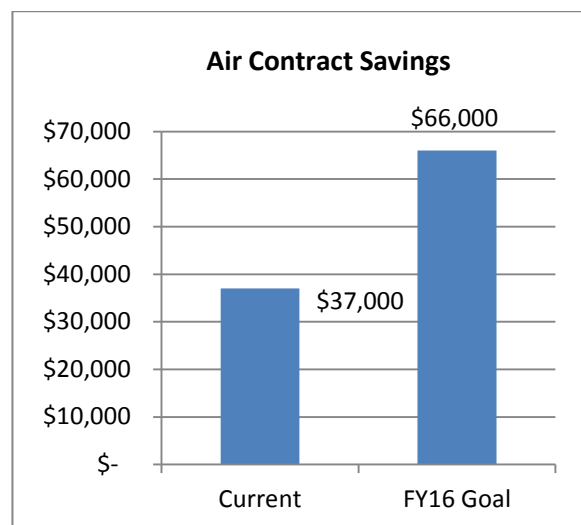
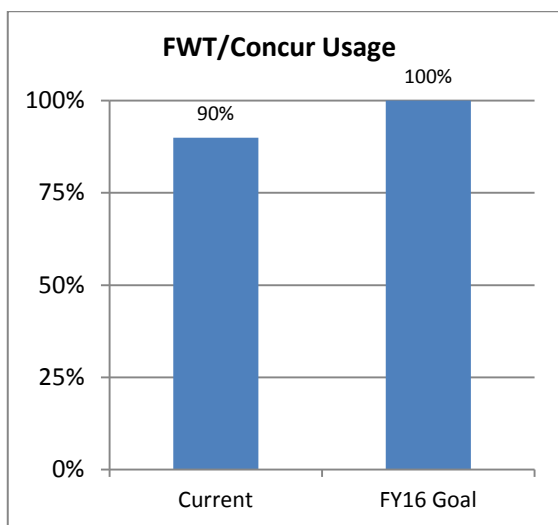
Baseline Measures: Baseline measures represent the experience through the end of FY15, as follows:

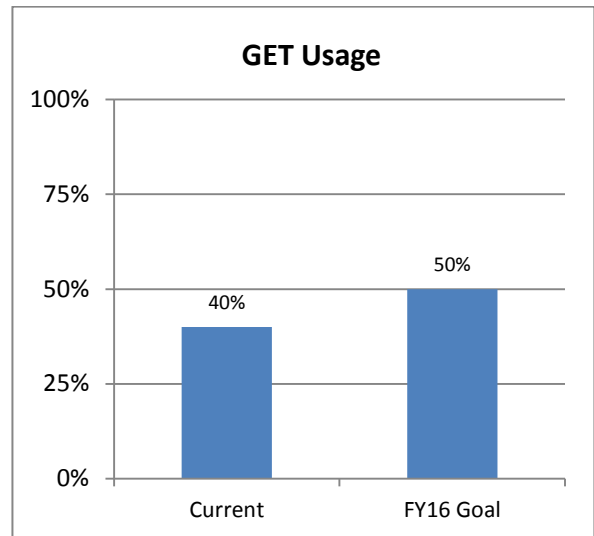
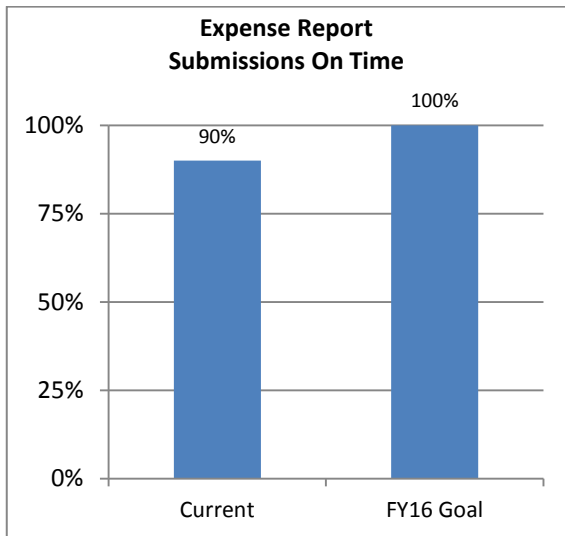
- Air contract cost savings (less service fees) and usage rates associated with using FWT/Concur: \$37,000 savings and 90% usage.
- Usage rates and customer satisfaction rates for GET: 40% usage and 96% satisfaction (pilot).
- Submission time for travel expense reports: 90% submitted within 60 days of conclusion of travel.

Performance Targets:

- Air contract cost savings (less service fees) and usage rates associated with using FWT/Concur: \$66,000 savings and 100% usage.
- Usage rates and customer satisfaction rates for GET: 50% and 96% satisfaction (total population).
- Submission time for travel expense reports: 95% submitted within 90 days of conclusion of travel.

Illustration:





What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Use the capabilities of the expense reimbursement system to monitor compliance with the policy to use Fox World Travel agents or the Concur on-line booking tool - by September 2015.
- Supplement training efforts to help ensure compliance with new travel policies related to reimbursement amounts or expense report submission times - by October 2015.
- Develop dashboards for quarterly distribution to leadership and campus units to track performance metrics and monitor compliance - by October 2015.
- Increase communication efforts to emphasize the availability of GET as a useful tool and practical option for travel expense reimbursement requests - by December 2015.

What factors may affect results (*risks, challenges, barriers to success*)?

- Lack of support or interest by some campus customers and stakeholders for policies changes, especially the required use of FWT/Concur.
- Building campus acceptance may be a challenge.
- Implementing policies to address concerns from a broad cross-section of affected campus constituents may also be a challenge.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- Ongoing efforts to communicate and socialize new policies and the need for improved processing times.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

Goal: Develop a Campus Financial Internal Control Framework

Why is it important? UW-Madison operates in a highly decentralized environment and is exposed to risks that could be mitigated with a planned and consistent approach to financial internal controls. Last fiscal year, under the sponsorship of the Vice Chancellor of Finance and Administration (VCFA), the campus launched a comprehensive Financial Internal Controls Initiative to improve financial processes and develop a financial internal control framework using the Committee on Sponsoring Organizations (COSO) as a guide. The framework will provide for:

- Compliance with laws and regulations;
- Transparent, reliable financial information;
- Protection for the resources and reputation of the University;
- Accountability and ownership of risks and internal controls across the University; and
- Greater stakeholder confidence in the University's financial operations.

How do we measure it? Since this endeavor is an ongoing effort, the basis for measurement will be the completion of activities that further the development of a campus financial internal control framework according to the project plan.

Baseline Measure: Baseline measures do not currently exist.

Performance Target: Performance targets for FY16 will be the full completion of identified milestones within schedule.

What will we do this fiscal year (*milestones to be accomplished and schedule*)? Project management for the campus Financial Internal Control Initiative is being provided by the Administrative Process Redesign (APR) Office using the Lean Six Sigma methodology. An overall charter and project plan, as well as charters with deliverables and timelines for several process improvement teams, have been prepared and submitted to the VCFA under separate cover. The project plan will be updated and progress reports submitted to the VCFA throughout the fiscal year.

What factors may affect results (*risks, challenges, barriers to success*)?

- The initiative is a large undertaking and will require cooperation across campus.
- The perception that financial internal controls are not a campus-wide responsibility.
- The development of a framework may highlight the need to change organizational structures and roles and responsibilities of financial staff across campus.
- The possibility of needing to invest in costly IT systems to support an adequate financial internal control framework.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)? Continual communication and change management planning will be essential as the initiative unfolds and matures.

Strategic Priority 4: **Promote Strategic Sourcing and Demand Management**

Goal: Implement Strategic Category Spend Management

Why is it important?

Strategic category spend management is a methodical, creative, and collaborative approach to managing purchasing across an enterprise. Rather than taking a piecemeal, contract-by-contract or supplier-by-supplier approach to procurement, strategic category spend management is holistic. By focusing on a total category solution, understanding user requirements, and working with partners across the campus to develop strategies, the best contracts and supply management solutions can be achieved, including demand management, for maximizing value while balancing and managing supply risks.

How do we measure it?

- Number of category strategies developed by Purchasing Services.
- Percentage of addressable spend for which a category management has been developed.
- Number of category strategies approved by campus leadership for deployment.
- Percentage of addressable spend for which a category management has been approved by campus leadership for deployment.

Baseline Measure: While there have been past efforts to strategically source specific products, there has not been an overall strategy for category spend management at UW-Madison, therefore, baseline measures do not exist.

Performance Target:

- Number of category strategies developed by Purchasing Services: 18
- Percentage of addressable spend: 18%
- Number of category strategies approved by campus leadership for deployment: 10
- Percentage of addressable spend: 13%

What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Segment the University's addressable spend into meaningful categories and sub-categories using a consistent approach to provide usable data for identifying and developing strategies - by August 2015.
- Draft initial set of 18 category spend strategies - by August 2015.
- Begin working with campus partners to fully develop these strategies - by October 2015.
- Analyze spend-dollar amounts, markets, supply base, and internal customers to identify additional, follow-up categories (beyond initial set) that may also merit a strategy - by October 2015.
- Begin obtaining partner and leadership acceptance of category strategies and executing those category strategies that have achieved execution approval - by November 2015.
- Develop a database to provide purchasing agents with self-service access to spend data, improving the capability of agents to identify new opportunities for category strategies - by January 2016.
- Present initial set of category strategies to executive management for approval and execution - by February 2016.
- Establish cross-division category teams to implement approved strategies - by March 2016.
- Develop a quarterly process for managing, tracking, and reporting category strategy projects and begin tracking progress of category strategy execution and results - by April 2016.
- Develop a process for annual review of progress and category strategy update / improvement - by June 2016.

Summary

Leader	Campus Partner(s)	Portfolio	Category	Total Spend Included	Low Savings Estimate	High Savings Estimate	Low Savings Potential Impact	High Savings Potential Impact	Date Approved
									Business Services
									Campus Partner
									Campus Leadership
Brad Bauman	FPM	Facilities & Food	Janitorial/Sanitation	3,069,199	3%	5%	92,076	153,460	
Brad Bauman	FPM	Facilities & Food	MRO	10,384,662	5%	7%	519,233	726,926	
Crescent Kringle		Facilities & Food	Office Furniture	5,076,869	2%	9%	101,537	456,918	
Dave Brinkmeier		Facilities & Food	Convenience Store/Grocery	1,545,835	3%	5%	46,375	77,292	
Dave Brinkmeier	Housing, Union	Facilities & Food	Food	11,618,111	1%	2%	116,181	232,362	
Marty Rostermundt	DoIT	IT	Copiers & Printers	4,750,499	10%	20%	475,050	950,100	
Susanne Matschull	DoIT	IT	Computer Networking Equipment	14,625,800	1%	2%	\$146,258	292,516	
Susanne Matschull	DoIT	IT	Computer Peripherals	1,629,700	5%	10%	81,485	162,970	
Susanne Matschull	DoIT	IT	Computer Servers and Storage	12,758,900	5%	10%	637,945	1,275,890	
Susanne Matschull	DoIT	IT	Laptop/Desktop Computers	7,814,600	4%	23%	300,000	1,800,000	
Carla Parker		Scientific	Laboratory Glass/Plasticware	3,051,820	1%	3%	30,518	91,555	
Janet Bresnahan		Scientific	Catalog Antibodies	\$794,131		5%		\$39,707	
Jeff Whitman		Scientific	Laboratory Gases	1,594,899		5%		79,745	
Sarah Martin		Scientific	Scientific Equipment Maintenance	6,200,000					
Marty Rostermundt	N/A	Shared Goods/Services	Office Supplies	4,719,985	3%	5%	141,600	235,999	
Marty Rostermundt		Shared Goods/Services	Promotional Products	1,326,288	10%	15%	132,629	198,943	
Sarah Martin		Shared Goods/Services	Conference Venues/Seminars	2,048,207					
Total spend of categories with documented strategies				93,009,505	3%	7%	2,820,887	6,774,382	
Dave Brinkmeier		Facilities & Food	Vending (Revenues)	380,000	10%	30%	38,000	114,000	
Total spend on contracts with documented strategies				\$93,389,505	3%	7%	\$2,858,887	\$6,888,382	

Note: Supplemental information for each category strategy is available under separate cover.

What factors may affect results (risks, challenges, barriers to success)?

- The University is still subject to DOA procurement rules and staff resources must continue to be devoted to meeting those requirements. Additionally, some category strategies require a waiver of a mandatory DOA contract and cannot be executed without a release from mandatory contract or contract use conditions.
- Category strategies identify potential savings of \$2.8M to \$6.8M. This range assumes the recommended strategy is fully approved and that strategy constraints and risks are effectively managed.
- As learned from past attempts at strategic sourcing pilot projects, not all campus partners lend support to center-led procurement strategies.
- Uniform Guidance (2CFR 200) implementation, particularly the \$3,000 limit on micro-purchases, may require resources to implement and, in July 2016, divert further resources from category management.
- Purchasing Services may not have the resources, including campus partner resources, to undertake over 15 category strategy projects, considering many resources are allocated to other projects such as Financial Internal Controls, while also maintaining current purchasing service levels.

How will we improve (plans to overcome barriers or take advantage of opportunities)?

- Purchasing Services will work with UWSA and DOA to develop a framework that provides more flexibility in purchasing. Category strategies highlight the savings opportunity and, as such, can be used in the business case for purchasing process as well as mandatory contract flexibility.
- Purchasing Services will work with campus partners to develop category strategies, build a business case for stakeholders, and obtain approval from their leaders, the Administrative Council and others (as needed and dependent on the category), before executing the strategies.
- As needed, Purchasing Services will prepare a business case for additional resources to align with the demands of developing and executing category management strategies.

Priority 5: Enrich the Student Experience

Goal: Implement Credit Cards for Student Tuition Account Payments

Why is it important? More than 35% of parents of current students surveyed by the APR Student Parent Financial Portal indicated credit cards as a preferred method of payment for university charges. By providing an additional payment method, students and parents will have the convenience of paying by credit card, be able to more quickly eliminate holds on accounts, and be able to make tuition payments even if they do not have immediate access to funds. International students will have an additional way to make payments from their home country. Data from other Big 10 Universities indicate that once implemented, approximately 4-6% of student and parent tuition payments will be made by credit card. Accepting credit cards in the Bursar's Office will also allow for the consolidation of various academic department credit card payment options into the Bursar credit card tuition payment option.

How do we measure it? Credit card payments will be accepted for tuition payments according to action plan.

Baseline Measure: No baseline measure exists since UW-Madison does not currently accept credit card payments from students and parents.

Performance Target: Implement no later than Fall 2016 or the date needed by the APR Student Parent Financial Portal.

What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Coordinate implementation schedule and process with the Campus Student/Parent Financial Portal project - by September 2015.
- Consult with Housing, the other campus partners that currently use CASHNet's SMARTPay system, to accept credit cards in order to speed implementation time and save on implementation costs - by October 2015.
- Consult with CASHNet representatives to learn about the SMARTPay system -by October 2015.
- Analyze CASHNet SMARTPay system requirements needed for implementation - by October 2015.
- Analyze ISIS set up needed, including modifications to the refund process - by December 2015.
- Determine appropriate payment models (i.e., web, phone and/or in person) - by December 2015.
- Determine costs of licensing the CASHNet SMARTPay product - by December 2015.
- Determine business flow, banking, reporting and reconciliation processes needed to support credit card payments, including policy and processes for handling credit card disputes - by March 2016.
- Work with Accounting Services and DoIT to review PCI set up, security, implementation and training requirements based on choice of payment model - by March 2016.
- Determine appropriate roll-out timing prior to Fall 2016 term- by March 2016.
- Sync into annual communication schedules (see below) - by April 2016.
 - Student handbook
 - Parent calendar
 - Undergraduate Catalogue
 - SOAR
 - Bursar website, billing notifications, frequently used email texts, etc.
- Implement ISIS and CASHNet SMARTPay systems, including required changes to the refund process - by June 2016.

What factors may affect results (*risks, challenges, barriers to success*)?

- Staying in sync with the needs of Campus Student/Parent Financial Portal project will be critical.
- Coordinating the implementation around PeopleTools upgrade scheduled for Summer 2016 will be a challenge.
- DoIT, Bursar and Accounting Services resource availability will be limited due to resources needed to handle other campus initiatives like new tuition and fee models, Federal financial aid changes, etc.
- DoIT, Bursar and Accounting Services resource availability will also be limited due to resources needed for other priorities such as the Campus Student/Parent Financial Portal project.
- Campus partner office acceptance of credit cards as a tuition payment option may be limited.
- Student, parent, and campus partner reactions to credit card convenience fees may result in limit acceptance of the credit card payment option.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- The Bursar's Office will engage with campus partners to leverage their knowledge and experience with credit cards and CASHNet's SMARTPay product.
- The Bursar's Office will continue to work the Campus Student/Parent Financial Portal project team to stay in sync with goals and scope.
- Maintain open communications with campus partners to develop goals and resource allocation priorities.
- Leverage the relationship with the ISIS Central Department in Enrollment Management to keep the project in sync with the schedule for PeopleTools upgrade slated for Summer 2016.
- Work with the Financial Aid Office and other campus partners to develop consumer education materials to help students make responsible decisions for using their credit card.

Priority 5: Enrich the Student Experience

Goal: Support the Campus Student/Parent Financial Portal Project

Why is it important? In surveys conducted in 2008 and 2013 with approximately 8,000 first-year parents, over 97% rated the current process for paying bills as very difficult, and stated that it would be helpful to have one place to pay all university bills. This matches the feedback that senior leaders and other university offices had been receiving for many years. The Campus Student/Parent Financial Portal Project will design and deliver a short-term solution to provide students and parents one location to view university bills and account balances and to make payments.

How do we measure it? The basis for measurement will be the amount of Bursar's Office staff time spent in support of the Campus Student/Parent Financial Portal Project during FY16.

Baseline Measure: Baseline measures do not currently exist.

Performance Target: Meet 100% of the Campus Student/Parent Financial Portal Project resource requests.

What will we do this fiscal year (*milestones to be accomplished and schedule*)? The Bursar's Office will provide staff time and expertise as necessary to support the project throughout FY16. Staff time will be tracked and categorized including:

- Process development
- Subject matter expert feedback
- Department project updates to staff
- Review of project requirements for ISIS item type, tree node, charge priority, and payment priority set up needed to support processing decisions developed by project
- System set up and testing as determined by project technical team
- Communication development as needed and requested
- Modification of internal business processes that may be impacted by the project

What factors may affect results (*risks, challenges, barriers to success*)?

- Bursar's Office staff time availability due to need to maintain on-going student services.
- Coordinating the implementation around PeopleTools upgrade scheduled for Summer 2016 will be a challenge.
- Bursar's Office staff resource availability due to resources needed to handle other campus initiatives like new tuition and fee models, financial aid changes, etc.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- Continually look for other process improvements or efficiencies to free up staff time for the project.
- Monitor demands on staff time to determine possible future need for temporary or student staff to meet workload demands.
- Maintain open communications with campus partners to develop goals and resource allocation priorities.
- Leverage the relationship with ISIS Central Department in Enrollment Management to keep our project in sync with schedule for PeopleTools Upgrade scheduled for Summer 2016.

Priority 5: Enrich the Student Experience

Goal: Improve Bursar's Office Communication with Students and Parents

Why is it important? Students and parents want to have a positive experience with administrative units at the University. Providing excellent, proactive communications between the Bursar's Office and students and parents allows both to focus on the academic reasons the students are at the University, as well as creating an excellent customer experience.

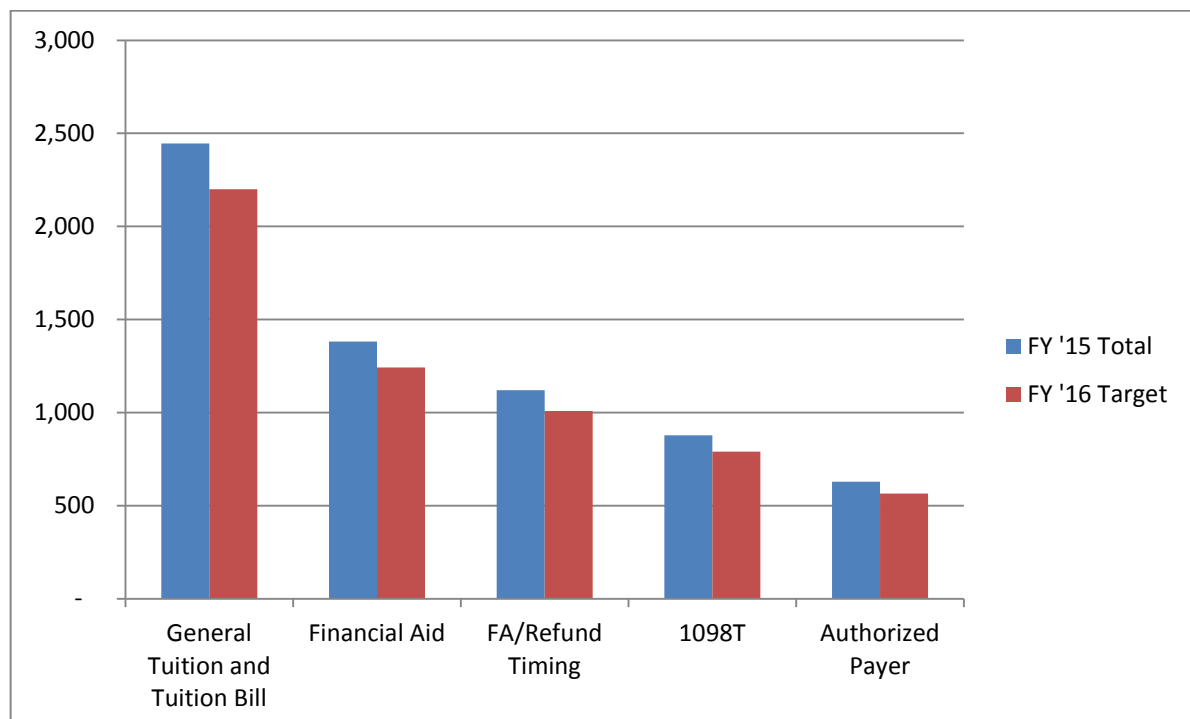
How do we measure it? The Bursar's Office tracked phone call data from July 1, 2014 through June 30, 2015 to measure what topics were generating the most questions from parents and students. The phone call data included information about the caller, the tone of the call, and the outcome of the call. A reduction in the number of calls suggests that there is less confusion about certain topics. Performance will be measured by tracking the reduction in phone calls in five top categories (see below).

Baseline Measure:

	FY 15 Total	Students	Parents	Other
General Tuition and Tuition Bill	2445	1338	1046	61
Financial Aid	1381	911	460	9
Financial Aid / Refund Timing	1121	718	383	20
1098T	878	271	580	27
Authorized Payer	628	44	580	4

Performance Target: Reduce by 10% the number of phone calls received in each category.

Illustration:



What will we do this fiscal year (*milestones to be accomplished and schedule*)?

- Update and reorganize the Bursar's Office web page to make information easier to find.
- Rewrite standard emails and notifications to provide easy to understand information about topics important to students and parents.
- Develop a graphic or illustration that points parents and students to the best source of information, according to topic, among the Bursar's Office, Registrar's Office, and Financial Aid Office.
- Develop "How To" videos to walk students and parents through computer system processes so that students and parents can view the instructions on their schedule. These "How To" videos will cover:
 - How to Make an ePayment
 - How to Set up an Authorized Payer
 - How to Sign up for eRefund
 - How to Retrieve your 1098T Form
 - How to Sign your Loan Promissory Note

What factors may affect results (*risks, challenges, barriers to success*)?

- Major changes in the University's tuition and fee structure may increase the number of phone calls regardless.
- Specialized training and technical knowledge is needed to provide video and website enhancements.
- Providing information in a way that all customers can understand is challenging.

How will we improve (*plans to overcome barriers or take advantage of opportunities*)?

- Work with staff on prioritization and task assignment to make sure this project receives the appropriate priority.
- Work with Registrar's Office to make sure information is available to students and parents about the new tuition and fees.
- Communicate continuously about caller information, outcome and progress.