



Business Process Optimization (BPO) Report Payroll Operations Assessment

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Today's Objective & Agenda



Project Purpose

- Leverage Knowledge, Skills, and Abilities of Payroll Team
- Build Upon and Reaffirm Best practices
- Use a Collaborative Approach

To identify and extend what's working well:



- Sources of Issues
- Key Pain Points
- Risk and Focus Areas
- Key Stakeholders and Involvement

To identify and improve upon what's not working well:



Guiding Principle

The project was developed with a guiding principle to serve as a collaborative partnership with the Payroll team. This included an analysis of organizational strengths and opportunities, challenges, and timing. The assessment was intended to identify key strengths to leverage, identify risks, if any, which exist that should be mitigated, business processes that could be enhanced, areas of opportunity that could be optimized, organizational alignment considerations, and any other areas which may benefit from a focused review.

Executive Summary

- Payroll Department increasingly burdened due to:
 - Aging infrastructure of legacy HR/Payroll system
 - Processes and apps have grown to fill functionality gaps and meet new requirements
 - Most processes are paper-based and manual (or have some element of both)
 - Applications which were intended to be “interim” in nature have proliferated over time
 - This environment creates inherent risks and opportunities

- Despite the above, the Payroll Department:
 - Remains highly customer service oriented
 - Meets deadlines
 - Maintains accuracy

Review Process

Document Reviews:

- Org Charts
- Job Descriptions
- Operations/Desk Manuals
- IOMA Payroll Benchmarking
- Oracle Fit-Gap
- McKinsey

Stakeholder Interviews:

- Structured Interview
Questionnaire – 12 Questions
- 4 Days
- Structured by Topic Area
- 60 Interviewees (some repeats
based on topic)

Note:

- Many interviewees were skeptical
about concrete action being
taken based on past experiences

Key Findings – Strengths

A skilled and knowledgeable staff.

A strong customer service orientation.

A high degree of accuracy despite disparate and manual processes.

A strong commitment to teamwork and collaboration.

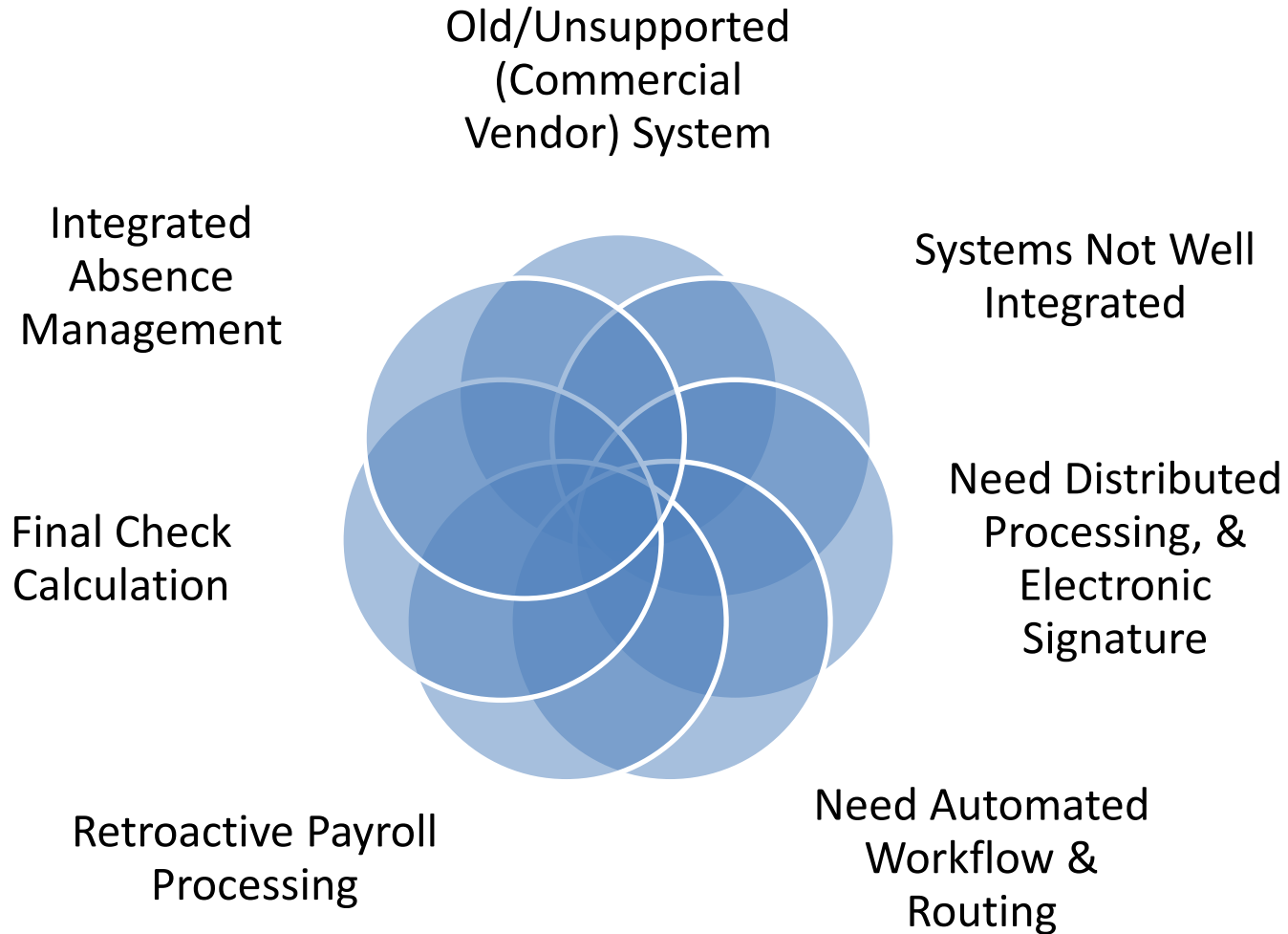
A strong reputation including well respected by peers.

A strong ability to quickly turnaround questions.

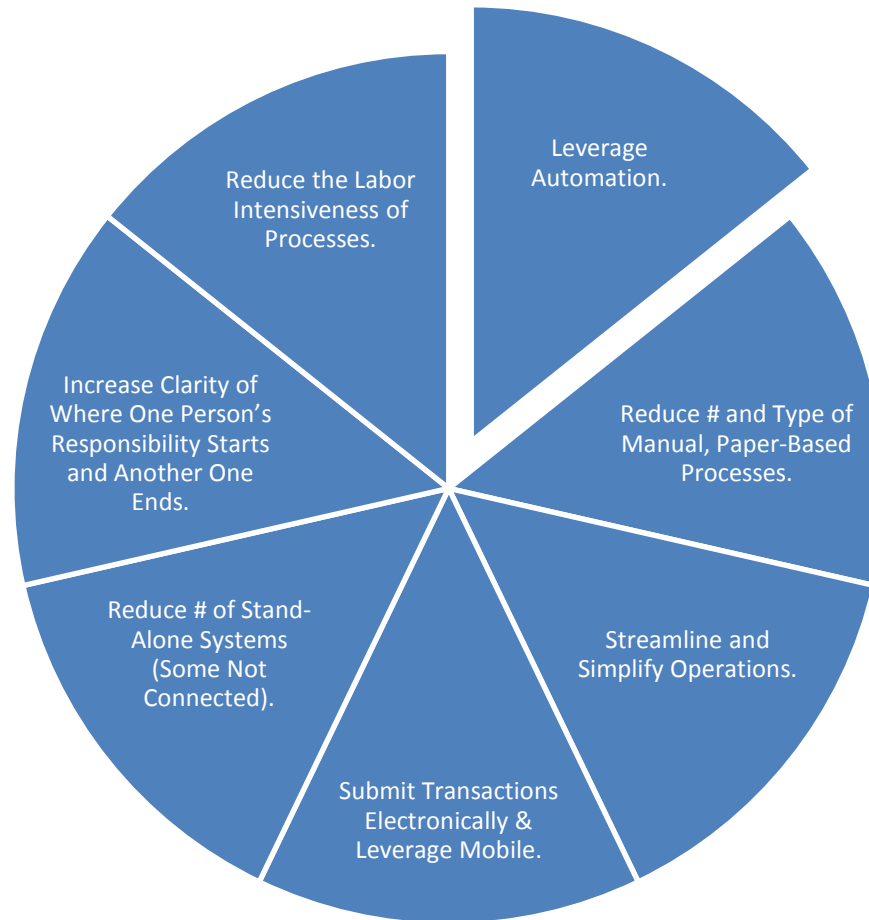
A strong ability to handle a high volume of transactions.

A willingness and readiness to embrace change.

Key Findings – Select Pain Points



Key Findings – Focus Areas



Major Upcoming Issues

- NextGen
- Increase Faculty, Students, & Faculty to Student Ratio
- STEM Initiative – impacts eVerify & background checks
- Work Study Funding
- Affordable Care Act
- Tech Park
- Full Union Negotiations in 2015
- Aging Workforce/# of Employees Reaching 10 Year Marker
- Aging Technology

Key Risks to Mitigate

Time Collection/FLSA

Absence Management/FMLA

Onboarding/Offboarding, including I-9, Benefits Enroll, Terminal Pay

Workers' Comp Administration

Cross Training of Staff

Specific Opportunities



Options & Recommendations

1. Review Vendor Landscape & Past Efforts
2. Address Key Issues with “Best of Breed” or ERP
3. Conduct Key Business Process Reviews (e.g., Onboarding, including I-9 & Benefits Enrollment, WC, Termination Payments, etc.) both as part of and in addition to #2 above.
4. Identify Opportunities for Systematic Cross Training, Back-Up, and Continuous Update of Desk Manuals.
5. Consider Ways to Leverage and Extend PY IT Staff.
6. Identify Leadership Development Opportunities for PYD.

Questions &



Thank You!