Business Process Optimization (BPO) Report
Payroll Operations Assessment

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Project Purpose

To identify and extend what’s working well:

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

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

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

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<th>Strength</th>
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<td>A skilled and knowledgeable staff.</td>
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<td>A strong customer service orientation.</td>
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<td>A high degree of accuracy despite disparate and manual processes.</td>
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<td>A strong commitment to teamwork and collaboration.</td>
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<td>A strong reputation including well respected by peers.</td>
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<td>A strong ability to quickly turnaround questions.</td>
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<td>A strong ability to handle a high volume of transactions.</td>
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<td>A willingness and readiness to embrace change.</td>
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Key Findings – Select Pain Points

- Old/Unsupported (Commercial Vendor) System
- Systems Not Well Integrated
- Need Distributed Processing, & Electronic Signature
- Need Automated Workflow & Routing
- Integrated Absence Management
- Final Check Calculation
- Retroactive Payroll Processing
Key Findings – Focus Areas

Leverage Automation.

Streamline and Simplify Operations.

Submit Transactions Electronically & Leverage Mobile.

Reduce # of Stand-Alone Systems (Some Not Connected).

Increase Clarity of Where One Person’s Responsibility Starts and Another One Ends.

Reduce the Labor Intensiveness of Processes.

Reduce # and Type of Manual, Paper-Based Processes.
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

- Reduce/Eliminate Paper Processes
- Automate Workflow & Routing, including employee and manager self-service
- Reduce the Number of Multiple Systems That Do Not “Talk” to Each Other
- Improve Data and Analytics
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.
5. Consider Ways to Leverage and Extend PY IT Staff.
6. Identify Leadership Development Opportunities for PYD.
Questions &

Thank You!