

PPMO-0068A Engineering IT Services Accounting and Inventory Control [UIUC]

Executive Summary

Business Case

Engineering IT's annual budget cycle is a process that runs from March - January. The funding model is how the Engineering IT Shared Services remains a self-supported function. All data and metrics collected and reported must align with the services offered and provide no profit. There are many processes that take place during this time frame that funnel into the funding model which are inefficient, cause rework and a lot of manual processing time for the Subject Matter Experts, Customer Relations Managers, Director and Business Manager.

Goal

Reduce the amount of hours spent processing Engineering IT Funding Model by increasing efficiency of staff (and suppliers) and responsibilities to standardize business practices which will allow the hours to be redeployed to other projects and services within the Engineering IT Department.

Metric	Current	Target	% Change	Cost Saving
Business Manager time spent on overall process	600 hours	300 hours	50%	\$10,284
Subject Matter Experts: Data collection and Audit	14 SME's @ 3hrs each = 42 hours	21 hours	50%	\$588
Customer Relations Managers: Time per unit	20 units @ 2hrs each = 40 hours	20 hours	50%	\$743
Director Engineering IT: Funding Model Data Audit and Customer Relations Management Time	20 hours	10 hours	50%	\$570

Approach

Mapped the funding model process. Discussed issues and causes with funding model team. Identified opportunities for improvement and brainstormed potential solutions. Developed action plan to prioritize potential solutions, assign owners to tasks, and establish a timeline.

Outcome

Identified 10 recommendations, expected to result in faster and more accurate data collection. This will provide the Business Manager with more time to focus on other job duties. Recommended the implementation of an application that will help collect, organize, and track data related to generating funding model data which produces customer bills. Recommended a policy to hold Engineering IT staff responsible for timely data collection and accuracy.

Key Findings

- There is no single, authoritative source for service or employee time related to the funding model

Key Findings

- Lack of policy to hold employees / managers accountable for service data and employee time tracking
- The Business Manager and Director hold all of the funding model knowledge
- There is a lack of knowledge on how the funding model process works internally and externally
- Wording contained on the customer bill could be modified so it is more clear and supports the data
- There is no process for new services, removing services or changing a service in Engineering IT. This results in a lack of communication to customers when changes do occur.
- There is a lack of clear definition/documentation on the funding model process.

Short-term Improvement Recommendations

1. Define, standardize and require time tracking for costed services across all divisions

Provide definition, standardization, and enforce employee time tracking to costed services, allowing for accurate, on-time data.

2. Create a template for billing data to be collected

Creates a standard to collect data gathering the same required data each time in the correct format.

3. Draft a policy for keeping the authoritative data sources updated

Create a policy to keep authoritative data sources up to date so data can be collected at any time without interaction.

4. Communicate funding model process to all Engineering units effected

Educate the funding model process to business units contacts to help them understand where the data is coming from, what they are being billed for, when they will be billed, and what to expect from Engineering IT (EngrIT).

Medium to Long-term Improvement Recommendations

5. Purchase or create an application to collect the billable data for sharing among all involved parties

This application would create a sole source of data reducing the time to collect data, reduce errors in data and minimize the time to produce data. An application would also contribute to process documentation and staff training as well as standardizing the overall process.

6. Create a service management virtual team to define / document services offered by Engineering IT

Creating a virtual team to handle all aspects of service management would provide standardization to service offerings in Engineering IT. This would provide clarification to internal and external customers, provide an authoritative source to make decisions regarding service addition, deletion, audits, definitions, and costing method.

7. Document, define, and communicate the billing process to all staff

By defining, documenting, and communicating the funding model process to all staff, it will reduce or eliminate the single points of failure and silos for funding model knowledge in EngrIT. Clarifying this process will also help staff understand the funding model process which will help staff understand how their role impacts costed services in the organization.

8. Train management, CRMs, and senior IT pros on the funding model process and costed services

By training senior EngrIT staff, it could reduce or eliminate errors in data and help senior staff realize the importance of timelines with the funding model process. Training could also increase communication with the effected units and aid in answering standardize funding model questions.

9. Purchase or create a forecasting model to project customer bills

Creating a forecasted bill for each unit could reduce billing complaints from units, by being able to send a projected bill to a unit earlier in the year. This would help units plan their spending better as well. This could help EngrIT by producing "what-if" scenarios, including helping hiring plan projections or new service additions.

10. Create a succession plan for the Business Manager / Director on the knowledge of the funding model process

By spreading the Director and Business Manager knowledge on the funding model process, it will reduce or eliminate the single points of failure and silos in EngrIT. By identifying and educating other individuals in the organization, it will allow for better

Medium to Long-term Improvement Recommendations

communication on the funding model to internal and external staff and may remove some responsibility from the Director when dealing with funding model questions or complaints.

Implementation of Recommended Improvements

Short term and long-term recommendations are currently being reviewed by the Engineering IT Project Management Office. Resources and timelines will be reviewed and assigned by the PMO.