BUSINESS PROCESS RE-ENGINEERING
PROJECT GOAL

To create a world-class administrative foundation worthy of a world-class institution

Purdue University

Research

Teaching & Learning

Engagement

Administrative Foundation

Financial, Asset and Human Capital Management Processes and Systems
• Met with hundreds of colleagues across campus to learn about the processes and systems they use

• Cataloged 1,125+ processes
  – Covers the entire spectrum of the General Ledger, Human Capital Management and Asset Management

• Identified dysfunction within systems
EXISTING ISSUES

• Ineffective and inefficient business processes

• SAP structural impediments
### Significant Pain Points

<table>
<thead>
<tr>
<th></th>
<th>General Ledger</th>
<th>Human Capital Mgmt.</th>
<th>Enterprise Asset Mgmt.</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Processes Documented</strong></td>
<td>362</td>
<td>282</td>
<td>481</td>
<td>1,125</td>
</tr>
<tr>
<td><strong>Paper-based</strong></td>
<td>203</td>
<td>63</td>
<td>127</td>
<td>393</td>
</tr>
<tr>
<td><strong>Utilize Excel</strong></td>
<td>174</td>
<td>101</td>
<td>136</td>
<td>416</td>
</tr>
<tr>
<td><strong>Reconcile Multiple Sources</strong></td>
<td>304</td>
<td>98</td>
<td>217</td>
<td>619</td>
</tr>
<tr>
<td><strong>Reconcile 4+ Sources</strong></td>
<td>72</td>
<td>1</td>
<td>4</td>
<td>77</td>
</tr>
</tbody>
</table>

### Targeted Objectives

- Eliminate paper-based processes
- Redesign, automate and standardize workflow
- Dramatically reduce manual reconciliations
SAP STRUCTURAL IMPEDIMENTS

Significant Pain Points

- Employees need to memorize an 18 digit account string to record transactions.
  - Fund Accounts: 21010000
  - Cost Centers: 4018004000

- General Ledger includes:
  - 20,000+ fund accounts
  - 8,000 cost centers

- Human Capital Management
  - Organizational foundation does not exist

- Asset Management
  - Primavera/Maximo do not interface to SAP

Outcomes

- Simplify general ledger structure and chart of accounts
- Implement SAP HCM cloud based system
- Utilize SAP modules in place of Primavera/Maximo
- Establish strong governance
INEFFECTIVE BUSINESS PROCESSES
FORM 90 TO APPOINT GRADUATE FELLOW

• Pain points:
  – Form used to “approve” what’s already included in offer letter
  – Manually filled out
  – Sent via campus mail to 5 people for approval
  – Fellowship action form requires 3 of the same signatures as Form 90

Prepared 5/16/16

Final approval 7/25/16

RECEIVED SPS JUL 22 2015
INEFFECTIVE BUSINESS PROCESSES

OVERLOAD PAY

• Pain points:
  – Manual, paper-based, multi-form process
  – 4+ high-level signatures for low-level dollar amounts (usually less than $5,000)
  – Often takes 3+ weeks to complete
INEFFECTIVE BUSINESS PROCESSES

HR PROCESSES — JOB POSTINGS AND ON-BOARDING

• 11+ steps to post a job vacancy; even if no changes to job description, 5 approvals are needed to post

• 20,000 Hiring Action forms manually created in Business Offices and re-entered in SAP by Central Payroll

• Onboarding of new employees is complicated and time-consuming
  – E.g.: Checklist for onboarding a new Business Office employee has 38 steps before the employee starts
INEFFECTIVE BUSINESS PROCESSES
TRAVEL RULES AND GUIDELINES

• Pain points:
  – “Introduction to Travel Rules and Guidelines” presentation: 16 modules, 177 slides
  – 24% of travel expense reports require re-work
    • Increases reimbursement time to 30+ days in some cases
SAP STRUCTURAL IMPEDIMENTS
PAYROLL CHALLENGES

• Pain points:
  – Biweekly payroll certification form for paper timekeeping; 9,000 paper timecards, 234,000 processed each year
  – Lag between payroll submission and paydate
    • E.g., September had a 23-day lag
    • Target: less than 1 week
  – $750K+ in overpayments in 2015
  – 2,500+ late payments in 2015
FOUR-PART PROJECT

TOTAL BUSINESS PROCESS RE-ENGINEERING

- Human Capital Management: Implement a technology-enabled and automated system
- Enterprise Asset Management: Consolidate systems and increase functionality
- General Ledger: Optimize financial structures, analysis and reporting
VISION

TODAY

Compiling
Reconciling
Reviewing
Approving

Strategic
Thinking

PROJECT COMPLETION

Computational
Work

Strategic
Thinking

Analyzing
Decision-Making
**TIMELINE**

14

**Summer 2016**
Evaluation & Project Preparation

**October 2016**
Board of Trustees Approval

Process design & phased implementation over 18-24 months

**June 2018**
Target Completion Date

---

**November 2016 – June 2018**
Business Process Re-Engineering

**January 2017 – July 2017**
Enterprise Asset Mgmt (Capital Projects)

**January 2017 – September 2017**
Enterprise Asset Mgmt (Plant Maintenance)

**June 2017 – January 2018**
Human Capital Management

**June 2017 – June 2018**
General Ledger
WHAT THIS MEANS FOR YOU

• Many processes will change — dramatically

• Accountability and responsibility will be pushed down into the organization

• Life will be better — but different
HOW YOU CAN HELP

• Get engaged in the project
• Provide feedback
• Be patient and flexible

www.purdue.edu/treasurer/BPR
BPR@purdue.edu