

Changing For Excellence Business Case Goal Completion Report

Information Technology – Leverage Software Purchasing

Report Date

August 2016

Context

- KU-Lawrence and KUMC often negotiate and enter into individual licenses for software applications rather than coordinate for joint licenses, likely leading to unnecessarily high software costs on both campuses.
- The current inefficiency can be remedied to varying degrees:
 - At a minimum, KU-Lawrence and KUMC can coordinate their buying power for more favorable agreements with software vendors.
 - Since some software providers refuse to negotiate jointly with “two separate organizations,” a true integration of KU-Lawrence and KUMC would open doors for even greater negotiating power.

Goals

Original:

For each goal answer the following: What percent is this goal complete? If the goal has been met, please describe how it was met. If the goal has not been met, how will you be completing this goal or why will it not be complete?

- Establish a Software Review Board to provide a collaborative governance structure for software purchases.
 - This goal is 100% complete. The Technology Advisory Committee (TAC) and Hardware/Software Subcommittee (HWAC / SWAC) have been formed and are operational, under direction of KU Purchasing.
- Establish an annual cross-campus software call as part of the budget cycle process.
 - This goal was abandoned as budget processes for KUMC and KUL are distinctly different and neither supports a campus software call effectively.
- Periodic engagement with outcomes of the Changing for Excellence Purchasing initiative on how to integrate software licensing into future procurement changes.
 - This goal is 100% complete. KU IT and KU Purchasing meet on a monthly basis to ensure that our departmental processes stay in sync.
- Charge Purchasing from both campuses to immediately pursue software collaboration opportunities and merge contracts/leverage spend as renewals occur.
 - This goal is 100% complete. KU Lawrence Purchasing and KUMed Purchasing were both involved in the Leveraging Software project and were fully charged with pursuing software collaboration opportunities, including merge of contracts and leverage of spend as renewals are processed. KUMed is represented on the TAC and HWAC / SWAC.

Overall, how did goals change during Changing For Excellence and what goals were added or removed:

- Establish an annual cross-campus software call as part of the budget cycle process.
 - This goal was abandoned as budget processes for KUMC and KUL are distinctly different and neither supports a campus software call effectively.

Challenges

Risks surrounding leveraging software purchasing are fairly low in respect to Institutional, Change Management, Project, Finance, and IT risks.

- There is some concern surrounding the adoption of the new software review process on both campuses:
 - Software purchasing at KUL is completely decentralized and resistance to adhering to a standardized process is anticipated
 - KUMC is smaller in scale and is made aware of larger software purchases organically. Standard processes will be required to maximize savings potential over time.
- There is some risk that schools or departments will avoid the software review process by using endowment or grant funding. Policy needs to be written and enforced to address these issues upon implementation.
- The Software Review Board must be nimble in its ability to review and organize appropriate parties to realize software savings. Unnecessary bureaucracy needs to be avoided to be effective and achieve buy-in across the campuses.
- Duties of current resources need to be expanded to meet the needs of the Software Review Board and achieve savings.

Describe if these challenges were encountered during Changing for Excellence and what unanticipated challenges occurred during the process:

All of these challenges were encountered during the process. It was difficult to formulate processes that worked for both KUMC and KUL, given the differences in software purchasing on both campuses. We implemented policy changes and obtained agreement from Endowment to not fund software without first checking with Purchasing. The HWAC / SWAC meets on a regular basis and is quick to respond to requests for software, as well as development of standards for hardware/software. Staff in Purchasing and IT have expanded duties as a result of this initiative, and the processes developed are working well.

Opportunities

Better understanding of software purchasing and existing licenses will result in anticipated annual savings on software purchases in the range of \$50K--\$100K for the University across all campuses.

Describe if these opportunities occurred during Changing for Excellence and what unanticipated opportunities were realized during the process:

We definitely experienced opportunities for savings on software purchases and licensing. Savings recognized by Fiscal Year:

Fiscal Year	Huron Estimated Savings	KU Actual Savings	Variance
FY12	\$0.00	\$0.00	\$0.00
FY13	\$75,000.00	\$114,500.00	\$39,500.00
FY14	\$105,000.00	\$752,592.23	\$647,592.23
FY15 to-date	\$140,000.00	\$82,000.00	(\$58,000.00)
Total	\$320,000.00	\$949,092.23	\$629,092.23

The TAC is reporting on any savings recognized after project closure.

In addition, by being included at the requisition stage of software purchasing, KU IT is now in a position to assist customers in finding the right software solution to meet their needs before they actually spend the funds.

Changing For Excellence Summary

Summarize the process to date and lessons learned. Provide specific future direction, next steps, and strategy for this business case. Indicate what metrics will be used to measure success:

This project was successfully completed. The TAC and HWAC / SWAC are operational and will continue to execute processes developed by this project, enforce policies developed by this project, and report on ongoing savings recognized as a result of this project.

Post-Changing For Excellence Updates (Completed Projects Only)

The CFE business cases, while complete for routine reporting purposes, are never considered done as they are constantly being monitored and grown. With this in mind, please provide your detailed strategies on the continued growth and development of these business cases. Information about how units continue to improve and innovate from these business cases should be addressed. Details could include information about refining processes, new projects, measuring success, metrics being reviewed, and other methods for understanding improvements.

As stated above in the Summary, the TAC and HWAC / SWAC are operational and will continue to execute existing processes established by this project, enforce policies developed by this project, and report on ongoing savings recognized as a result of this project. These groups are empowered to review the processes, policies and reporting and make modifications as required going forward.