



OE PROJECT CHARTER- Strategic Management & Metrics

PROJECT NAME:	Strategic Management and Metrics Project
PREPARED BY:	Louise Davidson
DATE (MM/DD/YYYY):	10/08/2012

PROJECT CHARTER VERSION HISTORY		
VERSION	DATE (MM/DD/YYYY)	COMMENTS (DRAFT, SIGNED, REVISED – CURRENT STATUS)
1.2	03/06/2012	OE Project Charter Calmetrics – Delivered.

REVIEW & APPROVAL		
PROJECT SPONSOR(S) NAME	SIGNATURE	DATE
John Wilton		

CASE FOR CHANGE (What is the Current Situation?)

Why Metrics?
What can't be measured can't be managed.

This old management adage is still very relevant today and particularly for UC Berkeley as it moves towards implementing the High Performance Culture initiative. We need to be able to measure the quality of our work in order to make improvements.

UC Berkeley's commitment to access and excellence distinguishes us from every other institution. As the top public university in the world, metrics can help us gauge how well our work supports these twin pillars, and inform how to foster world-class support for teaching, research and public service. This is particularly important given the dramatic shifts in Berkeley's operating context and funding and the need to respond more quickly to change.

Metrics are not new at UC-Berkeley. Examples of good unit performance measurement, including strategic plans aligned to metrics and dashboards, exist across the campus. Interest and willingness to use metrics has been strengthened following the recent implementation of infrastructure, such as CalPlanning and the Enterprise Data Warehouse, which are producing meaningful financial data and reports. However, as described in "Achieving Operational Excellence" (the 2010 Bain diagnostic report):

- priorities are not clearly communicated across the campus,
- there is an absence of aligned, well-defined metrics that are cascaded throughout the respective organizational units,
- strategic planning is not undertaken consistently, or tied to other campus-wide processes such as the budget cycle and
- differing planning processes are undertaken by the Academic and the Administrative Units.

There is a need for a framework that enables the roll up of metrics and provides campus leadership with robust information and useful management reports to make better decisions and to communicate achievements with internal and external audiences. (While this framework will have the capability to integrate academic and non-academic metrics, the creation of new academic metrics are out of scope).

As we move towards building a world-class operation, a consistent framework will enable every unit and staff member to see how their contribution affects the campus mission. Many public sector organizations, including UC Berkeley face some challenges in this regard including: multiple oversight points and stakeholders, diverse sets of strategies, lofty



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goals that are often hard to define as well as difficulties tying incentives to team and individual performance. Nevertheless, there are a lot of best practices that can be drawn upon to help measure progress and to establish a robust strategic unit performance management process.

It is expected that this framework will facilitate a clear “line of sight” from the campus level to the individual staff member including:

- clear and transparent communication of priorities throughout the campus,
- alignment with campus-wide goals, as reflected in unit strategic plans that are tied to resource allocation and with consistent metrics to assess progress,
- well-defined goals and metrics cascaded to units with useful management reports for leaders and supervisors and
- clear guidelines on how to assess performance with strengthened accountability and incentives aligned with performance.

PURPOSE

This Project is intended to provide UC Berkeley leaders and managers with a best practice Strategic Management Process and tool kit that will enable them to link their strategies with their budgets and other measurable metrics and so that they can make decisions and run their unit in a way that clearly reflects their priorities and the inevitable trade-offs.

1. Strategy is an iterative, top-down, bottom up process, with planning occurring at all levels across the University of California. At the campus-wide level, as indicated in Figure 1, the Project will focus on providing an integrated framework for strategic focus and resource allocation including supporting UC Berkeley to clearly communicate its overall goals and priorities related to “access” and “excellence”. This will allow for well-aligned metrics to be cascaded to units and strengthen relations with external audiences.

Figure 1 – The Campus Level



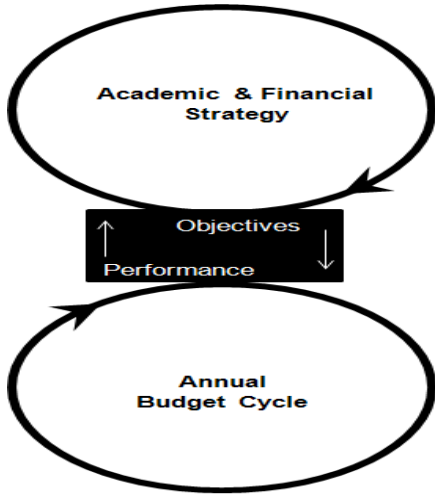
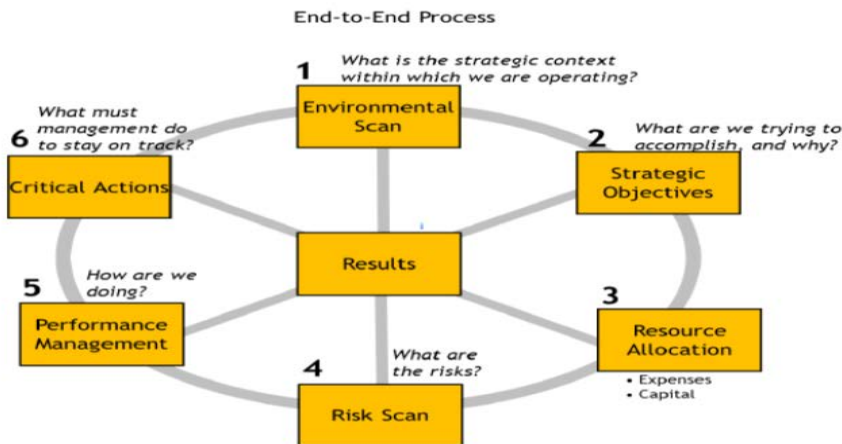


Figure 2 – The Unit Level

2. At the Unit level, the Project aims to implement an effective Strategic Management process that will integrate strategy and budget. This framework will build upon the budget reform work recently undertaken at UC Berkeley and link to the annual budget cycle because the 'baseline' finances will help to inform long-range planning. Outreach from the Financial Planning and Analysis team has started to introduce an integrated framework to the campus, with a focus on defining and improving the budget cycle part of the framework.

3. As indicated in Figure 3 below, the integrated process will assist units in continually evaluating where they are, where they are trying to go and how best to get there. It will support more rigorous business planning informed by a robust budget process with specific templates designed to capture these key components of units' strategic plans.

Figure 3 – Strategic Management Process (example)



At the Unit level, the following best practices should be expected upon completion:

- Strategy and budget are considered within an integrated framework,
- Strategy drives budget (budgets align with strategy),
- The financial impact of strategic objectives/initiatives are assessed and trade-offs made within the operating budget,
- Unit performance outcomes are tracked, reviewed and inform strategic decisions,



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- Strategy is cascaded and helps link organizational performance with unit and individual performance, establishing accountability.

Finally the Project will provide units with a useful tool kit such as Results Chains and Process mapping. Results Chains provide the crucial link between strategy formulation and strategy execution, as well as the consistent framework for aligning objectives, metrics and actions. Units will also be guided to use Process mapping to help to identify meaningful metrics. In some case, units will be assisted to undertake benchmarking for best practice processes.

RESULTS

#	OUTCOME	MEASURE
1	An integrated framework for strategic focus and resource allocation at the campus-wide level.	<ul style="list-style-type: none"> • Articulation of campus- wide goals with clearly defined indicators. • A shared understanding of campus-wide goals (external and internal). • A clearly articulated path between unit performance metrics to the campus-wide goals.
2	An effective Strategic Management process.	<ul style="list-style-type: none"> • Formulation and implementation of a campus wide strategic performance management process that links budget to strategy. • Design of a Strategic Performance Management tool. • Regular business or performance reviews based upon metrics.
3	Enhanced unit performance management using best practices.	<ul style="list-style-type: none"> • The identification of a well-defined set of metrics to assess performance/outcomes at the unit level. • Number of leaders (and units) that have been educated and trained to use metrics to measure performance. • Clear guidelines on how to assess performance with strengthened accountability and incentives aligned with performance. • Set of Results Chains (Strategy Maps), Process Mapping and Benchmarking data.
4	Enhanced financial management via budget trade-offs and resource optimization, aligned to strategic decision- making.	<ul style="list-style-type: none"> • Regular senior level discussions and reviews of campus wide strategic initiatives and agreement on shifts and tradeoffs. • Reduction of the campus deficit and investment in initiatives designed to grow revenues.

SCOPE

(The scope defines the boundaries in terms of where the project begins and ends. The scope describes what will be delivered - where, when, and how. It describes the services, functions, systems, solutions, or tangible products for which the sponsor will take delivery.)

Key elements of the scope include:

COMPONENT 1A) : Campus-wide level

- In the short term, an articulation of the vision/mission/goals/priorities and metrics at the campus-wide level drawing from existing sources including the 2YR goals.
- Communication of the above with internal and external audiences.
- Longer term: Development of an integrated framework for strategic focus and resource allocation across the campus- that enables the roll up of metrics and provides campus leadership with robust information and



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useful reports to make better decisions.

- This framework should be flexible enough to accommodate any new changes to campus priorities etc. following the arrival of the new Chancellor.

COMPONENT 1B): Unit-level

- Development of an integrated Strategic Management framework for units to define their strategic goals and measure their performance, including links to the budget process (how resources are allocated), and a set of corresponding metrics that are aligned to the campus-wide goals.
- Design and implementation of regular strategic performance reviews, based upon well- defined metrics.
- Education and engagement of senior leaders on campus to cascade the campus-wide goals into their units and to implement the strategic planning process including a clear definition of activities, roles, systems etc.
- Linkages with HR performance and talent management.

COMPONENT 2: Insight into Results

- A portal capability to produce a set of useful and dynamic management reports. Metrics will enable leaders and staff to clearly measure the benefits achieved at the unit level which in turn can be rolled up as part of the overall Strategic Performance Management framework to assess progress made at the campus wide level.

PROJECT CONSTRAINTS & ASSUMPTIONS

(List the known and anticipated constraints, and the initial assumptions for the project.)

#	NAME
	Assumptions
1	The Project will be based upon readiness and willingness of units to adopt measures to assess performance and outcomes
2	The Project will coordinate closely with other initiatives closely linked to the campus' strategic planning process (budget reform, HR reform etc.) and require significant input/project resources from these initiatives to be successful.
3	The Project's new framework, which is being initiated before the arrival of the new Chancellor, will need to be validated upon arrival and establishment of the new leadership team.
4	The timing of the Project in this charter is indicative. The start date will be subject to and depend upon agreement to the charter.
	Constraints
1	There are several other significant change management initiatives being undertaken across campus currently. The Project progress will be determined according to the pace of change of other closely linked initiatives (e.g., budget reform), as well as the university's capacity to absorb additional change.
2	The Project teams' effectiveness and availability may be constrained due to existing work responsibilities and/or the need to build appropriate capacity and skills.
3	Availability of financial resources.



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PROJECT MILESTONES & DELIVERABLES			
<i>(List the major milestones and deliverables of the project.)</i>			
Task	Detail	Other	Timing
O. Set up	<ul style="list-style-type: none"> - Approval of Project Charter - Identification of Steering Committee and working groups - Identification of Project Team 		Fall 2012
I. Establish High Level Design	<p>The High Level Design phase is intended to gather senior management consensus around the fundamental “operating model” related to the Strategic Management process. As such, this Phase I will answer several key “design questions, including</p> <ul style="list-style-type: none"> - What is it? - What is the framework that will be applied? - What are the “elements” of the framework? - How will it be used (e.g., relative to the budget process)? - What are the other “governance” mechanisms? - How does it link to the campus wide goals? - How does it link to HR (Performance Mgmt.)? - How does it link to “other metrics”? <p>A critical element of this phase is to start to educate leaders with regards to the intent and purpose of the Process, and involve “early adopters” in the design.</p>	<p>Link with: Financial Summit</p> <p>Leadership Forum on Metrics</p>	3 Months
II. Create Initial Working Model (“Prove by doing”)	<p>This phase is intended to validate and further define the key requirements by developing an initial “working model” that “proves by doing”. Critically, this phase will work with select real business data from “pilot units” to develop the concepts, including the overall framework and key reports. Key elements of Phase II include:</p> <ul style="list-style-type: none"> - Prototyping with select key pilot units (academic and administrative) - Utilizing real business scenarios and data in the development of the templates and reports - Utilizing (& validate) key tools including Results Chain, Strategy, Budget, Process Maps, and Metrics - Developing initial “working models” to ensure high business value 	Link with Budget Cycle	Four Months
III. Build Implementation Capacity	<p>Based on the outcome of Phase II, this Phase focuses on building the implementation capacity to rollout the Strategic Management process (is) across the University. This phase includes</p> <ul style="list-style-type: none"> - Finalizing the detailed design including identification and implementation of enabling tool(s) (CalPlanning, Excel, other) - Building implementation capacity (e.g., roll out plan, train the trainers, supporting Handbook) - Ensuring Change Management awareness - Continuing to work with “early adopters” 		Five - Seven Months
IV. Roll Out	<p>Phase IV implements the Project broadly across all in scope units. The rollout to units will be phased, based on an agreed schedule, segmented by: (i) Early Adopters and (ii) Rest of Units</p>		6-12 Months
V. Refinement	<p>Based on ongoing monitoring of the Project and roll out, ongoing refinement and “fine tuning” of the framework and methods will be implemented.</p>		Ongoing



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IMPACT STATEMENT <i>(List the impact this project may have on existing systems and populations.)</i>		
POTENTIAL IMPACT	WHAT AND WHO IS IMPACTED	RATING (1-5) 1:Low 3: Med 5: High
An integrated framework for strategic focus and resource allocation at the University-wide level	External Shareholders, Chancellor, VCs, Deans, AVCs, etc. Internal respective functional units including the Budget office, IT systems, COrWE.	4
An integrated framework for strategic focus and resource allocation at the Unit level	Leaders, supervisors and managers across campus	4
Embedding metrics in daily work to assess performance	Employees, units and campus, OE colleagues, HR colleagues	4

FINANCE DESCRIPTION <i>(Provide a high level narrative overview on the estimated investment requirements, the savings targets, and the ongoing funding model.)</i>
<p>Accurate funding requirements will be determined upon completion of Phase 1 (the high level design)</p> <p>The Project will follow a “nimble” approach by collaborating extensively with existing relevant OE initiatives across campus as well as drawing upon working with staff from units. The following approach will be used to mitigate costs:</p> <p>CAMPUS-WIDE LEVEL</p> <ul style="list-style-type: none"> - Collaboration with Chancellor, Communications and Planning and Analysis staff to further evolve, design and communicate the campus-wide goals. <p>UNIT –LEVEL</p> <ul style="list-style-type: none"> - Collaboration with respective teams working on outreach to units (TSS, CalPlanning Outreach, COrWE Leadership Development, Operating Principles team, HR and IT Department, Campus Shared Services). - Collaboration with members of LDP metrics team to develop a group of “super-users.” - Collaboration with HR and COrWE to provide a consistent approach that is linked to performance management and talent management. - Collaboration with IT to help prepare useful dashboards and management reports. - Collaboration with Communities of Practice.

RISKS <i>(Identify the high-level project risks and the strategies to mitigate them.)</i>	
RISK	MITIGATION STRATEGY
Insufficient buy-in to campus wide goals	- Obtain senior leadership commitment (before and after arrival of new Chancellor)
Resistance to metrics	- Cascading leadership and communication from Chancellor and senior leaders on benefits to all. Enroll local change agents/metrics “super-users” to demonstrate and integrate metrics.
Capacity of campus to absorb change management initiatives	- Guidance from Steering Committee, OEPO to adapt project scope, timing
Insufficient staff resources	Obtain senior leadership commitment to resource requests. - Dedicated professional staff members or consultants and associated funding. - Redirection of critical staff resources



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	<ul style="list-style-type: none"> - Leverage OE change management efforts - Re-scope project if needed and/or extend implementation timeline.
IT technical designs – compatibility with existing systems and design capacity	<ul style="list-style-type: none"> - Careful evaluation of options during design phase and collaboration with campus IT

COMMUNICATION

(Highlight the communication requirements between the Sponsor, the Key Stakeholders and the Project Team, including the frequency of check-ins, project reviews, and status reports (in person and written).)

- Steering Committee meetings at agreed checkpoints
- Sponsor and Project Manager meet every six weeks
- Project Manager and Project Team meet weekly



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APPENDIX A - PROJECT ROLES & RESPONSIBILITIES

Name the members of the project team.

PROJECT SPONSOR: Provides overall direction, guidance, and funding for the project.	
RESPONSIBILITIES include setting the vision and strategic direction, approving the project charter and plan; securing resources for the project; confirming the project’s goals and objectives; keeping abreast of major project activities; making decisions on escalated issues; and assisting in the resolution of roadblocks.	
NAME	John Wilton

FUNCTIONAL OWNER: Manages the impact of the project in their functional area.	
RESPONSIBILITIES include ensuring agreed-upon project tasks and deliverables are completed, incorporating the views of their customers, providing functional expertise in a particular area, articulating requirements, and working to ensure that business needs are met.	
NAME	Campus wide leaders – Deans from Pilot Group (Law, Haas,), AVC Erin Gore (Finance), AVC Jeannine Raymond (HR), AVC Lyle Nevels (IT), Exec Dir Thera Kalmijn (Campus Shared Services)

PROJECT MANAGER: Leads the team in planning and implementing the project from initiation to closure.	
RESPONSIBILITIES include scope and change management, keeping the project plan current (deliverables, schedule, and resources), issue and risk management, maintaining project documents, reporting project status, and facilitating conflict resolutions within the project and between cross-functional teams..	
NAME	Louise Davidson

The PROPOSED PROJECT STEERING COMMITTEE includes key stakeholders and subject matter experts.	
RESPONSIBILITIES include providing guidance on key issues.	
NAME	John Wilton
NAME	Erin Gore
NAME	Lyle Nevels
NAME	Jeannine Raymond
NAME	Rich Lyons
NAME	Phyllis Hoffman
NAME	Elizabeth Elliot
NAME	Andrew Szeri and/or Peggy Huston
NAME	Claire Holmes
NAME	Student Representation
A SUBJECT MATTER EXPERT provides expertise on project elements including business process and current or new technical solutions.	
RESPONSIBILITIES include maintaining up-to-date experience and knowledge on the subject matter, validating recommendations, and providing advice on what is critical to the performance of a project task.	
NAME	Peter Wilton (Strategy),
NAME	External Experts as agreed



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Describe the roles and responsibilities of the project participants.

RESPONSIBILITIES include			
<ul style="list-style-type: none"> • understanding the work to be completed, completing the research, data gathering, analysis, and documentation, • informing the project manager and team members of issues, scope changes, risks, and quality concerns, and • proactively communicate status and manage expectations. 			
NAME	Louise Davidson	ROLE	Project Lead
NAME	Shelly Kleinschrodt	ROLE	Project Coordinator
NAME	TBD	ROLE	Metrics Analyst
NAME	Jon Bain –Chekal	ROLE	Client outreach
NAME	Katherine Mitchell	ROLE	Client outreach
NAME	Pamela Brown	ROLE	Planning and Analysis
NAME	Laurent Heller	ROLE	Budget Reform links and CalPlanning
NAME	Cathy Lloyd	ROLE	Links to CalPlanning
NAME	Kia Afcari	ROLE	Operating Principles Liaison
NAME	Paul Carroll	ROLE	Leadership Devt Liaison
NAME	Stephanie Metz	ROLE	OE metrics Liaison - Design
NAME	Melanie Hurley, OEPO	ROLE	marketing and communications
NAME	Barbara Broque/Liz Elliott	ROLE	Links to TSS outreach/metrics in units
NAME	IT Analyst	ROLE	LDP liaison –and IT design
NAME	Student Rep	ROLE	Student Liaison