OVERALL PRINCIPLES

The implementation of a funding mechanism for the University of Michigan’s Enterprise Directory Services Project should be based on the following guiding principals:

- Simplicity should be a characteristic of the funding model.
- A robust, secure, interoperable infrastructure for UM enterprise directory data and services must exist.
- Data from multiple institutional sources, including authoritative local sources, should be included in Enterprise Directory Services.
- Enterprise Directory Services should enable features commonly required by business units on all campuses.
- A variety of independent system applications and services should be able to leverage Enterprise Directory Services.
- The IT Commons approach should be followed with respect to centrally funding those shared architectural elements that provide a basic level of capability, enterprise-wide interoperability, and consistency.
- Following initial implementation, schools, colleges and business units should be allowed to collaborate to fund additional desired features for specific needs. Increase Value on Investment (VOI) by encouraging as a strategic goal intra-institutional collaboration to cover the costs of additional development or maintenance expense incurred due to the addition of features or services that are common among a few units but not useful enterprise-wide.
- Initial implementation, ongoing maintenance and long-term system wide upgrades should be delivered following planned-release strategies.

IMPLEMENTATION FUNDING MODELS

Two models have been considered for funding Enterprise Directory Services Project activities. Both models are summarized below with advantages and disadvantages for each:

- **Centrally Funded Implementation Model**
  - Implementation of the infrastructure and common architectural elements would be centrally funded. Implementation would proceed based on an agreed upon, multi-year schedule. The Provost’s Office/CFO would provide the centrally funded moneys.
  - Advantages:
    - Meets IT Commons goal to avoid incurring additional costs to the schools, colleges, and business units
    - Allows all schools, colleges, and business units, regardless of their size or resources, to leverage related technological advances
    - Straightforward, with clear assignment of responsibilities
    - Pre-defined and reliable level of funding
    - Supports meeting the implementation schedule
    - Allows for natural transition to maintenance support as the implementation is completed
    - Supports delivering Enterprise Directory Services in a consistent, organized manner
• Disadvantages
  • A source of funds, possibly infrastructure upgrade or capital funds, would have to be identified for the project

• Unit Funded Implementation Model
  o Specific features that enable directory uses that meet local requirements of several but not all schools, colleges, and business units would be implemented based on funding provided by the requesting units. A minimum-mass threshold should be met to justify development of unit-funded features. Both central and unit funding is expected for related maintenance and upgrade costs.

• Advantages
  • Allows units to extend the use of Enterprise Directory Services to meet unit-specific goals
  • Units proceed in accordance with their own funding levels and priorities
  • Enables schools, colleges, and business units to leverage enterprise-wide services that fully meet their needs, thereby recognizing long-term savings by avoiding redundant development

• Disadvantages
  • Additional costs to the schools, colleges and business units
  • Fewer opportunities for gaining economies of scale
  • Some Enterprise Directory Services would be useful to only a limited set of units
  • Units who join developed unit services beyond implementation date may incur additional costs (Governance Board could recommend when sufficient use of unit services warrant review for inclusion in central funding.)

RECOMMENDATIONS

A funding model that blends central and unit funding is recommended for long-term funding of Enterprise Directory Services.

For the initial implementation of the Enterprise Directory Services Project, the central funding model is recommended since the focus will be on delivering infrastructural and common architectural components and services. This model meshes with the mission of IT Commons initiatives to provide enterprise-wide service as economically as possible to all schools, colleges, and business units. All of the initial implementation costs of the Enterprise Directory Services Project should be included under the centrally funded model. Following initial implementation, central funding is also recommended to cover on-going, enterprise-wide costs. Central funds should not be spent to develop features or services that compete with Enterprise Directory Services unless Provost’s Office approval is granted to support a well-articulated business case.

The unit funding model is recommended to cover the costs of implementing unit-specific enhancements and extensions of Enterprise Directory Services. Schools, colleges, and business units would be encouraged to discover commonalities and to request features jointly in order to gain economies of scale. Unit-funded features would not be included in the initial project implementation.
A budget estimate for the Enterprise Directory Services Project should address both start-up costs and on-going, operational costs.

LONG TERM MAINTENANCE/UPGRADE/ENHANCEMENT FUNDING MODEL

In general, costs for maintenance, upgrades, and enhancements to Enterprise Directory Services will be centrally funded; however, unit funded features will require some responsibility for the school/college/business unit as well. Costs for growth and replacement will be built into the budget estimate.

POTENTIAL LONG TERM COST SAVINGS AND REDIRECTED RESOURCES ENTERPRISE DIRECTORY SERVICES

Systems that currently provide directory-type features should be reviewed to determine if those features are better supported by the new Enterprise Directory Services. If so, funding sources for those systems should be explored and evaluated for redirection and ability to collect in amounts equivalent to the cost of supporting the obsolete features. Some systems to include for evaluation include:

- UMOD
- Uniqname System
- Account Billing System (ABS)
- UMIAC
- MAIS Directory-type interfaces and database links for directory-type information
- Evaluate what features of HEPROD, DAC, and IDCard could be deprecated
- What other current resources may no longer be needed? How are they funded?

Other long term cost-saving opportunities associated with the implementation of enterprise-wide directory services include:

- Reduced redundant effort across schools, colleges, and business units who would otherwise implement and support local directories
- Simplified access to common data in the ED would allow redirection of staff time to other tasks in units where staff currently expend undo effort to access and use the data from multiple sources
- Reduced number of interfaces or database links for directory information would allow redirection of staff time in IT organizations to other tasks
- Common architectural components would establish boundaries on technical support requirements and effort
- (expand with VOI cases, opportunity costs, ROI scenarios, small stories/use cases, Burton Group example(s), and other costs)