Council of University of California Staff Assemblies (CUCSA)

Administrative Efficiencies Workgroup Report

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Gerard Au, *University of California, Los Angeles*
Peter Blando, *University of California, Davis*
Victor Chan, *Lawrence Berkeley National Laboratory*
Steve Garber, *University of California, Berkeley*
Annette Garcia, *University of California, Merced*
Steven Lerer, *University of California, Riverside*
Kolette Massy, *University of California, San Francisco*

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EXECUTIVE SUMMARY

In reviewing a series of historical and current efforts intended to deliver administrative efficiencies and cost savings, the Council of University of California Staff Assemblies (CUCSA) Workgroup on Administrative Efficiencies determined that significant staff engagement and a focus on efficiencies rather than cost savings leads to greater, more sustainable success at achieving cost savings without impacting quality of service. Furthermore, the investigation indicates an opportunity for a stronger role for the Office of the President (UCOP) to coordinate various efforts, creating additional opportunities and/or a faster transition.

This report presents seven cases of administrative efficiency efforts along with an analysis from CUCSA's Administrative Efficiencies Workgroup. It also presents information derived from interviews with UCOP administrators leading the "Working Smarter" program. The analysis indicates that staff engagement, UCOP serving as liaison and coordinator, and a greater focus on efficiency rather than cost to be the three elements that would lead to greater success in administrative efficiency efforts. This report outlines recommendations to leverage these elements.

Ultimately, the goal of administrative efficiency efforts is to achieve cost reductions while maintaining or improving the quality of services provided. The case studies indicate that improved efficiencies result in cost savings. Also, UC staff members present a unique perspective as both the users and owners of existing administrative functions and as the ones who have been and will continue to be asked to implement efficiencies. Their unique perspectives and experiences are reflected in the cases reviewed.

BACKGROUND

Problem Statement

Various stakeholders have identified the need for greater administrative efficiency across the UC campuses. We are concerned that staff are not and may not be sufficiently engaged in the administrative efficiency improvement process. We also believe that UCOP needs to take a more active role in the facilitation of campus efforts.

Objectives

The goal of the Administrative Efficiency Workgroup is to identify ways and make recommendations in which UCOP can play a more active role in facilitating administrative efficiency efforts at the campus level and between campuses. The workgroup uses case studies as a way to identify efforts that worked well in engaging staff and those efforts that fell short as a result of not properly engaging staff. The case studies also illustrate the need for system-wide coordination by UCOP and that focusing on savings instead of efficiencies could cost more in the end.

Method of Study

The Administrative Efficiency Workgroup researched the status and progress of various campuses' Administrative Efficiencies initiatives. We also engaged various stakeholders at UCOP and at various campuses to understand what their concerns and their processes are throughout their administrative efficiency projects. Included in this engagement, we spoke with UCOP staff involved in the Working Smarter Initiative.

Several UC-wide reports also provided the Administrative Efficiency Workgroup important background information on the needs to improve efficiencies throughout the UC system. Some of the reports and documents we used for our research included:

> Regents Resolution 5100 (Appendix A)
> Working Smarter: Administrative Efficiency at the University of California ("Working Smarter Report")
> University of California Commission on the Future Final Report
> Various campuses' administrative efficiency websites

The workgroup also researched several case studies to help us understand the implementation process of various initiatives. The projects we looked at included:

> UC-wide Connexxus travel program
> UC Berkeley Financial System Upgrade
> UC Berkeley Operational Excellence Initiative
> UCOP HR Restructuring
> UC Santa Cruz Shared Service Centers
> Shared Data Centers

CURRENT EFFORTS

The CUCSA Administrative Efficiencies workgroup met with administrators for the Working Smarter Program, Kobie Crowder and Michael Reese, to learn more about what UCOP is doing to assist in helping the system and the campuses become more efficient, in addition to saving money for the UC.

The Working Smarter program is meant to be a way to help realize the goal of $500 million in cost savings for the University over the next five years. This will be done through 30 initiatives that impact system functions in many different areas. Each initiative has a project owner who is responsible for overall implementation and communication back to the Working Smarter steering committee.

One large question about this program is how information will be communicated to the campuses and how staff at all levels will be engaged in the process. The overarching answer to that question is that the Working Smarter program will have an interactive website which will allow people to submit ideas and comment on the various initiatives. There will also be resources from the project owners and the steering committee for people to access. Staff may also have the opportunity to be involved in web interviews where they can tell how these initiatives will impact work on the individual campuses, in addition to submitting new ideas.

A concern that arose around this initiative is the level of involvement that the program has with guidance for the individual campuses. It appears that the majority of the initiatives are at a system wide level and, though these will help the campuses save money, there does not seem to be a focus on assisting the individual campus to become more administratively efficient. It was stated in the interview that the staff at UCOP are making a concerted effort not to get into campus affairs and to stay out of the way. Though it is important for the campuses to decide what works best in specific structures, it seems necessary for UCOP to be more involved in helping campuses communicate and share ideas so best practices can be emulated and mistakes can be avoided.

Overall, the Working Smarter program and the staff involved in the program appear to be very focused on cost savings. The front page of the website will show a thermometer that climbs up to the $500 million goal. It is a concern that without engaging all levels of staff in these programs, in addition to providing past history and strong inter-campus communication, the cost savings will not be sustainable. We also have a concern that these initiatives are more focused on savings rather than creating long-term efficiencies.

The following case studies will examine how UCOP can play a more central role as a liaison and key communicator in assuring that administrative efficiency efforts engage staff properly, focus on efficiencies instead of only savings, and that best practices are shared across the system.

CASE STUDIES

Engaging Staff

CONNEXXUS

The Connexxus travel portal has been identified as one of many opportunities to achieve systemwide administrative efficiencies. The Connexxus program is intended to offer more expedient booking of air, hotel and car rentals at significant cost savings to the campuses. The potential for savings is directly correlated with the level of utilization. The campuses need to reach an average utilization level of 80% in order to realize the full savings that have been estimated at $12 million. The current Systemwide utilization rate is currently in the low 20% range with some campuses well over 50% and others under 10% (see Appendix B). At this usage level, the savings are estimated at $4.4 million.

Connexxus was rolled out as early as late 2008 on some campuses and as recently as late 2009 and early 2010 on other campuses, so each campus is in a different phase of implementation. One key component in how the program was rolled out to the campuses was the way it was communicated. While some campuses welcomed the addition of this program, some viewed it as an unfunded mandate from UCOP. This perception is significant in that this first communication sets the tone for that campus. For the most part it was communicated via the Business and Finance or Controller's Offices. Some of these departments have experienced challenges getting the campus travelers to buy-in to the program, particularly in academic departments. On campuses where this was seen as a top-down mandate, travelers seem more likely to feel that the central business and finance people are force-feeding the program.

In March 2010 President Yudof informed the Chancellors that every campus "should" use Connexxus. This was seen as a very important step in legitimizing this program and improving the acceptance of it, especially by the faculty. However, many of the Chancellors are not actually embracing this new way of doing business and some are very reluctant to even use it for their own travel. This sends a strong message about the value of this program. The staff in the Connexxus Travel Office at UCOP have plans to work with the Academic Senate to work on bringing more of the academics on board. This effort is applauded by the campus travel leads.

Another very important mechanism for communicating to travelers about this program has been through staff who are designated as preparers and are expected to receive specific training and be knowledgeable in all aspects of travel. Campuses like UC Riverside, where trained staff serve as arrangers, seem to have more success in promoting usage. Travel Coordinators at UCR meet regularly and can be targeted for training and updates on Connexxus. They, in turn, can take this information back to their departments as ambassadors of a sort. UC Merced also has a similar arrangement and the utilization rate at both of these campuses is above the average. It can conversely be seen how a campus that does not have the advantage of trained arrangers has struggled to communicate with travelers about the program and to persuade users to give it a try. UC Santa Cruz, in particular, feels challenged by the lack of administrative support staff in the departments to perform this coordinating role. Their utilization rate is also well below the average.

All campuses are working diligently to increase the utilization rates at their location. Some of them have the additional challenge of overcoming a slow start or resistance that is the result of incomplete and/or top-down communication. The UC Santa Cruz campus is now working on test runs within specific departments that commit to full usage and they will then be able to share that experience with the rest of the campus in order to make improvements and promote its usage.

It is crucial that stakeholders are engaged early and often. Staff engagement in the implementation of new systems will help ensure that the staff needs and concerns are addressed on the front end. If they see the benefits of using this system and are confident that their needs will be met, they will willingly use it. Mandating the use of the system should be a last resort if sufficient communication, education and training are still unable to achieve the utilization rates needed to realize savings.

BERKELEY FINANCIAL SYSTEM UPGRADE

In 2008 it was announced to the UC Berkeley Campus that the Berkeley Financial System (BFS) would be upgraded from version 8.8 to version 9.0. The main purpose of the upgrade was to roll out a more "vanilla" version of the system so that future upgrades would be easier. The campus was informed that the changes to BFS would be mostly cosmetic and that chart string field names would be changed, along with a few other minor changes. On July 6, 2010 the upgrade occurred. Soon after the upgrade it became clear that many of the business processes and steps in the system had changed and a new component was added to the system that called for "receiving." This "surprise" caused many problems on campus and it became very difficult to get invoices paid during the month of July. The Controller's Office realized that these problems urgently needed to be corrected. They formed a task force to work on this and engaged the campus community to ask for help, feedback and testing. A major communication campaign started in August and September to keep the campus community apprised of the status of the system. By December many changes were made to the system which made it more user friendly.

This upgrade caused many people on campus to not trust the administration with technical projects. The Central Campus units realized that going forward, it had to do things differently in order to rebuild trust. They also learned how important it is to engage end users from the very beginning of the process to assure that any upgrade or new system will work efficiently and effectively.

The campus had a chance to redeem itself with a new eProcurement system. The procurement department took a much different approach with this new system. They have decided to team up with UC San Francisco and are now sharing one Procurement Director. This director has pulled together teams from both campuses that are comprised of end users who are currently involved in procurement for their departments. This project relied on these end users to provide feedback on the system, so that in the end it is user-friendly and efficient. The original roll out date (July – December 2010) for this project has been delayed so that the proper testing, coding and training can occur. The roll out will now occur between September and December 2011. The campus community is watching this roll out very carefully to see if it can avoid the pitfalls of the BFS upgrade. Hopefully, by properly engaging staff in the whole process, this effort will be much more successful.

OPERATIONAL EXCELLENCE AT BERKELEY

Beginning in the fall of 2009, UC Berkeley started an initiative called Operational Excellence (OE). The primary goals of Operational Excellence are to improve the campus' operational effectiveness and to identify cost reductions that support Berkeley's teaching and research mission.

As stated in the Principles of Operational Excellence (OE), campus staff members' "…central importance to the way the campus has the potential to operate, is the reason why staff members make up the great majority of the initiative teams. Members of staff of the campus are to be treated with consideration and respect; for example, initiative teams should not assume that staff members are 'change averse'."

Given the importance of staff participation in OE, the OE Program Office, which coordinates overall governance, management, and communications for OE, meets with staff groups such as the Academic Business Officers' Group and the Berkeley Staff Assembly. To assure communication across campus, the OE Program Office works with Chief Administrative Officers to track who they have and have not been interacting with so they can reach out appropriately.

Over the course of Operational Excellence, the campuswide program has reached out to staff through focus groups, surveys, an email account (oe@berkeley.edu), and an OE web site (http://oe.berkeley.edu). In addition to the information posted on the OE website, each OE initiative team developed its own plan for outreach to campus community members and staff, depending on the nature of the work and the timeline. Also, staff were asked to volunteer to serve on initiative design teams, therefore the teams were comprised of Berkeley staff and faculty during the design phase.

In January 2011, over 700 staff attended an OE open house. It provided the most current information about all seven OE initiatives, insights for managing in changing workplaces, communication with those working in OE and opportunities to get more involved in OE. Staff were able to communicate with those working on OE, obtain answers to questions that matter to them, and to network with others who are working towards a more efficient UC Berkeley. The event was seen as a big success by administrators and staff.

From the responses received by various communication channels, staff would like to be part of the decision-making process and provide feedback such as anxieties over job loss. Not only hearing concerns from the OE team, staff were provided opportunities to discuss their anxieties with the managers and supervisors in their units and address their anxieties by communicating frequently and openly with whatever information is available. It was recommended to managers and supervisors to work with staff to ensure that they are pursuing professional development and sharpening their skills in order to be ready for opportunities that may arise in the future. However, according to feedback from staff, not all of managers and supervisors are keeping staff up-to-date and are encouraging staff for professional development opportunities. It will be helpful if the OE Executive Committee can continue to send a strong message (via Chancellor's letter, monthly email newsletter, etc.) to managers and supervisors for the importance of keeping staff informed and ensuring staff are heard.

Systemwide Coordination

DATA CENTERS

UC Davis has been evaluating options to meet the needs to house and maintain administrative, clinical and research servers. Currently, none of the three existing data centers at UC Davis have the capacity to meet the needs for growth nor do they meet the functional requirements for a Tier 3 data center, a requirement when hosting administrative and clinical focused servers, as well as some research systems. Tier 3 data centers emphasize redundant power systems, as well as cooling systems, to ensure the servers can continue to operate in the event of one failure in power and cooling.

Over the past several years, UC Davis evaluated the feasibility of using the San Diego Super Computing (SDSC) facility. The facility is referenced in the Working Smarter initiative as a means to gain efficiencies. However, the UC San Diego facility does not meet Tier 3 requirements and thus is best-suited for tertiary back-up systems and some types of research systems. The need for this level of redundancy was highlighted during a Dec 26th shutdown of the campus data center when several systems, such as the utility monitoring system and the online giving web site, were not available for a significant amount of time. Even though the downtime was during the holidays and was less than two days, the use of technology to facilitate many of the most basic and critical functions of a university has little tolerance for downtime and needs a Tier 3 data center to provide redundancy.

The Davis campus is also engaged in a comprehensive effort to catalog all space used as server room facilities housing local administrative systems, as well as research systems. The initial analysis suggests a potential savings of $570,000 annually on electrical costs alone if these servers in poorly-equipped rooms were consolidated and relocated to a suitably-designed space. Even more significant savings can be found through consolidating support and reducing the physical servers through virtualization. UC Davis is open to sharing its analysis on server rooms and its past analysis on the use of the SDSC facility.

The UC data center managers are members of the IT Leadership Council (ITLC) subcommittee designated as the Joint Data Centers Management Group (JDCMG), a venue used to discuss issues and respond to requests from the ITLC. Some benefits of this collaboration have been recognized through discounts for servers and the sharing among data center managers of approaches to common challenges. There is also strong interest from this group in a regional approach that would include a facility serving the northern campuses. A regional approach may help mitigate concerns among systems owners (including faculty) regarding locating systems hundreds of miles away. As a consequence, and in the spirit of the requirement from President Yudof that each campus rigorously review their data center needs and options, many campuses are actively exploring the combination of approaches that could be considered to meet administrative, clinical, and research computing needs.

As part of the UCOP Working Smarter initiative, the regional data center project has been identified as a fast track project to achieve savings for UC. The UCSD Chancellor has committed space in the SDSC for co-location purposes in order to create a regional data center for the UC campuses. However, the utilization of these rack spaces has been underwhelming, which partially has to do with the shared power cost that each campus will incur. In April 2011

each campus was asked by UCOP to identify and move ten server racks into the SDSC to begin occupying the co-location space that was set aside. To incentivize the use of the SDSC and to offset the utility cost of co-locating servers, UCOP has offered a five-year phase-out subsidy. While the subsidy helps offset an important part of the costs, campuses moving server racks to SDSC will still incur moving costs and disruption of services, whether or not the campuses have an immediate need to do so. The timeline required to be eligible for the subsidy prevents many campuses from taking advantage of naturally-occurring replacement cycles. This effort to move server racks to SDSC, which was considered a mandate by some campuses, is an attempt to utilize available resources but may fall short of representing the more comprehensive solutions that many campuses have identified as necessary. Further planning and discussions with the IT Leadership Council to develop a long term regional center plan for the UC system may be a more sustainable way to achieve the savings and efficiencies needed.

SHARED SERVICE CENTERS

As mentioned in the Operational Excellence at Berkeley case study, UC Berkeley underwent an initiative called Operational Excellence (OE) in 2009. The campus brought in the consulting firm, Bain and Company, to assess ways in which UC Berkeley could save between $75 and $100 million dollars. The result of this assessment identified seven core areas in which Berkeley could further design plans to save $75 million dollars. One of these areas was Organizational Simplification. Organizational Simplification had two areas of focus: flattening of the organization and the creation of shared service centers for HR, finance and IT. The OE initiative brought together a team of staff to look at how UC Berkeley could create shared service centers. The team started meeting in July 2010 and by December wrote a report providing recommendation on how best to implement shared services on the UC Berkeley campus. In January 2011 this report was sent out to Deans and Vice Chancellors for first review and then in March 2011 the report was sent out to the entire campus for comment.

During this same time period, UC Davis began working on a similar effort for their campus. In February 2010 UC Davis Chancellor Linda Katehi announced that Davis would begin an initiative called Organizational Excellence. In April 2010, UC Davis brought in Scott Madden Management Consultants to assist with data gathering, business case development, and the feasibility for a shared service center, introducing the campus to the concept. In August 2010 recommendations for implementing a shared service center were sent out to campus leadership and staff. By December 2010 a goal was set to implement shared services for UC Davis. In January 2011 teams were established to develop a "current-state assessment" of the payroll, finance, human resources and IT processes. The teams will develop a future state plan and the same teams will be tasked with implementing a shared services center.

After talking with different staff members who are working on these initiatives at the two campuses, it became clear that the work being done by UC Davis is almost identical to the work that was done by UC Berkeley. This highlighted the need for campuses to work together. After speaking with Peggy Huston, the Operational Excellence Program Office Director at UC Berkeley, it became clear that she would support the idea of UCOP taking a more proactive role in linking campuses with each other in order to avoid duplication of effort.

Savings vs. Efficiencies

HUMAN RESOURCES SERVICES BUSINESS PARTNER AGREEMENT: UCSF & UCOP

In fiscal year 2008-2009 UCOP entered into a Human Resource services agreement with UCSF for UCSF HR to provide comprehensive HR functions for approximately 1,000 UCOP employees. The affiliation began after finalization of the UCOP structured reorganization on July 1, 2009. The original decision to start the UCSF affiliation for HR services was made toward the beginning of the larger UCOP restructuring process. Subsequently, UCOP experienced significant downsizing across the organization.

The staffing model for the HR services included the addition of 12 UCSF FTE career positions in the following HR areas:

> Labor and Employee Relations
> Recruitment and Workforce Planning
> Compensation and Strategic Awards
> Benefits
> Temporary Employment Program
> Faculty and Staff Assistance Program
> Disability Management Services
> Human Resources Information Systems

The project plan included key assumptions for implementation including transfer of all records related to HR support. Advocacy and Investigations (EEO, Sexual Harassment) related to UCOP L/ER matters and employee relations issues stemming from the UCOP reorganization were outsourced to ensure transparency and mitigation of perceived bias in the resolution process. The services agreement was fully implemented in fiscal year 2009-2010 with a primary concentration on service unit staffing, facilities design and start-up, management organization, and IT data transfer. Services under the new agreement were delivered through 2009-2010 with varied levels of success in each of the agreed upon domains. There were expectations that annual deliverable reports be generated from each of the HR areas.

As the UCOP organization stabilized, the results of these services were reassessed. It was determined that UCSF HR service expectations did not meet contract benchmarks as initially defined. UCOP employees were confused about how to access HR services and cultural differences between the two locations factored into the decision to bring functions back to UCOP.

In early January 2011 UCOP concluded that greater efficiencies could be accomplished through the development of a new dedicated Local Human Resources unit within OP, and by reabsorbing several functions previously assigned to UCSF. The new local HR structure at OP was implemented in January 2011 to replace the Strategic Resource Coordination Team, as well as several functions previously based at UCSF. Those functions include Employee and Labor Relations, and Talent Acquisition and Employment (previously Staffing and Employment). John Fox, Executive Director-Local Human Resources at UCOP, has been charged to continue to review the service agreement between UCOP and UCSF with the possibility of some remaining functions returning to UCOP or shifting to another campus.

Today, some services continue to be provided by UCSF including Training/Development, Compensation, Benefits Counseling, Disability Management, Staff Assistance Program, and HR Information Systems.

There are no public reports that summarize the cost and/or savings associated with the service agreement other than the figures included in the UCOP budget (reported each year to the Regents). In 2009/10, the UCSF Affiliation budget was approved for $2,430,000. In 2010/11, it was $2,014,000, based on lower actual costs. The proposed budget for the affiliation agreement in 2011/12, with some services coming back to UCOP, is approximately $720,000. It is unfortunate that this program did not work as originally planned. There was a focus on savings that, in the end did not create the efficiencies projected.

CENTRALIZED SERVICES AT UCSC

During the past few decades UC Santa Cruz has attempted to find ways to minimize the amount of duplicated administrative services in its various departments. As early as the 1990's, the campus decided that there was too much duplication of effort and decided to create shared service centers. All administrative FTE staff were pulled from individual departments and moved to these shared service centers across campus.

From the beginning there were major problems with these shared service centers. Since they were serving multiple departments at once, the service centers were not very adept to meeting individual department needs and could not adapt quickly to changing environments. In addition, they were not driven by department needs, because they needed to figure out ways to serve multiple departments simultaneously. Due to these issues and many more, the shared service centers began multiplying in order to best serve the needs of the campus. In essence, they became less like shared service centers and more like individual administrative units once again. Recognizing this issue, the campus decided to cut the service centers back down to five units for the entire campus.

Around 2005 the campus decided that these service centers were still duplicating too much effort and, in order to be more efficient, the service centers were disbanded and HR services were centralized and moved off campus. The services that were centralized were as follows:

>   HR – All but one HR liaison per major area
>   Payroll – Payroll clerks and supervisors
>   A/P – all A/P staff and some supervisors
>   IT – Both staff and funding

In essence, the majority of the staffing was pulled out of the individual units, but not all of the functions that those staff members would serve left with them. This meant that major gaps were left behind in the departments without the personnel to accomplish the work. In order to fill these gaps, units either hired new staff or re-designated staff to cover the work without officially adding those responsibilities to their job descriptions.

In addition, campus began implementing automated systems to perform many of the gap functions, but since no one was left in the units with the skillset needed to use those systems, management was forced to perform those tasks. This was a massive waste of time and money,

because staff members who were meant to perform functions supported by A/P staff were now doing that work instead of what they were hired to accomplish. It also created inefficiencies because these managers did not have the training needed to use the automated systems and, therefore, more time was needed to provide proper training.

Recently, the campus has begun to offer services to individual units so managers would not need to perform the administrate tasks that were thrust upon them without the staffing levels needed to perform those tasks. These services now come with a fee attached. This recurring effort to restructure with disappointing results has contributed to the characterization of these efforts as "spending thousands to save hundreds."

RECOMMENDATIONS

Below are the recommendations derived from the case studies above. They address three main areas: staff engagement, UCOP as liaison and coordinator, and savings versus efficiencies. The case studies that illustrate these recommendations are cited in parenthesis.

Staff Engagement
In order for administrative efficiency efforts to be successful, all levels of staff must be engaged.

When new initiatives are launched on campuses, it is important to identify and involve the end-users early on in the process to ensure that the message is communicated effectively. (Connexxus, Berkeley Financial System Upgrade, UCSF-UCOP HR, Centralized Services at UCSC)

Education and training is necessary in order to penetrate through all of the campus layers. Users need to know that new systems exist and see that there are real benefits in terms of both cost savings and a reduction of effort. Training could be at the OP and/or local levels. (Connexxus, Berkeley Financial System Upgrade)

Campuses should be encouraged to identify ambassadors that could tout the benefits of a new system and could play a role in training. This model offers a tangible group of individuals who can serve as conduits of information and ultimately serve as program or product champions. (Connexxus, Berkeley Financial System Upgrade)

Include staff in design teams to delve into current data and gather information for system and program implementation. (Connexxus, Operational Excellence at Berkeley, Shared Service Centers, Data Centers)

A wide range of communication channels can be used to reach staff and allow them to provide feedback such as focus groups, surveys, an email account, web sites, open houses, and meetings with staff groups. This type of staff engagement should be encouraged in all administrative efficiency efforts. (Operational Excellence at Berkeley, Shared Service Centers)

Working Smarter initiative should highlight successful examples of staff engagement such as the Operational Excellence effort at Berkeley. (Operational Excellence at Berkeley, Shared Service Centers)

Staff stakeholder groups should be integrally engaged in the establishment of metrics for efficiency assessment and future cross campus efforts. (Shared Service Centers, UCSF-UCOP HR, Centralized Services at UCSC)

When creating shared services centers or centralizing services, the need for units to perform certain support tasks will become a necessity. Staff who do the work should determine what functions should stay in units and what functions should go to the Centers. (Connexxus, Shared Service Centers, Data Centers, UCSF-UCOP HR, Centralized Services at UCSC)

This should include engagement at all levels of planning, in development of criteria for decision making and in development of proposed implementation time lines.

UCOP as Liaison and Coordinator
UCOP is in a unique position to steer administrative efficiency efforts towards success.

UCOP should assist in helping the campuses to network with one another. (Operational Excellence at Berkeley, Shared Service Center)

Evaluate the feasibility of other data centers to serve as a regional administrative and clinical data center. There are advantages (land, power rates, low risk for natural disasters such as earth quakes) at other locations such as UC Davis. Evaluating it now, while thoughts of a data center is still in the design phase, is timely. (Data Centers)

Study and establish a clear policy written by both the Academic Senate and UCOP to address the issue of research computing to allow regional data centers to serve researcher needs, while simultaneously reducing costs and gaining efficiencies. (Data Centers)

Continue to support and identify ways to utilize the UC's buying power to drive down costs for supplies, equipment, software, and services. (Data Centers)

UCOP could provide incentives, funding, and high-level coordination to ensure that design and implementation teams communicate frequently, share ideas and experiences, and identify system wide and not just campus wide opportunities. (Connexxus, Operational Efficiencies at Berkeley, Shared Services Center, Data Centers)

UCOP can help to assure that accomplishments and/or shortfalls associated with administrative efficiency objectives are shared broadly to ensure collective participation in resolution design or restructuring. (Connexxus, Berkeley Financial System, UCSF-UCOP HR, Centralized Services at UCSC).

UCOP should review best practice models and share with campuses prior to them designing new administrative efficiency efforts; it is important to look at campuses that have attempted similar efforts and learn from their mistakes, as well as their successes. (Connexxus, Shared Service Centers, Data Centers, UCSF-UCOP HR, Centralized Services at UCSC)

Savings versus Efficiencies
Administrative Efficiencies should focus on creating efficiencies which ultimately lead to cost savings.

Focus on the benefits that lead to better efficiencies rather than emphasizing cost savings to UC in order to promote adoption. (Connexxus, Data Centers, UCSF-UCOP HR, Centralized Services at UCSC)

Future cost-benefit analysis should incorporate clearly defined assessment metrics of long-term efficiency impacts and intended savings targets. Inclusion of these key elements will assist in determining levels of success and areas for ongoing improvement. (Connexxus, Data Centers, UCSF-UCOP HR)

Review of current staff expertise should be considered prior to implementation of new clusters, units or organizational teams. This approach will ensure that existing services are not

compromised and service gaps are not created. (UCSF-UCOP HR, Centralized Services at UCSC)

Identify the value of a change prior to implementation to ensure efficiencies thereby ensuring cost savings. (Connexxus, Data Centers, UCSF-UCOP HR, Centralized Services at UCSC)

CONCLUSION

In the cases reviewed, efficiency efforts have not always resulted in efficiencies and have not always reached their targeted savings goals. In the worst-case scenarios, the effort and cost of efficiency efforts led to increased costs with diminished services. CUCSA recommends a variety of ways to increase staff engagement, leverage UCOP to serve as liaison and coordinator, and focus on efficiencies to achieve true savings without impacting quality:

Staff Engagement

> Identify and involve end-users early in both design and implementation
> Education and training is needed for staff to fully realize benefits of new systems
> Utilize "ambassadors" in program roll-out
> Strong communication is essential to success

UCOP as Liaison and Coordinator

> Assist campuses to network with one another
> Highlight and promote best practices
> Bridge faculty and staff to facilitate successful administrative efficiency efforts
> UCOP could provide appropriate incentives

Savings vs. Efficiencies

> Examine short-term savings vs. long-term efficiencies
> Focus on efforts that lead to better efficiencies rather than only emphasizing cost savings
> Perform cost benefit analysis along with efficiency impacts

While UC faces tremendous pressures to reduce costs while maintaining quality, it must evaluate lessons learned and become practiced designers and implementers of administrative efficiencies, applying efficiencies in the process itself. Just as important is the ability of campuses to collaborate and learn from each other's efforts, which serves to expedite implementation and can lead to better solutions. With the help of the Office of the President, UC must learn from its own efforts on an on-going basis, share the findings as broadly as possible, and become renowned in its ability to identify and implement efficiencies.

APPENDIX A

Regents Policy 5100: RESOLUTION REGARDING ADMINISTRATIVE EFFICIENCIES
Approved July 2010

WHEREAS, the University is committed to achieving a level of administrative excellence equivalent to that of its teaching and research enterprises, and

WHEREAS, realization of this objective will require investment in and implementation of significant administrative efficiency measures at the campus, medical center, regional, and systemwide levels, and

WHEREAS, extensive efficiency measures have already been implemented at each of these levels, and new efficiency measures at each of these levels continue to develop, and

WHEREAS, the Regents believe efficiency measures must be continually advanced, executed, and expanded to enable the University to build a sustainable financial model to carry the University forward, and

WHEREAS, the Regents consider shared services and administrative commonality requirements for reaching the efficiency objective, and

WHEREAS, the Regents expect the Office of the President to exercise leadership in the realization of the efficiency objective by effectively supporting and engaging campuses and medical centers towards full commitment to the objective, and

WHEREAS, successful implementation of administrative efficiencies will allow the University to redirect hundreds of millions of dollars annually from administrative costs to core academic and research missions over the next five years, be it therefore

RESOLVED that the Regents direct the President, in consultation with a small committee of campus representatives, to, where appropriate, design and implement common best-practice administrative systems, including but not limited to student information systems, financial systems, human resources systems, payroll systems, and their underlying technology support systems, and

RESOLVED that the Regents direct the President to approve all new or substantially revised campus administrative systems, particularly those contemplated as part of a broader system migration, to ensure commonality and best practices across all locations, and

RESOLVED that the Regents direct the President to support exceptions to adoption of common best-practice systems only upon compelling evidence that such systems would result in materially higher costs and/or materially less functionality to the campus, and

RESOLVED that the Regents direct the President to periodically report to the Regents on the progress of these initiatives.

APPENDIX B

Connexxus Utilization Chart

From August 2010 Connexxus Program Evaluation