



University of Wyoming Performance Improvement Project

Fall 2016

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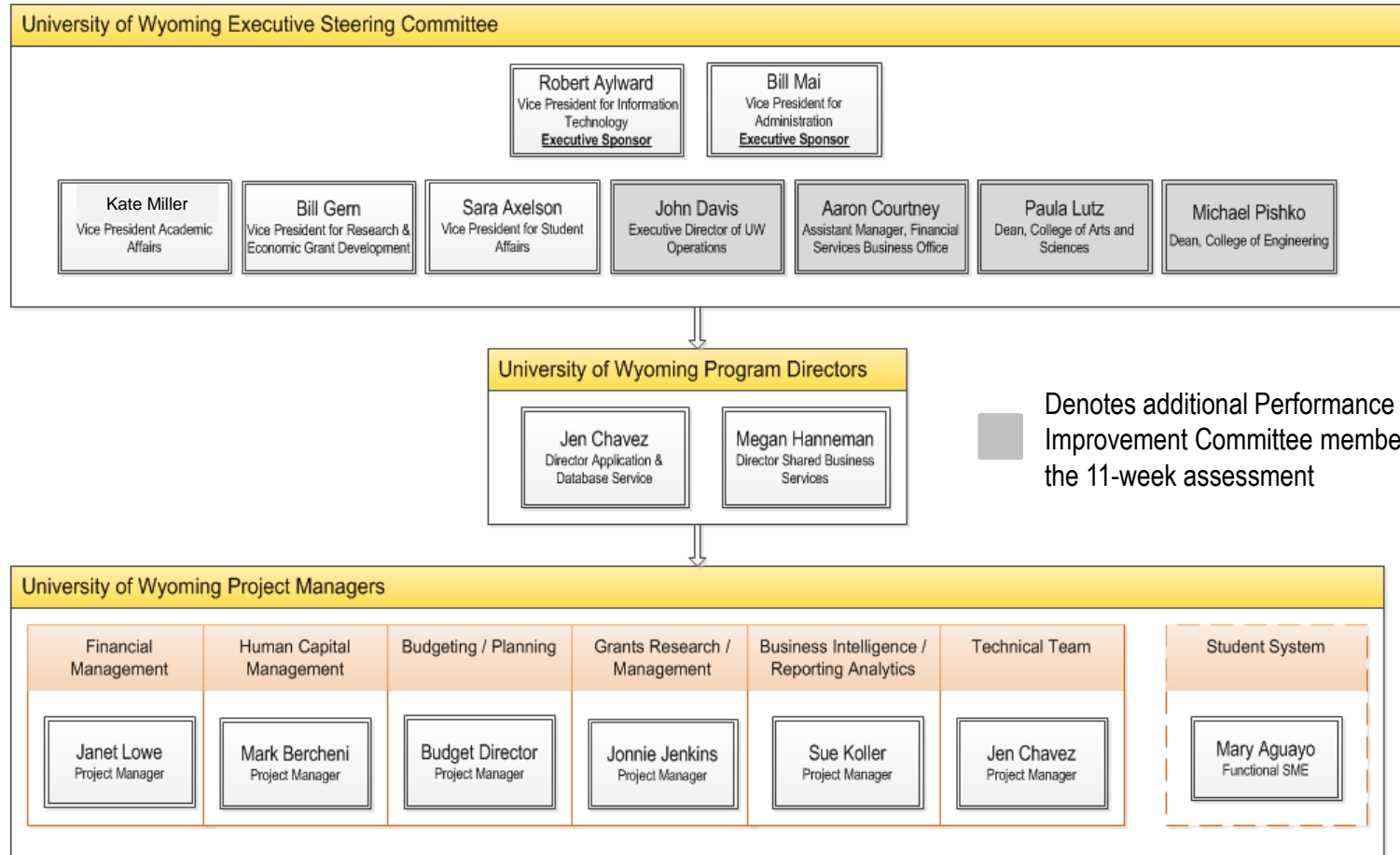
Project Overview

The University of Wyoming engaged Huron to assist in the identification, prioritization, and development of business cases for opportunities to grow revenue and reduce costs.

- Over the course of the 11-week project, Huron **interviewed 110 members of the UW community** to understand the current operating environment, identify opportunities for cost savings and revenue enhancement, and collect and synthesize data to inform our analyses.
- Huron **identified over 100 opportunities** during the initial phase of the engagement; the preliminary list was consolidated to 64 discrete menu opportunities that were presented to the Steering Committee for feedback and prioritization.
- Based on the Steering Committee's direction, Huron presented **13 business cases** that outline cost savings and revenue enhancement opportunities in operational, enrollment, student affairs, and student programming that have the potential to make a **significant financial impact** to the University.
- **Selected elements** from Huron's work, along with the work from the FCAC and other leaders on campus was designed, in-part, to assist President Nichols and the leadership team to develop a **plan for cost savings** that will be presented to the Board of Trustees later in the year.

Project Governance

To provide guidance to this project, the Wyo Solutions Executive Steering Committee was augmented to include additional administrative representation and to include two Deans.



Project Timeline

Huron met with the Steering Committee four times over the 11 week project to review methodology, share themes, develop criteria to prioritize opportunities, and to determine areas for business case development.

Task	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
1. Plan											
2. Discover											
3. Analyze											
4. Develop Recommendations											
5. Evaluate and Finalize Deliverable											

Steering Committee Meetings

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| <p><u>July 27</u></p> <ul style="list-style-type: none"> Reviewed methodology and approach Confirmed peer list for project benchmarking | <p><u>August 10</u></p> <ul style="list-style-type: none"> Reviewed interview themes Introduced project team members Established opportunity prioritization criteria | <p><u>August 25</u></p> <ul style="list-style-type: none"> Reviewed menu of opportunities Identified areas to develop into business cases | <p><u>Sept 22</u></p> <ul style="list-style-type: none"> Delivered menu of opportunities, including financial impact and implementation considerations Began implementation discussions |
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Stakeholder Engagement

In addition to interviewing 110 individuals, Huron engaged a number of University stakeholder groups over the course of the 11-week project.

Project Communications

- President Introduction Letter (distributed 7/11/16)
- Project Overview handout (distributed during interviews)
- Communication to Deans (distributed week of 7/25)

Direct Engagement

- Steering Committee
- President Executive Committee
- Dean's Council
- Financial Crisis Advisory Committee
- Board retreat
- Town hall meeting

Huron and the Project Steering Committee agreed to a participatory process; the activity listed above was intended to inform faculty, staff, and leadership of the initiative and report out progress appropriately.

Themes and Observations

Throughout our interviews, there were a number of themes that were helpful to inform Huron's understanding of how the institution operates, and gave important context for the recommendations.

The UW is balancing the goals of providing “**access to all**” and maintaining low tuition and high levels of state support with the goals of developing a broader base of funding through the Foundation and growing the University's research portfolio.

The tension between access, diversification, and research growth, has left UW without a clear strategy on how to **allocate and align resources** with University-wide initiatives and imperatives, resulting broad-based growth and autonomy, and a sub-optimal methodology for allocating resources

Outdated processes, procedures, and technology, along with a **limited accountability**, have forced many units to **operate reactively rather than proactively**, without clear insight on how or why policies are made

Along with the recent financial challenges facing UW, many employees are **performing many different functions**, resulting in potential morale issues and burnout

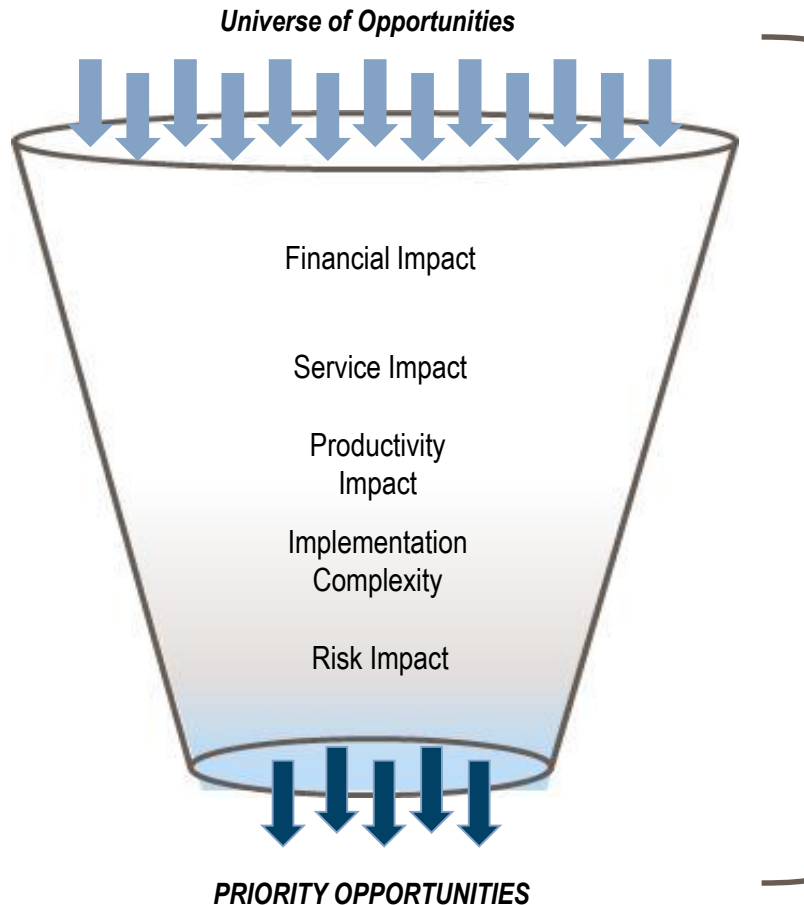
Additional Themes and Observations

Additional details surrounding the major themes and observations uncovered during Huron's initial current state analysis efforts are outlined below.

Themes and Observations	
People	<ul style="list-style-type: none"> Nearly all interviewees have indicated strong ties and sense of loyalty to both the University/ community The recent hiring freeze has created bottlenecks within the institution; many have stated that due to limited staffing employees are becoming overworked, and their job descriptions no longer match activities
Enrollment Management	<ul style="list-style-type: none"> Interviews pointed to UW's low tuition/fee model & difficulties associated with potential changes Historical focus on new enrollments, less focus on student retention and transfer students strategies Disconnected enrollment incentives with examples in undergraduate, graduate, outreach programs
Financial Management	<ul style="list-style-type: none"> Inconsistent financial management practices and a "use it or lose it" financial mentality may result in suboptimal spending Desire for greater consistency in policy application and enforcement Many expressed confusion regarding inter-departmental charges for internal services that are billed to departments, with no clarity on rates and the inability to "shop around" for services
Technology	<ul style="list-style-type: none"> Stakeholders have overwhelmingly stated that the technology used to perform the day-to-day activities is burdensome and does not provide the necessary information to make decisions (shadow systems) Many stakeholders are optimistic about the Oracle Cloud system that is being implemented, noting that the new system will streamline many processes and make activities easier

Opportunity Identification Process

During the August 11th Steering Committee meeting, the group decided upon the following criteria and weights to score opportunities.



Huron worked with the Steering Committee to identify the following ranking categories and their relative weights:

Criteria	Description	Weight
Financial	Amount of cost savings or revenue associated with the opportunity	40%
Service	Expected impact on service levels offered to students and employees	25%
Productivity	Expected impact the opportunity will have on efficiency and productivity for stakeholders	15%
Implementation	Expected time and effort required to implement	10%
Risk	Expected risk to the institution, including legal, public relations (reputational), or internal risk.	10%

Opportunity Overview

Some of the opportunities identified by Huron will be immediately implemented during the current fiscal year; others will need to longer lead time and further discussion before implementation.

Immediate Opportunities	Other Business Cases
FY 2017-18	To Be Further Discussed
<ul style="list-style-type: none"> • Procurement: Strategically Source Selected Commodities • Pursue Vendor Partnership for Facilities Stores • Centralize Selected Information Technology Operations/Services • University Fleet Consolidation • HR Benefits: Amend Long Term Disability Policy • Reorganize Student Health Center Operations 	<ul style="list-style-type: none"> • HR Benefits: Amend Domestic Partner Benefits • Enrollment: Optimize Tuition/Fees, Retention, Transfer Students • Pursue Vendor Partnership for University Bookstore • Amend Transit Routes and Parking Permit Structure • Amend Residential Life Policies • Explore Amended Student Health Fee and Third-Party Billing Options • Reorganize Outreach School • Restructure Facilities Staffing Model

Additional detail for each of the opportunities listed in the left-hand column is provided on the subsequent slides.

Procurement and Facilities Store

UW has the opportunity to reduce supply expenses by leveraging its buying power, negotiating purchasing contracts, and outsourcing the Facilities Management supply purchasing function.

The Case for Change

- An analysis of the University's spending indicates that the UW has approximately \$83 million that can be strategically sourced
- Spending through existing purchasing contracts account for less than 5% of "addressable spend," or spend that can be reduced by negotiating contracts
- When supplies are requested, the Facilities Store goes through a lengthy bid process to procure supplies; while there is confidence that UW is getting a lower price, it can take up to six weeks for the supply to come in after going through this process creating a lag to complete work orders and maintenance tasks

Goals and Projected Annual Impact (\$1.5 -\$3.3M)

1. Involve the campus throughout the strategic sourcing wave plan to gain support and buy-in early in the process to optimize results
2. Assess potential vendors for MRO/Janitorial supplies; create and open RFP for services

Implementation Work Group Members

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| • William Mai, (VP Administration) | • John Davis, (Executive Director, University Operations) | • Martha Miller, (Manager, University Procurement Services) |
| • Janel Lowe (Associate VP for Fiscal Administration) | | |

Despite a recent consolidation, a significant number of distributed IT resources duplicate services provided centrally; available data indicate that these services are also less efficient than central services.

The Case for Change

- An analysis of HR data and interviews suggest that there are over 30 IT positions outside of University IT
- After interviews, a majority of those positions outside of central IT appear to perform similar services to central IT's Client Support Service group
- Through a consolidated service model and economies of scale, IT can more effectively pursue industry and peer benchmarks to achieve significant cost savings

Goals and Projected Annual Impact (\$630K - \$1.1M)

1. Conduct a detailed analysis of services and associated activity provided at department levels to confirm and rationalize consolidation
2. Identify distributed resources that will not be included in IT consolidation

Implementation Work Group Members

- Robert Aylward, (VP & CIO)
- Maggie Morrison, (Director, Client Support Services)
- Jennifer Chavez, (Director, Application & Database Services)

University Fleet Consolidation

In order to support its expansive footprint across the state, the University manages a substantial fleet of vehicles and operates a Car Rental Services operation.

The Case for Change

- Car Rental Services operates at near capacity during September, October, May, and June, but well below capacity during Winter months
- Over half (52%) of Car Rental Services expenses are from asset depreciation
- Despite variable demand, Car Rental Services vehicles average over 16,000 miles per year while distributed cars in Academic, Administrative, and Research units average under 5,000 miles per year

Goals and Projected Annual Impact (\$100-\$300K)

1. Engage distributed units on viability of shared motor pool model and solicit feedback
2. Identify vehicles to move centrally into shared fleet and vehicles to sell
3. Develop model for crediting departments that will be moving vehicles centrally and departments that will be selling vehicles

Implementation Work Group Members

- William Mai, (VP Administration)
- Shawn Fletcher, (Manager, Fleet Services)
- Carolyn Smith, (Director, Auxiliary Services)

Long-Term Disability Benefit

UW can adopt the State of Wyoming's long-term disability benefit to align with state-wide agencies, and reduce University operating expenses.

The Case for Change

- UW provides a benefit in long-term disability (LTD) that is beyond what State provides
- UW uses the State's plan (Standard Insurance Co.) for short term disability benefit, but not for LTD benefit
- UW's current LTD insurance (Lincoln National Life) contract is up for renewal in September 2016, creating an opportunity to change the current policy, giving employees the option to select, and pay for, the LTD coverage

Goals and Projected Annual Impact (\$325K)

1. Communicate to employees the University's LTD policy will be changing once the existing plan is up for renewal
2. Work with the State of Wyoming to offer LTD benefit to University employees
3. Prepare internal infrastructure for employees to enroll in the State's benefit

Implementation Work Group Members

- William Mai, (VP Administration)
- Mark Bercheni (Associate Director Classification/Compensation)
- Eric Goldenstein, (Associate Director Benefits & Records)

Peer benchmarking indicates an opportunity to review current services offered by the UW Student Health Center, and align staffing levels to benchmark levels.

The Case for Change

- UW's administrative staff is the highest among selected peers
- In addition highlighting higher levels of administrative staff, benchmarking indicates that peers have lower levels of professional staff



Goals and Projected Annual Impact (\$275K - \$350K)

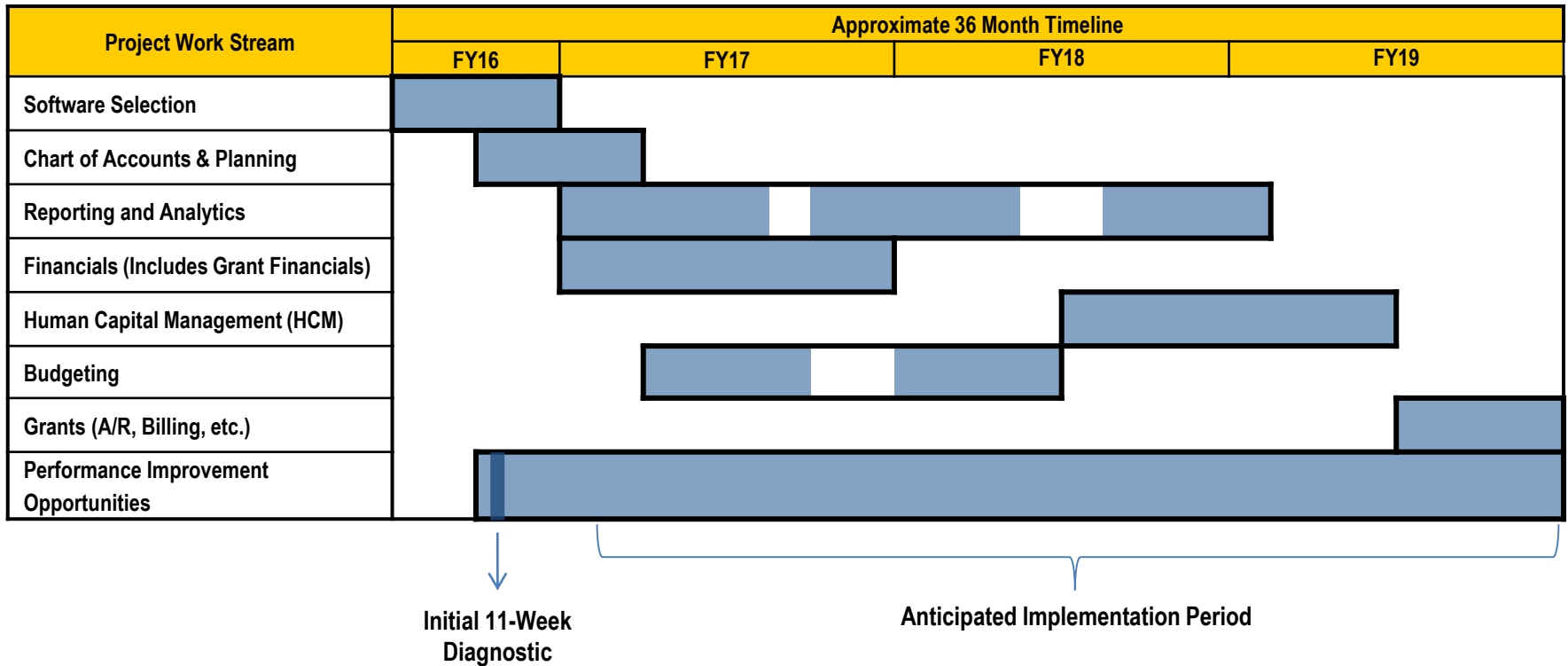
1. Assess current tasks performed by current administrative tasks and identify opportunities for consolidation
2. Assess the current clinical staffing levels based on services performed, and align the staffing levels appropriately
3. Ensure service levels to students are not reduced when assessing staffing levels

Implementation Work Group Members

- Sara Axelson, (VP Student Affairs)
- Dr. Joanne E. Steane (Director, Student Health Services)

Alignment of Implementation with Wyo Solutions

The implementation of selected opportunities will occur over the next several years and will be coordinated with the broader Wyo Cloud / Wyo Solutions project.



Implementation Considerations

The University has a unique opportunity to align implementation of the efficiency and effectiveness opportunities identified with the broader Wyo Solutions project.

Common Attributes

- Executive level sponsorship
- University leadership
- Community engagement
- Clear link between outcomes of administrative efficiencies and mission support



- Workforce Organization & Structure
- New Budget Model
- Performance Improvement Opportunities
- Diversified Revenue Plan
- Student Success
- Faculty Performance Support



- Modern Cloud Systems:
 - Financial Management
 - Human Capital Management
 - Grants Management
 - Budgeting
 - Supply Chain Management
 - Reporting & Analytics

Next Steps

The analytical phase of the project is complete; next steps focus on deciding which opportunities to pursue and how implementation of efficiency opportunities aligns with the broader Wyo Solutions project.

Huron:

- Continue supporting WyoCloud implementation
- Support implementation efforts on as needed basis

Wyoming:

- Review prioritized business cases presented
- Determine recommendations to proceed with
- Identify champions of implementation