



# University of Wyoming Performance Improvement Project

Fall 2016



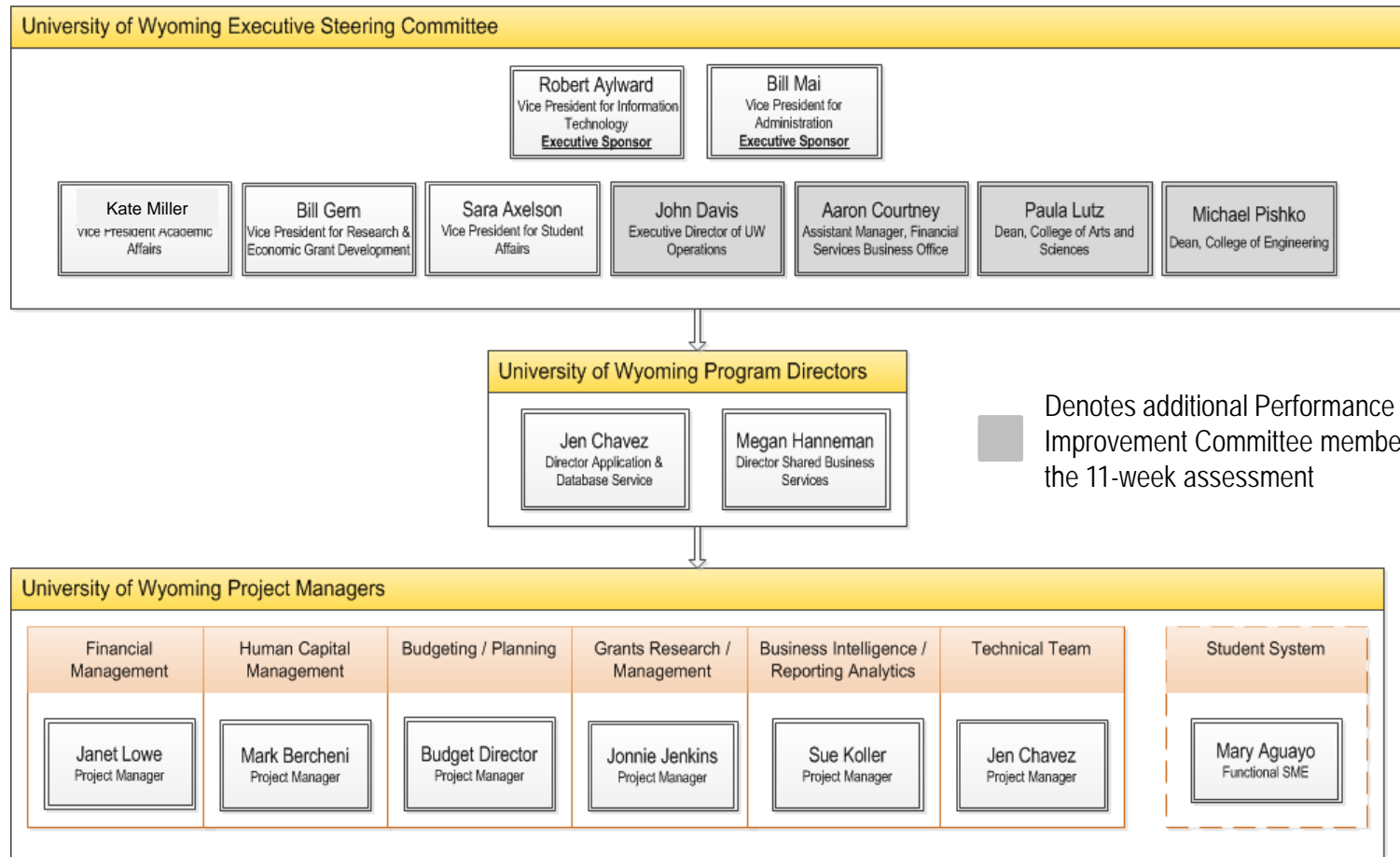
# Project Overview

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 the **plan for cost savings** presented to the Board of Trustees.

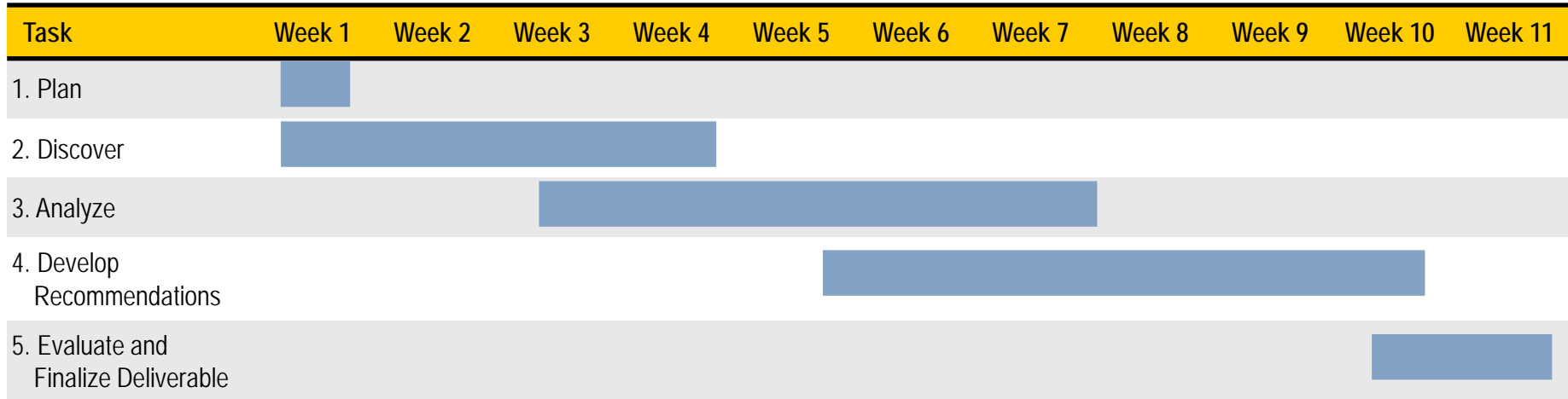
# Project Governance

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.



## Steering Committee Meetings

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

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)

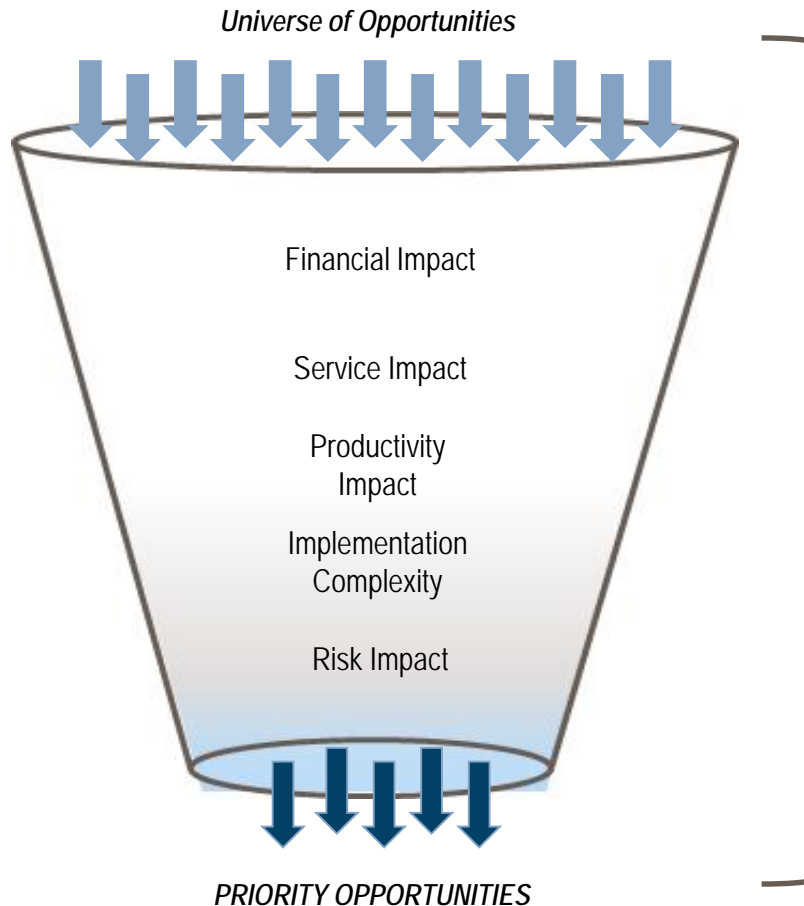
## Direct Engagement

- 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.

# Opportunity Identification Process

During the August 11<sup>th</sup> 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
<b>Financial</b>	Amount of cost savings or revenue associated with the opportunity	40%
<b>Service</b>	Expected impact on service levels offered to students and employees	25%
<b>Productivity</b>	Expected impact the opportunity will have on efficiency and productivity for stakeholders	15%
<b>Implementation</b>	Expected time and effort required to implement	10%
<b>Risk</b>	Expected risk to the institution, including legal, public relations (reputational), or internal risk.	10%

# Opportunity Overview

Implementation will begin for a selection of opportunities immediately, while others will need 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"> <li>• Procurement: Strategically Source Selected Commodities</li> <li>• Pursue Vendor Partnership for Facilities Stores</li> <li>• Centralize Selected Information Technology Operations/Services</li> <li>• University Fleet Consolidation</li> <li>• HR Benefits: Amend Long Term Disability Policy</li> <li>• Reorganize Student Health Center Operations</li> </ul>	<ul style="list-style-type: none"> <li>• HR Benefits: Amend Domestic Partner Benefits</li> <li>• Enrollment: Optimize Tuition/Fees, Retention, Transfer Students</li> <li>• Pursue Vendor Partnership for University Bookstore</li> <li>• Amend Transit Routes and Parking Permit Structure</li> <li>• Amend Residential Life Policies</li> <li>• Explore Amended Student Health Fee and Third-Party Billing Options</li> <li>• Reorganize Outreach School</li> <li>• Restructure Facilities Staffing Model</li> </ul>

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 initiative 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

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



# Information Technology Services

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)

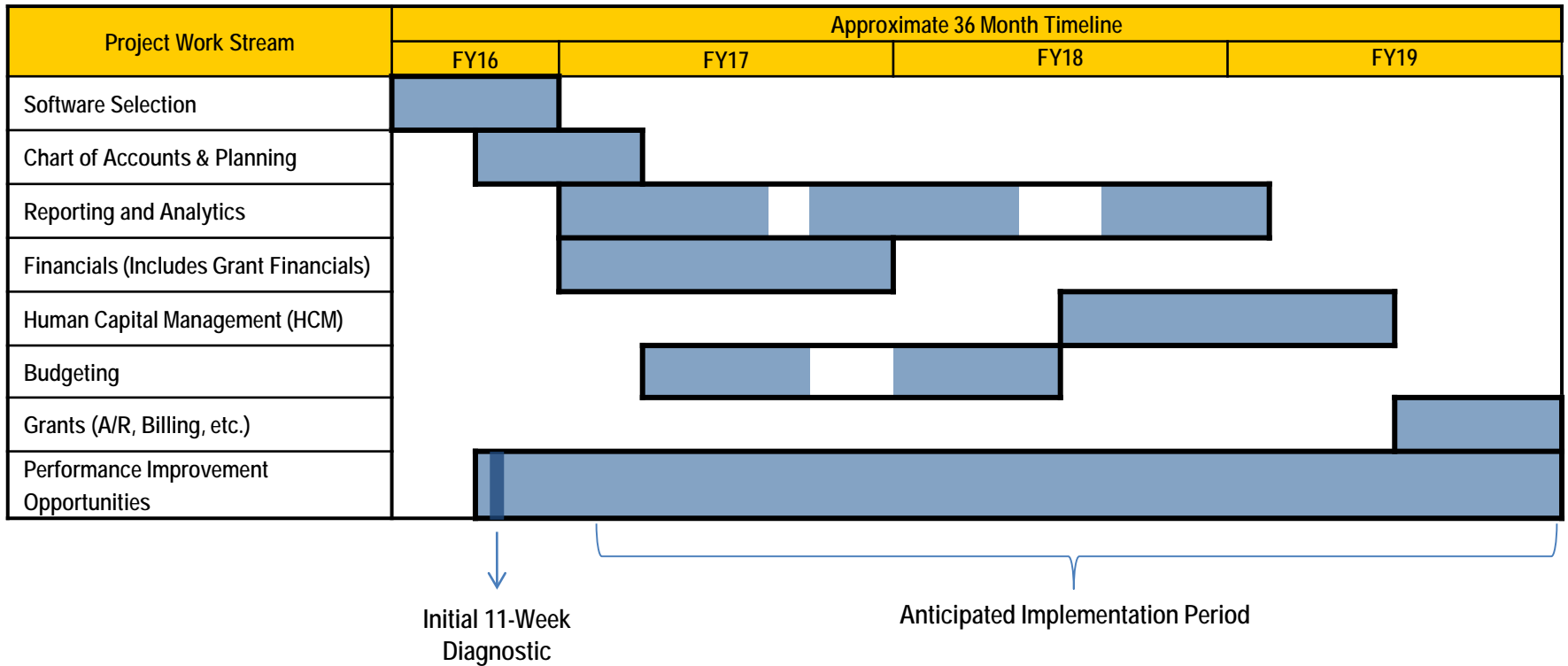
1. Assess current tasks performed by current administrative tasks and identify opportunities for consolidation
2. Assess the current clinical staffing levels based on services performed, and align the staffing levels appropriately
3. Ensure service levels to students are not reduced when assessing staffing 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 which recommendations should move forward
- Identify implementation champions