### Administrative Excellence Advisory Committee

<table>
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<tr>
<th>Date:</th>
<th>Thursday, June 16, 2011</th>
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<tbody>
<tr>
<td>Start/End Time:</td>
<td>10 am to noon</td>
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<td>Location:</td>
<td>260 Bascom</td>
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**Present:**
- Members: Brad Barham (Chair), Brandon Williams, Irwin Goldman, Aaron Crandall, JoBeth Dudley, Anne Mekschun, Bethany Pluymers
- Ex Officio: John Krogman, Kim Moreland, Don Miner, Bob Lavigna, Alan Fish
- Staff: Alice Gustafson, Scott Hildebrand, Barb Burchfield, Eden Inoway-Ronnie, Maury Cotter
- Huron Representatives: Greg Bedell, Scott Friedman, Dana Erf, Alison Leff

**Unable to attend:**
- Mark Bugher, Julie Underwood, Jeff Shokler, Joanne Berg

#### MEETING NOTES

**Highlighted Activities:**

**Agenda Review and Announcements –**
Brad Barham introduced and welcomed Brandon Williams, the student representative on the Advisory Committee. Brad also said he will be discussing with the Steering Committee broader issues concerning the Administrative Excellence initiative in light of UW-Madison's leadership transition.

**Communication strategies update –**
Alice Gustafson said she, Scott Hildebrand and Barb Burchfield met with University Communications representatives to discuss a communication strategy for Administrative Excellence. Alice said they discussed core messages, timing, how to make people aware of the Administrative Excellence website (http://adminexcellence.wisc.edu/), and campus outreach. The group was unable to complete a draft work product primarily because of the demands of campus news (leadership transition) on the time of University Communications. The communications group will meet again prior to the next Advisory Committee meeting.

**Huron updates –**
Scott Friedman said Huron will conduct an in-depth review of Business Services similar in scope to what Huron has done in the Information Technology and Strategic Sourcing areas. Huron will provide a charter for the Business Services review at the next Advisory Committee meeting. Scott said the time commitment for the Business Services review may cause Huron to delay its assessments of other functional areas.

**Areas of review –**
- **Facilities and Space Utilization –**
  Huron reported on its assessment of Facilities and Space Utilization. Scott Friedman said Huron found strong organization and governance in Facilities, Planning and Management. However,
he said the Huron assessment found opportunities for improvement through reducing costs, streamlining processes and enhancing customer service. In the area of space utilization, Scott said UW-Madison’s average classroom utilization for the last year was 45.3%. Bob Lavigna asked if there are benchmarks for classroom use. Scott said the best-practice goal is in the 60% to 70% range. Other opportunities for improvement are in the work order process, customer service and transparency.

Irwin Goldman said the single most common theme he hears on campus is cost of services, but he does not see anything about cost in this review. Scott replied that the cost issue is a higher-level issue that crosses functional areas. He said cost is a “broad, deep cultural issue.” Irwin said if we talk about cost structures in the IT area, we also should be talking about it here. He said communication on this issue is going to be important to end-users.

Alan Fish said the 2013 campus master plan will be driven more by use of existing space than by new space. He said the campus needs to look at space utilization across the board before we make our next capital investment. Alan said there are savings and efficiencies if we can get some fair, transparent metrics on space utilization.

Strategic Sourcing: Computer Hardware Business Case –

Scott Friedman explained that the computer hardware market, which includes PC computers and IT peripheral products, is highly competitive. Higher education spending typically is concentrated with a few major vendors. UW-Madison has certain state procurement code flexibilities, creating opportunities to pursue university-specific pricing and discounts. UW-Madison’s spending on computer hardware products is concentrated with three top vendors (Apple, Dell and CDW). However, users buy computer hardware and IT peripherals from a variety of additional suppliers. As the University has greater procurement flexibilities for computer hardware purchases, achievable savings are in improved pricing/discounts as well as improved user consumption guidelines and monitoring of spending.

Huron reported that achievable UW-Madison savings will differ depending on the strategies the campus chooses to pursue and implement and the ability to establish an effective computer hardware purchasing program. Potential savings range from $415,000 through pricing improvements to about $1.4 million through strategic sourcing and vendor consolidation.

Strategic Sourcing: MRO Products –

The maintenance, repair and operations (MRO) products vendor base consists of several general distributors and many manufacturers. UW-Madison’s spending in this area typically is spread across many vendors.

Huron reported that a mandatory Department of Administration contract for MRO products is held with WW Grainger and six other vendors. Grainger accounts for 17% of estimated annual spending in this area. UW-Madison does not have a core list (list of high-volume, frequently purchased items) with WW Grainger and receives less competitive pricing than consortium agreement benchmarks on most items purchased. However, the state may soon grant UW-Madison the flexibility to join a consortium agreement.

Potential savings of up to $380,000 in the purchase of MRO products can be realized through pricing improvements, demand management and vendor consolidation. Nearly 60% of the savings, according to Huron, would be obtained through pricing improvements.

Wrap up –

The Advisory Committee discussed the process for recommending and implementing non-controversial items. Alice Gustafson said the Steering Committee has the direct decision-making authority. However, she said the Steering Committee will value feedback from the Advisory
Committee as well as the units where transactions take place. The Advisory Committee should provide feedback on what is or is not controversial. Brad Barham said it is important for the momentum of the Administrative Excellence initiative to show that some recommendations can be achieved early. He said there is a need for patience at this moment because the Steering Committee is in the midst of a significant transition (with the Chancellor leaving). Brad also said he would like to see a more active exchange between the Steering Committee and the Advisory Committee. Kim Moreland said it is important for the group to present business cases for the campus audience. She said the group must convey a sense of why it is making certain recommendations. Scott Friedman said decisions must balance potential savings, customer service, institutional culture and “the way things have been done.”

NEXT MEETING WILL BE:
Thursday, July 7  10 am to 11:30 am  Room 260 Bascom