Administrative Excellence Advisory Committee

Date: Thursday, September 15, 2011
Start/End Time: 10 am to 11:30 am
Location: 260 Bascom Hall

Present:
Members: Brad Barham (Chair), Aaron Crandall, Irwin Goldman, JoBeth Dudley, Anne Mekschun, Jeff Shokler
Ex Officio: John Krogman, Bruce Maas, Don Miner, Alan Fish, Kim Moreland, Mark Sweet
Invited Guests: Provost Paul DeLuca, Vice Chancellor for Administration Darrell Bazzell
Staff: Barb Burchfield, Maury Cotter, Jesse Szeto
Huron Consultants: Greg Bedell, Scott Friedman, Dana Erf, Peter Rubow, Adam Fennell,

Unable to attend: Julie Underwood, Mark Bugher, Bethany Pluymers, Bob Lavigna, Alice Gustafson, Scott Hildebrand, Eden Inoway-Ronnie, Stacy Forster

----- MEETING NOTES-----

Highlighted Activities:

Agenda Review and Announcements –
Brad Barham reversed the order of the agenda items so that, at the request of the Steering Committee, the Advisory Committee could participate independently in an exercise to evaluate what is most important: quick wins, ease of change, or financial savings. The results of the exercise will be shared at the end of the meeting.

Areas of Review –
Auxiliary Operations -
Dana Erf of Huron said that the goal of the Auxiliary Operations review was to look at opportunities to identify where value can be added across six auxiliaries (Athletics, Recreational Sports, Transportation Services, University Health Services, University Housing and the Wisconsin Union) by providing cross – organizational linkage, previous experience/expertise, and an enterprise perspective. The review covered five main functions: (1.) Facilities Management, (2.) Dining & Catering Services, (3.) Customer Interface, (4) Conference Services, and (5.) Recreational Sports Building Operations. Key elements reviewed included: (1.) People, (2.) Performance Management, (3.) Technology, (4) Governance and (5.) Business Process. Dana explained that each auxiliary may be providing optimal service; however, there is little consideration of the overall UW customer.

Peter Rubow of Huron answered “yes” to the central question; can there be a more coordinated approach? Currently each auxiliary has its own staff and systems. Each auxiliary has done a good job of promoting effectiveness. The opportunity is in efficiency. There are differing purchasing and cleaning practices, and little sharing of equipment, supplies, or systems. Each
auxiliary has a different customer with a different need. There is also an opportunity for savings in staff time through improved economies of scale. In conducting an inventory of systems, multiple systems perform the same function in multiple auxiliaries. 80% of the systems are unique. Several of the systems are robust and could handle all others. There are significant barriers to these changes including concern that the funding model for a central unit would not meet the needs of the auxiliaries.

Dana Erf of Huron reviewed the Wisconsin Union, Housing, and Athletics dining facilities (Athletics was unable to provide data for the report). All are a la carte platforms with their own menus and pricing. All seem to be operating well locally, however, there are opportunities for efficiencies to improve costs and productivity, maximize revenue generation, and improve the UW-Madison brand. Madison is below the peer average of total revenue. Decreasing internal competition helps to increase revenue. Dana also indicated that cost savings can be achieved by improving staff effectiveness on an enterprise level without causing a drop in service. Other areas of opportunity include improving brand management, optimizing dining locations and hours, and consolidating to one campus-wide menu and inventory management system. UW-Madison is presently doing a great job collaborating on purchasing efficiencies by using primary vendors. When asked if outsourcing data was analyzed, Dana replied that the study did not look at outsourcing options.

Regarding the review on dining locations, Brad Barham inquired if time costs and convenience to students were considered as factors due to the fairly dispersed campus. Scott Friedman of Huron indicated that there is no suggestion for a wholesale closing of any locations.

Dana explained that there is also an opportunity for a coordinated and coherent model to provide enhanced service to students to unify the customer experience and reduce mixed messages. The auxiliaries maintain a local rather than enterprise-wide view of customers. There are many different ways to pay bills through different websites with multiple log-ons. A single portal for customer billing and interface for student charges would reduce confusion.

Students currently pay for food using cash, credit card, and depositing money into three different accounts on the campus WisCard. One account on the WisCard could tie to students’ ID numbers--Housing students can be identified for the 60% discount. The front-end costs to combine systems could be an inhibiting factor.

Peter Rubow said that coordinating UW-Madison’s conference services function makes a lot of sense. There are at least seven campus units that coordinate conferences—there is little coordination between units for conference planning. No single entity has an idea of the true use of space on campus for conference services. Brad Barham remarked that it is such a scattered system that low revenue producing conferences could potentially fill up all the space. Peter shared that the competition between units actually drives down the rates. This is not optimal when the customers are external entities. There is also no clear path for the customer to engage with the university.

A study of Recreational Sports summer operations and space usage explored whether or not there would be a benefit to reducing hours of operation. The SERF is the most used during the summer with the Shell receiving the fewest number of visits, which translates into the highest cost. Brad Barham commented that the Shell is the only facility available to the general public. Al Fish indicated that the university is currently underserved by recreational facilities.

Prioritize Opportunities –

Scott Friedman of Huron explained that the purpose was to set a clear path of communication to engage campus in discussion. Scott presented a summary of emerging themes: (1.) take advantage of commonality and scale to drive efficiency, (2.) share platforms across units, not
necessarily de facto centralization of services or functions, (3.) processes for making decisions are informal and inconsistently applied—it occurs in silos and ad hoc practices, (4.) financial means are the only bounds on local authority—it divides “haves” from “have-nots, and (5.) data to support decision making is often not visible to those making the decisions.

There is a cost when 100% of the needs are met 100% of the time. There are separate instances of the same thing. A lack of coordination drives lack of economies of scale.

Scott Friedman indicated that work is still continuing on HR and Internal Budget work streams.

Scott explained that in moving forward, the Steering Committee has suggested proceeding first with one to three large strategic initiatives and a small number of tactical initiatives. In a prioritization exercise, the Advisory Committee was asked to evaluate opportunities on three criteria: (1.) Quick Wins – broadly viewed and broadly received, (2.) Ease of Change – evaluate cultural resistance, dependency on other things, that knowledge and skills exist to effect the change, and the level of organizational redesign required to make the change successful, (3.) Financial Impact – net savings. Darrell Bazzell urged the committee to consider all three variables when completing the exercise.

The results showed that the criteria were weighted in importance by the Advisory Committee as follows: Financial Impact 4/9; Quick Wins 1/3, and Ease of Change 1/4.

The Advisory Committee affirmed that the top ten opportunities were a fair representation of the most important to pursue on a tactical level. They can be grouped in three main categories under consideration: Space, IT, and Supplies.

The strategic elements the university wants to tackle are governance, decision making, and the IT model. Change management issues will be significant due to time and cultural resistance.

When asked about local vs. central funds generated by savings, Darrell Bazzell said savings staying locally is true in both program revenue and GPR areas. Savings can show up in others’ checkbooks.

John Krogman suggested that server virtualization be called Data Center Aggregation. Brad Barham asked that it be described in plain language.

Darrell Bazzell emphasized that other input will be needed—there are other constituencies we need to include besides the Advisory Committee. He said there will be more discussion with other business units. That process must happen first before a campus-wide engagement.

People will be interested in the data. We need to provide some context for the data. Paul DeLuca suggested a vignette for each review area.

Wrap up – Next steps will be to engage the Steering Committee in a discussion of the opportunities prioritized by the Advisory Committee. Work plans will then be developed to identify the best means of implementation. A communication plan needs to be crafted.

NEXT MEETING WILL BE:
Thursday, October 6 10 am to 11:30 am in Room 260 Bascom