

Administrative Services Review

Final Report Sample

June 19, 2019

Confidential – For Review Only

rpk GROUP

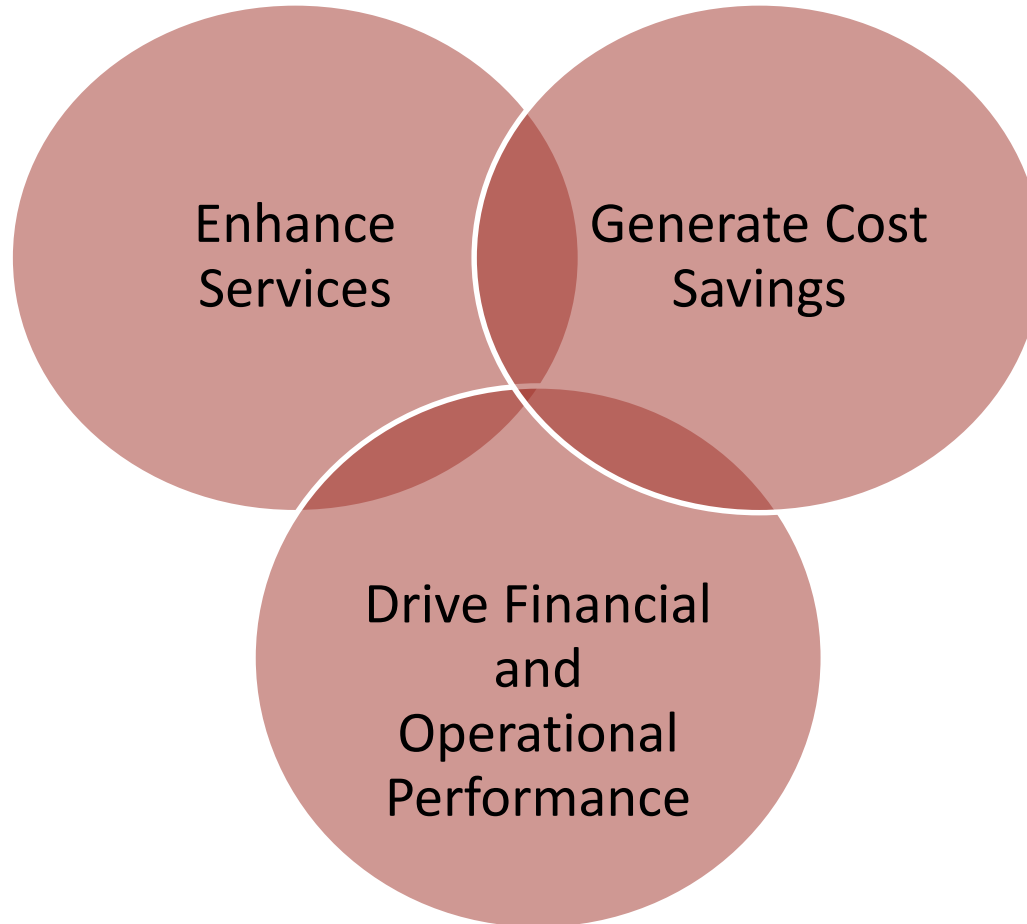
from mission to market

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Agenda

- ASR Project Overview
- Review Identified Opportunities
- Prioritization of Opportunities
- Suggested Recommendation Owners
- Next Steps

Administrative Services Review



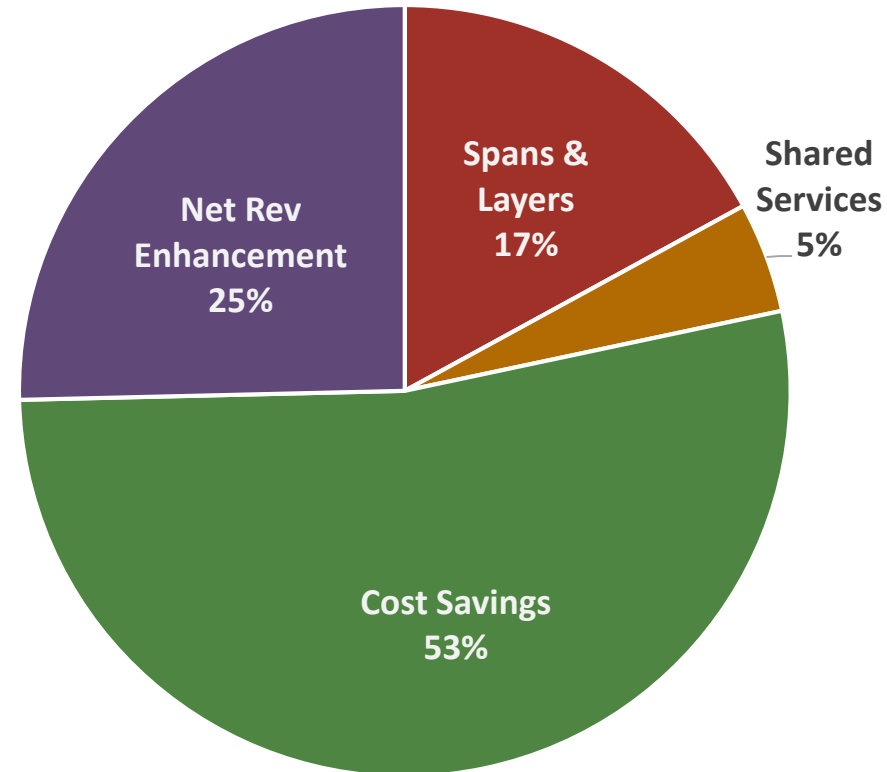
How Are Recommendations Developed?

- Approximately 85 stakeholder interviews
- Financial trends and benchmarking
- Department net revenue and productivity analyses
- College budget analysis
- Department operational reviews
- Technology use, services, and spend analysis
- Personnel spend and FTE data analysis
- Procurement spend data analysis
- Spans and Layers analysis
- Organization chart review
- Best practices

20 ASR Opportunities Captured to Date in 5 Categories, Totaling \$6.01M

- Approximately 20 recommendations included to date in the analysis across the following categories:
 - Spans and Layers
 - Shared Services
 - Leveraging Technology
 - Cost Savings
 - Net Revenue Enhancement

**Net Impact Estimate by Category
(Excludes One-time Investments)**



- Spans & Layers
- Leveraging Tech
- Net Rev Enhancement
- Shared Services
- Cost Savings

Estimated ASR Net Impact: Approximately \$6.01M

Category	Net Impact Estimate (Excludes one time investments)	Savings		Total Savings Estimate	Net Revenue Enhancement	Ongoing Investment Required	One Time Investment Required
		Personnel	Operating				
Spans & Layers	\$ 1,030,522	\$ 1,030,522	\$ -	\$ 1,030,522	\$ -	\$ -	\$ -
Shared Services	\$ 280,000	\$ 280,000	\$ -	\$ 280,000	\$ -	\$ -	\$ -
Leveraging Tech	\$ (34,000)	\$ -	\$ -	\$ -	\$ -	\$ 34,000	\$ 515,000
Cost Savings	\$ 3,202,190	\$ 2,704,440	\$ 497,750	\$ 3,202,190	\$ -	\$ -	\$ -
Net Rev Enhancement	\$ 1,534,266	\$ -	\$ -	\$ -	\$ 1,534,266	\$ -	\$ -
TOTAL	\$ 6,012,978	\$ 4,014,962	\$ 497,750	\$ 4,512,712	\$ 1,534,266	\$ 34,000	\$ 515,000

Note: The Spans and Layers savings projection is based on increasing the total average span from 3.8 to 5.0 over time. The calculation is based on average supervisor salaries/benefits and assumes a reduction in supervisors at 50% rate. There are no individual-level assumptions included.

How Was Financial Impact Calculated?

Financial projections are

- Conservative
- Achievable over time

Calculations are based on

- Actual Collage spend and targeted reductions
- Industry averages and benchmarking
- Historical experience and trends
- College leadership and staff input
- Data team feedback

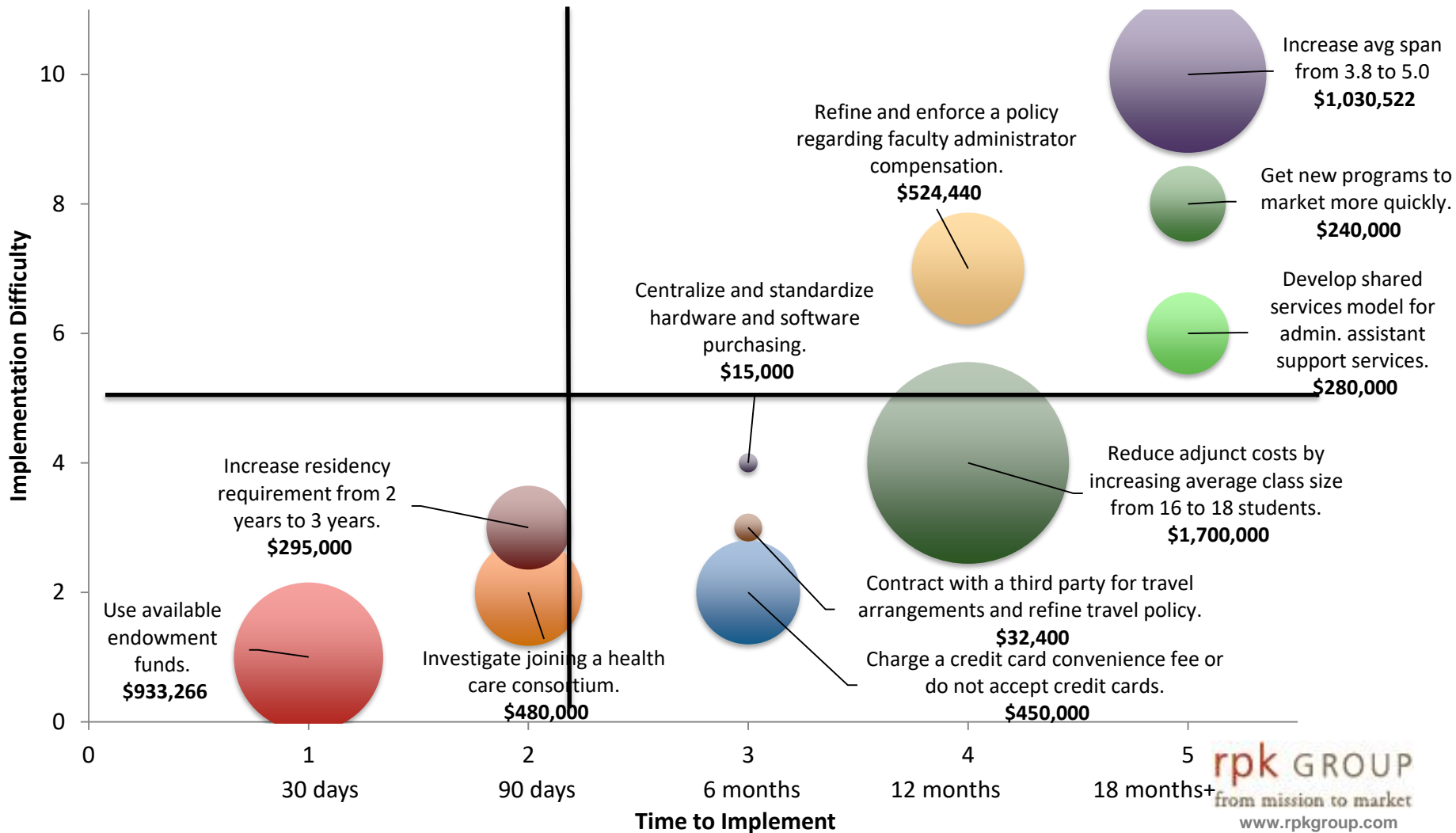
Recommendations

- Require time and resources to implement
- Some changes will take several budget cycles to implement

Opportunities Identified

Draft Prioritization Quadrant Analysis – For Recommendations with Financial Impact

ASR Opportunities



Spans and Layers and Organizational Structure \$1.03M

■ Spans and Layers Analysis - **\$1.03M**

- Increase total average management span from 3.8 to 5.0 to move closer to higher education benchmark
- The calculation is based on average supervisor salaries/benefits and assumes a reduction in supervisors at 50% rate. There are no individual-level assumptions included.
- How to make Spans and Layers changes:
 - Set average span targets for the overall institution and by area
 - Develop short-term and long-term plans to reach the target—not necessarily immediate reduction. This can be achieved through:
 - Retirements
 - Attrition
 - Efficiency improvements
- Track progress and report

Shared Services \$280K

- Develop shared services model for administrative assistant support services. **\$280K**
 - Reduction in administrative assistant support personnel costs with goal of improved quality, service, and opportunities for professional development.

Leveraging Technology

- Majority of technology opportunities represent improved efficiency rather than savings.
- As efficiencies improve over time and resources are reallocated, additional savings can be achieved.
- Recommendations include:
 - Implement digital forms and workflow and move processes that occur currently both online and on paper to online only (e.g., ePAF).
 - Identify and implement imaging software campus-wide.
 - Reduce duplication of tools and software subscriptions across campus, especially those for data/information storage and video/web conferencing.
 - Transition to a business intelligence approach to data use.
 - Reduce the number of ancillary programs that run alongside Banner.

Leveraging Technology – Continued

- Recommendations continued:
 - Use EMS consistently for space reservations across campus and integrate with requests for IT, facilities, and catering. Use EMS for campus-wide online calendar.
 - Decentralize email communication authority for messages that go to large portions of the community (e.g., messages to all staff, students, and/or faculty or subsets of these groups). Identify several senior-level “power users”.

Cost Savings - \$3.2M

- Reduce adjunct costs by increasing average class size from 16 to 18 students. **\$1.7M**
 - Savings will come from a reduction in the overall number of sections offered and driving the average class size up.
 - *Supporting Recommendation:* Strengthen adjunct budget oversight within Academic Affairs and refine course scheduling process to create efficiencies in course schedule while supporting student success.
- Create and enforce a policy regarding faculty administrator compensation. **\$524K**
 - If a faculty administrator is receiving course load releases for administrative work, he or she is ineligible for an overload stipend for additional teaching.

Cost Savings – Cont.

- Join a health care consortium. **\$480K**
 - If College chooses to join a health care consortium, this could lead to savings of approximately \$480K.
- Charge a credit card convenience fee or do not accept credit cards. **\$450K**
 - College currently pays \$450K annually in credit card fees. Either do not accept credit cards or charge a credit card convenience fee.

Cost Savings – Cont.

- Contract with a third party for travel arrangements and refine travel policy to make explicit consequences for not adhering to policy. **\$32K**
 - College currently spends approximately \$650,000 per year on travel, excluding Athletics. Refining the travel policy and using an third party partner for travel arrangements will lead to increased standardization and efficiency in the travel reimbursement process. Savings from change fees; travelers will have a higher level of confidence they are in compliance with the policies.
- Centralize and standardize hardware and software purchasing. **\$15K**
 - The current policies will need to be updated and strengthened to ensure compliance.

Efficient and Strategic Management of Resources

■ Facilities

- Evaluate the value of the College-owned rental properties (graduate student housing).
 - Currently, costs for maintaining the rental properties are not allocated to each of the properties. It is difficult to estimate the dollar impact. Some of these houses are 95 years old and require a substantial amount of labor to maintain.

Net Revenue Enhancement – \$1.53M

- Use available endowment funds. **\$933K**
 - Use available funds of \$933K immediately. On an ongoing basis, use endowment centrally for selected activity (\$120K annually). Apply funds to activity that is ongoing at the College and meet the criteria of the donor. The annual amount represents funds that have not been used regularly in recent years.
- Increase residency requirement from 2 years to 3 years. **\$295K**
 - Assume it will take 4 years to phase in this plan.
- Get new programs to market more quickly. **\$240K**
 - New programs would be moved to market more efficiently, leading to one additional new graduate program per year.

Net Revenue Enhancement – Continued

- Increase Conference Services revenue by 25 percent to cover costs and make a small profit; fully allocate costs for services used from other departments (\$66K on average needed to cover costs with a small margin).
 - Conferences Services would cover its true costs and make a modest profit in year 1.

Prioritization Approach – Implementation

- Define opportunities utilizing two criteria
 - **Financial Impact:** High or Low – Over \$100k is considered high impact based on the amount of the initiative
 - **Ease of Implementation:** Easier or Difficult – This is evaluated based on time to implement, level of change management, training and communication required, and number of departments or staff involved
- Utilizing these criteria, each opportunity is included in the appropriate quadrant
- Quadrant analysis is then used as basis for prioritization of recommendations for implementation or further analysis

Draft Prioritization Quadrant Analysis – For Recommendations with *and without* Financial Impact

