

Transforming the University

**Report of the Academic Task Force on College Design:
Small Colleges**

Submitted on behalf of the Task Force by:

Suzanne Bardouche

John Bryson

Co-Chairs of the Task Force

Date: March 15, 2006

Executive Summary

Mission of the SCTF

The mission of the Small College Task Force is to create a new model for sharing administrative functions across smaller colleges and across departments within larger colleges that increases cost effectiveness (i.e., better service for the same cost), cost efficiency (i.e., the same service at a lower cost), or both.

Task Force Deliverables

The task force was charged with delivering the following items:

- Recommendations regarding a statement of principles to guide sharing of administrative services across colleges and units.
- Recommendations for a checklist of services that might be examined for increased effectiveness and/or efficiency at the college and department level.
- Recommendations regarding opportunities for the Humphrey Institute, Law School, and Carlson School of Management to share administrative functions.
- Recommendations for other similarly situated units, such as the School of Nursing and the College of Pharmacy, and nearby schools, as well as some of the coordinate campuses that also should be encouraged to explore whether sharing or centralizing selected administrative functions can enhance effectiveness, create efficiencies, or both.

Committee Members

Suzanne Bardouche, Co-chair, College of Pharmacy

John Bryson, Co-chair, Humphrey Institute

John Anderson, Operations & Management Science, Carlson School of Management

Ed Clark, IT Office, CLA

Jaki Cottingham-Zierdt, Office of Equal Opportunity and Affirmative Action

Ann Jones, School of Nursing

John Koepke, Landscape Architecture Department, CALA

Robert McMaster, Geography, CLA

Jill Merriam, Budget & Finance, Office of Sr. VP & Provost

Nena Street, Graduate student, Law School

Cathy Heltemes (Staff), Law School

Broader Themes Outside the Scope of the Inquiry

The focus of the task force charge is on administrative services in support of the University's teaching, research, and service missions. Teaching, research, and service *per se* are thus not included in the charge. In addition, the charge focuses primarily on small colleges. We believe, however, that the task force findings are broadly applicable to administrative services within and across colleges, departments, and units at the University as a whole.

The task force also was not charged with exploring the implications of sharing administrative services for facilitating interdisciplinary work and better integration of the University's teaching, research, and service missions. Our deliberations lead us to believe, however, that shared administrative services may well be necessary supports for such endeavors.

The task force was not charged explicitly with considering the implications of sharing administrative services for improving the alignment of colleges, departments, and units with the University as an enterprise and its evolving priorities. Again, however, our deliberations lead us to believe that shared administrative services in many cases will be important contributors to better alignment. We have also concluded that there are a number of actions central administration could take that would dramatically increase the speed, extent, and quality of administrative service sharing across colleges, departments, and units. These actions are outlined in the report.

Finally, the task force was not charged explicitly with considering the implications of sharing administrative services for fostering a culture of service and community at the University. We believe, however, that an enhanced culture of service and community is a likely consequence of sharing services, as long as the goal for shared administrative services and the principles outlined in this report are pursued.

Recommendations for Future Areas of Effort.

We recommend the University, colleges and departments adopt and diligently pursue the proposed goal for shared administrative services – which is to aggressively enhance the efficiency and effectiveness of administrative processes utilized by colleges or departments to pursue their missions and to support achievement of the University’s strategic goal.

We also recommend that the following principles be used to guide sharing of administrative services across colleges, departments, and units:

- Focus on the mission
- Invest in human capital
- Treat the “U” as a single enterprise
- Use resources wisely, including emphasizing the use of best practices
- Promote aggressive process improvements
- Deepen sharing for each service to the appropriate level
- Follow a deliberate and rigorous process to determine where, when, how, and why to share administrative services

Critical Role of Leadership

We recognize the critical role of leadership at all levels — by central administration, by the deans, and by the directors of functional service areas. Leadership, ownership, and engagement at all levels are necessary conditions for efforts to improve administrative services to be fully successful.

Recommendations Regarding a Statement of Principles to Guide Sharing of Administrative Services across Colleges and Units

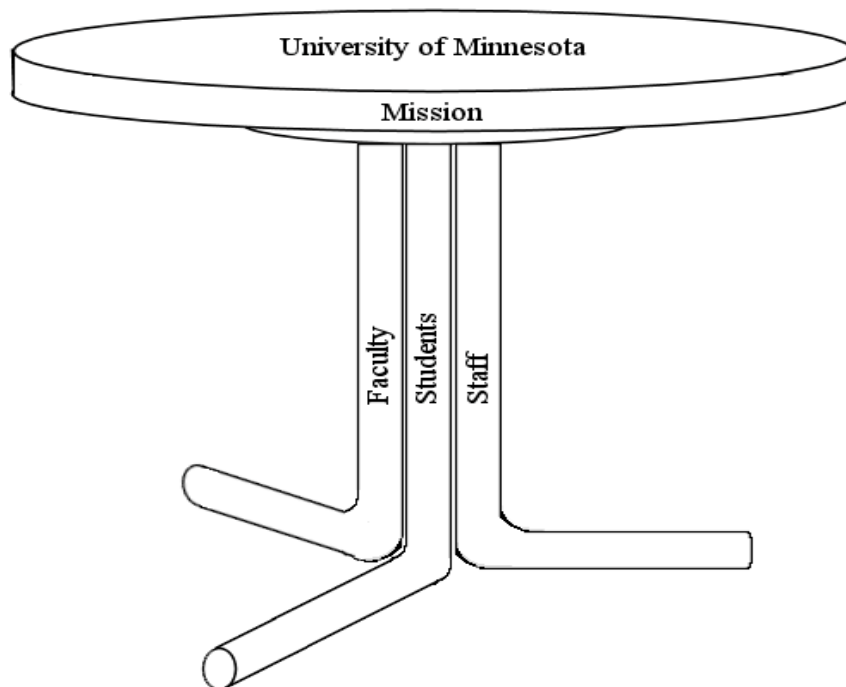
Recommended Goal for Shared Administrative Services:

The goal of shared administrative services across collegiate and/or departmental units is to aggressively enhance the efficiency and effectiveness of administrative processes utilized by colleges or departments to pursue their missions and to support achievement of the University's strategic goal.

Commentary on the Recommended Goal:

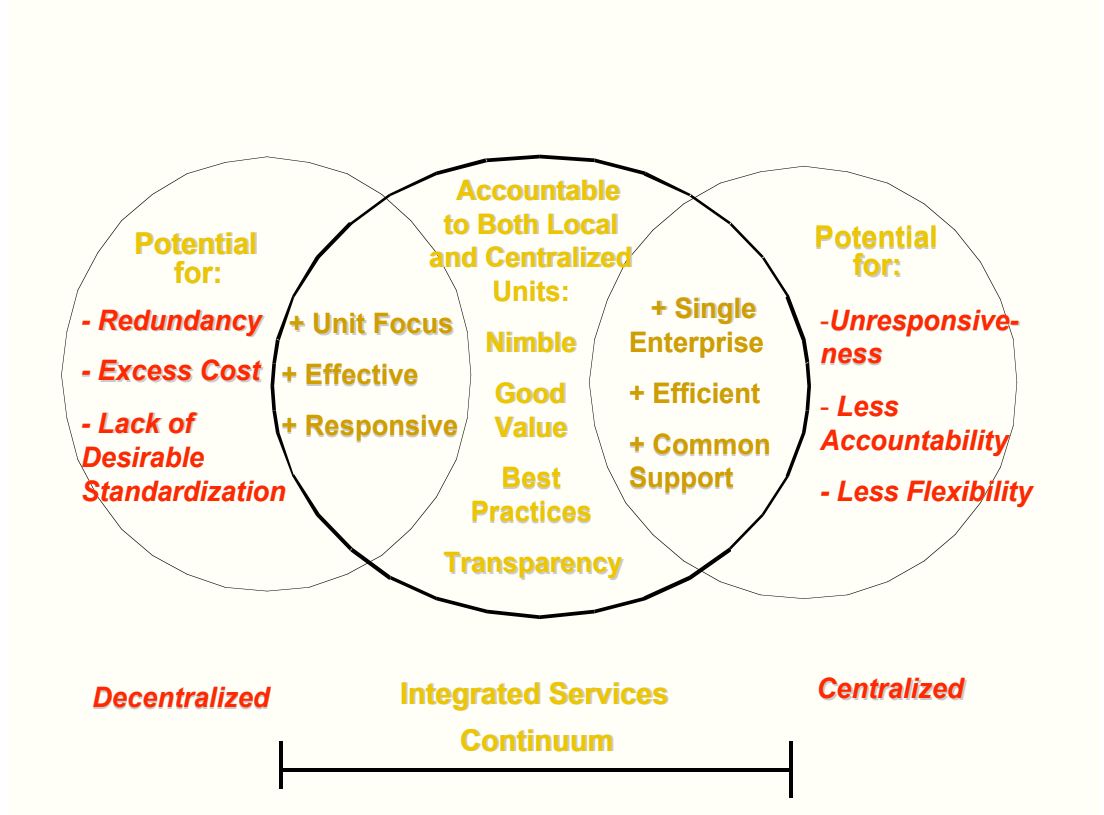
Four frameworks to enhance understanding. Four simple yet powerful frameworks have helped us formulate and understand the goal for shared administrative services. The **first** consists of a three-legged table. The University's mission is the tabletop and the supporting legs are faculty, students, and staff (see Figure 1). Without attention to all three legs, the mission collapses. Teaching, research, outreach, *and* administrative processes are the activities that fulfill the mission. Although faculty and students capture most of the headlines and get most of the attention, professional and academic services staff, and the back-office and supporting functions of administrative processes carried out by staff, deserve adequate attention and investment, or the mission will suffer.

Figure 1– The University's mission supported by excellent faculty, students, and staff



The **second** framework consists of three partially overlapping circles (see Figure 2). The left circle represents completely decentralized services, while the right circle consists of completely centralized services. The middle, overlapping circle shows the advantages of shared services that simultaneously overcome the disadvantages of centralized and decentralized services. The goal of shared administrative services will be achieved in the middle circle.

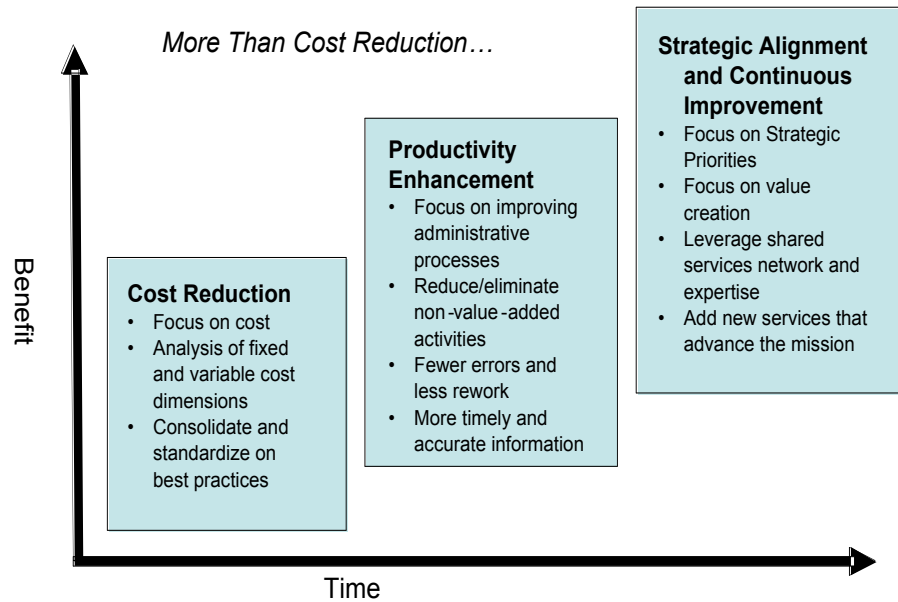
Figure 2 – The advantages of shared versus centralized and decentralized administrative services



Source: Adapted from a diagram by Humphrey Institute Senior Fellow Jay Kiedrowski and a diagram prepared by the Shared Administrative Services Division, Jeff Oberg, Director; Division of Facilities and Services, University of Illinois at Urbana-Champaign (<http://www.fs.uiuc.edu/template2dsc.cfm?page=sharedadmin&IDLlist=29,3>). Note that a similar figure is being used by the Administrative Services Task Force.

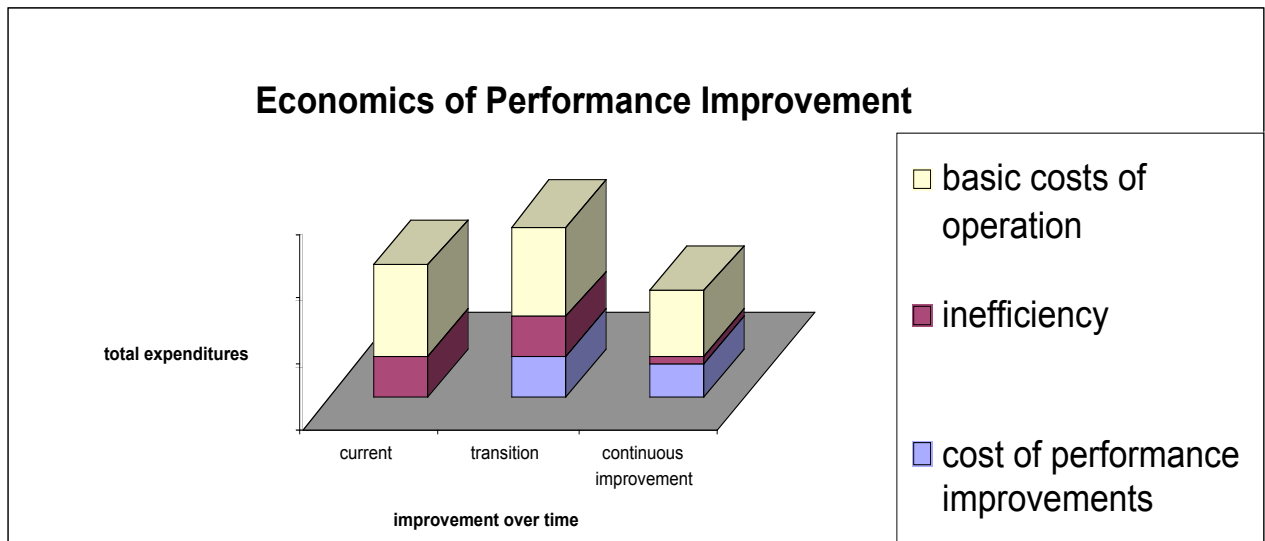
The **third** framework shows the “ladder” of benefits to be gained over time as the extent of sharing and learning among units increases (see Figure 3). The ladder indicates that cost savings are an important early benefit of shared administrative services, but not the only benefit. Indeed, the task force has concluded that efforts to share administrative services *must* be targeted toward moving up the ladder, or the endeavor ultimately will be self defeating. In other words, reducing costs is good, but the savings will be short-lived unless there is attention to redesigning processes, enhancing productivity, continually improving, and integrating service delivery across colleges and units. If you focus only on cost reduction you will squeeze out the resources actually *needed* to advance up the ladder. This point is highlighted in the final framework.

Figure 3 – The benefits of shared administrative services to be gained over time



The **final** framework shows that investments are required in order to make major performance improvements over time. Specifically, there is a “cost of performance improvement” over and above the theoretically irreducible “basic cost of operations.” The cost of performance improvement represents the resources *required* (e.g., time, expertise, training, process analysis and redesign, start-up and trouble-shooting costs, and so on) to make significant improvements in administrative processes. For continuous improvement to be a reality, continuous *investments* in performance improvement are also needed. The idea is that over time the *total* costs of providing particular services can be reduced, releasing resources that can be used to make further improvements in services (including adding services) or in other areas that help colleges, departments, and the university fulfill their missions and achieve their goals.

Figure 4 – Representative economics of performance improvement over time



Central actions to facilitate sharing of services. Our discussions, literature review, interviews, and consultations also led to the development of a list of actions that central administration could take to dramatically increase the speed and extent of administrative service sharing across colleges and departments:

- Establish service-level expectations for a “Top Three” University in such key areas as IT, HR, financial services, student services, and facilities management.
- Create cross-university forums of key director-level staff in each functional or service area to discuss issues, standards, and recommended improvements; include a way for service users to interact with the groups on a regular basis.
- Provide resources to support sharing based on expected or demonstrated performance improvements and return on investment; in other words, have a central investment pool to help cover the “cost of performance improvement” for meritorious projects that would not occur otherwise.

- Develop a pool of outstanding central analytic, facilitation, and change management staff in numbers adequate to support the design, creation, and deepening of shared services; for example, build on the knowledge and processes developed to assist the Wave 1 colleges.
- Do regular *service audits* of colleges and departments. As one part of the service audits, review the colleges' and units' ongoing efforts in cross-training and succession planning to minimize the risk of future disruptions in services.
- Require that each college/unit maintain an up-to-date organizational chart that defines the organizational structures and reporting lines for its administrative services.
- Create a central pool of temporary staff to be assigned on an as-requested basis to departments and units. Central responsibilities would include selection, training, and assignment of staff. Examples of temporary staff include individuals skilled in search and recruitment processes, accountants trained in U of M processes, and technical computer support staff.
- Highlight and document best practices at the University and elsewhere; send people to visit them, report back, and discuss their applicability.
- Adopt HR practices to permit and/or promote job rotation and job swapping across the U to increase shared understanding, promote standardization on best practices, reduce competitive bidding between colleges for staff, and enable staff development and promotional opportunities.
- Create a Council of Distinguished Administrators and use them as key resources to promote improved services at the University; selection criteria for membership in the group should include: current service below the most senior levels (e.g., below the level of dean and vice president); managerial or supervisory responsibility; demonstrated commitment to pursuing system transformation, continuous improvement, shared services, and/or the single enterprise concept; and a clear record of success in those efforts.

These suggested actions grew out of our review of the June 2004 Working Group Report (see **Appendix B**), our literature review (**Appendix L**); our meetings with deans, directors, CAPA and Civil Service; and our reviews of recent audit reports. See **Appendix C** for a list of meetings and consultations, and **Appendices D, E, and F** for summaries of the themes emerging from those consultations.

Recommendations Regarding a Statement of Principles to Guide Sharing of Administrative Services across Colleges, Departments, and Units

The task force endorsed the following seven principles for pursuing shared services across colleges and units:

Principle 1: Focus on the Mission

Focus development and use of shared services on the academic mission of the University and the involved colleges or departments and how best to support the aligned missions; reinforce the core values of the institution – learning, scholarship, and engagement.

Commentary: The principle requires establishing service-level expectations for a “Top Three” University in such key areas as IT, HR, financial services, and facilities management.

Principle 2: Invest in Human Capital

Invest in the development of leadership, management, analytic, professional and general staff talent to provide the best services possible, including shared services.

Commentary: The human resources implications for establishing, managing, and improving shared services are enormous. For shared services to work, the organization has to have committed and capable leadership, competent staff in adequate numbers, and an explicit culture of service and accountability. We need to view and invest in staff as resources, e.g., through expecting, and providing opportunities and resources for, continuing education and professional development. We should determine the appropriate number of staff with appropriate competencies necessary to meet the U’s aspirations. The U has made great strides in becoming a school of choice for top undergraduates and in attracting the best faculty. Now the U needs to become a top employer of choice by attracting, retaining, developing, and making use of the staff capable of supporting the U’s academic ambitions. We need to explicitly value professional, academic, and administrative staff in the same ways we value faculty and students.

Principle 3: Treat the “U” as a Single Enterprise

Treat the U as a single enterprise with a common mission; other colleges are not competition. In part, this principle means that, to the maximum extent possible, and with due consideration of local circumstances, shared administrative services should involve standardization on best practices and investing in the competencies needed to provide increased effectiveness, efficiency, revenue enhancement, and/or other service improvements. It also means greater attention to equity considerations (in terms of, for example, staffing ratios, types of staff, and compensation levels) within and across colleges and central units.

Principle 4: Use Resources Wisely, Including Emphasizing Use of Best Practices

Share where it makes economic, administrative, and geographic sense to share. There must be a strong business case for sharing indicating how changes produce greater efficiency, greater effectiveness, revenue enhancement, or other performance improvements. Create mechanisms to identify, document, and share knowledge about best practices; to implement best practices; and to pilot test promising process improvements likely to become best practices.

Commentary: At present the U overall and individual colleges simply do not have enough analytic capacity to create understanding of what is being done *now* and what can be done to improve services. This kind of business process analysis and detailed data analysis is a *necessary* support for effective institutional transformation. We need sufficient, competent analytical capacity at both the university and college levels to provide useful information to inform decision making. The capabilities of the Office of Service and Continuous Improvement provide an important base on which to build.

Principle 5: Promote Aggressive Process Improvements

Set challenging process improvement goals, including significantly increased effectiveness, efficiency, revenue enhancement, and/or other service improvements. Organize within and across colleges and departments to make sure continuous improvement is an organizational priority and reality.

Commentary: Improving services requires an investment of time, staff, analytic capacity, and other resources. As Figure 4 indicates, the existing cost structure of services consists of some irreducible minimum cost (the base cost), the cost of inefficiency or ineffectiveness, and the “cost of performance improvement” – the extra cost above the base needed to make quality improvements. You must invest resources in order to continuously improve services over time.

Principle 6: Deepen Sharing for Each Service to the Appropriate Level

Because the real benefits of sharing administrative services are achieved over time, as shown in Figure 3, sharing should be thought of as potentially evolving in the following ways:

- Beginning with increased communication and knowledge sharing.
- Partnering around particular areas of expertise (i.e., one college providing services to another as part of a partnership).
- Sharing best practices and processes across units, making common process improvements, sharing system maintenance and system design.
- Sharing operational staff who do particular administrative processes
- Sharing supervision and management of services.

How any particular service evolves and deepens would depend on the service, the business case, and the actual experience with sharing.

Principle 7: Follow a Deliberate and Rigorous Process to Determine Where, When, How, and Why to Share Administrative Services

A thoughtful process is needed because when it comes to services one size does not fit all. Small is not necessarily bad; big is not necessarily better; lean is not necessarily good. Colleges and units should carefully examine the benefits and costs of sharing administrative services with other colleges or units. A recommended checklist of activities for creating and managing shared administrative services is included in **Appendix J**.

Recommendations for a Checklist of Services that Might Be Examined for Increased Effectiveness and/or Efficiency at the College and Department Level

In exploring opportunities for sharing, the task force considered the whole array of collegiate responsibilities, including governance; financial management; human resources management; information technology, student recruitment, admissions, and support services, etc. (See **Appendix G – Collegiate Areas of Administrative Responsibility** for details about what is included within each major functional area.)

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A number of service areas hold significant potential for achieving the goals of improved efficiency and effectiveness through sharing. We believe that the highest potential for enhanced efficiency and effectiveness through sharing is in the following areas: equipment; event planning; facilities; grants development, administration, and support; payroll; resource management; space; and technology; see Table 1. There are also a number of other areas that offer some real promise for enhanced efficiency through sharing, including clinical practice; data collection and analysis; human resources – faculty; human resources – staff; outreach and connection to the professions and the public; professional development education, research and scholarship; and administrative aspects of undergraduate program curriculum, advising, instruction, and placement.

Table 1. Summary of likely areas for enhancing efficiency, effectiveness, or both from shared administrative services across colleges or departments

Area of Responsibility	Function/Service is Generic Across Units—Delivery of Service Varies	Function/Service is Similar Across Units (Colleges) – Somewhat dependent on Collegiate and Academic Mission	Function/Service Dependent on Collegiate and Academic Mission –
	General U-wide policies, processes and timelines	Collegiate policies, processes and timelines; management	Decision Making
Equipment	High potential for sharing		
Event Planning	High potential		High potential
Facilities	High potential		High potential
Grants Development, Administration & support		High potential	
Payroll	High potential		
Resource Management	High potential	High potential	High potential
Space	High Potential	High potential	
Technology	High potential		
<i>Clinical Practice</i>		<i>Some potential</i>	
<i>Data Collection and Analysis</i>		<i>Some potential</i>	
<i>Human Resources-Faculty</i>	<i>Some potential for sharing</i>	<i>Some potential</i>	<i>Some potential</i>
<i>Human Resources-Staff</i>	<i>Some potential</i>	<i>Some potential</i>	<i>Some potential</i>
<i>Outreach/Connection to the Profession & the Public</i>	<i>Some potential</i>	<i>Some potential</i>	<i>Some potential</i>
<i>Professional Development Ed</i>		<i>Some potential</i>	
<i>Research & Scholarship</i>	<i>Some potential</i>	<i>Some potential</i>	<i>Some potential</i>
<i>Undergraduate Program Curriculum, Advising, Instruction, Placement</i>	<i>Some potential</i>	<i>Some potential</i>	<i>Some potential</i>
Alumni Relations	Little potential for sharing	Little potential	Little potential
Collegiate Governance			Little potential
Fundraising/Development	Little potential	Little potential	Little potential
General Executive Functions			Little potential
Overall Planning			Little potential
PhD Program, Curriculum, Advising, Instruction, Placement	Little potential	Little potential	Little potential
Post-Undergraduate Curriculum, Advising, Instruction, Placement	Little potential	Little potential	Little potential

The task force reached its conclusions regarding the potential for sharing by carefully analyzing the information in **Appendix G**. The task force determined that each function or task fell somewhere on a continuum from generic to college-specific. As a result of discussion, we placed each function

or task in one of three places along the continuum, as identified by the boxes across the top. If the majority of the functions or tasks within an area of responsibility were determined to be generic (e.g., Equipment), then it seemed that that area of responsibility would have a higher potential for sharing. If the majority of the functions or tasks within an area of responsibility were dependent on the collegiate and academic missions, (e.g., collegiate governance), then the area would have little potential for sharing. If the majority of the tasks tended toward the middle of the continuum (e.g., professional development education), then there probably is some potential for sharing that function. A detailed example involving Information Technology is provided in **Appendix H**.

Checklist of Activities for Creating and Managing Shared Services

Earlier we asserted the importance of following a deliberate and rigorous process to determine where, when, how, and why to share administrative services. In this section we present an abbreviated checklist of activities to help make such determinations. We argue that creating shared services should involve four key phases (outlined in more detail in Appendix J):

Phase 1: Getting organized and assessing opportunities. There are many tasks that need to be completed before shared services design and implementation can begin; for example, determining the scope of the effort, developing the business case for change, and establishing a project team. It is important to thoroughly complete this phase before embarking on the actual design phase. The information gathered in this phase will guide the other phases.

Phase 2: Designing shared services. The second phase involves design and development. Alternative models, service level agreements, service governance structure, and process performance measures, among other things, will need to be developed. Cost-benefit analysis should be completed, along with a risk assessment. Human resource issues need to be identified and metrics need to be developed during this phase.

Phase 3: Implementing shared services. This phase involves developing a change management plan that includes roll-out steps, incentives for people to participate, recruitment and training of staff, and employing resources needed to support the change. It is important to promote a customer service orientation throughout this process. Two-way communication and feedback with service users is important.

Phase 4: Optimizing shared services. The task is not complete once shared services are implemented. A successful shared services unit will have a continuous improvement plan in place and make adjustments and improvements along the way. The unit will need to be flexible in order to respond to organizational change and changes in the service users.

Recommendations Regarding Opportunities for the Humphrey Institute, Law School, and Carlson School of Management To Share Administrative Functions

We believe that there are many opportunities across colleges and departments for sharing administrative services. The frameworks and guiding principles outlined in this document should be helpful when pursuing these opportunities. While we will focus our recommendations in this section on the Carlson School of Management, the Humphrey Institute, and the Law School, other similarly situated units (colleges, departments and coordinate campuses) can use these principles and recommendations as well.

The deans of the CSOM, HHH and Law Schools undertook a preliminary study to consider ways the three colleges might work together to improve administrative services. The potential for shared administrative services between these three colleges is advantaged by: their geographic proximity on the west bank, variable size, a number of similar administrative service functions and needs, and most importantly the willingness of the leadership to consider possibilities.

The following provides a brief overview of activities and outcomes related to their preliminary study:

The process began with the deans identifying possible areas of opportunity (considering functions as shown in Appendix G and also as further prioritized in Table 1), resulting in five areas to be considered at present for possible sharing: communication/marketing, facilities management, finance, human resources, and information technology.

The deans each chaired separate task forces focused on a specific function and consisting of staff from the three colleges responsible for the area. Task force members concluded that support services were generally understaffed and that faculty-to-support-staff ratios were inadequate; consequently, the deans saw no opportunity to reduce FTE's. The deans did, however, conclude that opportunities existed for improved performance and/or efficiencies that can be realized through shared services even though each college has a unique mission.

Based upon this experience the deans affirmed their commitment to continue encouraging collaboration and, when necessary (but no less than once a semester), meeting to discuss and explore areas where the three colleges can work together more effectively to achieve efficiencies and increased effectiveness consistent with their respective missions. Appendix K contains a letter from the deans summarizing preliminary recommendations in this regard.

The Small College Task Force members are encouraged by these initial steps that are promising in their own right, and also point to the potential benefits of further efforts within and beyond these three colleges.

Recommendations for other colleges and departments

We recommend that the University continue to pursue the creation of shared administrative services across colleges and departments throughout the University. The frameworks and guiding principles outlined in this document can provide guidance for this effort. Carlson, Humphrey, and Law have made a start, and there are excellent models of sharing elsewhere in the university. These efforts should be strongly encouraged.

Summary

If the University is to achieve its goal of becoming one of the top three public research institutions in the world within the next decade, the transformation needed to get there does not stop on the academic side of the house. Major transformation is required on the administrative side as well, whether it is departmental, collegiate, or central administration. As was stated at the beginning of this report, the mission of this task force is to create a new model for sharing administrative functions across smaller colleges and across departments within larger colleges that increases cost effectiveness (i.e., better service for the same cost), cost efficiency (i.e., the same service at a lower cost), or both. This model needs to enable transformation – not just subtle changes – in the colleges and departments where analysis determines there are opportunities for enhanced efficiency or effectiveness through sharing administrative services.

It is our opinion that there are many opportunities across colleges and departments for shared administrative services. The frameworks, goal, and guiding principles outlined in this document provide a map to be used when pursuing these opportunities. The following reiterates how the frameworks and principles could be put to work to further the missions of colleges, departments, and units and to help the University achieve its strategic goal:

- 1) Figures 1-4 (pages 4-7) can be useful frameworks to help set the stage for colleges and expand the horizons of individual teams embarking on shared administrative initiatives.
- 2) The Goal for Shared Administrative Services (page 1) and Principles 1 – 7 (pages 8-10) can provide useful guidance to be considered as areas of opportunities are identified and shaped for possible shared administrative practices.
- 3) As depicted in Table 1, the task force has identified eight areas of responsibility that appear to offer high potential for sharing – equipment; event planning; facilities; grants development, administration, and support; payroll; resource management; space; and technology. There are eight additional areas with some potential for sharing that need further examination.
- 4) High potential areas of responsibility in 3) above can be further broken down to more specific areas of opportunity to provide more actionable and manageable initiatives (See Appendix G for a further breakdown of all areas and Appendix H for an illustration of an even more detailed breakdown within the IT area.)
- 5) There are many ways to design shared services and one size does not fit all organizations. The four models in Appendix I illustrate the different ways you could organize a shared services model with each one having its own benefits. The models in Appendix I also

recognize the importance of the need for colleges or departments, whether small or large, to have strategic capability in a particular area of responsibility as well as critical mass in the day-to-day functions of that responsibility. When examining the possibilities for CSOM, HHH and Law, as well as other similarly situated colleges and departments, one might look at the administrative centers that have been established in the Medical School, the regionalization in CLA, and the clustering in central administration for ideas.

- 6) Appendix J provides a useful checklist for creating and managing shared services.

We end where we started, with the goal of shared administrative services, which is to aggressively enhance the efficiency and effectiveness of administrative processes utilized by colleges and/or departmental units to pursue their missions, and to support achievement of the University's strategic goal of being one of the top three public research universities within a decade. Pursuit of the goal will take sustained effort and require effective collaboration among central administration, colleges, departments, and units. It will also require strong leadership at all levels. The payoffs can be tremendous, and the task force has its own process and products to offer as small examples of the benefits to be gained: We were quite pleasantly surprised at how educational, enjoyable, and productive the process was of developing this report. We think the task force process itself demonstrates the benefits of cross-college and cross-job-classification sharing in terms of relationship building, resource use, knowledge creation, direction setting, and, perhaps most important, service to the University in pursuit of its mission and strategic goal.

Appendices

- Appendix A** – Charge Letter to the Task Force on College Design: Small Colleges
- Appendix B** – Working Group on Small Academic Units-Final Report, June 22, 2004
- Appendix C** – List of meetings and consultations
- Appendix D** – Themes from interviews with deans
- Appendix E** – Themes from interviews with directors, CAPA, and Civil Service Committee
- Appendix F** – Themes from Audit reports for seven small colleges
- Appendix G** – Collegiate Areas of Administrative Responsibility
- Appendix H** – Detailed IT example
- Appendix I** – Shared services models (Organization charts)
- Appendix J** – Checklist for Creating and Managing Shared Services
- Appendix K** – Memo from the Deans of the Humphrey Institute, Carlson School of Management, and Law School
- Appendix L** – List of particularly useful references

Appendix A-Charge Letter to Task Force

September 15, 2005

TO: Provost's Academic Task Force on College Design: Small Colleges
Suzanne Bardouche, *Co-chair*, Director of Finance, College of Pharmacy
John Bryson, *Co-chair*, Associate Dean for Research and Centers, and Professor, HHH
John Anderson, Professor, Department of Operations & Management Science, CSOM
Ed Clark, Director of IT, CLA
Jaki Cottingham-Zierdt, Associate to the Director, Office of Equal Opportunity &
Affirmative Action
Ann Jones, Assistant Professor, School of Nursing
John Koepke, Associate Professor and Chair, Department of Landscape Architecture,
CALA
Robert McMaster, Associate Dean for Planning, and Professor, Department of Geography,
CLA
Jill Merriam, Director of Budget & Finance, Office of the Senior Vice President for
Academic Affairs and Provost
Nena Street, Graduate Student, Law School
Stephanie Valberg, Professor, Department of Veterinary Population Medicine, College of
Veterinary Medicine

FROM: E. Thomas Sullivan, Senior Vice President for Academic Affairs and Provost

RE: Provost's Charge to Task Force on College Design: Small Colleges

Thank you for agreeing to serve on the academic strategic positioning Task Force on College Design: Small Colleges, under the leadership of co-chairs, Suzanne Bardouche and John Bryson. The efforts of this task force will be critical to the overall success of the University's transformative strategic positioning effort.

Attached are documents that, taken together, comprise the charge to your task force.

- Attachment A contains an articulation of the University's overall goal and assigns to the task force the responsibility of retaining an "eye on the prize." Each of the issues identified in Attachment A, which is part of the charge of every task force, must be addressed.
- Attachment B contains criteria to be addressed by each task force. These criteria are drawn from the action strategies identified in the strategic positioning report *Advancing the Public Good: Securing the University's Leadership Position in the 21st Century* (February 2005). It is critical that each task force consider how its work can further each of the five broad action strategies.
- Attachment C contains the mission and deliverables specific to your task force, along with the date on which your task force report and recommendations are due.

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- Attachment D contains the criteria for decision making, taken directly from the February strategic positioning report. Each task force should use these criteria as a framework for decision making.
- Attachment E contains a diagram of the process to be used by each task force. Note in particular the periods of required consultation with stakeholders.

There are a number of resources available to you as you pursue your charge. These include the professional staff member assigned specifically to assist your task force, the Resource Alignment Team, a toolkit of documents and templates, and the professional staff of University Relations appointed to facilitate internal and external communication of progress through the strategic positioning process. The Resource Alignment Team is a consulting group charged with providing support to all task forces in the areas of cross-functional alignment, change management, and subject matter expertise as needed. Support also is available from the Steering Committee for your strategic area. Finally, Leanne Wirkkula has been appointed to serve as a liaison between the academic task forces and me. Leanne will be able to help task force co-chairs access needed support and assistance. Leanne may be reached at (612) 625-0563, wirkkula@umn.edu.

The success of your task force will depend upon creative, forward-looking thought that maintains constant focus on the broad goals for the institution as a whole rather than the self interest of particular individuals or groups. Your effort will require consultation with all potentially affected stakeholders, from deans to students and everyone in between. It will require dedication and persistence. And together with the work of the other task forces, it will help guide the University on our journey to become one of the top three public research universities in the world.

Thank you for accepting this important challenge. I look forward to meeting with you at the kick-off work session hosted by President Bruininks this Friday, September 16.

Attachments: 5

- c: Cathy Heltemes, Staff to the Task Force on College Design: Small Colleges
Sharon Reich Paulsen, Assistant Vice President and Chief of Staff
Leanne Wirkkula, Assistant to the Provost

June 22, 2004

To: Christine M. Maziar, Senior Vice President for Academic Affairs and Provost
From: Steven L. Crouch, Associate Dean for Finance and Planning,
Institute of Technology

For the Committee:

Steven L. Crouch, Chair
Julie Tonneson, Director, Office of Budget and Finance
Terry Bock, Associate Vice President, Academic Health Center
Robert McMaster, Associate Dean of Planning, College of Liberal Arts
Tom Fisher, Dean, College of Architecture and Landscape Architecture
Marilyn Speedie, Dean, College of Pharmacy

Subject: Working Group on Small Academic Units — Final Report

This is in response to your October 29, 2003, memorandum, “Budget Advisory Committee Working Group on *Small Academic Units*” (Attachment A).

Background and Overview

Our working group (henceforth “committee”) met six times during Fall and Spring semesters to consider the questions posed in your memorandum, as well as one additional question (see item 7 below) that you suggested at our initial meeting. We decided at the outset that all data for our analysis should be collected primarily for academic Resource Responsibility Centers (RRCs) and secondarily for individual CUFS areas mapped to the larger units.

Considering an academic unit as one that is engaged in all three facets of the university’s mission—teaching, research, and outreach—we identified 23 RRCs within the scope of our assignment. These are listed in Attachment B. One of these units, the Duluth School of Medicine, was excluded from consideration because it is being combined with the Medical School beginning in FY05.

This document differs only slightly from the preliminary report we submitted to you in early January. We had originally hoped to pursue some aspects of our work in more depth, but, in view of your pending departure from the University of Minnesota, it seems appropriate that the final report should be issued now. There is still more work that could be done, but I believe that we have adequately addressed most of your original questions.

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The Seven Questions

1. How should small academic units be defined? What are they?

Colleges, Institutes, and So Forth

For an RRC, we decided that the notion of “small” could be determined on the basis of five separate measures:

- (1) FY03 Total Expenditures
- (2) FYE (Full Year Equivalent) Students, 2002–03
- (3) Degrees Awarded, FY02
- (4) FTE (Full Time Equivalent) Faculty and Staff, FY03
- (5) Assignable Space

These measures are tabulated for each academic RRC in Attachment B. The information in the attachment was taken from the Data Warehouse.

By way of explanation, the total expenditures listed in Attachment B comprise both sponsored and non-sponsored funds; the number of Full Year Equivalent students is defined as the total number of student credit hours for the year divided by 30 for undergraduates, and 20 for graduate and professional students; and the number of Full Time Equivalent faculty and staff includes part-time and adjunct faculty who have salaried appointments at the University. We recognize that not all of these measures are applicable to every RRC—for example, the Academic Health Center, the Agricultural Experiment Station, General College, and the Minnesota Extension Service do not offer degrees—but most of the measures apply in most cases.

The committee adopted the following arbitrary criteria to decide, on a relative basis, when each of the above five measures should be considered as small:

- Expenditures < \$30 million
- FYE Students < 500
- Degrees Awarded < 200
- FTE < 200
- Assignable Space < 100,000 ft²

We emphasize that the absolute numbers are not directly significant; they merely provide a convenient way of sorting the various RRCs for each category.

Six RRCs meet four of the above five criteria. They are, in alphabetical order:

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Agricultural Experiment Station
College of Natural Resources
College of Pharmacy
General College
Humphrey Institute of Public Affairs
School of Nursing

Two additional RRCs meet three of the five criteria:

College of Architecture and Landscape Architecture
College of Continuing Education

Departments and Centers

The notion of “small” for a department or center within an RRC is more difficult to define because practices and circumstances differ greatly from unit to unit. In a decentralized college such as the Institute of Technology it is possible to use the same general measures as specified above to categorize the individual departments. In most other colleges, administrative and support functions are centralized and therefore cannot be directly attributed to a department, center, or program, even in cases where these units have their own CUFS area.

We believe that the best approach is to develop comparative data for the main units (i.e. the RRCs) and then leave it to the unit administrators (the deans) to determine how individual departments and centers contribute to the units’ missions.

2. What are the administrative characteristics of a college, school, or institute? Are there administrative functions that can be reduced, streamlined, shared, etc.?

The following administrative functions are common to most, if not all, RRCs, and are typically handled by civil service and/or professional and administrative (P&A) staff:

Payroll
Finance, accounting, and grants management
Human resources
Student services, including admissions, recruiting, advising, and career services
Information technology support
External relations, including development and communications
Secretarial/clerical support

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Other administrative functions such as facilities, planning, and compliance are in most cases handled by faculty (e.g. associate deans). Our committee decided to focus on the seven functions listed above because these functions would appear to be the most likely possibilities for organizational change.

In order to assess the extent to which some of these administrative functions could "... be reduced, streamlined, [or] shared ...," we considered trying to develop administrative profiles of the academic units represented on our committee in an effort to compare different models for administrative services—regionalized, centralized, decentralized—and to provide benchmarks that could be used for assessing the efficiencies of these models.

Unfortunately, we eventually had to abandon this effort because we could not devise a consistent, automated way to obtain the necessary information. The data collection cannot be done using only job code information from PeopleSoft, because official job titles (e.g. "assistant to") typically do not convey the full range of a person's responsibilities.

3. Is there a "balanced score card" that should be used in evaluating programs (administrative or operational units)?

The committee developed several indicators in an attempt to measure the productivity and efficiency of academic units. While the relevance of these indicators will naturally vary with the mission of a unit, we believe they are useful to stimulate discussions about a unit's activities, revenue generation, and direction. Units that are outliers should be examined to see if there are ways to either increase revenue generation in education or research, or to be more efficient in the administration and implementation of their programs.

Indicators of productivity

Revenues (total excluding O&M) per tenure/tenure track ("T/TT") faculty member
Revenues (total excluding O&M) per faculty member (total faculty FTE)
Students per T/TT faculty member
Students per faculty member (total faculty FTE)
Degrees awarded per T/TT faculty member
Degrees awarded per faculty member (total faculty FTE)

In each case we used tenured and tenure track faculty members and total faculty members separately as the denominators because the T/TT faculty represent the core faculty who normally participate in all three missions (teaching, research, outreach), while the non-tenure track faculty are critical to some revenue-generating activities and need to be included in productivity measures. There is no simple way to determine which is more appropriate for each unit, but outliers with either denominator can be examined in more depth.

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There are, of course, other indicators of productivity and quality that need to be considered in evaluating units, such as national rankings for various disciplines and effectiveness in serving the needs of the state/nation for graduates in the areas the unit addresses, ability of graduates to get jobs, graduation rate, and student satisfaction. We suggest that the indicators we have chosen provide a first screen that may trigger a more in-depth examination that would then include the other indicators.

Indicators of efficiency

Non-sponsored expenditures per employee (primary indicator)
Total expenditures per employee

The matter of efficiency is more difficult to decide than that of productivity. After some discussion, we decided that the non-sponsored expenditure per employee is probably our best measure of the cost of doing business in a given unit. Under this measure more efficient units will have a lower expenditure of non-sponsored dollars per employee. We considered using total expenditures per employee as the primary indicator, but we felt that the sponsored dollars distort the indication of efficiency since different types of research require different numbers of employees to perform. There is admittedly a problem in including employees paid by sponsored dollars in the denominator without including the sponsored expenditures in the numerator. For this reason, both indicators are included. Again, in either case, there is no absolute target value; these indicators serve to identify outliers for further in-depth examination.

Data for both sets of indicators are given in the spreadsheet in Attachment C.

A cursory examination of the data for the indicators of productivity shows that, in general, the extremes in each category are not small units. For example, the units with the lowest revenues per T/TT faculty member and revenues per total faculty are the Agricultural Experiment Station (a small unit), the College of Agriculture, Food, and Environmental Science (COAFES), the College of Liberal Arts, and Nursing (also a small unit); the units with the highest values of these measures are Dentistry and Public Health. Student-related measures of productivity (number of students per faculty member and degrees granted per faculty member) are consistently low for COAFES, Veterinary Medicine, the Medical School, and Public Health, none of which has been identified as a small unit.

On the efficiency measure, the Agricultural Experiment Station (a small unit), the Carlson School of Management, and the Law School have the greatest non-sponsored expenditure per employee. At the other extreme, Public Health and COAFES are most efficient, i.e. they have the smallest expenditure per employee.

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The small units generally fall in the middle of the array of schools in all our measures. This suggests that productivity and efficiency are not necessarily size related but may be more related to the missions, activities, culture, and organization of a given unit. Additional analysis is required to support this tentative conclusion, however.

4. Is the level of state subsidy out of line with the productivity of the unit? How should we measure the subsidy of a unit? What are the criteria for determining whether the state subsidy is appropriate?

The committee believes that the productivity of a unit should be based on more than the unit's ability to leverage external funds with a given level of O&M funding. Rather, productivity should be based on a variety of factors, with financial measures reflecting a unit's all-funds budget and its ability to effectively support an appropriate level of programming with that budget. The indicators described in Question 3 were developed with this thought in mind. These indicators could be used throughout the compact and budgeting processes to make strategic judgments on the use of institutional and unit resources. The allocation of O&M revenues (or costs) is then not the defining element of productivity, but is one tool the university can use to manage its resources to achieve a desired level of productivity. The administration could, for example, choose to reallocate O&M funding or assign more direct costs to a unit as means of forcing it to become more efficient.

5. Is there duplication of functions or services that should be eliminated (e.g. courses or programs with insufficient differentiation)?

While it is unavoidable, and in certain instances desirable, to maintain redundancy in some services at an institution the size of the University of Minnesota, attempts should be made to identify and minimize occurrences of "mission creep."

A specific concern lies in the duplication of the curriculum. In part due to the geography of the institution—St. Paul Campus, East Bank and West Bank of the Minneapolis Campus—certain types of courses have been duplicated. An example of this duplication is with geographic information science/systems (GIS) classes. GIS courses, which started in the Department of Geography in the mid 1980s, are now taught in Forest Resources, Fisheries and Wildlife, and the Center for the Development of Technological Leadership (in the Infrastructure Systems Engineering program); a short course on GIS is offered in the Humphrey Institute. Although the topic can certainly be taught using different formats (for example, a theoretical vs. applied approach; an emphasis on natural resources vs. an emphasis on urban social problems), the need for multiple offerings of what appear to be essentially the same course is questionable.

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Similar duplication can be found with courses in the languages, economics, statistics, and research methodology. We believe that a university-level committee should be established to monitor and manage such duplication.

A related issue is that the number of courses submitted to, and accepted by, the Council on Liberal Education (CLE) has significantly increased since the conversion to semesters, whereas a decrease of approximately 30% would have been expected. Due to IMG and the need to maximize tuition-generation, many units are attempting to get courses approved for CLE requirements. A careful examination of this growth in terms of supply, demand, and the intrinsic goals of the Council should be initiated.

6. How should the question of efficiency and effectiveness of small departments embedded within larger units be addressed?

As mentioned under Question 1, the committee believes that this matter is the responsibility of the deans.

Politically, there is often a good justification for the existence of small academic programs. At the collegiate level, an example is the Humphrey Institute, where it is essential for a major research university in a large metropolitan area to maintain a program in public affairs and urban planning. At the department level, the College of Liberal Arts maintains important smaller units in African-American, Chicano, and American Indian Studies. Such smaller units often provide key linkages to important constituencies in the Twin Cities and the state of Minnesota, and add significantly to the university's diversity commitment.

7. Are there other sources of revenue that could or should be generated?

Public universities all face similar fiscal situations: flat or declining state support, rapidly rising tuition, growing private support, and an ever greater dependence on a variety of revenue streams. Each unit within the university has different capacities in each of these areas, and one trend has been toward a hybrid model of support, in which units whose markets allow them to charge higher tuition or that provide them greater private support or alternative forms of revenue have a declining dependence on state support. The key in making this hybrid model work is to provide adequate incentives for units to go in this direction, such as greater autonomy or flexibility, so that the reduction of state support does not become a disincentive for entrepreneurial growth in other areas.

In terms of new sources of revenue, demographic trends suggest one opportunity. Given the discretionary income and time of the "baby-boom" generation as it retires, combined with the coming decline in the number of traditional students, the university could encourage every unit to offer continuing education classes and to accommodate older students in its courses.

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Technology offers another opportunity, in allowing us to provide distance-learning options for those wanting to take university courses.

In addition to those new revenues through teaching, research can provide new revenue streams as well. The licensing of intellectual property developed at the university, already occurring, allows for on-going revenue streams, as do possible equity stakes in start-up companies developed from this research.

Revenue from community work offers a third area of income growth. Fee-for-service has become increasingly common in university outreach activities, and a more uniform way of calculating this would aid different units as they seek to recoup some of the costs of community work. Also, the development of university-owned land, with the institution retaining ownership while offering land leases, can provide on-going revenue streams as values increase.

Attachments:

- A. Charge to the committee
- B. Academic Resource Responsibility Centers with data on expenditures, FYE students, etc.
- C. Efficiency and Productivity Ratios — by Academic RRC

Small College Task Force Report – March 15, 2006

FY03 DATA (sort by column 5) Efficiency??	Generated Revenues		FY03 T/TT Faculty	Generated Revenues per T/TT faculty	Total Revenues per T/TT faculty	other faculty	total faculty	Generated Revenues per total faculty	FY03 Total Expenditures	Total Non-sponsored expenditures	Total employees	Total exp. per employee	NS exp per employee
	(FY03 sponsored+ FY03 other NS; no Q&M)	Total Revenues (including FY03 Q&M)											
Carlson School of Management	\$ 50,065,000	59,465,000	107.0	\$ 467,897	\$ 555,748	2.5	109.5	\$ 457,215	56,092,178	\$ 54,861,792	344.6	\$ 162,775	\$ 159,204
Law School	\$ 19,647,000	23,747,000	37.0	\$ 531,000	\$ 641,811	7.8	44.8	\$ 438,549	22,654,583	\$ 22,314,217	149.2	\$ 161,840	\$ 149,559
College of Pharmacy	\$ 18,211,000	22,211,000	39.0	\$ 466,949	\$ 569,513	11.8	50.8	\$ 358,484	20,111,322	\$ 16,358,325	129.7	\$ 156,060	\$ 126,124
Institute of Technology	\$ 108,628,000	151,628,000	357.5	\$ 303,855	\$ 424,134	45.5	403.0	\$ 269,548	194,606,854	\$ 117,769,953	961.9	\$ 292,315	\$ 122,436
College of Liberal Arts	\$ 108,349,000	140,949,000	472.9	\$ 229,116	\$ 298,052	48.3	521.2	\$ 207,884	139,709,902	\$ 126,213,454	1196.4	\$ 116,776	\$ 105,494
College of Continuing Education	\$ -	0	0.0	#DIV/0!	#DIV/0!	4.9	4.9	\$ -	25,086,966	\$ 24,579,948	250.7	\$ 100,068	\$ 98,045
Humphrey Institute of Public Affairs	\$ 10,243,000	12,143,000	18.0	\$ 569,066	\$ 674,611	1.7	19.7	\$ 519,949	16,217,859	\$ 9,073,736	94.1	\$ 172,347	\$ 96,427
College of Veterinary Medicine	\$ 40,079,000	50,279,000	70.7	\$ 566,888	\$ 711,160	17.8	68.5	\$ 452,870	49,656,577	\$ 42,620,506	446.6	\$ 111,188	\$ 95,433
School of Dentistry	\$ 39,742,000	50,142,000	55.5	\$ 716,072	\$ 903,459	43.8	99.3	\$ 400,222	41,944,580	\$ 35,583,878	376.1	\$ 111,526	\$ 94,613
College of Architecture/Landscape Architecture	\$ 9,313,000	12,113,000	20.8	\$ 447,740	\$ 582,356	17.5	38.3	\$ 243,159	10,771,026	\$ 9,628,687	104.3	\$ 103,270	\$ 92,317
College of Biological Sciences	\$ 23,985,000	33,985,000	75.8	\$ 315,106	\$ 448,351	6.9	82.7	\$ 288,815	38,992,984	\$ 22,988,322	257	\$ 151,724	\$ 89,449
Duluth School of Medicine	\$ -	0	35.0	\$ -	\$ -	3.3	38.3	\$ -	13,064,151	\$ 9,333,975	107.4	\$ 121,640	\$ 86,909
General College	\$ 8,789,000	11,089,000	34.0	\$ 298,900	\$ 326,147	1.0	35.0	\$ 251,114	12,210,391	\$ 11,010,745	127.7	\$ 95,618	\$ 86,224
Medical School	\$ 286,507,000	318,107,000	426.6	\$ 671,606	\$ 745,680	268.9	685.5	\$ 417,953	339,856,323	\$ 190,353,811	2220.1	\$ 153,062	\$ 86,741
College of Education and Human Development	\$ 41,585,000	51,485,000	111.6	\$ 372,625	\$ 461,335	3.0	114.6	\$ 362,871	60,120,179	\$ 37,013,348	490.2	\$ 122,644	\$ 76,507
MN Extension Service	\$ -	0	1.0	\$ -	\$ -	2.0	3.0	\$ -	47,415,504	\$ 41,356,783	565.3	\$ 83,377	\$ 73,159
School of Nursing	\$ 7,754,000	11,054,000	38.0	\$ 204,053	\$ 290,895	3.4	41.4	\$ 187,295	11,339,120	\$ 8,065,209	117.3	\$ 96,668	\$ 68,757
College of Human Ecology	\$ 14,681,000	18,181,000	66.0	\$ 222,439	\$ 275,470	3.3	69.3	\$ 211,847	18,884,563	\$ 12,863,570	227	\$ 83,192	\$ 66,668
College of Natural Resources	\$ 8,568,000	11,168,000	35.0	\$ 244,800	\$ 319,086	1.4	36.4	\$ 235,385	14,799,060	\$ 8,091,094	145.1	\$ 101,592	\$ 55,762
College of Agricultural, Food & Env. Sciences	\$ 33,885,000	39,685,000	189.5	\$ 178,813	\$ 209,420	4.2	193.7	\$ 174,936	46,238,044	\$ 29,549,970	715.8	\$ 64,596	\$ 41,282
School of Public Health	\$ 81,779,000	88,879,000	71.0	\$ 1,151,817	\$ 1,223,648	25.9	96.9	\$ 843,953	85,835,655	\$ 18,046,915	591.4	\$ 146,140	\$ 30,516

Small College Task Force Report – March 15, 2006

Efficiency and Productivity Ratios - by Academic RRC
(units in scope of the project)

	A	B	C	D	E	F	G	H
Academic Units (in scope)	Total Expenditures per FTE	Total Non-sponsored Expenditures per FTE	"Generated Revenue" per T/TT Faculty	"Generated Revenue" per Total Faculty	FYE Students per T/TT Faculty	FYE Students per Total Faculty	Degrees Granted per T/TT Faculty	Degrees Granted per Total Faculty
1 Academic Health Center Shared	180,900	138,270	-	-	-	-	-	-
2 Agricultural Experiment Station	296,268	290,817	225,516	179,086	-	-	-	-
3 Carlson School of Management	182,775	159,204	462,133	451,582	32.56	31.82	8.96	8.76
4 College of Agricultural, Food & Env. Science	64,596	41,282	276,351	213,616	7.25	7.09	1.54	1.50
5 College of Architecture/Landscape Architect	103,270	92,317	354,896	192,737	40.10	21.78	6.68	3.63
6 College of Biological Sciences	151,724	89,449	397,567	364,396	19.95	18.28	4.18	3.83
7 College of Continuing Education	100,068	98,045	-	-	-	-	-	-
8 College of Education and Human Developm	122,644	75,507	483,338	470,685	33.23	32.36	9.32	9.08
9 College of Human Ecology	83,192	56,668	234,607	223,435	14.91	14.20	5.36	5.11
10 College of Liberal Arts	116,775	105,494	233,355	211,730	32.07	29.10	5.80	5.26
11 College of Natural Resources	101,992	55,762	354,255	340,630	9.74	9.37	4.00	3.85
12 College of Pharmacy	155,060	126,124	419,550	322,095	17.13	13.15	2.90	2.22
13 College of Veterinary Medicine	111,188	95,433	582,016	464,956	9.28	7.41	1.34	1.07
14 Duluth School of Medicine	121,640	86,909	204,759	187,117	8.00	7.31	-	-
15 General College	95,618	86,224	286,954	278,755	29.41	28.57	-	-
16 Humphrey Institute of Public Affairs	172,347	96,427	798,523	729,615	17.67	16.14	6.11	5.58
17 Institute of Technology	202,315	122,435	423,655	375,823	21.28	18.88	3.93	3.48
18 Law School	151,840	149,559	516,325	426,429	20.62	17.03	6.22	5.13
19 Medical School	153,082	85,741	703,515	437,811	8.23	5.12	0.83	0.52
20 MN Extension Service	83,877	73,159	-	-	-	-	-	-
21 School of Dentistry	111,525	94,613	584,971	326,948	14.58	8.19	2.88	1.98
22 School of Nursing	96,668	68,757	226,247	207,666	12.50	11.47	4.63	4.25
23 School of Public Health	145,140	30,516	1,217,070	691,764	9.62	7.05	1.52	1.11

27 A = Total sponsored plus non-sponsored expenditures excluding IRS payments and ISO funds. FTE data excludes student employees and is run on the 9th payroll of FY03.
 B = Same as A, but excludes sponsored expenditures.
 C = Total revenues excluding state and federal appropriations. Sponsored revenues equal sponsored expenditures for FY03. T/TT faculty is an FTE number from the 9th payroll of FY03.
 D = Same as C, but includes faculty coded as "other". Professional employees are not included.
 E = FYE students are for the year ended June 30, 2003
 F = Same as E for FYE students and D for Total Faculty.
 G and H = Degrees granted from the Office of Institutional Research and Reporting web site. Faculty same as C and D.

Five least efficient or productive are shaded in each column (excluding Duluth School of Medicine)
 Units previously defined as "small" - HHH, Nursing, Ag. Experiment Station, Natural Resources, Pharmacy, General College

9/21/2005
 Data from Julie Tonneson
 Office of Budget and Finance

Appendix C

**Task Force On Small Colleges
Meetings & Consultations**

Meeting Schedule 2005-2006

September 26, 2005

October 4, 2005

October 18, 2005

October 25, 2005

November 1, 2005

November 15, 2005

November 21, 2005

November 29, 2005

December 13, 2005

December 20, 2005

December 27, 2005

January 10, 2006

January 24, 2006

January 31, 2006

February 7, 2006

**Task Force on Small Colleges
Consultations**

October 24, 2005	Dean Jeffrey S. Klausner	Veterinary Medicine
October 27, 2005	Dean J.B. Atwood	Humphrey Institute of Public Affairs
November 3, 2005	Dean John Finnegan	Public Health
November 3, 2005	Dean Connie Delaney	Nursing
November 4, 2005	Kathy O'Brien	University Services
November 7, 2005	Dean Alex Johnson	Law School
November 7, 2005	Dean Mike Houston	Carlson School of Management
November 8, 2005	Wendy Lane	HHH HR Director
November 9, 2005	Dean Thomas Fisher	Architecture and Landscape Architecture
November 9, 2005	Dean Marilyn Speedie	Pharmacy
November 15, 2005	Tom Scott	CURA
November 18, 2005	Council of Academic and Professional Administrators	
December 1, 2005	Directors of Information Technology, Human Resources And Finance from small colleges and Carlson School of Management	
December 8, 2005	Directors of Information Technology, Human Resources And Finance from small colleges and Carlson School of Management	
December 15, 2005	Civil Service Committee	

Appendix D

Themes from task force interviews with deans of

- **Architecture and Landscape Architecture**
- **Carlson School of Management**
- **Humphrey**
- **Law**
- **Nursing**
- **Pharmacy**
- **Public Health**
- **Veterinary Medicine**

Small colleges are not inherently inefficient. Neither big nor small is inherently more efficient or effective.

- Small colleges tend to centralize many services within the college (rather than distributing services out to each department, as is the case in many of the larger colleges). Internal restructuring within a college may create greater efficiencies than sharing across colleges.
- Smaller organizations may be better able than larger organizations to align resources with academic goals. Smaller units may be more nimble and able to respond more quickly.
- Small colleges may be geographically dispersed, with activities in several locations. Centralized systems like EGMS, Peoplesoft, Forms Nirvana, and electronic calendaring have helped with efficiency in this regard. The problems created by geographic dispersion are not limited to large or small colleges.
- Sharing among colleges is already occurring in many arenas--for example, joint degrees and joint centers.
- “Small” and “large” are quantitative measures--not measures of prestige, stature, complexity, centrality, excellence, or critical role within the state.

Focus on effectiveness of service, not just on cost savings and efficiencies.

- Savings vs. efficiencies – focus on efficiencies first and if they result in savings, that’s great.
- As central has cut, responsibilities have been pushed down to colleges. We need to examine what level of decentralization is the most effective for each of those responsibilities.
- The U of M has conflicting desires for pre-eminence and cost reduction.

Faculty want support so they can focus their efforts on research, teaching, and outreach.

- Our goal is to be in the top three. How do we determine what levels of support services are necessary to allow us to get there?
- Investment per faculty member for administrative support is higher at many other universities. Staff and support services here are lean. The faculty want more and better administrative support.
- Organizationally, we are conservative and slow to react while we try to be cutting edge at research. Cutting edge *support of faculty* is also needed to facilitate those breakthroughs.
- We will need *content* breakthroughs to achieve top 3 status. To get to top three status, we need big leaps, not small incremental steps.
- *Collaboration* will be the way in which we achieve top three status. We can't buy our way to the top, but we could collaborate our way into the top.
- We need to be visionary and forward-thinking in how we support research. Effective support of research activities must be individualized, must eliminate barriers to obtaining funding, and must use the best technology.
- Faculty are highly trained specialists; the best use of their time and energies is not for them to be their own support staff.

Shared services and functions have inherent benefits as well as drawbacks; there are many factors to consider.

- Geographic proximity could foster sharing. But, geographic proximity is only one factor. Take into account significant differences in mission, culture, and practices from college to college. Respect the differences between the professional schools and the more traditional academic disciplines.
- Respect existing processes, but understand that a thorough analysis of business processes will be needed if you are planning to share processes. Common standards and processes are a necessary precondition to shared services.
- Reporting lines and expectations must be clarified and updated frequently for the people in shared positions. People in those shared positions tend to want to move to working 100% for one unit; this natural tendency evolves as the workload grows.
- A service orientation is paramount to effective services (whether shared or not shared). Shared services work well if the leader of the group is a great service provider; shared services do not work if the person in charge lacks emotional intelligence. The leader has to manage the service group well and know who the customer is.
- Shared services would have to add value before deans would embrace them. Provide incentives for cooperation; share best practices, look for mutual benefits. Sharing should enable colleges to do things together they couldn't do separately.
- Distinguish between management, management tools, and administrative services. Items critical to the *essence* of the college can't be shared (e.g., development and communications *substance*) but the underlying structures and tools that support those items (e.g., database structures and www page development) could be shared.

Some possible areas for further exploration of shared services.

- “Back Office” areas might lend themselves to sharing: e.g., finance, human resources, information technology, www support, facilities, events setup, space programming, conferences, continuing education.
- Small units are eager to have the expertise and services of someone who would provide high level analytical skills, focusing on data analysis and reporting needs. They don’t need this specialized service all the time, but they need access to it. There is a lot of data at this institution, but not in the form of useful, digested information for management decision making purposes. Deans and other college leaders often do “management by intuition” versus making decisions based on solid data and analysis.
- Could we do shared RFPs for common services such as printing, photography, conference planning?

Clarify the roles and responsibilities for various “layers” (central, AHC, colleges, departments).

- “Spreading academic freedom into *all phases* of academic life has created inefficiencies.” Some standardization is needed (e.g., on computer platforms).
- What businesses should the U simply get out of, because the private sector can do it better?
- Are we expecting the org chart to be too tidy – instead of a hierarchy, how about a web of connections for various services?
- Some services clearly need to be managed centrally—e.g., IRB, conflict of interest, some compliance roles.
- Review and clarify areas where responsibilities are shared between a central unit and the colleges: e.g., Graduate School, communications, information technology, “things international”?

Human resources and staffing issues are critical to developing effective service levels.

- Small colleges are vulnerable when staff turn over; it’s difficult to hire skilled people quickly enough. We would like a pool of temps, brokering of shared staff, temporary coverage for vacancies. “Floaters” who have appropriate training would be ideal. Can we create pods of trained people, especially for backup purposes?
- We need to define what service levels and what performance levels are appropriate. Some units don’t know how to measure good service, good performance, because they have little basis for comparison. We should develop competencies, select for these competencies, and hold people accountable.
- We need to develop benchmarks for various kinds of support--e.g., how many IT staff? Development staff? Accountants? Student advisors? At what levels?
- HR needs to be more professionalized across the U. Advances have been made, but more is needed. HR support levels vary across the U.
- Deans need professional advice on structural issues and on how to organize offices and analyze business processes.

- Development of supervisors is critical. Screening for deans, department heads, and supervisors at all levels needs to take into account emotional intelligence and leadership capabilities. Behavioral competencies are essential, not optional.
- The number of skilled P & A and higher-level civil service staff is growing. The unskilled and lower skilled categories are shrinking. Today, we are seeking staff with multiple skills, with the ability to change and respond.

Deans want input into the costs of services, and the level and quality of services, regardless of who provides the services.

- Don't allow shared services to put deans in role of UN Secretary General (having all the responsibility but no authority). Require accountability and give deans authority. Define clearly who the customer is and how customers can evaluate services.
- Concerns about the new internal budget model: Under the new budget model, colleges will see the charges for various services, and the deans will want meaningful input into the level and quality of services. Will the new budget model drive accountability? Under the internal budget model central services are "a company store." Will it allow units to opt out in future years if services are not appropriate? The budget model implies more autonomy for colleges. Does the shared services concept work at cross purposes to that model? Under the internal budget model central services are "a company store." New budget model will motivate colleges to look at costs and how to share services (provided colleges get to keep the margin).

More sharing of information, concerns, and best practices.

- Recommend deans of similarly-situated units get together in small groups more frequently. Frequent interaction among AHC deans is an important example of how this can work.
- Also recommend the same thing for IT, HR, Finance, and Student Services staff in similarly situated colleges.
- Develop more occasions for conversations with reasonably sized groups of people to share ideas, raise concerns, and collaborate to solve common problems.
- These issues are not just about small colleges, but about a broader, system-wide critique.
- We need mechanisms to surface common problems and concerns, and ways to get them to the right people who can actually do something about them.

Appendix E

Themes emerging from

- **group interviews with Directors of HR, IT, and Finance in the seven colleges**
- **meeting with CAPA (Council of Academic Professionals & Administrators)**
- **meeting with Civil Service Committee**

Investing in staff is key to the University achieving its goals.

- Build values expectations into applicant interviews for support positions – emphasize the University and the college’s values for diversity, accountability, and customer service.
- Training for staff and administrators at the U of M needs to emphasize customer service. We train for compliance but we don’t train for customer service.
- Staff development is key. Ideally, we would be developing our own staff to be ready to move into higher level leadership roles. Currently, we compete among ourselves for the best individuals in areas such as information technology, finance, and HR.
- Maintain equity and fairness for staff across the University, by developing measurable competencies and rewarding staff for achieving those competencies. The quality of staff and the expectations of staff can vary greatly from unit to unit. A good training program for all supervisors -- including PIs, department heads and deans, as well as civil service and P/A staff – would improve morale and increase productivity and accountability.
- Offer more support and attention to the HR area; we are below the industry standard of HR professionals per employee. Provide more and better central HR services--for example, pre-screening interviews of applicants and more timely referrals of strong applicants for positions.
- Promote staff moving across units. We recognize and celebrate staff longevity, but we don’t explicitly reward staff growth and development. Move employees around through job swaps or rotations. Local unit staff could rotate in and out of central positions, and staff in non-academic units could swap with staff in academic units. Staff would learn more (including finding out what is idiosyncratic to a college and what is not) and would also build their professional networks. Don’t create “pools” of people doing routine work with little connection to the goals of the organization and limited career paths.
- Centralizing and/or sharing some services could help develop career ladders. The ladder might go from college staff, to shared service staff between colleges, to central, or some other combination of the three.
- Develop and support a group of well trained employees who can be called upon to fill in when a unit has an unexpected departure or an employee is pulled away for a emergency. A “pool” of newly hired and trained accounting staff, for example, could be deployed to help out in various units. Particularly in smaller units, employee turnover and absences create difficulties.

Sharing across colleges could work for some aspects of certain services, but it could also be problematic. There are many considerations to keep in mind regarding shared services.

- Share services for the right reasons – to provide better services, not just to cut costs.
- Recognize the cultural differences among colleges. Also recognize that staff want to maintain loyalty to a reasonably-sized entity and to feel part of a moderately-sized group. It's hard to build affinity with an oversized group of people who are scattered in various locations.
- Internal reorganization within a small college may produce more efficiencies than would sharing across small colleges.
- Infrastructure support activities can be shared, but not decision making and prioritization. Innovation often happens at the collegiate level.
- The U of M has recently taken so many cuts in the budgets for services that there are limited opportunities for achieving efficiency. Implementing sharing of services carries a cost. How will that cost be addressed?
- Clearly define a standard level of services. "Cadillac vs. Kia." How do we manage expectations for sharing of services when we have differential standards across units?
- When new programs, initiatives, centers, and projects are created, the responsible administrators should take the time to ascertain and fully fund the associated administrative costs; the assumption in the past has been that the infrastructure needs could be simply absorbed by another area or would somehow fund themselves later. We often start things on a shoestring, hope for success, and ignore the added administrative burden.
- In addition to sharing services, share expertise and information. Provide accessible experts in certain areas. One win/win area for small colleges where better service could be provided is in data collection and analysis.
- A lot of sharing is already happening through informal networks and arrangements; the U would grind to a halt without these informal networks. How can we further encourage and support networking?
- Process documentation allows best processes to be shared. It takes time and effort, but has long-term payoffs. Our current lean level of staffing doesn't allow for the time to step back and review processes and think about improvements; instead, we can get bogged down with the volume of day-to-day business.
- Look at existing successful examples of shared administrative services at the University. For example, the Medical School has a number of administrative service centers serving departments.

Service levels could be improved by addressing system-wide central issues, and those improvements could also help to facilitate effective sharing of services.

- Standardization allows for commonality that can be a platform on which to build effective sharing.
- Budget cuts to central services have sapped central services and created the need for those services to be provided at the college level. Pushing work out to units may actually create higher costs – for example, the recent course scheduling decentralization.

- Develop and enforce common standards and services. We frequently reinvent the wheel at the local level simply to get a job done. Ideas: develop one common central calendaring system; integrate E-mail systems, simplify and clearly define the pay code options in PeopleSoft; establish common deadlines and processes for all pay increases to be implemented; simplify the different job classifications and standardize personnel rules and systems.
- Foster better communication and two-way exchange of information between central services and academic units. For example, how do we share knowledge and best practices, especially in finance where there are many changes going on right now in terms of the internal budget model and the changes to the new PeopleSoft financial system?
- OIT has extensive, well-written on line policies. However, these policies don't always have real consequences. Disciplinary action may be needed, for example, for those who violate data security policies. Clarify what is the real day-to-day practice in action versus the written policy. If we don't enforce a policy, why do we have it?
- Develop a unified, University-wide policy manual and accompanying how-to guide. Several component parts are already in place, including HR Pros and HR Aces and material on the web in the Finance area, but knowledge of these components is not as widely shared as it should be and the parts are not integrated into a U-wide whole.
- Require policies to be readable and easily searchable on line. Update or remove outdated or poorly conceived policies. Review policies that are not enforced. Minimize the relocating and relearning of infrequently used policies and information.

Appendix F Themes from audit reports for seven small colleges

Audit reports for the seven colleges listed below were reviewed by a subcommittee of the task force (Suzanne Bardouche and Jill Merriam):

School of Nursing, Audit Report, November 2005
College of Veterinary Medicine, Audit Report, March 2005
College of Architecture and Landscape Architecture, Audit Report, April 2004
School of Public Health, Audit Report, January 2004
HHH Institute, Audit Report, September 2003
College of Natural Resources, Audit Report, August 2001
College of Pharmacy, Audit Report, May 2001

Audit findings for each of these units assessed the adequacy and effectiveness of the financial controls within that unit, and provided specific recommendations for areas where financial controls could be improved. Internal audits uses the following rating system to convey the relative importance of each recommendation:

Essential: Resolution would help avoid a *potentially critical negative impact* involving loss of material assets, reputation, critical financial information, or ability to comply with the most important laws, policies, or procedures.

Significant: Resolution would help avoid a *potentially significant negative impact* on the unit's assets, financial information, or ability to comply with important laws, policies, or procedures.

Useful: Resolution would *help improve controls and avoid problems* in the unit's operations. These issues are often handled verbally with the unit audited.

In response to an audit, each college must outline its plans for addressing all essential and significant audit issues.

Although the audit findings were specific to the circumstances within a particular college at the time of the audit, the following areas contained *essential* and/or *significant* concerns across most, if not all, of the seven colleges:

- **Accounts receivable**, including timeliness of processing, completeness of records, consistency of processing, account collection processes, contracts for professional services, accurate annual reporting of receivables.
- **Sponsored projects management**, including expense allowability, effort certification, timeliness of transaction processing, indirect cost recovery, compliance with HIPPA and data security, grant progress reports, subject payments, cost sharing, controlled substances

and chemical disposal, contracts and subcontracts, closeout of awards, compliance with federal regulations, chemical safety and hazardous materials, policy compliance.

- **External sales**, including adequacy of documentation, contracts, timeliness, compliance with policy.
- **Cash receipting**, including timeliness, compliance with policy, gift receipting for donated funds, separation of duties.
- **Separation of duties**, to ensure adequate financial controls, including the need for cross-training, clarity of organizational structure, and appropriate delegations of authority within the college.

Although these issues are not unique to large or small units, the smaller number of staff in a smaller unit (whether an academic or a non-academic unit) can heighten the financial management challenges, particularly in these areas:

- staying current with complex and changing policies and regulations,
- maintaining timeliness of transactions,
- ensuring separation of duties,
- providing adequate oversight for financial transactions,
- maintaining competency in areas of low volume, but high risk,
- ensuring regulatory compliance.

Strategies that have helped to meet these challenges include

- cross-training of staff
- clear delegations of authority
- well defined service standards and expectations
- open communication
- promoting sharing of expertise and information
- centralizing certain functions within a college
- purchasing time from an “expert” in areas of that are low volume but high impact (e.g., environmental health and safety expertise for a lab) for that college.

Appendix G

Collegiate Areas of Responsibility

Generic (Standardized/Common Processes) Specific (Collegiate specific)

Area of Responsibility	Function/Service is Generic Across Units—Delivery of Service Varies	Function/Service is Similar Across Units (Colleges) – Somewhat dependent on Collegiate and Academic Mission	Function/Service Dependent on Collegiate and Academic Mission –
	General U-wide policies, processes and timelines	Collegiate policies, processes and timelines; management	Decision Making
Alumni Relations			
<ul style="list-style-type: none"> - Maintaining relationships between alumni and the college - Tracking alumni 			
Clinical Practice			
<ul style="list-style-type: none"> - Contract for services or shared revenue - Develop a delivery system - Finance - Inventory - Marketing/Advertising - Physical Plant 			
Collegiate Governance			
<ul style="list-style-type: none"> - By-Laws - Constitution - Exec Group or Sr. Mgmt - Representatives on advisory cmtes (FCC, etc.) - Voting Bodies 			
Data Collection and Analysis			

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<ul style="list-style-type: none"> - As requested by central - For management information needed to make informed decisions - In response to external surveys and other queries - To compare your standing relative to other peer programs around the country 			
<p>Equipment</p> <ul style="list-style-type: none"> - Inventory - Long-term planning - Research Equipment 			
<p>Event Planning</p> <p>Facilities</p> <ul style="list-style-type: none"> - Maintenance - Remodeling - Security (physical) - Special facilities (labs, slide library, etc.) 			
<p>Faculty HR</p> <ul style="list-style-type: none"> - Nominations for U-wide awards - Faculty Development, leaves, sabbaticals - Phased retirements, terminal leaves - Promotion and tenure - Post-tenure review - Recruitment and hiring - Annual reviews and merit salary determinations - Diversity initiatives - Disability - Discipline/Grievance actions 			
<p>Fundraising/Development</p> <ul style="list-style-type: none"> - Cultivating donors - Gift receiving - Liaison to UMF/MMF - Seeking new funding sources - Stewardship of existing funds and donors 			

<p>General Executive Functions</p> <ul style="list-style-type: none"> - Chief Executive Officer - Chief Operating Officer - Chief Financial Officer 			
<p>Grants Development, Administration and Support</p> <ul style="list-style-type: none"> - Grant application support - Identify funding sources - Pre-award - Post-award - <p>Outreach/Connection to the Profession & the Public</p> <ul style="list-style-type: none"> - External relations - Annual reports - Communications - Media liaison - www presence - newsletters, etc. - liaison to U of M central external relations 			
<p>Overall Planning</p> <ul style="list-style-type: none"> - Annual Compact Process - Multi-year plans for initiatives - New Programs - Strategic Planning - Tuition rates, fees, other revenue plans 			
<p>Payroll</p> <ul style="list-style-type: none"> - Appointments (new hires) - Appointment changes (resignations, promotions, pay changes, etc.) - Monitoring and implementing payroll - Payroll changes (change in funds used to pay people) 			
<p>PhD Program, Curriculum, Advising, Instruction, Placement</p>			

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<ul style="list-style-type: none"> - Admissions policies and processes - Class scheduling - Curriculum development - DGS's - Degree requirements - Graduation ceremony planning - Graduation clearance - Instruction/Learning Development - International programs - Internships - Liaison to Grad School - Promotion/Advertising - Represent college on Registrar's Advisory Cmte - Represent college on relevant Review Council - Student Placement (relations with employers, career advising and placement services) 			
<p>Post-Undergraduate Curriculum, Advising, Instruction, Placement</p> <ul style="list-style-type: none"> - Admissions policies and processes - Class scheduling - Curriculum development - DGS's - Degree requirements - Graduation clearance - Graduation ceremony planning - Instruction/Learning Development - International programs - Internships - Liaison to Grad School - Promotion/Advertising - Represent college on Registrar's Advisory Cmte - Represent college on relevant Review Council 			
<p>Professional Development Ed</p> <ul style="list-style-type: none"> - Marketing - Staffing and logistics 			

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<ul style="list-style-type: none"> - CEU credits 				
<p>Research and Scholarship</p> <ul style="list-style-type: none"> - Compliance issues - Developing research opportunities - Intellectual property, patents, and copyrights - Mentoring junior faculty research careers - Represent college on Council of Research Deans 				
<p>Resource Management</p> <ul style="list-style-type: none"> - Accounting (tracking revenues and expenditures) - Budget and planning - Contracts Management - Cash Management - Documentation (record keeping) - Monitoring and oversight - Sponsored projects management - Purchasing - Travel 				
<p>Space</p> <ul style="list-style-type: none"> - Central space inventory - Classroom management - Space assignments 				
<p>Staff HR</p> <ul style="list-style-type: none"> - Annual reviews - Discipline/Grievance actions - Diversity Initiatives - Labor relations - Leadership development - Liaison with central HR - Recruitment and hiring - Staff development and training - Staff awards - Supervisions and overall collegiate policies for staff - Vac/SL/Disability 				
<p>Technology</p> <ul style="list-style-type: none"> - Application development and 				

<p>support</p> <ul style="list-style-type: none"> - Faculty/Staff support - Laptop Requirement support (if any) - Research computing support - Security (data security) - Servers and networks - Student Technology Support - Student Help Desk - Technology Enhanced Learning - Technology used in teaching (Classroom technology support) 			
<p>Undergraduate Program Curriculum, Advising, Instruction, Placement</p> <ul style="list-style-type: none"> - Admissions policies and processes - Class scheduling - Curriculum development - DUGS - Degree requirements - Graduation clearance - Graduation ceremony planning - Instructional/Learning Development - International Programs - Promotion/Advertising - Represent college on Council of Undergrad Deans - Represent college on Registrar's Advisory Cmte - Student Placement (relations with employers, career advising and placement services) 			

Appendix I

Shared Services Models – Introduction

The attached four organizational charts are examples of how a shared services department or cluster might be structured. For purposes of illustration, the functions identified with FINANCE have been portrayed. The models are meant to be applicable to other functional areas as well—such as human resources, information technology, student services, facilities management and communications.

All models have the potential for increases in staffing flexibility, team-building, professional development, sharing of expertise, and cross-training of staff. Although the models use two colleges as the entities, the models could be expanded to more than two colleges, and could apply to departments within a college as well.

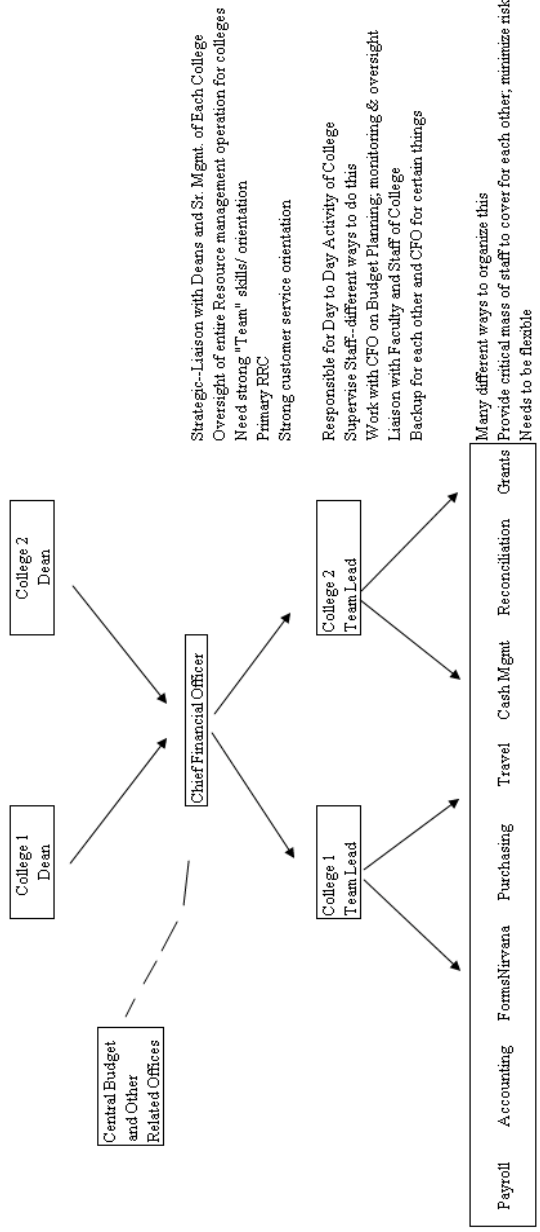
The models are intended to show what the responsibility is at each level of the organization and if shared services are going to be successful there needs to be a connection with the appropriate central administrative and other related offices. Another purpose of the models is to show that one size does not have to fit all and that shared services can be accomplished under different collegiate or departmental management structures.

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Model for Resource Management - A

One Director reporting directly to two Deans

(Could use similar model for IT, HR or other areas)



Strategic--Liaison with Deans and Sr. Mgmt. of Each College
 Oversight of entire Resource management operation for colleges
 Need strong "Team" skills/ orientation
 Primary RRC
 Strong customer service orientation

Responsible for Day to Day Activity of College
 Supervise Staff--different ways to do this
 Work with CFO on Budget Planning, monitoring & oversight
 Liaison with Faculty and Staff of College
 Backup for each other and CFO for certain things

Many different ways to organize this
 Provide critical mass of staff to cover for each other, minimize risk
 Needs to be flexible
 Cross trained

Strengths

Central offices would interact with one director on behalf of two colleges. Would reduce the number of questions and interactions from various colleges on the same topics.
 Could enable colleges to hire a more highly-skilled and experienced person in the director role.
 Directorship could be a promotional opportunity for certain individuals; more career paths could be identified, as the mid-level positions are used to groom future directors.
 Provides director with a broader scope of responsibility.

Weaknesses

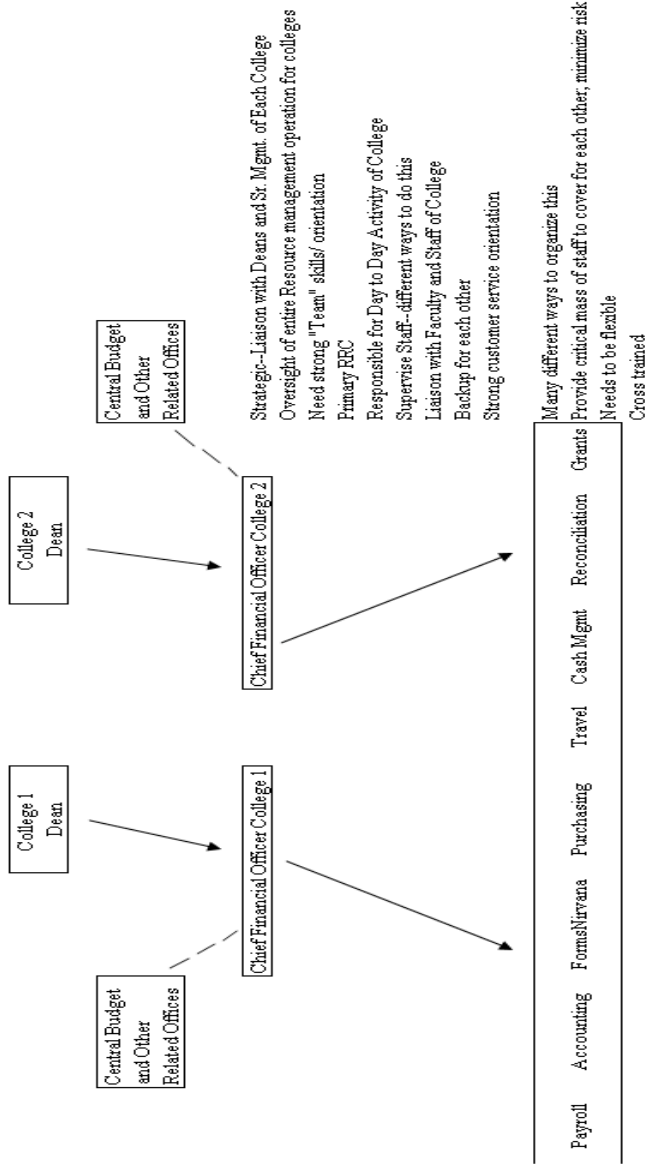
Deans would lose the full attention of a director whose time is dedicated to one college.
 Time conflicts and loyalty issues for the director.
 Deans may wish to select directors partly based upon the director's ability to complement the deans style or to offset areas the dean is weak in or not as interested in. Stylistic variations among leadership in deans could pose problems.

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Model for Resource Management - B

Two Directors reporting to one Dean each

(Could use similar model for IT, HR or other areas)



Strategic-Liaison with Deans and Sr. Mgmt. of Each College
 Oversight of entire Resource management operation for colleges
 Need strong "Team" skills/ orientation
 Primary RRC
 Responsible for Day to Day Activity of College
 Supervise Staff--different ways to do this
 Liaison with Faculty and Staff of College
 Backup for each other
 Strong customer service orientation

Many different ways to organize this
 Provide critical mass of staff to cover for each other, minimize risk
 Needs to be flexible
 Cross trained

Strengths

Director is more involved in managing day-to-day activities of the college and therefore knows exactly what is happening.

Weaknesses

Director is more involved in managing day-to-day activities of the college therefore being pulled into daily tasks and not having time to work on long-term priorities and strategy.

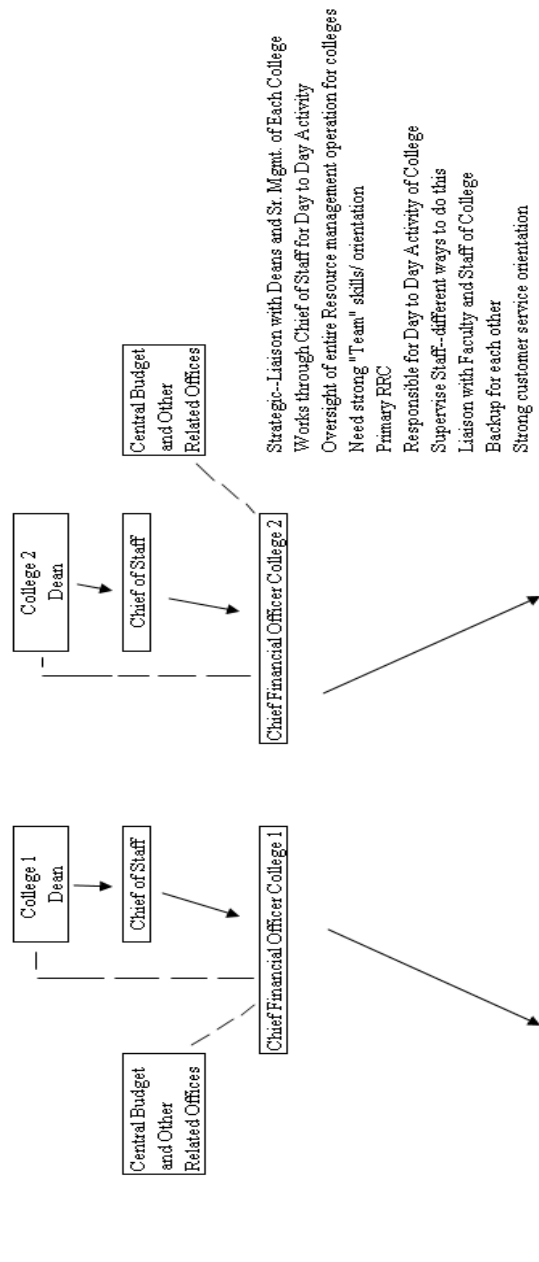
Fewer promotional opportunities at mid-level since the positions are divided into "worker bees" and "director".

Two directors managing one area would require significant coordination.

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Model for Resource Management - C

Two Directors reporting directly to Chief of Staff (or Assoc Dean)
 (Could use similar model for IT, HR or other areas)



Strategic--Liaison with Deans and Sr. Mgmt. of Each College
 Works through Chief of Staff for Day to Day Activity
 Oversight of entire Resource management operation for colleges
 Need strong "Team" skills/ orientation
 Primary REC
 Responsible for Day to Day Activity of College
 Supervise Staff--different ways to do this
 Liaison with Faculty and Staff of College
 Backup for each other
 Strong customer service orientation

Many different ways to organize this
 Provide critical mass of staff to cover for each other, minimize risk
 Needs to be flexible
 Cross trained

Strengths

Strong chief of staff could relieve dean of day-to-day matters and coordinate the work of directors of various responsibility areas.

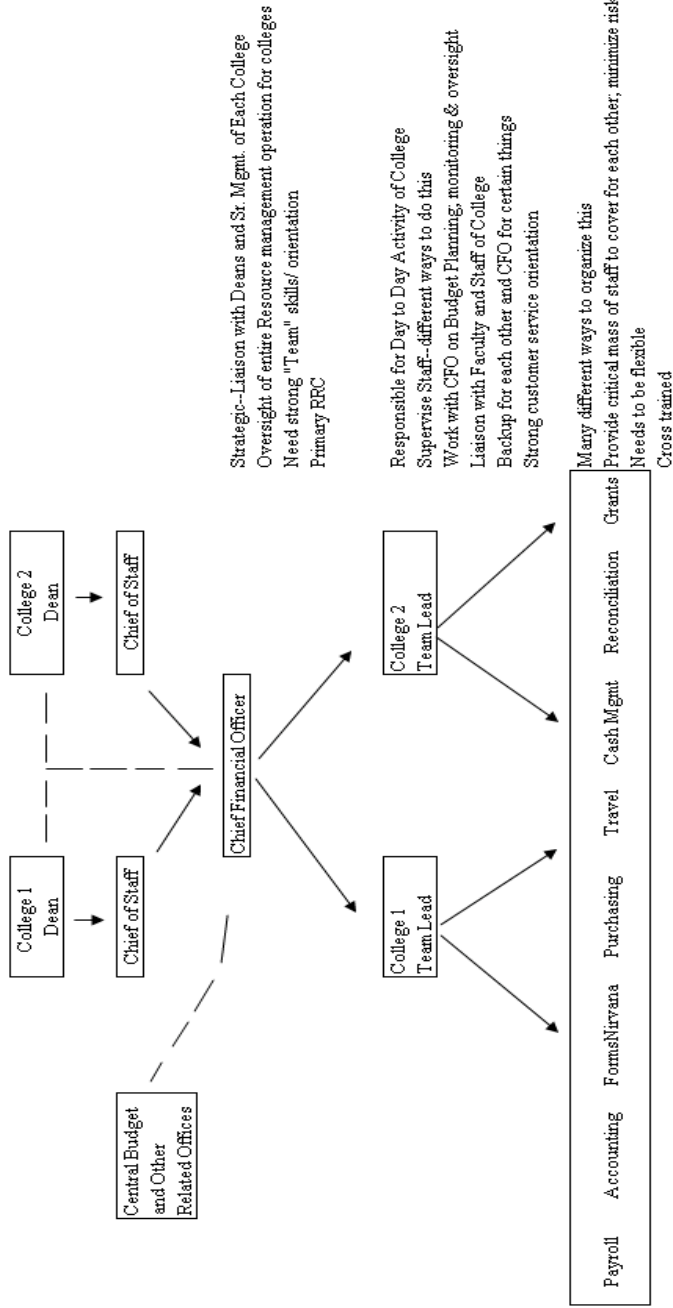
Weaknesses

Added layer of hierarchy could limit the director's access to the dean, director could be out of the loop on strategic decisions and directions.
 Cost could be higher for two directors and two chiefs of staff.

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Model for Resource Management - D

One Director reporting directly to Chiefs of Staff of colleges
 (Could use similar model for IT, HR or other areas)



Strategic-Liaison with Deans and Sr. Mgmt. of Each College
 Oversight of entire Resource management operation for colleges
 Need strong "Team" skills/ orientation
 Primary RRC

Responsible for Day to Day Activity of College
 Supervise Staff- different ways to do this
 Work with CFO on Budget Planning, monitoring & oversight
 Liaison with Faculty and Staff of College
 Backup for each other and CFO for certain things
 Strong customer service orientation

Many different ways to organize this
 Provide critical mass of staff to cover for each other, minimize risk
 Needs to be flexible
 Cross trained

Strengths

Two strong chiefs of staffs would have to coordinate their efforts with respect to their expectations of the director.
 Chief of staff could communicate more frequently with directors than the dean might be able to, given time constraints.
 Strong chiefs of staff could relieve dean of day-to-day matters.
 Provides director with a broader scope of responsibility.

Weaknesses

Less frequent direct communication between the director and the dean could hinder the director's understanding of the college's goals and directions.
 Added layer of hierarchy could limit the director's access to the dean.

Appendix J

Checklist of Activities for Creating and Managing Shared Services

The Task Force asserted the importance of following a deliberate and rigorous process to determine where, when, how, and why to share administrative services. This appendix presents a checklist of activities to help make such determinations. Creating shared services should involve four key phases:¹

Phase 1: Getting organized and assessing opportunities.

- Determine the scope of the effort (e.g., functions/processes, business units, geography)
- Understand who the stakeholders are
- Establish project sponsorship (e.g., a steering committee reporting to a committed leader)
- Enlist a project champion
- Organize and build the project team
- Develop a vision and direction (e.g., by using interviews, focus groups, surveys, best-practice assessments, visioning sessions); establish service level hopes and expectations
- Understand and document the current processes and costs
- Understand what is common across units and what should remain unique
- Develop the business case for change

Phase 2: Designing shared services

- Design standard processes to the extent it is possible and wise to do so
- Develop alternative models and assess benefits and costs of each. Observe the following guidelines:
 - Be as simple, fast, and paper-free as possible
 - Integrate good performance measurements across individuals, teams, departments, etc., to focus every individual on the mission and goal
 - Automate good metrics as much as possible
 - Carefully define skill requirements
 - Identify leadership and management requirements
 - Identify opportunities for rewards to individual and team service providers

¹ Adapted from the Institute of Management Accountants. "Practices and Techniques: Implementing Shared Service Centers," *Statements on Management Accounting, Statement 5G, 2000*, pp.15-56. (<http://www.imanet.org>).

- Articulate implications for career paths and building college and university capabilities
- Assess business risks of sharing and not sharing services and develop contingency plans
- Choose a process model and document it
- Determine location(s) of service provider
- Develop service-level agreements
- Develop service governance structure
- Develop process performance measures

Phase 3: Implementing shared services

- Develop a change management plan
 - Have an explicit change management strategy
 - Roll the project out in appropriate steps
 - Provide clear incentives for people to participate in the change effort
 - Recruit and train staff appropriately
 - Have resources available to handle start-up costs, training and personnel costs, communications costs, and unforeseen contingencies
- Promote a service-oriented, customer-oriented, cost-conscious mindset
- Provide feedback to service users
- Receive feedback from service users
- Document the process as implemented
- Tie rewards to performance
- Assign staff to service users

Phase 4: Optimizing shared services

- Develop continuous improvement plans
- Organize for continuous improvement
- Evaluate organizational roles and responsibilities and adjust as necessary
- Upgrade systems as appropriate in order to support the redesigned process
- Share best practices widely throughout the U and with external partners

Appendix K

**Memo to Task Force on Small Colleges
From the Deans of HHH, CSOM and Law**

Date: January 25, 2006

To: John Bryson
Suzanne Bardouche

From: Brian Atwood * Humphrey Institute
Alex Johnson * Law School
Michael Houston * Carlson School
James Campbell * Carlson School

Subject: Recommendations to the Small College Task Force

The deans of the three colleges referred to in the University's Strategic planning document have held a series of meetings to consider ways the colleges might work together to improve administrative services and identify possible efficiencies. We have chaired separate meetings of staff responsible for finance, human resources, communications, information technology and facilities management.

Overall, we have concluded that there are areas where the three colleges can find savings and where systematic collaboration can offer opportunities to find efficiencies in our respective operations despite our unique missions. We also found that support services generally were understaffed and that faculty-to-support-staff ratios were inadequate. We saw no opportunity to reduce FTE's.

The staff responsible for discrete administrative services will meet monthly to discuss their operations, offer professional advice and identify areas for collaboration. We are pleased to offer the following recommendations recognizing that these are preliminary and that more may emerge from the more systematic contact among the professionals in charge of support services:

Information Technology

One of the University's challenges is the variety of ways colleges fund their IT departments. While this provides for the distinct needs of each college, the colleges also need to be at a similar (high) level of IT support and knowledge so they can focus on research, instruction and outreach in the most efficient and effective ways possible. The IT departments have proposed methods for providing consistently higher service levels among our colleges including:

* Pooled funds for shared IT staff to increase local support functions for new instructional and research technologies.

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- * Aggregate purchasing of desktops, laptops and other commodity items yielding efficiencies in subsequent support.
- * Share training, server room space, classroom support; and knowledge/opportunities through regular IT meetings across units.

It will also be important to continue collaborative efforts with central OIT to take advantage of standard, technical support opportunities that are more efficient when centralized. We attach a matrix showing the areas where collaboration could bring efficiencies.

Human Resources

This support area was seriously understaffed if one considers ratios proposed by professional organizations (normally one HR professional per 100 employees). There are now seven HR professionals for 1143 employees in the three schools. The HR personnel in the three colleges are at different levels of experience and job descriptions vary accordingly. There was a consensus that more senior personnel could provide important backup especially in the counseling area. There was also agreement that training in areas such as diversity and discrimination could be done jointly.

Finance

All three colleges have a centralized accounting function. Each school has its own set of unique reports produced for external constituencies. The three directors expressed concern over the number of new systems financial staff will have to learn over the next few years.

It was also felt that payroll operations are most efficient when the accountants are familiar with the account used and the budget for that account. This tends to cut down on payroll errors. For these reasons, the conclusion was that sharing a payroll function could not result in making operations more efficient.

The financial directors will meet frequently to discuss common challenges and opportunities for sharing. Query writing and analytic expertise is difficult to obtain and retain, but is highly valued by each college. The capacity to acquire information from central on the attribution of tuition, reporting on services and expenditures to internal and external constituencies, etc. could be easily transferred across colleges.

Communications/Marketing

While the communications requirements vary widely among the three schools, the directors of these offices believe there is much room for collaboration. In the information sharing area, the following areas seem appropriate:

- * Vendor lists (printers, photographers, writers, graphic designer, etc.)
- * Media contacts
- * Tips for navigating through University processes

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The three units agreed that they could share the cost of goods and services that are prohibitively expensive or administratively burdensome when purchased individually. A memorandum prepared by the three units explains these possibilities in more detail.

Facilities

Under the new budget model there will be a need to manage the use of space more carefully. The facilities managers in the three schools met and discussed ways they could share information related to the "Minnesota model" and the other systems employed by central to manage space allocations. They also discussed possibilities for joint purchasing of furniture, events sharing and classroom management.

The deans of the three colleges will continue to encourage collaboration and, when necessary (but no less than once a semester), meet to discuss and explore areas where the three colleges can work together more effectively to achieve efficiencies consistent with our respective missions. We look forward to your report.

Appendix L

Key References and Sources

The committee reviewed a number of reference materials. Two were particularly useful:

The Institute of Management Accountants. “Practices and Techniques: Implementing Shared Service Centers,” *Statements on Management Accounting, Statement 5G*. Institute of Management Accountants, 10 Paragon Drive, Montvale, NJ 07645 (<http://www.imanet.org>), 2000, pp. 15 – 56.

This document provides an excellent overview of the shared services and how to think about them. A number of conceptual frameworks are provided along with process guidance on how to pursue shared services. The process guidance strongly influenced the Task Force’s “Checklist of Activities for Creating and Managing Shared Services” presented in Appendix J.

Julie Smendzuik-O’Brien, et al. *Final Report, Shared Administrative Services, A Consulting Project*. Metropolitan Community and Technical College, MnSCU Office of Internal Auditing, 500 World Trade Center, 30 East 7th Street, St. Paul, MN 55101.

This document offers an excellent example of a process for developing, and the content of, a business case for sharing administrative services.

The task force also gratefully acknowledges the assistance of Mr. Jeff Oberg, Director of Shared Administrative Services, Division of Facilities and Services, University of Illinois at Urbana-Champaign, <http://www.fs.uiuc.edu/template2dsc.cfm?page=sharedadmin&IDLlist=29,3>. He was an excellent and generous source of information and advice.