



UNIVERSITY OF MINNESOTA
ADMINISTRATIVE STRATEGIC PLANNING
TASK FORCE

REPORT TO THE PRESIDENT

MARCH 30, 2005

ADMINISTRATIVE STRATEGIC PLANNING TASK FORCE REPORT

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INTRODUCTION:

THE CASE FOR TRANSFORMATION AND CONTINUOUS IMPROVEMENT

UNIVERSITY-WIDE STRATEGIC POSITIONING

The University of Minnesota aspires to become one of the three best public research universities in the world within the next decade. This bold vision is outlined in the University's strategic positioning document, *Advancing the Public Good*, approved by the Board of Regents in March 2005.

Specifically, the document calls for the achievement of five action strategies:

1. Recruit, educate, retain, and graduate outstanding students.
2. Recruit, mentor, and retain outstanding faculty and staff.
3. Promote an effective organizational culture that is committed to excellence and is responsive to change.
4. Enhance and effectively utilize our resources and infrastructure.
5. Communicate clearly and credibly with all our constituencies and practice engagement responsive to the public good.

To carry out these strategies will require a coherent institutional focus and a fundamental transformation of administrative operations and cultural expectations across all University campuses and operations. While we must preserve important traditions that define us and have made us successful, it is imperative that we pursue administrative opportunities to become more strongly service oriented and transparent.

In January 2005, President Bruininks appointed an Administrative Strategic Planning Task Force to assess administrative support services and determine how best to align those services with the priorities and needs of the academic enterprise. The President has often emphasized that his aspiration for the University is that we be known as much for how we operate and the services we provide as for the quality of our teaching, research, and public engagement.

Transformational change will require inspirational leadership at all levels and in every area of the University system. Equally important, every member of the University community must support and personally advance these efforts. Administrative and support units across the University system must function efficiently and effectively to support the academic enterprise.

OVERVIEW OF RECOMMENDATIONS

The Administrative Strategic Planning Task Force developed seven recommendations for consideration by President Bruininks. These recommendations build on a substantial body of continuous improvement work accomplished throughout the University over the past several years. In forming its recommendations, the Task Force has not performed cost-benefit analyses of the recommendations, but has provided estimated cost savings for specific strategies where available. A more detailed identification of the potential costs and benefits of implementing these recommendations will be an important next step in the strategic planning process in the months ahead.

The Task Force ensured that each recommendation aligned with one or more of the strategic positioning action strategies. The seven recommendations are:

1. Recognize the University of Minnesota, its campuses, colleges, departments, and units as a single enterprise.
2. Embrace and achieve a culture that is committed to excellence, service, and continuous improvement.
3. Transform the “centralized vs. decentralized” administrative structure.
4. Adopt best-practice management tools throughout the University.
5. Focus administrative support on serving students, faculty, and academic units.
6. Maximize opportunities for the people of the University to grow, develop, and contribute.
7. Optimize the use of the University’s physical, financial and technological resources.

The recommendations are described in the pages that follow and include a brief rationale and representative examples of specific strategies. These examples were drawn from a more detailed and comprehensive list of possible strategies identified by the Task Force. The comprehensive list can be found on the Strategic Positioning Web site: http://www1.umn.edu/systemwide/strategic_positioning/.

RECOMMENDATION ONE:

RECOGNIZE THE UNIVERSITY OF MINNESOTA, ITS CAMPUSES, COLLEGES, DEPARTMENTS, AND UNITS AS A SINGLE ENTERPRISE

RATIONALE

Establishing uniform standards and systems will help reduce the number and variety of administrative processes and their associated support structures. Duplicative and multiple processes used to accomplish relatively routine tasks can yield inconsistent results at a high administrative cost. Further complications result from the disparate ways that tools and systems are used in support of academic and administrative processes.

This recommendation promotes greater administrative efficiency and effectiveness by standardizing institutional processes and technologies, reducing redundant systems and processes, and optimizing organizational structure and alignment. We must respect the unique and varying support needs of colleges, campuses, and administrative units, but we must also recognize that enterprise is fundamental to achieving the University's strategic goal. The University must operate in a consistent, coordinated manner to maximize the impact of its effort and resolve. The ability of units to opt out of standardized processes, therefore, must be limited to cases where a strong business argument for an alternate method can be made.

The University must carefully determine which administrative systems, processes, and tools to standardize – and to what extent. Overall, a standard set of processes and procedures supported by University policies and a finite set of tools will increase efficiency in many administrative areas, yield a much higher service quality with more predictable results, and enhance the internal controls over financial and administrative activities.

Perhaps the greatest financial advantage of uniform systems, processes, and tools is the elimination of the premium paid for unnecessary duplication and complication. Simplifying systems, processes, and tools leads to reduced administrative effort, which in turn leads directly to reduced support costs. Another significant financial advantage is the ability to reap cost savings from procurement practices by leveraging the University's purchasing power.

PAST SUCCESSES:

- Enterprise systems. Recognize and support the University as a single entity.
- Single payroll system. Combined separate payroll systems for academic and non-academic staff to a single bi-weekly payroll system.
- Registration systems. Consolidated two registration systems by having the Registrar's Office absorb the Continuing Education registration system.
- Software licensing agreements. System-wide agreements with Microsoft and Oracle save hundreds of thousands of dollars a year.
- Bookstore consolidation. Consolidated three bookstores into one on the Minneapolis campus, reducing and standardizing administration and passing those savings on to students.

STRATEGIES CURRENTLY UNDERWAY OR READY TO GO:

- Enterprise financial project. Implementation of the enterprise financial project allows us to turn off the administrative mainframe and consolidate to an enterprise Web-based unix architecture, thus simplifying our technical environment and allowing us to leverage a common architecture across all business processes. The financial system project is also aggressively pursuing its goal of eliminating subsidiary and redundant financial tools, systems, and processes throughout the University. The Enterprise Financial System project has identified 761 “systems” created and used by departments to process, analyze, or track financial activities. It is estimated that it costs between \$1.6 million and \$2.7 million per year to operate these systems, excluding the cost of the technical staff supporting them. If ten percent of departments that use these systems can rely on the University’s enterprise systems and eliminate their departmental systems, the University could save between \$160,000 and \$270,000 per year. If 50 percent of departmental systems could be eliminated, savings could range between \$800,000 and \$1,350,000 per year.
- Eliminate redundancies to provide better, less costly services. Develop one standard tool and process for accepting credit card payments over the Web, thereby reducing risk, providing better service to customers, and eliminating duplicative credit card services.
- Common products and processes. Evaluate postage costs, travel services, desktop computers, software, and other products and processes to identify opportunities for increased standardization, leveraging, and cost savings. These evaluations must be done with cross-functional teams that include faculty, department chairs, and campus/college offices.

MAJOR, LONG-TERM TRANSFORMATIONAL STRATEGIES:

- Standardize products and processes. Promote, and require when necessary, standardization of key administrative products and processes, coupled with a process for opting out that is reasonable, rigorous, and fair. Participation in administrative standardization initiatives is essential if we are to achieve efficiencies. Those requesting to opt out of a particular standard must demonstrate that the alternative process is consistent with the University’s mission and is supported by a favorable cost-benefit analysis. Disciplined, standardized approaches to University business management must balance local unit needs with overarching University goals, objectives, and metrics.
- Seize institutional purchasing opportunities. The University does not take full advantage of its size and scale to negotiate better rates and/or higher service quality. Goods and services whose total expenditures or frequency of use warrants should be negotiated institutionally. Over the last seven years, purchases made using University-wide contracts have yielded annual savings of approximately 31 percent from the non-negotiated list price. For FY 2004, the University saved an estimated \$43 million on University-wide contracts. For every \$10,000,000 of additional purchases made from University-wide contracts, the University will save approximately \$3,100,000.
- Behavioral norms. Maintain and reward consistent excellence in performance, commitment to diversity, and respectful behavior. The University must strengthen its commitment to providing a supportive environment for a diverse group of employees and students. We must provide appropriate training, educational materials, and support so that every unit of the University is a consistently excellent place to teach, learn, and work.

RECOMMENDATION TWO:

EMBRACE AND ACHIEVE A CULTURE THAT IS COMMITTED TO EXCELLENCE, SERVICE, AND CONTINUOUS IMPROVEMENT

RATIONALE

A culture which is aligned with and encourages transformational behavior and outcomes is essential for the University to achieve its strategic vision. Cultural transformation is at the heart of the Task Force's administrative recommendations. This recommendation ensures that these efforts are aligned and work in concert and that the University has purposeful, intentional strategies to transform our culture and organizational structure. As the University works to transform its operations, we must be purposeful in addressing our culture as well. While each academic and administrative unit will, and should, retain the culture and values that support its excellence and uniqueness, University leadership must provide a compelling vision of the behavior, policy, and practices the University must adopt to achieve our vision and strategic goals.

As presented in the University's strategic positioning document, the organizational culture for administrative service and support activities is envisioned to:

- Foster high achievement, innovation, and inspirational energy;
- Invest in physical environments and technology infrastructures to support excellence in research, creative work, and learning;
- Embrace a diversity of ideas and community and promote mutual respect;
- Operate with integrity, and in compliance with ethical practices;
- Practice individual accountability;
- Fulfill our stewardship responsibilities by optimizing our financial, human, and physical resources in ways which further our mission;
- Continually improve its work processes, seeking to enhance their efficiency and effectiveness.
- Enjoy a rational balance of centralization with distributed autonomy.

These desired characteristics provide a clear, consistent vision and sense of purpose and direction for the entire University system. Collegiate and administrative/service units will work together better because there will be a shared goal and understanding of the respective roles and responsibilities. The academic enterprise will receive enhanced service and support because the University's aspirations and what it needs to reach established benchmarks of excellence will be better understood by service and support units.

Progressing towards a culture of excellence, service, and continuous improvement is an essential component to eliminating unnecessary bureaucracy and over-regulation, optimizing the use of funds, and reaching our strategic goal.

PAST SUCCESSES:

- President's Enhanced Service and Productivity Initiative. Included Great Services training across the University.

STRATEGIES CURRENTLY UNDERWAY OR READY TO GO:

- Define roles and responsibilities. Use the enterprise financial system project to further effect cultural change, through the definition of roles and responsibilities, modeling and optimizing the delivery of financial processes.
- Implement the Office of Service and Continuous Improvement's work plan. Will enable the University to respond nimbly to further its mission and achieve its vision.

MAJOR, LONG-TERM TRANSFORMATIONAL STRATEGIES:

- Define the culture. Define the desired University culture, its attributes, behavior, and expectations. The desired attributes should be articulated in job descriptions and specifically addressed in the performance management process.
- Communications plan. Implement a comprehensive communications plan which acculturates these attributes within the University community and provides a consistent purposeful message. Every employee should know why this new culture is needed, what it will look and feel like, and how it will be evidenced in their work environment.
- Align human resource processes with cultural expectations. Venues include training, work plans, performance evaluations, rewards, compensation, and employee engagement.
- Continuous improvement reviews. Implement a systematic program of continuous improvement reviews of all service and support units. Provide a legitimate, recurring dialogue within University governance and with faculty, students, and staff on what services are needed and at what level of quantity and quality.

RECOMMENDATION THREE:

TRANSFORM THE “CENTRALIZED VS. DECENTRALIZED” ADMINISTRATIVE STRUCTURE

RATIONALE

The historic “centralized vs. decentralized” model of administrative support has become non-functional and outmoded. If the University is to achieve its vision, a new model of administrative support to the academic enterprise must be created. The Task Force believes that a defined, distributed model holds great promise.

The University is a large, complex organization with each academic unit having different needs, operating in different competitive environments, and responding to different external forces. At the same time, however, many educational, research, and service programs are becoming more integrated, interdisciplinary, and interdependent. These linkages are the result of advances in knowledge, the breaking down of traditional disciplinary boundaries, and increased funding for multi-disciplinary and multi-institutional research.

We must start by reexamining and redefining which administrative and support services are best delivered centrally, which best by individual schools and local units, and which best by sharing (or clustering) services across schools and units. The goal is to deliver services as close to users as possible but to provide shared services where there are significant economies of scale, where a critical mass of expertise is needed to provide effective services, and where emerging issues can be addressed effectively only by pooling resources across schools or units. This model creates clusters of shared administrative support that have the following characteristics:

- Delegates decision-making and provides administrative services as close to the user as possible.
- Improves the quality and efficiency of administrative support for academic programs while responding more quickly to changing needs of academic programs and to dynamic external factors such as changes in state funding, sponsored research, and the marketplace (education, health care, etc).
- Reduces administrative costs and reallocates the funds into academic programs.
- Aligns authority, responsibility, and accountability and better supports academic leaders and faculty in management and decision-making.

These distributed models should be created within a common, integrated administrative infrastructure that is as seamless to users as possible. Without commonality we cannot compete against other educational and research institutions and cannot otherwise effectively leverage limited resources.

PAST SUCCESSES:

- Position of Senior Vice President for System Administration. Position created to provide focused central administrative support to coordinate campuses and University programs around the state.
- Re-organization of University of Minnesota Extension Service. Provides better services around the state, with better connections to University faculty.
- Capital planning and budget process. Capital Oversight Group coordinates academic leadership, facilities, and finance.
- Sharing staff. Several central administrative units share human resources and financial services staff.

STRATEGIES CURRENTLY UNDERWAY OR READY TO GO:

- Clarify responsibilities. Clarify central, distributed, and local responsibility for administrative functions such as human resources, communications, facilities and space management, financial services, information technology, and occupational health and safety.
- System Administration. Further clarify the duties of the Senior Vice President for System Administration.

MAJOR, LONG-TERM TRANSFORMATIONAL STRATEGIES:

- Define responsibilities. Delineate administrative roles and responsibilities, supported by appropriate service agreements, across the University system, including all campuses and other off-campus programs. Conduct a structured assessment of all administrative services, defining the respective roles of central and local units and identifying opportunities for units to share administrative services and staff. Clarify responsibilities of vice presidents and chancellors for services that are common across the system such as public safety, environmental health, and energy management. Share services between the Twin Cities and coordinate campuses in areas such as information technology, communications and marketing, bookstores, and dining services.
- Distribution of responsibility. Define administrative management systems, identify requisite core competencies, assign responsibility, and create manageable spans of control and oversight for human resources, finance, information technology, and communications at system, collegiate, and unit levels.
- Organizational service-delivery clusters. Develop clusters for financial services, human resources, technology, facilities management, and communications to maximize expertise and minimize cost. In human resources, for example, use clusters to handle routine transactions to free up resources for more unit-based professional support and strengthen human resource centers of excellence for system-wide needs such as classification, compensation, and training.

RECOMMENDATION FOUR:

ADOPT BEST-PRACTICES MANAGEMENT TOOLS THROUGHOUT THE UNIVERSITY

RATIONALE

Effective and efficient management will greatly increase the probability of achieving our goals and minimize the probability of failure. Management is the supporting structure for success and acts as the skeleton which holds the University together. Continuous institutional improvement requires identifying and adopting, where appropriate, the best administrative practices of the University's competitors in higher education and in other industries.

Financial advantages to adopting best practices are the ability to: monitor key financial and performance indicators; align project efforts with largest improvement opportunities; maximize use of existing resources; and leverage economies of scale. Essential expertise for this recommendation includes, but is not limited to: service and continuous improvement; institutional research and reporting; financial analysis; accountability; data warehouse management; audit; and policies and process oversight.

Measuring progress along our journey towards excellence will enable us to make informed decisions. Providing better information more efficiently will support fact-based decisions that quickly highlight successes, target areas for improvement, and maximize effective use of leadership time. Information-based decision making and benchmarking is essential to fulfilling our responsibility for performance and accountability.

PAST SUCCESSES:

- Data warehouse. Supports the University's operational and decision making processes with easily accessed, periodically updated data organized by subject area.
- UWide Libraries. University policies, forms, contracts, and other administrative information are gathered in one categorized and searchable Web site.

STRATEGIES CURRENTLY UNDERWAY OR READY TO GO:

- Administrative policies. Review, update, and eliminate obsolete administrative policies by mirroring the process used to design and revise Regents' policies.
- Office of Service and Continuous Improvement. Serves as a resource for sustainable improvement and collaborates with University units to identify and realize opportunities for cultural, operational, and financial transformation.
- Internal budget model. A budget process that identifies real costs and attributes all revenue and expenditures by unit will incent better resource allocation and spending decisions that advance the University's strategic objectives.

MAJOR, LONG-TERM TRANSFORMATIONAL STRATEGIES:

- Data – driven decision making across units. Provide better information to senior officers to support their leadership and decisions. Continue to reinvigorate the Office of Institutional Research and Reporting and examine its roles and functions in relation to Information Management Services, the Office of Measurement Services, the Office of Service and Continuous Improvement, and perhaps others, with a view toward better aligning their work or merging units.
- Performance metrics. Design common metrics, as applicable, to measure progress and achievement. Ensure there are systems and structures in place for leaders to review and act to

improve key performance indicators and the strategic portfolios of projects intended to move those indicators.

- Effective use of leadership time. Design meeting schedules that maximize consultation and reporting while streamlining and coordinating schedules and processes. Determine which leaders need to go to which meetings, and how frequently meetings should be held.
- Release from over-regulating ourselves. Minimize, and eliminate where necessary, internal regulations that are not mission-critical; increase arbitrary dollar limits that trigger further reviews; ensure that self-imposed policies have been evaluated for cost benefit; appropriately manage high-risk and material activities; delegate decision making that is understandable and not onerous; allow people delivering the service to make as many decisions as possible.

RECOMMENDATION FIVE:

FOCUS ADMINISTRATIVE SUPPORT ON SERVING STUDENTS, FACULTY, AND ACADEMIC UNITS

RATIONALE

Administrative and support services must be purposefully and transparently oriented towards advancing the University's teaching, research, and public engagement missions and achieving its strategic goals and initiatives. Services must be provided in a way that helps faculty teach and produce world-class research and knowledge and students learn, grow, and graduate on a timely basis. In addition, administrative support must ensure that the public receives and benefits from knowledge transfer, public engagement resources, and University graduates that serve in and lead great organizations within Minnesota and beyond.

Financial advantages from this recommendation will likely come in three ways. The first is in a reduction of service duplication, a duplication that often occurs when services are not organized in ways the people we serve expect or want. A more important financial advantage is to organize services in ways that increase the satisfaction of the people we serve. Engaged, energized, satisfied students, faculty, and staff are our best source of future goodwill, giving, and support for the institution for the future. Finally, we can find financial advantage by organizing our administrative services in a way that purposefully helps the people we serve be more productive.

PAST SUCCESSES:

- Streamlined registration. Moving from in-person registration for classes three times a year to Web-based registration twice a year saved over 100,000 hours in total student time spent purely on administrative tasks—time that can now be spent on academic preparation.
- Online financial aid. The University was the first in the nation to deliver all of its payment and financial aid processing online.
- One-stop services. The development of one-stop student services, both in physical spaces and on the Web, has allowed students to get the registration and financial aid information they need quickly and easily.
- Class of 2008 portal. Collects many disparate University services and communications in one place and puts them at a student's fingertips.

STRATEGIES CURRENTLY UNDERWAY OR READY TO GO:

- Extend classroom scheduling tools to departments. A common tool and process to schedule many different types of spaces on campus will lead to more efficient use of space across the University.
- One-stop. Expand one-stop concept to human resources, financial processing, conference scheduling, and other areas.
- Web-based e-mail. Will be enhanced per student requests.
- Grad planner. Implementation will allow students and advisers to plan, map, and revise as necessary a student's entire academic career.

MAJOR, LONG-TERM TRANSFORMATIONAL STRATEGIES:

- An intentional, critical path for student success. Retention and graduation rates will be improved by: better preparation and continued support for incoming freshmen; promoting health and community for students through planned introduction to student services and student communities; development of standards and examination of consistency and quality of advising across the University; greater use of Portfolio to help students organize their work in one place; helping students understand the importance of choosing a major in their second year; career service strategies; 90+ credit hold and graduation plans; grad planner implementation throughout the institution; and specific graduate student strategies especially for those in the all-but-dissertation stage.
- Support for a diverse community with diverse needs. Includes specific needs for community for students of color and international students; specific needs of graduate and professional students for health care and housing; enhanced communication with different student communities; better linkages to K-12 and MnSCU institutions; provision of high-quality common space. We expect the Provost's committee on diversity to assist in expanding ideas in this area.
- Streamlined business services for faculty and students. Provide consistent business policies for parking, housing, food services, and space rental for students. Enhance ease of typical business practices for faculty, such as travel arrangements, room scheduling, reimbursements, etc. Review the certified approver program and reduce the time faculty must spend on research administration where possible. Use self-service and electronic capabilities as much as possible.
- Property management services. This model will implement both organizational and cultural changes to engage service providers and those they serve to determine if we are providing the right services and if we are providing those services at the required quality level. Reliable, consistent services and high quality space will be provided to research, teaching, and administration. Maintenance and operations services will be reengineered to control costs, optimize productivity, and enhance service.

RECOMMENDATION SIX:

MAXIMIZE OPPORTUNITIES FOR THE PEOPLE OF THE UNIVERSITY TO GROW, DEVELOP, AND CONTRIBUTE

RATIONALE

The University of Minnesota must transform its human resource system to foster creativity and innovation while enhancing effective, accountable administration. This means not only recruiting individuals at the top of their disciplines, but also providing individuals the means to develop new skills, once hired.

Purposeful recruitment, combined with policies and culture that lead to healthy levels of retention, will increase creativity and productivity and improve morale. Employing more mechanisms, both monetary and non-monetary, to recognize and reward high-performing employees in every employee group will be viewed positively. Building a strong cadre of leaders at the University will enhance capacity for tackling new challenges and leading change efforts and will assure continuity in leadership within the University. In addition, the University must strengthen its commitment to providing a supportive environment for diversity. Diversifying the workplace contributes not only to the positive climate of an organization but also to its financial bottom line.

With approximately 70 percent of its budget going to human resource related expenses, the University has a considerable investment in its employees. Engaging employees as strategic partners in achieving the University's long-term goal of excellence, services, and continuous improvement will maximize this investment. This partnership must be driven by compensation and benefits, a high-quality workplace, evaluation and review of practices, and opportunities for growth and development across all employee groups.

PAST SUCCESSES:

- PeopleSoft. Effectively utilized as a management and information tool.
- Employee Self Service. Has increased flexibility, improved service quality, and saved hundreds of thousands of dollars annually.
- President's Emerging Leaders Program. Exemplifies strategic investment in the University's next generation of leaders. Promotes an organizational expectation that administrators assume responsibility for identifying and nurturing potential leaders.

STRATEGIES CURRENTLY UNDERWAY OR READY TO GO:

- Broadbanding. Grouping of jobs with similar duties, responsibilities, and levels of accountability is being successfully used to facilitate career mobility for employees, flexibility for management, and market competitiveness for the University.
- Learning Management System. Implementing an electronic tool that enables the planning and tracking of educational, training, and development goals, activities, and accomplishments of all employees.
- Enhancement of managerial competence. A program to enhance the managerial competence, institutional knowledge, and leadership capacity of the University's large body of managers is under development and may be offered as early as July 2005.

- Health improvement incentives. Implement financial incentives to leverage medical plan cost savings by improving the health status of UPlan participants over time. A variety of approaches are under consideration. For example, a deduction off the rate paid by employees for medical coverage, or a direct cash award, may be given for measurable participation in specific UPlan-sponsored health improvement activities such as fitness programs, smoking cessation plans, or disease management.

MAJOR, LONG-TERM TRANSFORMATIONAL STRATEGIES:

- Continuity of leadership and development. Understand and promote the value of preparing and equipping our current talent for the future. Tap into the expertise of current leaders, in addition to formal education and training opportunities, as we develop the next generation of leaders. Transforming the human resource system will require, among other strategies, that the University of Minnesota create a cultural expectation for management and leadership training at all levels.
- Enhance diversity. Employ recruitment and retention strategies that recognize the value of diversity in all areas of the University. A more diverse work force will result in greater productivity and a more attractive recruiting atmosphere.
- Performance-based compensation strategies. Retaining the best employees will also require that the University implement performance-based compensation strategies, including annual performance evaluation mechanisms that address institutional goals and that uniformly emphasize accountability and excellence. In the course of performance reviews, supervisors should be able to identify employee potential and to advocate for their professional development. At the same time, we must foster a culture where employees understand that their own development is expected and supported by the University and that such development is a benefit of working here.
- Internal equity in compensation. Employee retention and satisfaction also will depend on improving compensation policies to make them more transparent, rational, and fair, with similar compensation for similar job classifications across the University.
- Employee engagement. The effort and money that go into bringing each new employee to his or her greatest productivity level are significant. The University must capitalize on this investment by ensuring that its policies and practices encourage each employee to be fully engaged. A fully engaged employee is more productive and more creative in rising to challenges. Supervisors, managers, and leaders play a major role in enhancing employee engagement through their messages and practices. The institution must routinely measure levels of engagement and pursue strategies that enhance engagement by all who work here, regardless of the nature of their work.

RECOMMENDATION SEVEN:

OPTIMIZE THE USE OF THE UNIVERSITY'S PHYSICAL, FINANCIAL, AND TECHNOLOGICAL RESOURCES

RATIONALE

Strategic resource acquisition, management, and redeployment are essential if the University is to achieve its long-term goals and advance academic quality. Substantial opportunities exist to align and optimize administrative systems and areas that manage University physical, financial, and technological resources to better serve the academic units they support.

As a public institution, the University must be a good steward of the land, buildings, equipment, tuition revenues, state and federal monies, private donations, and other resources entrusted to its management. Stewardship goes beyond due diligence, efficiency, and effectiveness in managing resources. It also includes strategic pruning, redeployment, and investment. Resource optimization means making decisions with a long-term, often multi-generational, perspective.

PAST SUCCESSES:

- Facility Condition Assessment. This inspection based survey of all University buildings provides sound information for investment of capital funds.
- Regents' Sustainability and Energy Efficiency Policy. The University is committed to using sustainability principles to guide campus operations, integrating environmental, social, and economic goals with the balanced use of all resources.
- Financial FormsNirvana. Dramatically reduced the time needed for document entry, which has translated to central staffing reductions, time savings, and cost savings.
- Contract vendor program. Saved millions of dollars by negotiating deep discounts with over 150 vendors.
- St. Paul campus space audit. Resulted in common agreements about more efficient and collaborative use of space and avoided costly new construction through effective reassignment of existing space.

STRATEGIES CURRENTLY UNDERWAY OR READY TO GO:

- Streamline and standardize financial reporting. Formalize one source for financial reports, with timely, reliable, consistent data. Use that data source at departmental, collegiate, and campus levels.
- Equipment maintenance. Implement a University-wide equipment maintenance program with a contract held by one outside vendor to streamline service delivery, reduce workload for departmental staff, and cut costs.
- Capital Project Delivery Initiative. Will define University of Minnesota capital project delivery process and provide a user-friendly guide to the University community.
- Distributed technology environment. As we establish a distributed technology environment, standard industry projections indicate annual system-wide savings of five percent, or \$7 million, are possible.

MAJOR, LONG-TERM TRANSFORMATIONAL STRATEGIES:

- Space utilization. The cost of space can be controlled only by managing its use and limiting the creation of new space. Build a user-friendly, comprehensive space inventory/geographic information system to manage space usage. Integrate accountability for effective space usage into University planning at all levels. Provide incentives for units to focus on effective uses of appropriate, well-equipped, and well-supported space (quality) rather than amount of space (quantity).
- Asset optimization. The University must manage physical assets strategically, including the disposition and use of real estate holdings. Evaluate the costs and benefits of holding, developing, and selling each real estate asset.
- Utility cost control. By diversifying fuel sources (biomass fuel/oat hulls), increasing fuel conservation efforts, and utilizing more market-based fuel purchasing tools, the University will reduce its operational dependence upon any given fuel; increase the predictability of its fuel costs by limiting price spikes; and reduce its anticipated cost of operations by an anticipated \$4-6 million annually.

CONCLUSION AND NEXT STEPS

The Administrative Strategic Planning Task Force believes that its recommendations and associated strategies are comprehensive and far-reaching. All seven recommendations are interrelated and therefore must be advanced together in order for transformational change to be possible. Thoughtful work must now be done to determine how the recommendations and strategies should be sequenced and implemented.

This report is a blueprint for the University's administrative and support unit's change efforts, but it is only the beginning. The Task Force intends to spend April and May advising President Bruininks on next steps to:

- Determine which of these strategies are natural components of a unit's work plan and which of the strategies will require new cross-functional teams to address and implement them.
- Develop an initial plan for sequencing the recommendations and strategies and outlining expectations for completing implementation plans.
- Recommend leadership responsibility and authority for the recommendations and associated strategies.
- Determine how progress on the recommendations will be measured and when.

The Task Force estimates that substantial progress on these recommendations will take three to five years and will require focus, persistence, and a considerable commitment of human and financial resources, but will ultimately avoid costs and achieve savings. The Task Force believes there is support, commitment, and resolve among administrative and support unit leaders across the University to achieve this change agenda.

ADDENDUM: TASK FORCE PROCESS AND MEMBERSHIP

PROCESS

The Administrative Strategic Planning Task Force is co-chaired by Vice President Kathleen O'Brien and Executive Associate Vice President Alfred Sullivan. Members include administrators from central units, the colleges, and the coordinate campuses, as well as faculty representatives. The group met regularly from January through March.

GUIDING PRINCIPLES

The Task Force adopted the following principles to guide its work:

- Work toward optimal alignment of administrative services with the academic mission.
- Demonstrate openness to reviewing all and any administrative process, structure, and policy. (Everything is on the table.)
- Recommend administrative initiatives that can be implemented within targeted timeframes.
- Identify structures and processes that can remove barriers, eliminate duplication, and reduce regulation in order to drive sustainable administrative improvements.
- Assume that any recommendations for new structures, processes, and standards will be University-wide and participation will be required, with minimal opt-out and only for specific reasons, agreed upon in advance.
- Emphasize the need for decision-making that is driven by reliable information rather than past practice or anecdote.
- Understand the impact of change on individuals and units and plan appropriately.

In order to be broadly consultative in its work, the task force employed several strategies:

- Eight subcommittees were formed, led by members of the task force and composed of small groups of knowledgeable University community members, to look more closely at specific areas of administration: human resources; space, utilities, and facilities; coordinate campuses; technology; financial services; student support services; audit, legal, and compliance; and executive unit administration. Each subcommittee presented a report to the Administrative Task Force.
- The subcommittees consulted broadly with constituencies and experts in the University community. For example, the student services subcommittee met with leadership from the Minnesota Student Association and the Graduate and Professional Student Assembly, as well as the Registrar's one-stop advisory task force and the cross-functional enrollment management work group. Additionally, the subcommittee solicited input from all directors of graduate studies, leaders in collegiate advising and student affairs offices, and members of faculty leadership groups. Other subcommittees used similar consultative and idea gathering processes in developing their recommendations.
- The Administrative Strategic Planning Task Force reviewed the final reports of several recent task forces to take advantage of work that had already been done and to further explore their recommendations.
- Two open forums were held in cooperation with the Academic Strategic Planning Task Force to gather feedback from faculty, staff, and students. Forum participants were invited to submit questions and comments in person or via forms to be sent to the Provost's office.
- The strategic positioning Web site was expanded to include information about the work of the Administrative Strategic Planning Task Force. A link on the site encouraged visitors to submit

questions and comments via e-mail.

The task force carefully gathered and considered the hundreds of ideas and comments that were generated during this consultative process.

TASK FORCE MEMBERS

Kathleen O'Brien (Co-Chair), VP, University Services

Alfred Sullivan (Co-Chair), Executive Associate VP,
Planning and Academic Affairs

Suzanne Bardouche, Associate to Dean of Pharmacy

Terry Bock, Associate VP for Health Sciences

Kathryn Brown, VP and Chief of Staff

Carol Carrier, VP, Human Resources

Steven Cawley, Associate VP and Chief Information
Officer

Greg Fox, Vice Chancellor for Finance and
Operations, University of Minnesota Duluth

Lynn Holleran, Associate to the VP and Chief of Staff

Robert Jones, Senior VP, System Administration

Lincoln Kallsen, Director of Financial Research

Gail Klatt, Associate VP, Audit

Scott Martens, Director, Service and Continuous
Improvement

Richard Pfutzenreuter, VP, Budget and Finance

Terry Roe, Professor, Applied Economics

Linda Thrane, VP, University Relations

Kathryn Vandebosch, Professor, Plant Biology

Michael Volna, Associate VP, Finance and Controller

John Ziegenhagen, Director, University Accountability

Sandra Ecklein (Staff), Analyst, Office of Executive
Associate VP for Planning and Academic Affairs

Chris Frazier, Assistant to Executive Associate VP

Leslie Krueger, Chief of Staff, University Services

SUBCOMMITTEE MEMBERS

Technology and Technology Support

Lead: **Steve Cawley**, Associate VP and Chief Information Officer

Members: **Edward Deegan**, Director, Academic Health Center; **Linda Deneen**, Director, UMD Information Technology Services; **Ann Hill-Duin**, Associate Dean, College of Agriculture, Food and Environmental Sciences; **Stephen Levin**, Chief Information Officer, University Services; **Robert McMaster**, Associate Dean of Planning, College of Liberal Arts; **Michael Rollefson**, Associate to the Dean, Research & Graduate School; **Dennis Skovsted**, Information Systems Audit Manager, Department of Audits

Financial Services

Lead: **Mike Volna**, Associate VP for Finance & Controller

Members: **Andrea Backes**, Director of Finance, Humphrey Institute for Public Affairs; **LaCretia Bell**, Director, Disbursement Services; **Lisa Carlson**, Assistant Director, Office of Oversight, Analysis & Reporting; **Karen DeWanz**, Assistant Director, College of Liberal Arts; **Jill Merriam**, Director, Office of Senior VP for Academic Affairs & Provost; **Pete Mitsch**, Director, Medical School; **Nikolaos Papanikolopoulos**, Professor, Computer Science & Engineering; **Sue Paulson**, Director, Sponsored Financial Reporting; **Karen Triplett**, Director, Purchasing Services

Audit, Regulation, and Legal

Lead: **Gail Klatt**, Associate VP for Audits

Members: **Frank Cerra**, Senior VP for Health Sciences; **Steve Crouch**, Dean, Institute of Technology; **William Donahue**, Deputy General Counsel; **Joel Maturi**, Director, Intercollegiate Athletics; **Tom Schumacher**, Director, Office of Institutional Compliance

Human Resources Policies and Procedures

Lead: **Carol Carrier**, VP, Human Resources

Members: **Rosie Barry**, Director, CHRD, Human Resources; **Linda Bjornberg**, Director of Human Resources, University Services; **John Finnegan**, Interim Dean, School of Public Health; **Joe Kelly**, Chief of Staff, Human Resources; **Mary Nichols**, Dean, College of Continuing Education; **Susan Rafferty**, Director, Human Resources Consulting; **Jackie Singer**, Director of Human Resources Retirement Programs; **Julie Sweitzer**, Director, Equal Opportunity & Affirmative Action

Student Support Services

Leads: **Lincoln Kallsen**, Director of Financial Research; **Sue Van Voorhis**, Registrar

Members: **Steve Carnes**, Program Director, College of Agricultural, Food and Environmental Sciences; **Peter Haeg**, Coordinator, College of Pharmacy; **Rachelle Hernandez**, Associate Director, Office of Admissions; **June Nobbe**, Director, Office of Student Affairs; **Karen Starry**, Director, Graduate School; **Abby Weinandt**, Student, College of Liberal Arts

Space, Facilities, and Utilities

Leads: **Kathleen O'Brien**, VP, University Services; **Mike Berthelsen**, Assistant VP, University Services; **Linda Bjornberg**, Director, University Services

Members: **Terry Bock**, Associate VP & Chief of Staff for Health Sciences; **Michaeleen Fox**, Director, Office of Space Management; **Justin Grussing**, Director, College of Human Ecology; **Leslie Krueger**, Chief of Staff, University Services; **Steve Levin**, Chief Information Officer, University Services; **Bob McMaster**, Professor, Geography, and Associate Dean, College of Liberal Arts; **Steve Spehn**, Associate VP, Office of Facilities Management; **Lori-Anne Williams**, Director, University Services

Executive Unit Administration

Lead: **Alfred Sullivan**, Executive Associate Vice President

Members: **Terry Bock**, Associate VP & Chief of Staff for Health Sciences; **Chuck Casey**, Dean, Extension Service; **Frank Cerra**, Senior VP for Health Sciences; **David Chapman**, Professor, Educational Policy and Administration; **John Ziegenhagen**, Director, University Accountability

Coordinate Campus Issues

Lead: **Robert Jones**, Senior VP for System Administration

Members: **David Carl**, Provost, Rochester Center; **Greg Fox**, Vice Chancellor for Finance and Operations, Duluth Campus; **Joseph Massey**, Campus Executive Office and Vice Chancellor for Academic Affairs, Crookston Campus; **Samuel Schuman**, Chancellor, Morris Campus