



# Comprehensive University Performance Improvement Discussion Document

YOUR MISSION | OUR SOLUTIONS

# Topics for Discussion

- Current Environment Perspective
- Performance Improvement Client Experience
- Key Success Factors for Consideration
- Huron's Higher Education Practice
- Appendix

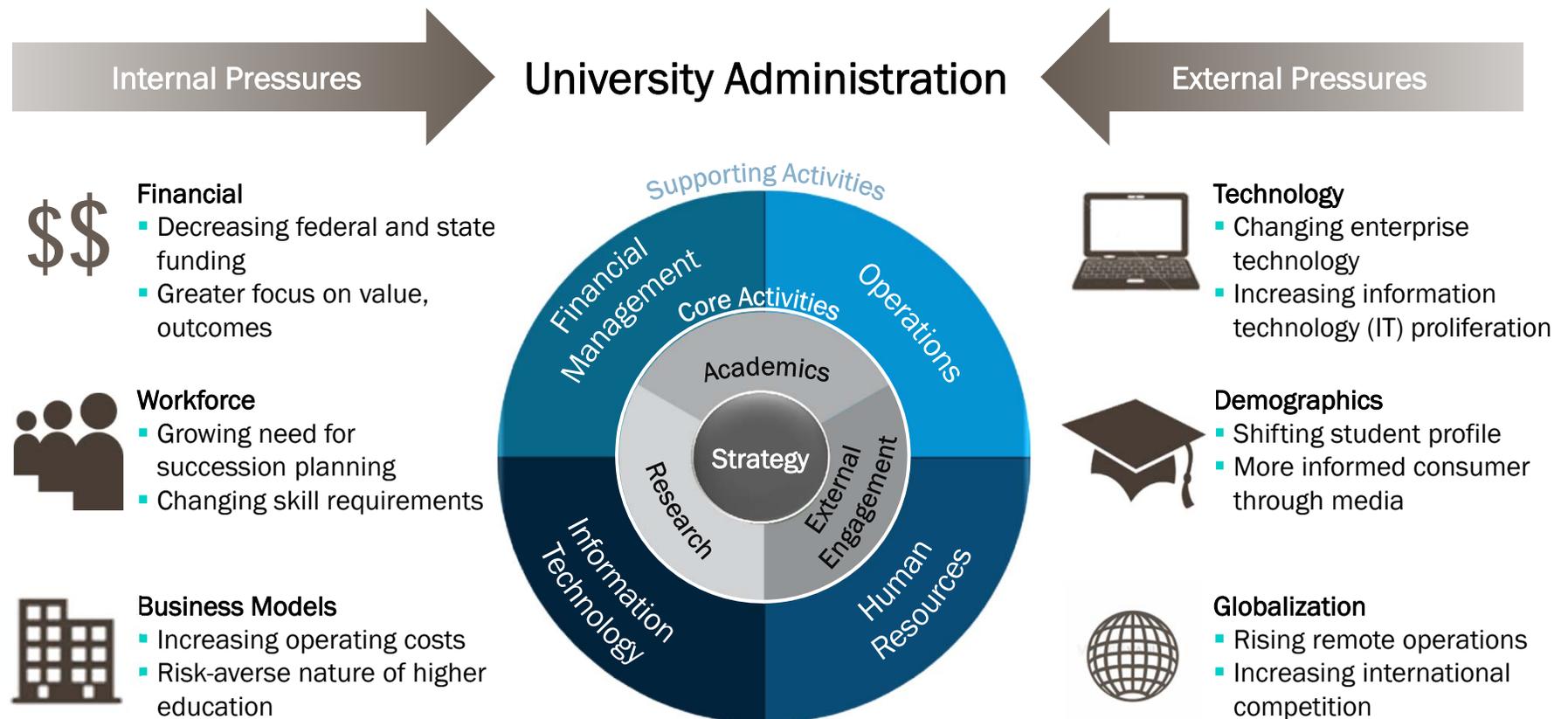


# Current Environment

INDUSTRY PERSPECTIVE

HuronEducation

Institutions must respond to both internal and external pressures to operate efficiently and effectively in today's environment.



# Current Environment

## INDUSTRY OVERVIEW: INTERNAL CONCERNS

HuronEducation

Huron understands every institution is uniquely different. Across our nation, however, many face similar hardship realities.

### Internal Institution Concerns



- Increased **dependency on tuition revenues** for both public and private institutions
  - More than half of CFOs at private institutions and a third at public institutions cite their discount rates as “**unsustainable**”
  - For publics, decreased state appropriations per FTE (23% less from fiscal year 2007-12)<sup>1</sup>
- **Decreased financial resources** for strategic, mission-oriented investments
  - Pressure to exchange activities to advance the mission at “no cost”



- Increased pressure to improve student **access, retention, and completion** rates
  - 92% of CFOs cite retaining students as their most important strategy for increasing revenue<sup>2</sup>
- Challenged with **salary equity and market competitiveness** to retain and recruit



- Increased expenses from aging physical plant and **rising facility operating costs**
  - In 2012, 58% of all space on campuses was 25+ years old<sup>3</sup>

1. *State Higher Education Finance FY2012*. State Higher Education Executive Officers (SHEEO). n.d. Web. 7 Feb. 2014.

2. *CFO Survey Reveals Doubts About Financial Sustainability*. Inside Higher Ed. (<http://www.insidehighered.com/news/survey/cfo-survey-reveals-doubts-about-financial-sustainability>) 2013.

3. *Maintenance Over Management: A Survey of Business Officers*. Inside Higher Ed. (<http://www.insidehighered.com/news/survey/maintenance-over-management-survey-business-officers>) 2011.

# Current Environment

## INDUSTRY OVERVIEW: EXTERNAL CONCERNS

### External Institution Concerns



- Media focus and students questioning the “**value**” of higher education
- Student and family sensitivity to the cost of attendance
- Perception of **financial resources** going to “administration” instead of “academics”



- Growth in **non-traditional student** population and increase in demand for access
- Growth of **online** learning initiatives and increased competition for students
  - 32% of all students in the United States take at least one course online<sup>1</sup>



- High school graduate **enrollment projections** are not expected to stabilize back to the 2010-2011 peak (3.4MM students) until 2021-2022<sup>2</sup>
- For public institutions, state accountability mandates are **focused on outcomes**<sup>3</sup>
  - 32% of states have adopted a performance based funding model as of 2013
  - 16% of states are in the process of transitioning to a performance based model

**The combination of internal and external concerns are forcing universities, more than ever, to face the difficult battle to do more with less.**

1. *Changing Course: Ten Years of Tracking Online Education in the United States*. Elaine Allen and Jeff Seaman. (<http://www.onlinelearningsurvey.com/reports/changingcourse.pdf>) 2013.

2. *Projections of Education Statistics to 2021*, NCES 2013-008. National Center for Education Statistics. Jan 2013. Web. 7 Feb. 2014.

3. Huron Consulting Group internal research

# Current Environment

EVOLUTION OF PERFORMANCE IMPROVEMENT EFFORTS

HuronEducation

Faced with unprecedented budget challenges, institutions consider a range of approaches to performance improvement.

Short-term / Temporary  
Easier to implement

Longer-term / Structural  
More complex

## Immediate

- Across the board budget cuts
- Postponement of deferred maintenance
- Travel limitations
- Capital project delay or cancellation
- Service reductions
- Human resource management

## Incremental

- More aggressive across the board budget cuts
- Tuition and fee increases
- Procurement strategies
- Programmatic changes or eliminations
- Review of individual functional areas or cost categories
- Sale of non-critical assets
- Selected efficiencies

## Transformational

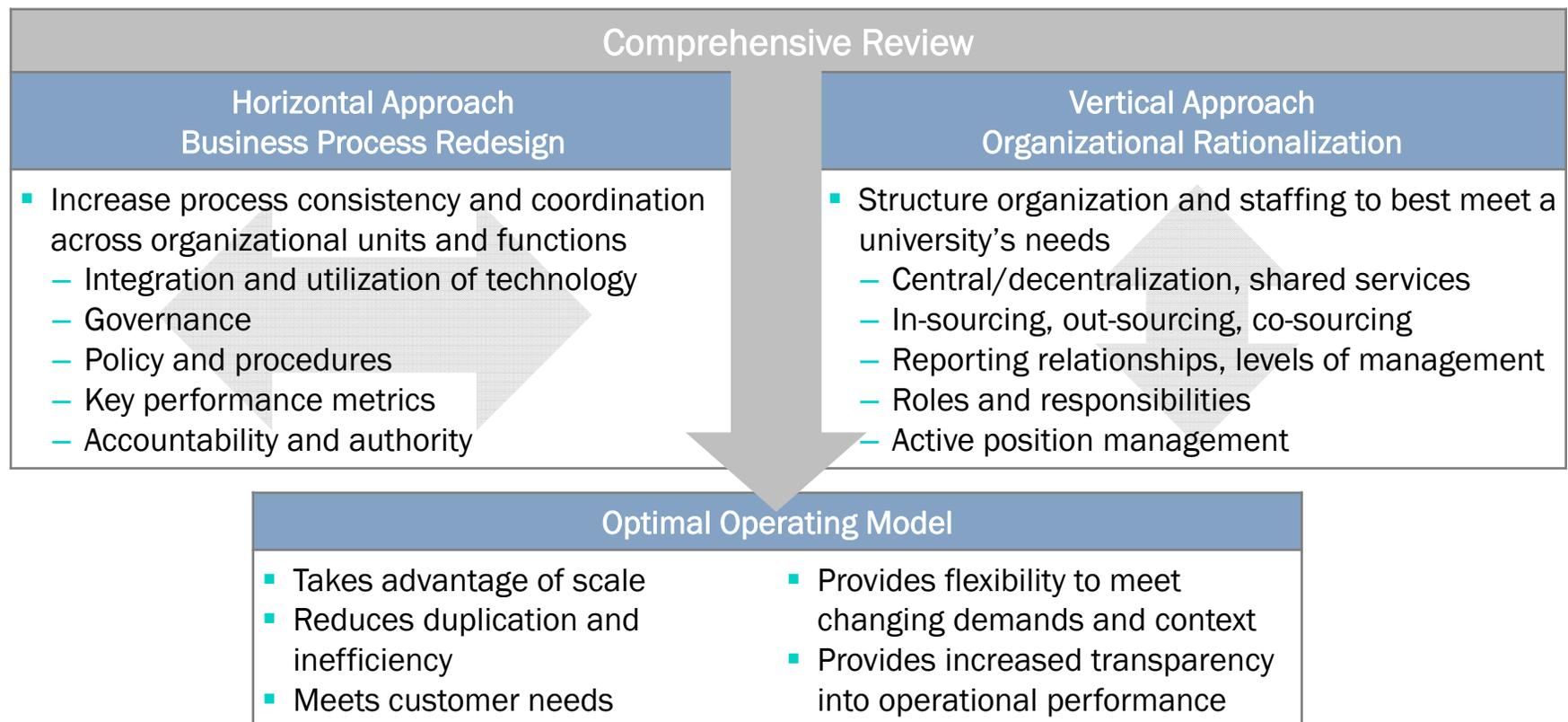
- Comprehensive, system-wide operational and programmatic reviews
- Organizational rationalization
- Shared services
- Outsourcing and hosting
- Process standardization, optimization of enterprise software capabilities
- Procure-to-Pay transformation
- Budget process redesign and incentive alignment

Transformational approaches, while more difficult to implement, have the potential for securing long-term gains in efficiency and performance.

# Current Environment

## PERFORMANCE IMPROVEMENT APPROACHES

Transformational approaches look across and within functional areas for opportunities to improve the university operation.

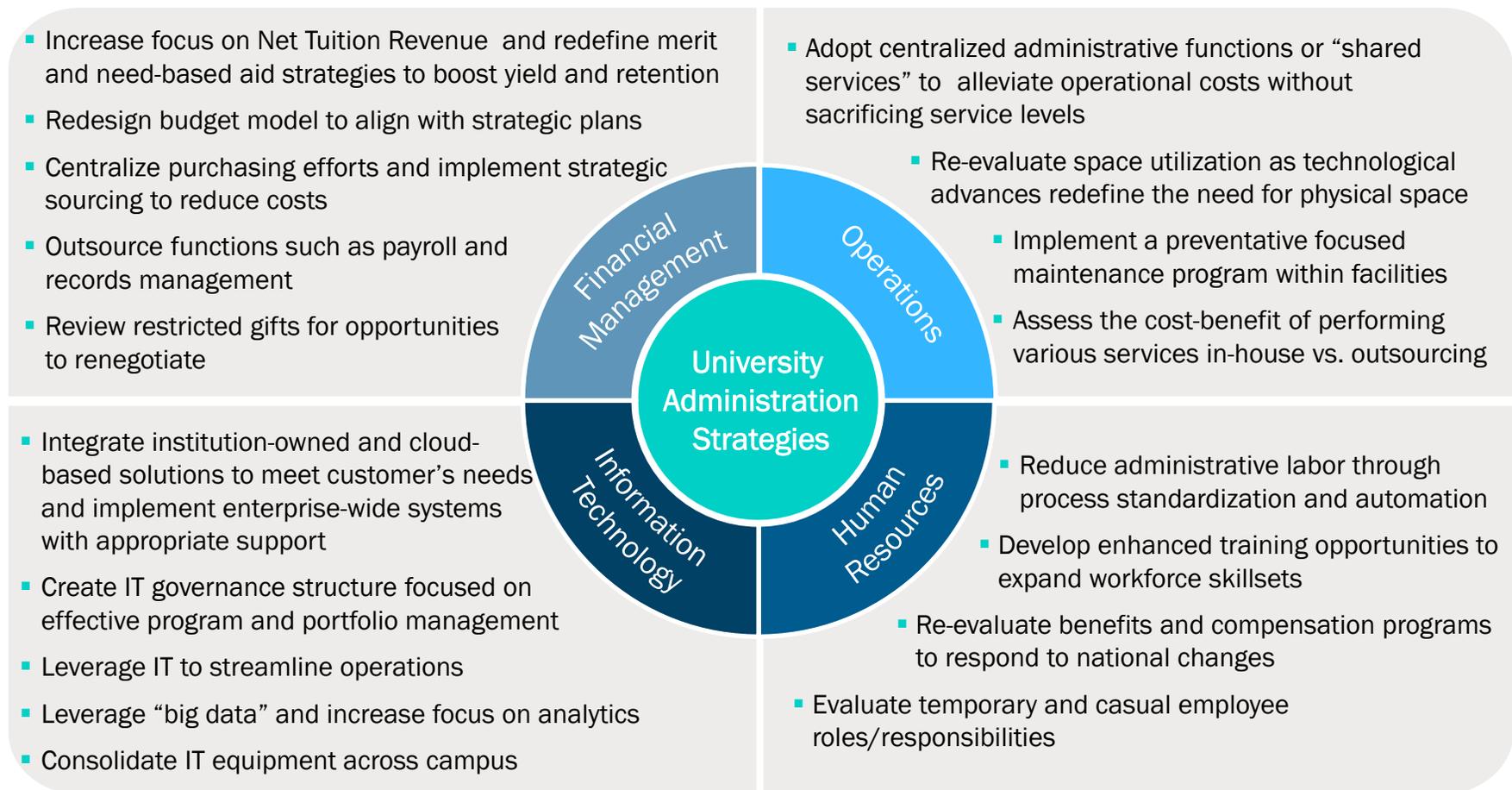


The optimal operating model for each primary function within a university depends on its strategic objectives and the contextual environment.

# Current Environment

## INDUSTRY TRENDS BY FUNCTIONAL AREA

Leading institutions are looking critically at operations and implementing innovative practices to optimize their resources.



### How many of these internal and external concerns resonate with your institution's current position and/or inhibit future goals?

#### Financial Profile

- Has your institution experienced a recent drop in operating revenue?
- Is your institution highly dependent on tuition revenue that will fluctuate with changes in enrollment?
- Has your institution identified potential opportunities to reduce operating expenses in the current environment?

#### Operational Profile

- Have you analyzed administrative functional areas to assess whether policies and processes are standardized and in line with industry best practices?
- Could your institution benefit from a centralization or decentralization of resources?
- Have any specific enrollment management initiatives been undertaken to increase yield or retention rates?

#### IT Profile

- Is your institution effectively leveraging technology to streamline processes across campus?
- Are there potential cost-savings to be gained by consolidating institutional IT?

#### Human Resources Profile

- Are resources or services duplicated across your institution as a result of past operational or budget models?
- Are job descriptions, benefits packages, and training programs available and in line with industry best practices?

# Client Experience

## HURON PERFORMANCE IMPROVEMENT CLIENT LIST

HuronEducation

Huron has completed successful performance improvement initiatives at more than 50 clients to address these challenges.<sup>1</sup>

### Private

Boston College	Northwestern University
Boston University	Pace University
Cornell University	Princeton University
Creighton University	Rice University
DePaul University	Seton Hall University
Drexel University	Stanford University
Emory University	Texas Christian University
Golden Gate University	Thomas Jefferson University
Harvard University	University of Chicago
Ithaca College	University of Miami
Johns Hopkins University	Vanderbilt University
Kenyon College	Wake Forest University
Mass. Inst. of Technology	Yale University

### Public

Arizona State University	Temple University
Auburn University	University of AL, Birmingham
Clemson University	University of California
Darden School of Business	University of Colorado
Florida State University	University of Florida
George Mason University	University of Kansas
Georgia Inst. of Technology	University of Kentucky
Medical College of Georgia	University of Minnesota
Medical University of SC	University of North Carolina
Miami University	University of South Carolina
Northern Kentucky U.	University of Wisconsin
Ohio University	Wayne State University
Pennsylvania State U.	Wright State University

1. List is illustrative. Additional client names available upon request.

# Client Experience

## REPRESENTATIVE CLIENT FUNCTIONAL AREA REVIEWS

### Huron Education Client Assessment Matrix

(List Not Comprehensive)

	Advancement	Auxiliaries	Budgeting	Construction	Enrollment	Facilities	Finance	Human Resources	Information Technology	Libraries	Marketing	Online & Distance Education	Org Assessment / Governance	Procurement	Public Safety	Research Admin.	Shared Services	Student Services
Auburn University			✓		✓	✓		✓						✓		✓		
Boston College	✓	✓			✓	✓	✓	✓	✓	✓			✓	✓		✓		✓
Clemson University	✓	✓			✓	✓	✓	✓	✓				✓	✓		✓		✓
Drexel University		✓	✓		✓	✓		✓	✓			✓	✓	✓			✓	✓
Georgia Institute of Technology			✓			✓			✓		✓		✓	✓				
Golden Gate University					✓	✓		✓	✓	✓			✓					✓
Harvard University			✓						✓	✓			✓	✓		✓		
Ithaca College	✓	✓	✓		✓	✓		✓	✓		✓	✓	✓	✓				
Pace University		✓	✓				✓	✓	✓				✓	✓		✓	✓	✓
Seton Hall	✓	✓	✓		✓	✓	✓	✓	✓				✓	✓				✓
Thomas Jefferson University	✓	✓			✓	✓	✓	✓	✓	✓			✓	✓				✓
University of California, Los Angeles						✓		✓	✓				✓	✓		✓	✓	✓
University of California, San Francisco	✓		✓		✓	✓	✓						✓			✓		
University of Chicago		✓		✓				✓					✓	✓		✓		✓
University of Florida		✓	✓		✓	✓	✓	✓			✓		✓	✓		✓		✓
University of Kansas		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓
University of Kansas Medical Center		✓				✓	✓	✓	✓				✓	✓	✓	✓		✓
University of Kentucky		✓	✓	✓		✓		✓	✓				✓	✓				✓
University of Miami		✓		✓	✓	✓	✓	✓	✓				✓	✓				
University of South Carolina					✓	✓	✓	✓				✓	✓	✓				
University of Wisconsin Colleges		✓	✓		✓	✓			✓			✓	✓	✓			✓	
University of Wisconsin, Madison		✓	✓		✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
UVA - Darden School of Business	✓	✓			✓	✓	✓	✓	✓				✓	✓		✓	✓	✓
Wake Forest University	✓	✓			✓	✓	✓	✓	✓		✓		✓	✓		✓	✓	✓
Washington University in St. Louis						✓	✓						✓	✓		✓	✓	
Wayne State University	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓		

# Client Experience

## RECENT ENGAGEMENT OVERVIEW

HuronEducation



## Annual Opportunities Identified: \$42MM-\$75MM

### Challenge

Huron was engaged by the public research institution to identify opportunities for cost reduction, revenue enhancement, process efficiency, and service improvement across KU's administrative functions.

### Approach

Huron conducted interviews with over 300 stakeholders, analyzed data on the university and medical college campuses, and benchmarked KU against a series of peer and aspirational institutions.

### Illustrative Focus Areas

- Budgeting Process\*
- Construction\*
- Enrollment Management\*
- Facilities Operations\*
- Human Resources\*
- Information Technology\*
- Libraries
- Procurement & Sourcing\*
- Research Administration
- Service Centers\*

*\*Areas selected for first wave of Huron-assisted implementation*

### Results

Following the initial review of the above functional areas, Huron worked with a broad base of KU stakeholders – including administrators, staff, and faculty – to develop 14 business cases to further test the feasibility of opportunities and outline implementation steps. Huron is now providing direct implementation assistance for several of these business cases and is assisting KU's efforts to implement the rest internally.



# Client Experience

## RECENT ENGAGEMENT OVERVIEW

HuronEducation



## Annual Opportunities Identified: \$30MM-\$40MM<sup>1</sup>

### Challenge

UW-Madison is a complex and decentralized flagship university serving over 43,000 students across 21 schools and colleges. UW-Madison engaged Huron to identify opportunities to reduce costs, improve service, and promote institutional flexibility in the wake of sizeable appropriation cuts from the state.

### Approach

Huron conducted a diagnostic assessment of eight primary functions over a six month time frame.

### Illustrative Focus Areas

- Auxiliary Operations
- Budgeting/Resource Allocation
- Business Services & Procurement
- Human Resources\*
- Information Technology\*
- Research Administration
- Space Management\*
- Strategic Sourcing\*

*\*Areas selected for first wave of Huron-assisted implementation*

### Results

During the diagnostic assessment, Huron identified more than 75 opportunities across the eight administrative functions. Huron was engaged to support an implementation and change management effort to develop actionable business cases for 11 of the identified opportunities in partnership with work teams comprised of UW-Madison staff, faculty, and student stakeholders. Initial UW-Madison total projected 5-year savings for these 11 opportunities are \$67.2MM.



1. Opportunities relate to Wave 1 of initiative. Additional waves have been completed.

# Client Experience

## RECENT ENGAGEMENT OVERVIEW

HuronEducation



### Annual Opportunities Identified: \$30MM-\$35MM

#### Challenge

As part of its STAR Review (Strategic Transformation of Administrative Resources), Drexel University engaged Huron to identify opportunities to reduce costs, increase revenues, improve service, and promote institutional flexibility to deal with a financial model that had become increasingly dependent upon tuition and burdened by bloated administrative costs.

#### Approach

Divided into multiple phases, Phase 1's assessment spanned six months, included over 200 interviews, and a review of hundreds of documents. In Phase 2, Drexel further engaged Huron to build detailed business cases for selected functions.

#### Illustrative Focus Areas

- Auxiliary Operations
- Budgeting/ Resource Allocation\*
- Enrollment Management\*
- Facilities/Space Utilization
- Human Resources
- Information Technology
- Procurement and Payables\*
- Research Administration

*\*Areas selected for first wave of Huron-assisted implementation*

#### Results

Subsequent to Phase 1 of the engagement, Drexel engaged Huron to: help redesign the budgeting process; build a centralized procurement function and technology platform; and transform the University's approach to enrollment and student support. These efforts are ongoing but have already led to substantive organizational change including a piloted new budgeting model and redesigned admissions and financial aid strategies.



# Key Success Factors for Consideration

Our critical approach to assessments produces specific, actionable recommendations that can result in substantive changes/improvements. Additional success factors include:

- Begin with clear leadership initiative objectives with the **desired end-goals**
- Understand the university's **appetite for change** and ability to effectuate change management
- Utilize **data-driven business cases** and objective measures to depersonalize and depoliticize change
- Ensure opportunity selection and implementation is **driven and supported by leadership**
- **Prioritize** results opportunities for implementation
- Pursue opportunities for enhanced enterprise-wide resource stewardship
- Engage faculty, business process owners, and key campus stakeholders in solution development
- Ensure the planning process **realistically considers the required timeframe** and assesses potential project risks and mitigation measures
- Establish methods for measuring savings achieved and **tracking progress** following implementation

Huron understands the culture of higher education and the need for customized solutions to meet the unique challenges found in university environments.

### By the Numbers

- Over 450 dedicated higher education consultants
- Experience with
  - 285 colleges, universities, and academic medical centers
  - 94 of the top 100 research universities

### Our Distinct Traits

- Focus on comprehensive performance improvement
- Work with our clients to understand unique aspects of their culture and operating environment
- Emphasize partnerships with senior management, faculty and other key stakeholders
- Leverage data-driven analytics and relevant benchmarking
- Provide specific actionable recommendations to achieve results

Huron's organization, culture, and people uniquely position our firm to successfully partner with higher education institutions.

## Focus

- Dedicated Higher Education practice with professionals passionate about our clients' missions
- Focus on most critical challenges and solutions to provide highest return on investment

## Experience

- Unparalleled depth and breadth in higher education sector
- Experts in resource optimization across all university functional areas

## Collaboration

- Partner with institutions and bring a culture that is respectful, inclusive, and open to all perspectives
- Embrace joint ownership of challenges, solutions, and successes

## Results

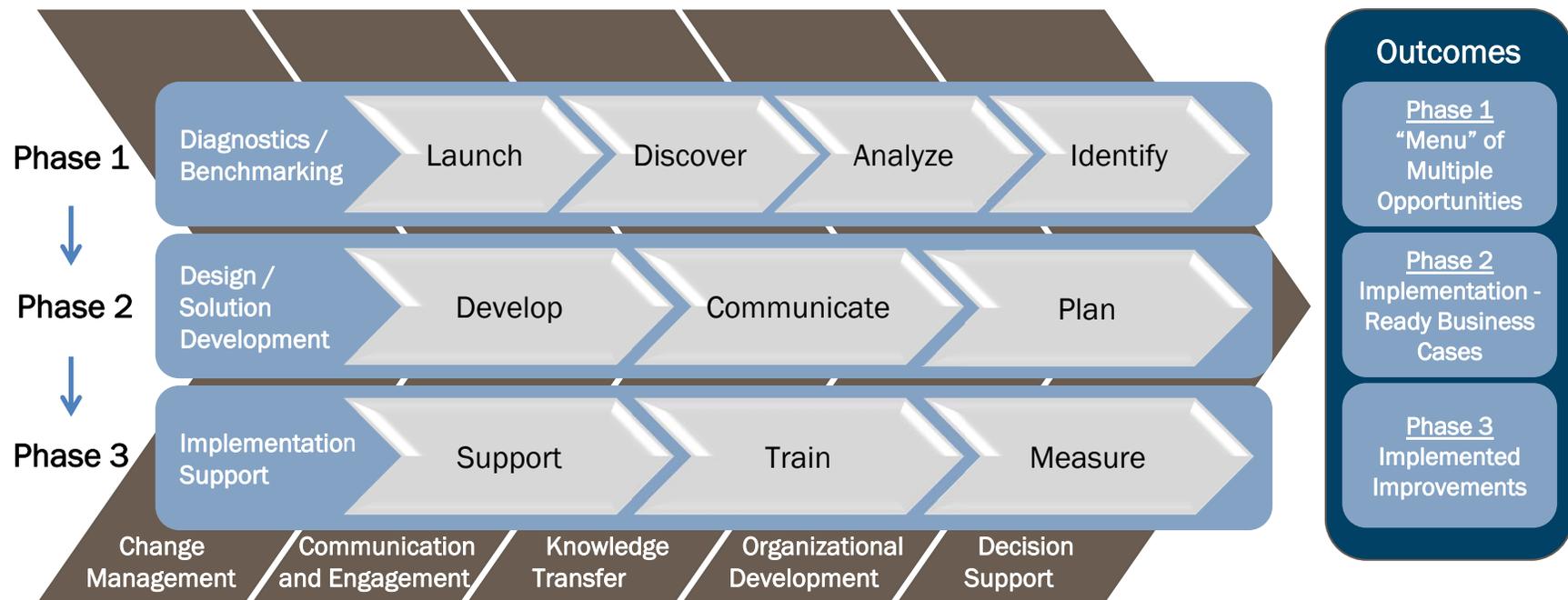
- Commit to impactful, measureable, and sustainable results
- Tie recommendations to unique culture and operating challenges

# Huron Education Practice

HURON'S ENGAGEMENT APPROACH

HuronEducation

Our methodical approach, honed over a myriad of engagements, focuses on identifying, implementing, and sustaining change.



Huron engages and partners with key stakeholders throughout all phases in order to foster a culture of collaboration and continuous improvement.

Appendix  
Additional Client Experience Slides

# Client Experience

## RECENT ENGAGEMENT OVERVIEW

HuronEducation

### WAYNE STATE UNIVERSITY

#### Challenge

Wayne State, a nationally recognized metropolitan research institution, was facing large cuts in state appropriation and had a desire to reduce costs and improve the overall performance of operations across the campus in terms of customer service, controls, and effectiveness.



## Annual Opportunities Identified: \$19MM-\$32MM

#### Approach

After meeting with members of Huron Education's executive team, WSU partnered with Huron on a comprehensive review of administrative and business process operations with a goal of improving operational effectiveness and efficiency.

#### Illustrative Focus Areas

- Auxiliary Services
- Budgeting
- Enrollment Management\*
- Facilities, Planning & Management\*
- Human Resources and Benefits\*
- Information Technology
- Procurement & Sourcing\*

*\*Areas selected for first wave of Huron-assisted implementation*

#### Results

Following the comprehensive review, Huron was further engaged by WSU to help implement: a new eProcurement system; a redesigned HR delivery function; a high performing, customer-centric Facilities organization; and a one-stop student services support organization. Service improvements have been noted and Huron continues to partner with WSU on additional initiatives including a budget tool implementation and an assessment of new financial aid strategies.

# Client Experience

## RECENT ENGAGEMENT OVERVIEW

HuronEducation



## Annual Opportunities Identified: \$2MM-\$6MM

### Challenge

Huron was engaged by Washington University to identify opportunities for cost savings and efficiency improvements across multiple organizations that provide facilities management-related services on the Danforth Campus.

### Approach

Huron partnered with workgroups, University leaders, and a project steering committee to conduct a high level Phase I review followed by a focused Phase II assessment of current state operations to identify opportunities for cost savings in facilities management functions.

### Illustrative Focus Areas

- Facilities Maintenance Operations
- Business Processes & Organizational Structure
- Information Technology
- Procurement & Strategic Sourcing
- Behavioral Energy Management

### Results

Huron identified 24 opportunities for achieving cost savings including organizational change, efficiency, effectiveness, and cost reduction opportunities. Washington University is currently in the process of developing implementation and action plans based on Huron's recommendations. Total annual real cost savings are projected to be between \$2MM and \$3MM.

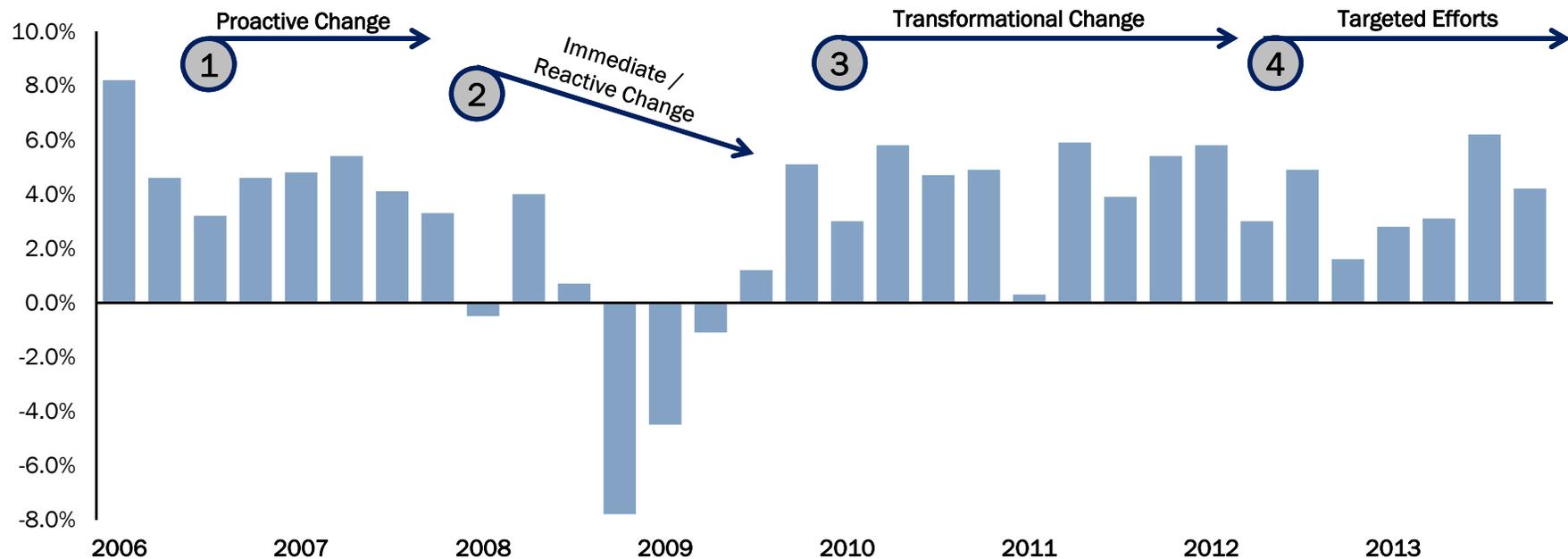


Appendix  
Evolving Institutional Response

# Evolving Focus of Institutional Responses

While not applicable to all universities, many performance improvement initiatives in the past 8-10 years can be categorized by economic context.

Gross Domestic Product (GDP) Percent Change from Preceding Period  
(seasonally adjusted current dollars)



Source: Bureau of Economic Analysis, 3-27-14; Huron Analysis

# Proactive Performance Improvement (2006-2008)

Prior to the 2008 recession, many performance improvement initiatives focused on incremental change with the goal of funding strategic plans.

- **Illustrative Institutions:** Boston College, Clemson University, Wake Forest University
- **Illustrative Focus Areas:**
  - Traditional revenue streams, such as tuition, fees and auxiliaries
  - Procurement strategies (contract renegotiation and vendor/specification standards)
  - Reviews of administrative functional areas (e.g., HR, IT, facilities)

# Immediate Performance Improvement (2008-2009)

The negative economic and political pressure built up during the Great Recession proved to be a considerable catalyst for change, significantly increasing the number of institutions embarking on performance improvement initiatives.

- During this period, literally dozens of university presidents wrote open letters to their campuses announcing revenue enhancement and cost reduction initiatives
- **Illustrative Institutions:** University of Chicago, Dartmouth College, Harvard, MIT
- A 2009 Huron survey of 50 institutions identified the following **focus areas**:
  - 46% of institutions announced hiring freezes
  - 37% announced salary freezes
  - 14% planned furloughs
  - 11% of institutions announced downsizing or reorganization efforts
- Endowment-dependent institutions were materially impacted during this period due to the material drop in endowment levels and distributions

As financial challenges lingered, many of the short-term initiatives seen in 2008 and 2009 were replaced with more innovative performance improvement initiatives.

- In an effort to secure long-term gains in efficiency and performance, 25% - 30% of institutions, by 2010, were reporting cost reduction initiatives<sup>1</sup> focused on more transformational approaches to revenue enhancement and cost reduction
- **Illustrative Institutions:** UC Berkeley, UNC-Chapel Hill, University of Wisconsin-Madison, University of Kansas
- **Illustrative Focus Areas:**
  - Comprehensive, system-wide operational and programmatic reviews
  - Reorganizations, spans and layers analysis, centralization of administrative services
  - Shared services, outsourcing and hosting, process standardization, optimization of enterprise software capabilities

# Targeted Performance Improvement (2013-2014)

While a number of institutions are still initiating transformational projects, others appear to be experiencing cost-reduction fatigue and have shifted focus to more targeted efforts.

Targeted Efforts include:

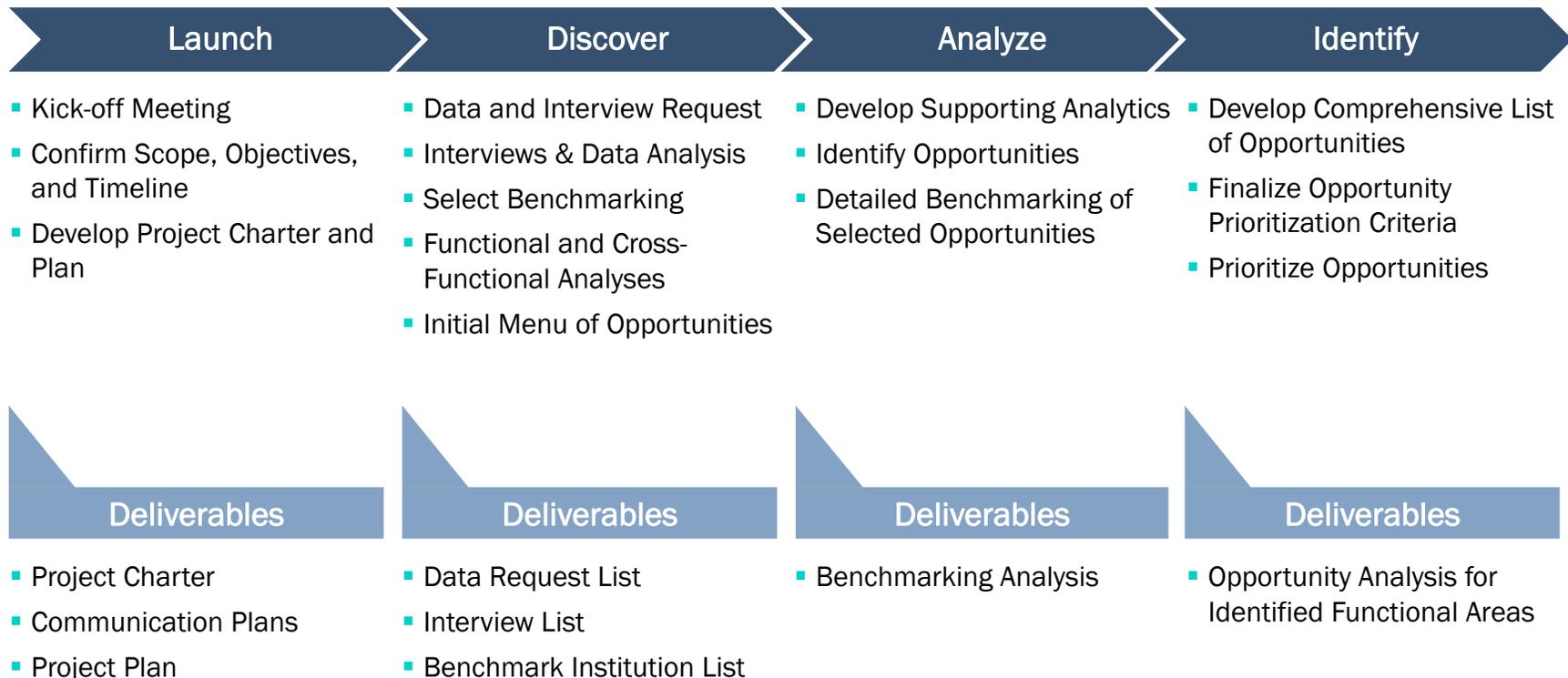
- Budget Redesigns
  - Ohio University, University of Virginia, UC Davis
- Enrollment Management Initiatives
  - Virginia Commonwealth, Clemson University, Drexel University
- Asset Optimization
  - Ohio State University, University of Kentucky, Purdue University

Appendix  
Huron's Approach

# Overview of Huron's Approach

## PHASE 1 – DIAGNOSTICS & BENCHMARKING

Phase 1 is designed to quickly identify areas that hold the greatest opportunities and focus efforts on the “best” solutions.



# Overview of Huron's Approach

## PHASE 1 – "FUNNELING" OF OPPORTUNITIES

Huron uses client interviews, benchmarking, data analytics, and knowledge of industry best practices to prioritize opportunities.

Huron and client leadership work closely throughout Phase 1 to identify the most impactful and achievable opportunities based on:

### Client Situational Assessment

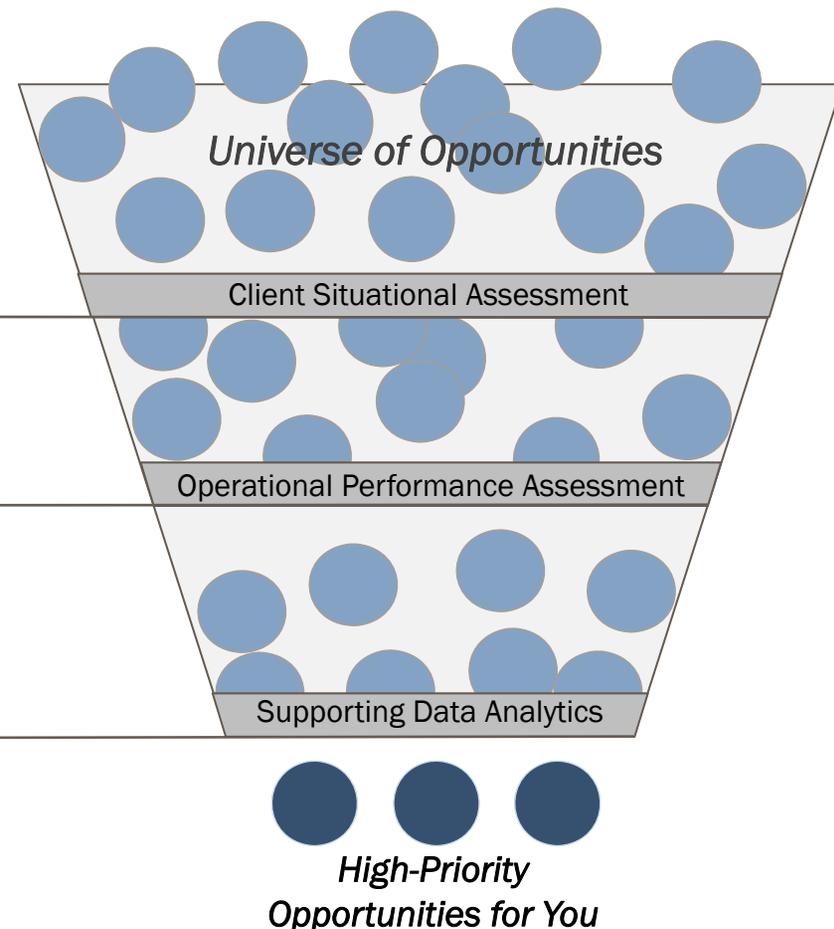
- Strategic fit
- Cultural fit

### Operational Performance Assessment

- Benchmarking
- Best and emerging practices
- Internal standards and goal performance

### Initial Supporting Data Analytics

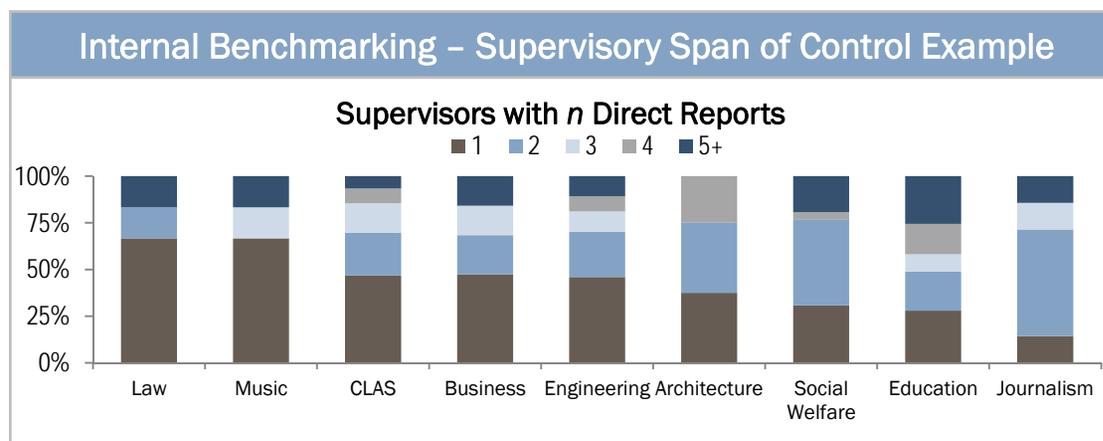
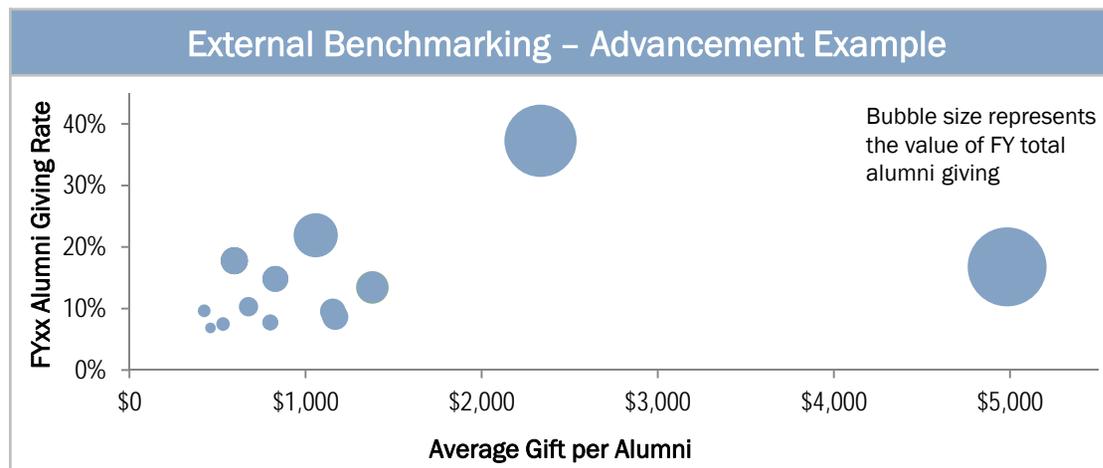
- Financial and service level impact estimates
- Implementation risks and challenges assessments



# Overview of Huron's Approach

## PHASE 1 – BENCHMARKING OVERVIEW

Benchmarks and internal data analytics provide critical insight in order to vet the universe of priorities.



### “Funneling” Progress

- Initial staff interviews and data review, combined with Huron’s industry knowledge, will lead to hypothesized opportunities
- Detailed internal and external data analysis will test these hypotheses
  - Some hypotheses debunked
  - Others identified as significant

# Overview of Huron's Approach

## PHASE 1 – SUPPORTING ANALYTICS

Huron's business cases use an analytical approach to study opportunities and support findings and recommendations.

Approach	Description	Benefit
Activity-Based Costing	<ul style="list-style-type: none"><li>Develop an activity-based costing model that will price out all activities within a select process or unit</li><li>Determine level of effort required for each task</li></ul>	<ul style="list-style-type: none"><li>Identifies true costs of each activity</li><li>Assigns price tag to each activity, which can help leadership determine relative value against cost</li></ul>
Cost-Value Mapping	<ul style="list-style-type: none"><li>Create a matrix where each activity is placed on a value and cost axis to plot the range of alignment to the university's strategic plan and/or mission and estimated cost</li></ul>	<ul style="list-style-type: none"><li>Allows for activities to be grouped and evaluated, based on quadrants (strategic, tactical, or transformational)</li><li>Facilitates the strategic direction of recommendations</li></ul>
Financial Modeling	<ul style="list-style-type: none"><li>Compile income statement and balance sheet data with assumptions and institutional drivers to replicate anticipated institutional or department financial impact</li></ul>	<ul style="list-style-type: none"><li>Assesses the cost of strategic initiatives</li><li>Increases transparency and visibility</li><li>Supports executive decision making</li></ul>
Organizational Assessment	<ul style="list-style-type: none"><li>Assess in-scope functions</li><li>Cover central and distributed roles</li><li>Review tasks, processes, structures and technology</li></ul>	<ul style="list-style-type: none"><li>Demonstrates complete understanding of current service levels</li><li>Uncovers redundancies and conflicts</li><li>Establishes baseline of operations</li></ul>
Process Mapping	<ul style="list-style-type: none"><li>Evaluate process steps for value, efficiency, role appropriateness, and technology</li><li>Identify representative group of departmental units and apply across similar areas</li></ul>	<ul style="list-style-type: none"><li>Creates role-based process map for each major activity</li><li>Eliminates unnecessary steps and enables efficient process redesign</li></ul>

Depending on the complexity and extent of the potential opportunity, each business case will vary in the analytical approaches used.

# Overview of Huron's Approach

## PHASE 1 – ANALYSIS & ASSESSMENT

Potential opportunities are vetted against an assessment framework co-designed by Huron and our client.

Example “Menu” of Opportunities

	Annual Financial Impact	Efficiencies Gained	Risk Exposure	Implementation Complexity	Timeframe (Months)
1 Strategic Tuition Pricing	\$3.5MM - \$5.6MM	Negligible	Substantial	Negligible	12 – 24
2 Strategic Sourcing – Dell & Alpha / Staples	\$1.4MM - \$2.5MM	Moderate	Material	Material	0 – 3
3 Space Management	\$5.0MM - \$10.0MM	Very High	Minor	Substantial	6 – 12
4 Consolidation of Schools	\$1.0MM - \$5.5MM	High	Material	Substantial	12 – 24
5 Summer Academic Offerings	\$2.1MM - \$3.8MM	High	Material	Material	6 – 12
6 Athletic Scholarships	\$2.8MM - \$3.3MM	Low	Negligible	Negligible	6 – 12

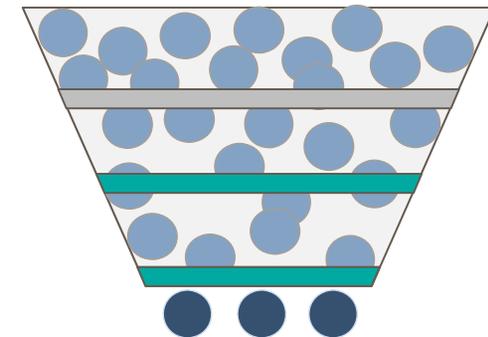
Risk / Complexity Key: Substantial (Red), Material (Yellow), Minor (Green), Moderate (Light Green), Negligible (Dark Green)

Example Impact / Viability Matrix



### “Funneling” Progress

- The integrated road map begins to take shape as promising opportunities are assessed in more detail and evaluated against each other
- Typical evaluation criteria at this stage include:
  - Projected cost savings
  - Projected implementation costs
  - Service / efficiency impact
  - Strategic and cultural impact
  - Implementation complexity and risk
  - Implementation timeline



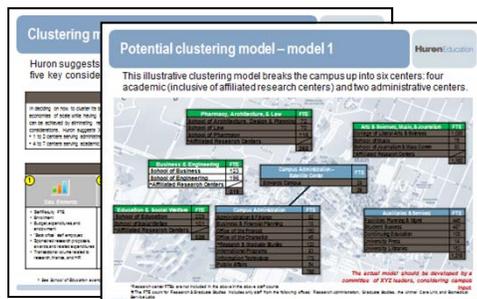
# Overview of Huron's Approach

PHASE 2 – DESIGN & SOLUTION DEVELOPMENT

Opportunities “funneled” to Phase 2 are thoroughly assessed in terms of financial and service impacts (costs and benefits).



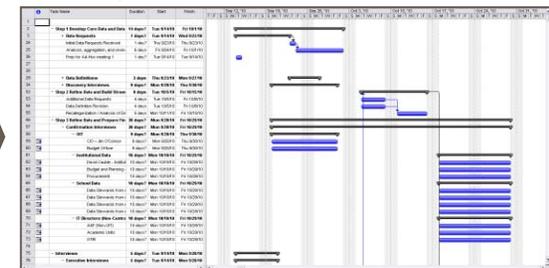
Example: Shared Service Center Plan



**Institutional risk assessment (1 of 2)**

Institutional risk indicates critical risks that may impact XYZ at the University level.

Risk Factor	Summary	Assessment
1. Does the change impact XYZ core competencies or critical success factors?	Business centers will serve the research and educational mission of XYZ. Do the research, high quality centers or be critical to other processes essential to the success of XYZ? Do the research, high quality centers or be critical to other processes essential to the success of XYZ?	High
2. Is there a risk to the University's reputation or brand image?	Business centers do not serve the XYZ reputation or brand image.	Medium
3. Will the change cause a risk to academic research?	Implementation of business centers will impact XYZ and XYZ's reputation. XYZ will communicate the benefits of business centers, of which communication and public engagement for XYZ will decrease XYZ's reputation and XYZ's academic research output.	Medium
4. Will the change impact the number of people directly impacted?	The impact of business centers will impact XYZ's academic research output. Communication to XYZ stakeholders will be critical to the success of business centers.	High
5. Is there a risk to the University's performance metrics or the change project?	XYZ's reputation will be impacted by the implementation of business centers. Communication to XYZ stakeholders will be critical to the success of business centers.	High
6. Is there a risk to the University's financial health?	XYZ's reputation will be impacted by the implementation of business centers. Communication to XYZ stakeholders will be critical to the success of business centers.	High

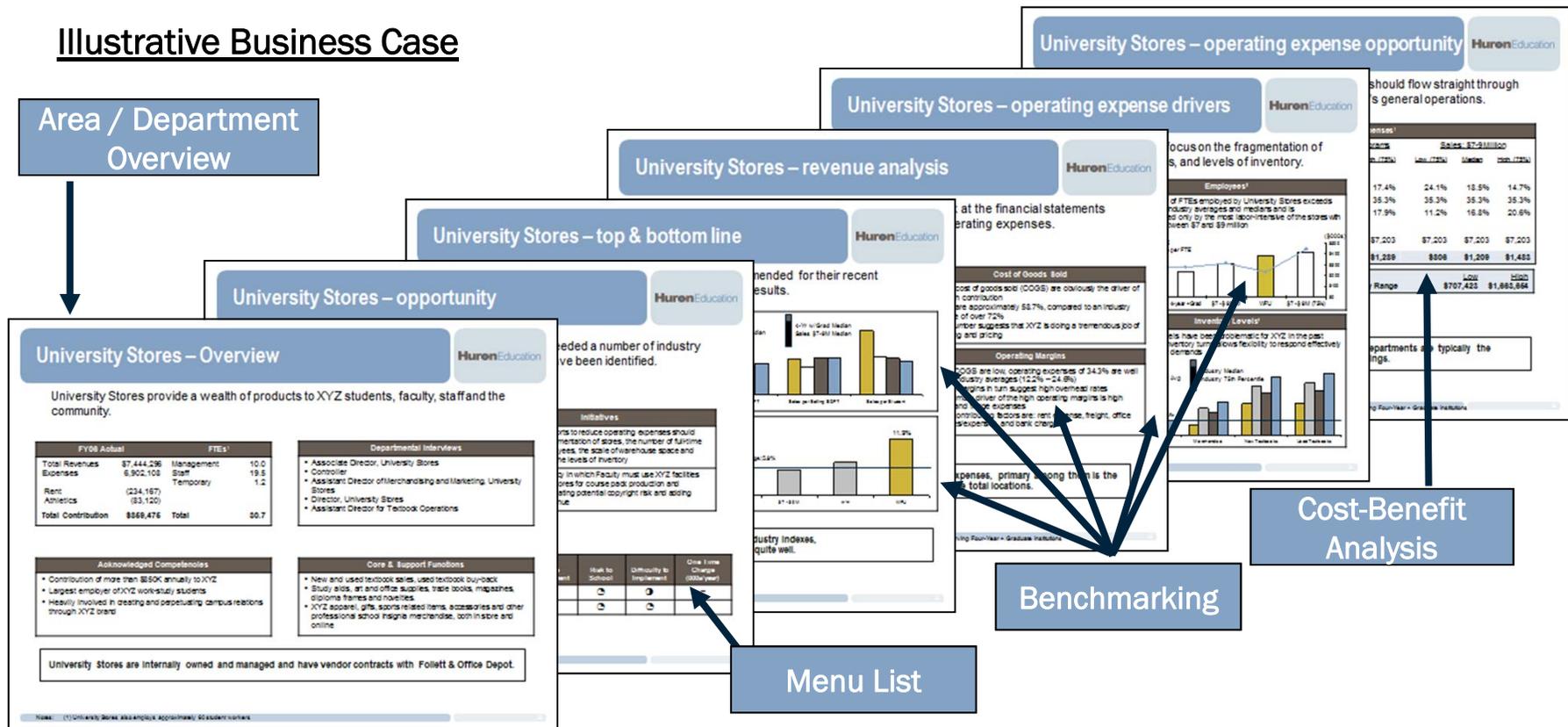


# Overview of Huron's Approach

PHASE 2 – BUILDING THE ROAD MAP

Based on our analysis and client vetting process, Huron creates a road map for a successful, sustainable implementation.

## Illustrative Business Case

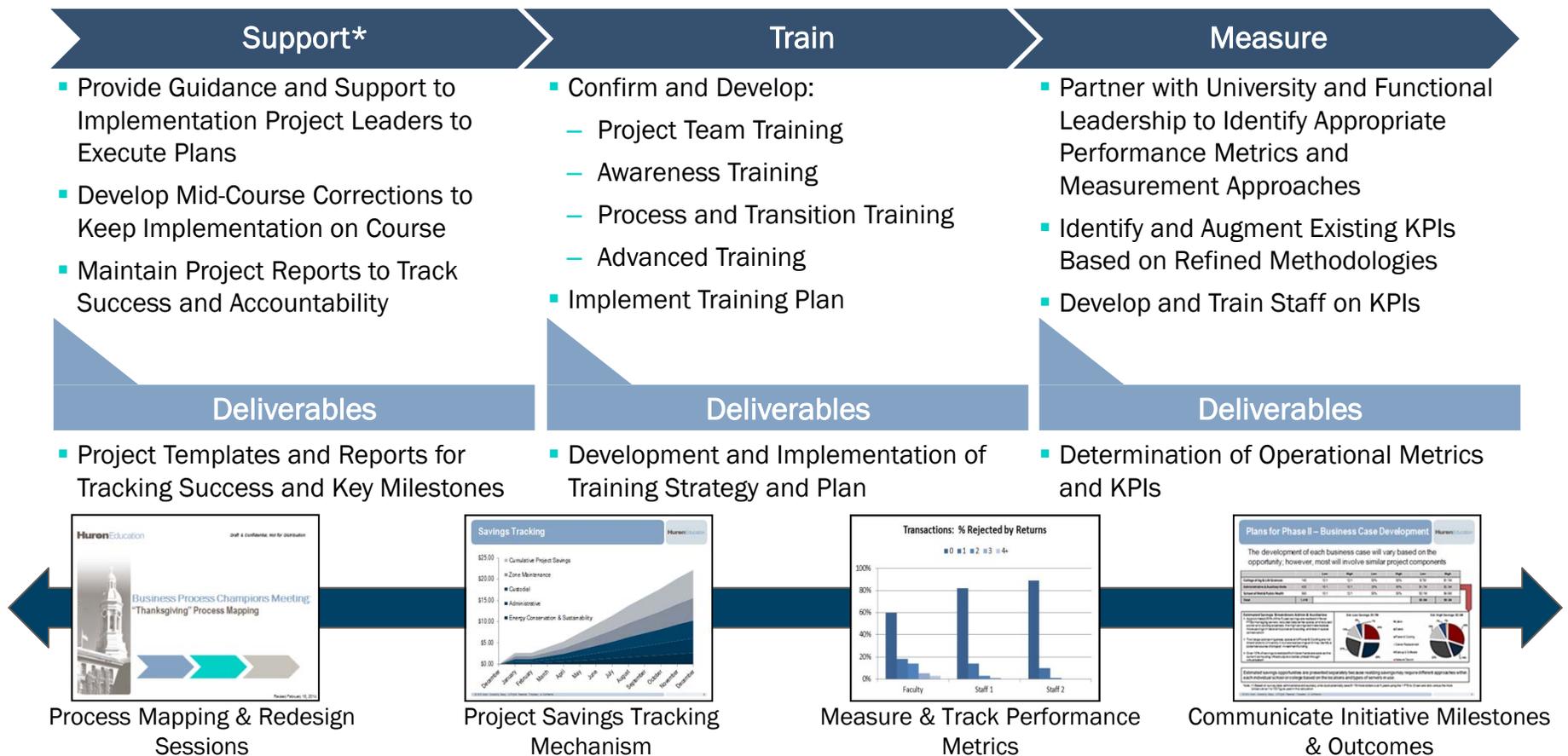


The "menu" approach is expanded during Phase 2 to provide more precise estimates of savings or revenue opportunities and institutional impacts.

# Overview of Huron's Approach

## PHASE 3 – IMPLEMENTATION

During Phase 3, Huron works with university staff to develop, deliver, and support a continuous improvement plan.



\*Note: Huron support role and scope are highly situation-dependent; support can take a variety of roles depending on specific client needs.

Appendix  
Common Areas of Opportunity

# Common Areas of Opportunity (1 of 5)

Huron frequently reviews various areas to identify cost reduction, revenue generating, and service enhancement opportunities within higher education.

Focus Area	Approach	Potential Opportunities
<b>Advancement &amp; Development</b>	<p>Evaluate fundraising operations and strategy alignment:</p> <ul style="list-style-type: none"> <li>▪ Staffing and organization</li> <li>▪ Incentive structure</li> <li>▪ Key performance measures by fundraiser, gift type, donor type</li> <li>▪ Costs of fundraising and returns on investment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Alignment of organization, staffing, and compensation with fundraising strategy</li> <li>▪ Shift of gift portfolio to more productive mix</li> <li>▪ Rationalization of fundraising resources</li> <li>▪ Increase coordination between units and institutions</li> <li>▪ Better donor management and relations</li> </ul>
<b>Asset Optimization</b>	<p>Evaluate opportunities to unlock value “trapped” within physical assets</p> <ul style="list-style-type: none"> <li>▪ Identify strategic goals and opportunities</li> <li>▪ Conduct mission-value mapping</li> <li>▪ Develop business cases to evaluate viability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public private partnerships</li> <li>▪ Outsourcing/insourcing</li> <li>▪ Decrease expenses/increase revenues without loss of university control</li> <li>▪ Increase quality of constituency experience</li> </ul>
<b>Auxiliaries</b>	<p>Review performance of auxiliaries and their bottom-line contribution to university operations:</p> <ul style="list-style-type: none"> <li>▪ Revenue and margin</li> <li>▪ Pricing to cover full costs</li> <li>▪ Internal benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase in revenue or contribution margins</li> <li>▪ Maximize use of institutional real estate</li> <li>▪ Shift to more effective business model (in-source/outsource)</li> </ul>
<b>Budgeting</b>	<p>Review approach to budgeting and resource allocation:</p> <ul style="list-style-type: none"> <li>▪ Conduct institutional funds flow analysis</li> <li>▪ Assess financial incentives</li> <li>▪ Review budget process and policies</li> <li>▪ Conduct critical budget component gap analysis</li> </ul>	<ul style="list-style-type: none"> <li>▪ Budget model redesign</li> <li>▪ Revenue growth through incentive alignment</li> <li>▪ Enhance financial stewardship</li> <li>▪ Align revenues and costs across the institution</li> </ul>

# Common Areas of Opportunity (2 of 5)

Focus Area	Approach	Potential Opportunities
<b>Capital Projects Management</b>	Operational analysis of construction project management: <ul style="list-style-type: none"> <li>Construction cost auditing</li> <li>Contract review</li> <li>Operational review of construction management</li> </ul>	<ul style="list-style-type: none"> <li>Change order control</li> <li>Contract compliance</li> <li>Leverage of purchasing volume and project consolidation</li> <li>Greater use of tax exempt status</li> </ul>
<b>Enrollment</b>	Review approach to strategic enrollment management and its impact on finances and institutional reputation: <ul style="list-style-type: none"> <li>Analyze enrollment data</li> <li>Assess mix of need- and merit-based financial aid and effect on enrollment and revenues</li> <li>Develop business case outlining financial impact of various enrollment strategies</li> </ul>	<ul style="list-style-type: none"> <li>Increase net tuition revenue through improved retention of students</li> <li>Redesign admissions/selection process to focus on academic fit to major</li> <li>Enhance reputation due to enrollment of higher quality students</li> </ul>
<b>Facilities: Energy Consumption</b>	Develop energy governance framework to optimize business decisions related to efficiency investments: <ul style="list-style-type: none"> <li>In-depth assessment of energy use</li> <li>Benchmark enterprise utility utilization</li> <li>Determine and prioritize future energy projects</li> <li>Organizational and process redesign</li> </ul>	<ul style="list-style-type: none"> <li>Systematic investment in energy efficiency</li> <li>Effective coordination across functions (facilities, finance, sustainability, academic units)</li> <li>Focus decision-making process to incorporate needs of multiple stakeholders</li> </ul>
<b>Facilities: Operations Management</b>	Analyze organization, operations, and management: <ul style="list-style-type: none"> <li>Assess costs</li> <li>Review sourcing methodology</li> <li>Benchmark internally, historically, and against peers</li> <li>Identify and explore industry trends</li> </ul>	<ul style="list-style-type: none"> <li>Reduce costs per square foot</li> <li>Align service with customer need</li> <li>Establish performance metrics</li> <li>Staffing realignment (personnel and schedule)</li> </ul>
<b>Finance</b>	Review finance and business office activities <ul style="list-style-type: none"> <li>Identify and benchmark key activities</li> <li>Review organizational structure</li> <li>Assess key financial ratios</li> </ul>	<ul style="list-style-type: none"> <li>Improve customer service levels</li> <li>Staffing and process realignment</li> <li>Improve accounts receivables</li> <li>Improve balance sheet performance (e.g. accounts receivable management, fund payout reviews)</li> </ul>

# Common Areas of Opportunity (3 of 5)

Focus Area	Approach	Potential Opportunities
Human Resources	<p>Evaluate current organization against planned reorganization:</p> <ul style="list-style-type: none"> <li>▪ Determine remaining gaps</li> <li>▪ Compare existing with best practices</li> <li>▪ Measure current HR operations expenditures, both centrally and locally, and develop key performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>▪ Outsourcing/hosted model for certain payroll/HR functions or systems (for example, part-time personnel and payroll)</li> <li>▪ Consolidation of specific functions</li> <li>▪ Process redesign for greater service and/or efficiency</li> <li>▪ Employee benefits analysis</li> </ul>
Information Technology	<p>Assess organization, people, services, and processes:</p> <ul style="list-style-type: none"> <li>▪ Review central/distributed IT units, associated services, clients, costs (including space)</li> <li>▪ Evaluate redundancies and cost drivers</li> <li>▪ Develop future state operating and support models, including comprehensive governance and its role in budget allocations</li> </ul>	<ul style="list-style-type: none"> <li>▪ More efficient delivery and support models</li> <li>▪ Improve management of equipment usage, space occupied, mapping and rationalization</li> <li>▪ Optimize technology footprint</li> <li>▪ Decrease duplication of services, clarity of roles</li> <li>▪ Improve alignment of expenditures with strategy</li> <li>▪ Risk mitigation</li> </ul>
Libraries	<p>Assess functional performance and identify potential gaps or areas for increased efficiencies</p> <ul style="list-style-type: none"> <li>▪ Benchmark against peers and best practices</li> <li>▪ Review customer satisfaction studies/surveys</li> </ul>	<ul style="list-style-type: none"> <li>▪ More efficient delivery and support models</li> <li>▪ Improve management and storage of collections</li> <li>▪ Enhance acquisition process</li> <li>▪ Optimize staffing and funding models</li> <li>▪ Development of performance metrics</li> </ul>
Marketing	<p>Assess performance across units with outreach and communications responsibility:</p> <ul style="list-style-type: none"> <li>▪ Benchmark unit operations against peer group</li> <li>▪ Evaluate redundancies and cost drivers</li> <li>▪ Assess technology to measure effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify cost savings/efficiency opportunities</li> <li>▪ Align service with customer need</li> <li>▪ Establish performance metrics</li> <li>▪ Staffing realignment (personnel and schedule)</li> </ul>

# Common Areas of Opportunity (4 of 5)

Focus Area	Approach	Potential Opportunities
Online and Distance Education	<p>Assess academic programming and operations for current online/distance education activities:</p> <ul style="list-style-type: none"> <li>Assess alignment with institutional strategy</li> <li>Identify strengths, bottlenecks, redundancies, and excess demand in academic programming</li> <li>Assess organizational structure and related processes</li> </ul>	<ul style="list-style-type: none"> <li>Increase enrollment for new and existing student populations</li> <li>Optimize instructional facilities by leveraging online/distance courses</li> <li>Streamline org structure and processes to eliminate inefficiencies</li> </ul>
Organizational Structure	<p>Assess delivery of administrative services:</p> <ul style="list-style-type: none"> <li>Identify overlapping, redundant and/or duplicative units and processes</li> <li>Review of requirements and service-level indicators</li> <li>Identify differentiation and model needs</li> </ul>	<ul style="list-style-type: none"> <li>Increase economies of scale</li> <li>Increase local productivity and expertise efficiencies</li> <li>Optimize staffing</li> <li>Consolidate information for improved management</li> </ul>
Procurement	<p>Assessment of enterprise wide procurement:</p> <ul style="list-style-type: none"> <li>Conduct overall savings opportunities assessment</li> <li>Optimize eProcurement system</li> <li>Create procurement and payables transformation plan</li> </ul>	<ul style="list-style-type: none"> <li>Product rationalization</li> <li>Leverage buying power</li> <li>Enhance demand management</li> <li>Improve procure-2-pay process, reductions in AP costs</li> <li>Reduce commodity prices</li> <li>Outsource selected services</li> </ul>
Public Safety	<p>Assessment of public safety to reduce costs and improve efficiencies, without service levels or safety compromise:</p> <ul style="list-style-type: none"> <li>Patrol &amp; monitoring</li> <li>Investigations</li> <li>Building access</li> <li>Emergency planning / response</li> </ul>	<ul style="list-style-type: none"> <li>Outsource and/or organizational centralization</li> <li>Improve technology capabilities and use for monitoring and building access</li> <li>Evaluate cost structure and resources to identify inefficiencies</li> <li>Develop campus emergency response plans to ensure disaster preparedness</li> </ul>

# Common Areas of Opportunity (5 of 5)

Focus Area	Approach	Potential Opportunities
Research Administration	<p>Review performance and operations:</p> <ul style="list-style-type: none"> <li>Assess efficiency of administrative processes</li> <li>Benchmark internally, against peers and best practices</li> <li>Review resource capacity, roles, and training</li> <li>Understand campus compliance levels</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate research information and standardize tools to improve service</li> <li>Enhance research administration staffing</li> <li>Process redesign</li> <li>Indirect cost recovery rate evaluation</li> </ul>
Shared Services: Service Centers	<p>Analyze transaction data and staffing within distributed units related to the following functions:</p> <ul style="list-style-type: none"> <li>Human Resources</li> <li>Information Technology</li> <li>Finance and Accounting</li> <li>Research Administration</li> </ul>	<ul style="list-style-type: none"> <li>Create regional or institution-wide business centers to provide services to academic and administrative units</li> <li>Consideration of activities that can be most efficiently performed for multiple campuses at one location</li> </ul>
Student Services	<p>Analyze support functions to find efficiencies and opportunities for integration while maintaining or enhancing service quality:</p> <ul style="list-style-type: none"> <li>Financial Aid</li> <li>Student Accounts / Bursar</li> <li>Registrar</li> <li>Admissions</li> <li>Academic and Residential Programs</li> <li>Student Advising</li> <li>Career Services</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of student support services including administrative, academic, co-curricular, residential, leadership and special programs and services to optimize resource allocation and ensure sustainability for high-impact student programs</li> <li>Analysis of the quality and responsiveness of each functional unit in serving students by reviewing response times, student surveys, tracking/reporting tools and performance measures</li> </ul>

Appendix  
Functional Area Case Studies

# Case Study

## ADVANCEMENT

A review of the development area for a health sciences institution revealed opportunities to increase patient and alumnus giving by \$98MM over 10 years.

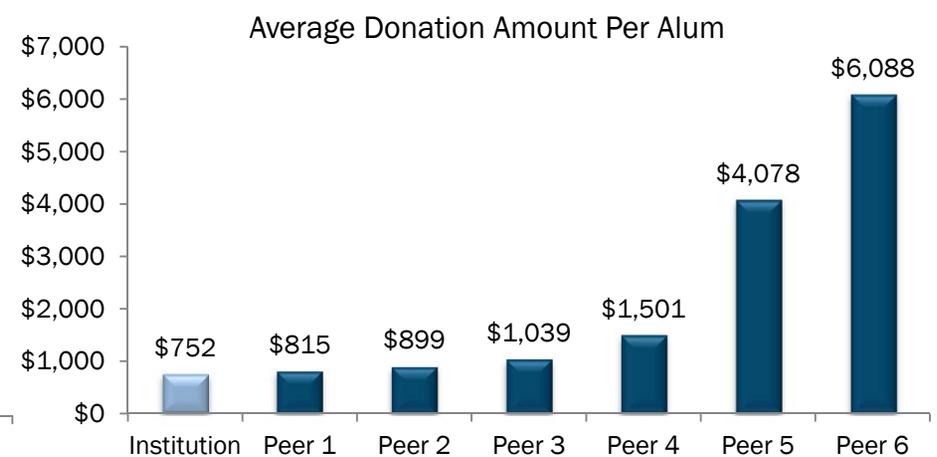
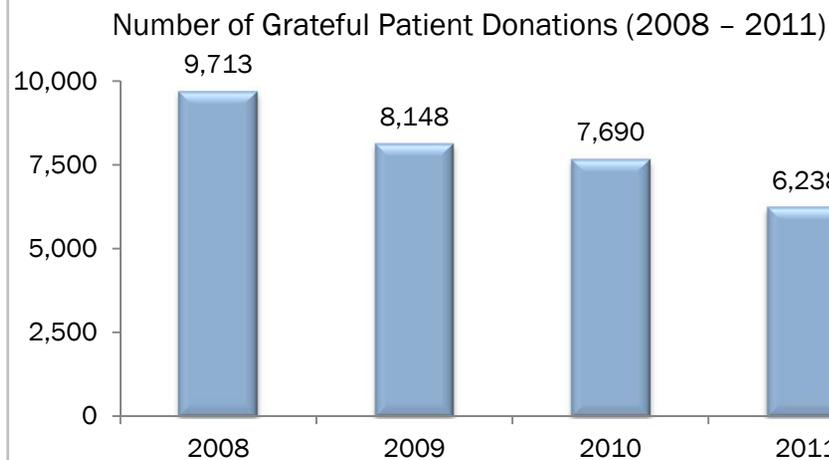
### Situation

- Development office for a highly-ranked health sciences school and medical center faced with pressure to drive long-term and unrestricted gifts
- Grateful patient fundraising has been more of a focus since it has historically been more cost-effective than alumni fundraising; however, the total number of donating patients has declined by 36% over 4-year period
- Average donations per alum were lowest among selected peers

### Recommendations

- Develop a more proactive and collaborative long-term fundraising plan based on detailed benchmarking analyses
- Create a “subscription service” for alumni as a method of promoting material, recurring, and unrestricted giving
- Implement a plan to promote and track grateful patient giving with a target of reaching three-year historical average level
- Engage Faculty members in fundraising priorities as a means of increasing grateful patient donations

### Sample Analytics



# Case Study

## AUXILIARIES

Huron worked with a northeast college to review various auxiliary operations and identified \$1.9MM-\$2.2MM in annual savings and revenue generating opportunities.

### Situation

- Revenue and operating margins at the campus store for a large northeastern private university were declining
- Mail and packages were delivered multiple times a day
- Student parking was offered at a pro-rated amount after the Fall, Winter, and Spring Breaks, while parking was offered free of charge to all employees
- A center for printing production did not market to the broader campus community
- Campus event center did not attract external events during the summer or when not in use during the academic year

### Recommendations

- Outsource campus store operation to Barnes & Noble, Follet Bookstore, or another outside company
- Move to a standardized mail delivery model
- Eliminate pro-rated student parking permits and utilize a single flat-fee-per-semester pricing structure
- Evaluate employee discounts for on-campus parking using a zone-based structure
- Begin marketing the center for printing production to the local community
- Create a scheduling policy and promotion plan to increase usage of campus event center

### Sample Analytics

#### Parking Services

STUDENT PARKING STRUCTURE

By eliminating pro-rated parking permits and creating a zone-based system for students, College could increase parking rates to a level comparable to institutional peers and increase total revenue.

Student Zoned Rate Scenario 1				Student Zoned Rate Scenario 2					
Proposed Zone	Availability	Current Revenue	New Revenue Potential	Proposed Zone	Availability	Current Revenue	New Revenue Potential		
Red 1	1,707	\$250	\$208,961	\$426,750	Red 1	1,707	\$150	\$209,961	\$307,200
Red 2	504	\$200	\$113,602	\$184,800	Red 2	504	\$130	\$113,602	\$124,740
Green 1	150	\$500	\$75,000	\$75,000	Green 1	150	\$500	\$75,000	\$75,000
<b>Total</b>	<b>2,361</b>	<b>\$1,000</b>	<b>\$397,563</b>	<b>\$686,550</b>	<b>Total</b>	<b>2,361</b>	<b>\$800</b>	<b>\$398,163</b>	<b>\$507,000</b>

Yearly Total Revenue Potential: \$686,550  
 Least Current Revenue Potential: \$398,163  
**Net Benefit of New Pricing Structure: \$287,937**

Scenario 1 shows potential revenue generated by setting student parking rates comparable to those at peer institutions. Scenario 2 is a less aggressive example showing potential revenue generated by charging students just \$15-\$20 per month.

With a small change in student parking prices, the College would realize incremental annual revenue of ~\$100-200K.

#### Health Center

STAFFING

The staff levels at the Health Center are not consistent with university health centers at peer institutions.

Health Center  
 Number of staff: 33  
 Student population: 6,926  
**Staff/Student Ratio: 1 to 210**

Peer Health Centers  
 Average number of staff: 11  
 Average student population: 7,634  
**Staff/Student Ratio: 1 to 694**

College's Health Center staff is 3 times larger than the peer average, yet provides essentially the same core services.

#### Mail Services

MAP

Below is a map demonstrating the complexity of the current Mail Services schedule. Institution has the opportunity to simplify this business process without compromising service.

Mail Service Schedule

Time	Description
8:00 am	1. Current mail delivery from UPS on campus and delivered to campus starting at 8:00 am
8:30 am	4. Student Mail Processing (includes USPS, services mail)
8:50 am	2. UPS delivery to the department on a separate work (upper and lower floor)
9:00 am	3. UPS delivery to the department on a separate work (upper and lower floor)
9:45 am	Non-UPS mail services as well as late USPS parcels are loaded/repackaging (2nd floor, additional student packages are delivered to the Phillips Hall Post Office)
10:00 am	First Run complete, 2nd Run when an additional evening high enrollment department mail that not picked up in their morning runs
12:00 pm	Lunch
12:30 pm	3. Staffing begins distribution of the day by morning student mail. One of these MPFs is also picking up outgoing mail from some locations
2:00 pm	2. Staffing begins mail processing (including mail sent on customers, such as late afternoon USPS services, late mail, etc., packages and other items as requested)
3:30 pm	4. Mail from afternoon run and afternoon clearing
4:00 pm	

#### Campus Center and Event Services

BENCHMARKS

Local conference centers with comparable capacity and facilities generally charge higher rates.

Facility	Total Capacity	Rate
Erasmus Suites	750	\$1,400
I.R. Conference Center	305	\$2,500
Hilton Garden Inn	150	\$325
Courtyard Marriott	58	\$300-250

Price per Head

College has little competition in the local area aside from a few local hotels and X University. Primary competitors consist of X University, Hilton Garden Inn and the Courtyard Marriott.

Despite competitive resources and limited competition, Campus Center charges below average market rate.

# Case Study

## BUDGETING (RESOURCE ALLOCATION)

Huron conducted a budget function assessment at a large state university to identify areas of opportunity to promote accountability and rationalize funding allocations.

### Situation

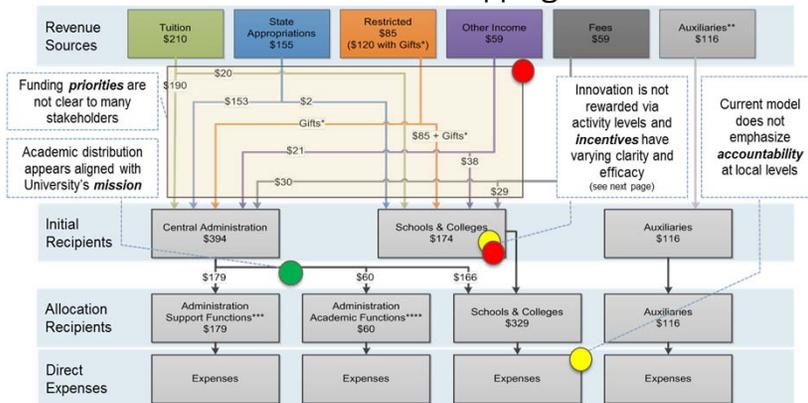
- Stakeholders perceived limited connections between funding allocations and the university's mission
- The current budget model did not promote accountability for resource utilization, and incentives in place were ineffective
- The current fund allocation process is perceived to be political, lack transparency, have unclear justifications
- Current management reporting practices and skill sets of local budget personnel inhibit long-term financial planning by units

### Recommendations

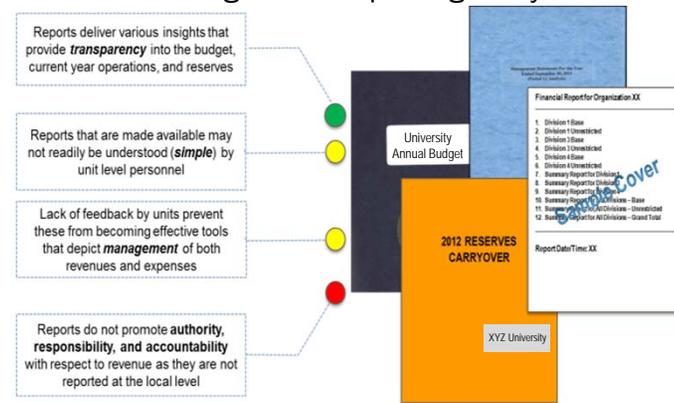
- Communicate how funding is tied to strategic plans and educate units on full (including centrally managed) costs
- Revenue growth and cost control incentives should be strengthened and fiscal performance should be tied to performance management for deans
- Funding processes should be data-driven funding and focus on more than supplemental personnel requests
- Management reporting and support services should be provided centrally and incorporate local feedback and needs

### Sample Analytics

#### Funds Flow Mapping



#### Management Reporting Analysis



# Case Study

## ENROLLMENT MANAGEMENT

A new approach to enrollment management resulted in improved retention and graduation of ~350 more students per year, paying substantial reputational and financial dividends.

### Situation

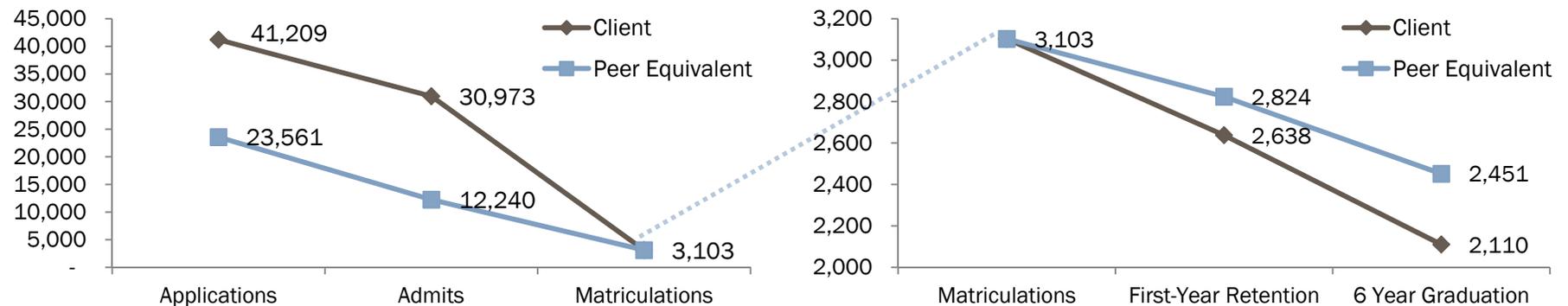
- East coast private institution found itself in the difficult strategic position of being non-selective and high-cost
- University required 75% more applications to yield the same matriculants as peers; first-year retention and six-year graduation rates fell well below peer averages
- Institution gave minimal consideration to long-term enrollment outcomes, particularly surrounding retention-focused financial aid packaging
- The management responsibility of the student lifecycle resided across several units and a multitude of departments with no overarching owner

### Recommendations

- Redesign selection process; focus on academic fit to major and increase Colleges' involvement in the process to ensure academic preparedness and improve retention
- Implement need-based financial aid strategy that meets 50% of students' demonstrated need and uses merit-based scholarships on top of need to attract top students who are more likely to improve retention rate
- Enhance student services, through improvements in academic advising and reduction of administrative burdens placed on students
- Increase focus on student engagement

### Sample Analytics

Student Lifecycle Performance vs. Equivalent Peer\*



\* Peer average metrics scaled to equivalent size of client's matriculating class

# Case Study

## FACILITIES: ENERGY MANAGEMENT

While a large east coast university has taken major steps to promote responsible energy use, additional savings of \$1MM are achievable through improved energy management.

### Situation

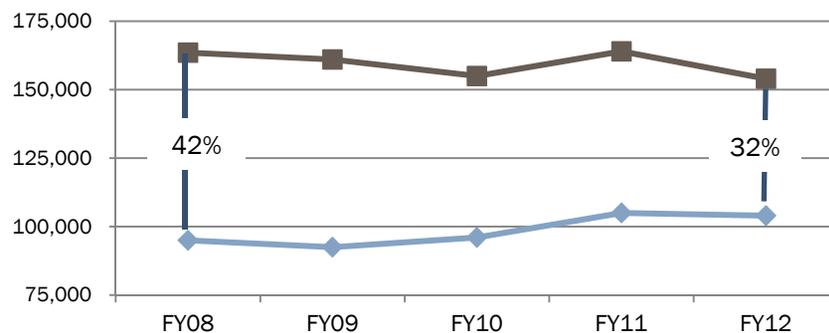
- In recent years, the university's green initiative has included efforts to offset much of their carbon footprint
- Despite these improvements, personal accountability for utility consumption is weak across the institution: prevalence of energy-intensive devices, including space heaters, coffee makers, etc.
- Overall utility consumption is low compared to peers, but has recently trended up while the industry has generally trended down
- Unit cost of energy (\$/MMBTU) is high relative to peers and is driven by fossil fuel costs, though overall utility expense is relatively low
- No chargebacks exist for energy usage, and ownership of these costs is unclear and ambiguous to departments

### Recommendations

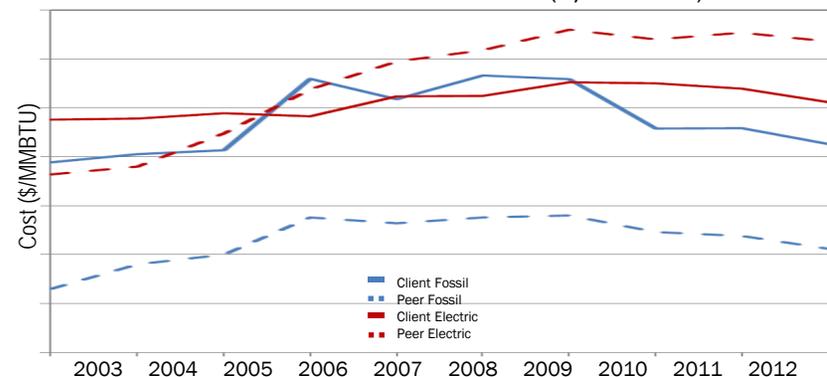
- In concert with a budget model re-design, implement a set of chargebacks for energy usage to enhance unit-level accountability
- Develop and implement a coordinated energy management strategy that promotes reduced consumption (and cost) across the university
  - Create policy that prohibits use of energy-intensive devices
  - Launch a marketing campaign highlighting the importance of responsible energy use at the university
  - Promote use of shared, multi-function devices (printer/scanner/fax)
- Consider hiring an energy manager to actively monitor / analyze utility data and continuously identify opportunities for enhanced savings and carbon footprint reductions

### Sample Analytics

Annual Consumption (BTU / GSF)



Fuel Cost Trends vs. Peers1 (\$/MMBTU)



# Case Study

## FACILITIES: OPERATIONS MANAGEMENT

Huron reviewed operations across three on-campus facilities organizations at a Midwest private school and identified +\$2MM in cost saving and efficiency opportunities.

### Situation

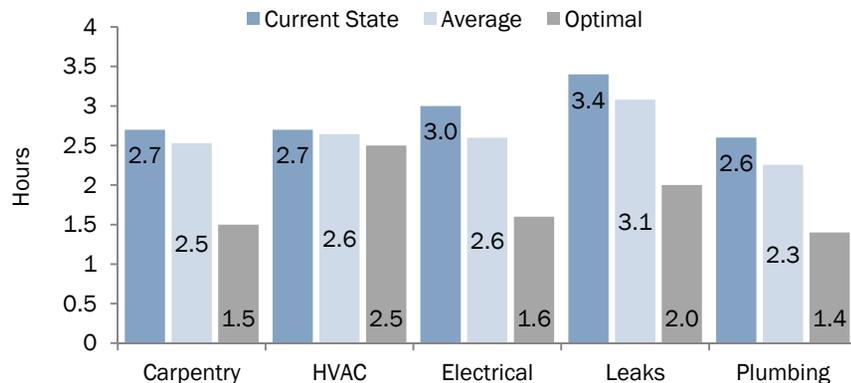
- Three facilities management organizations maintained the physical infrastructure of the university to a very high standard and provided very high levels of customer service
- Meeting these high customer expectations was identified as the primary cost driver of the maintenance operation. Example: emphasis on achieving response times within a 24 to 48 hour window, even for the lowest priority items, resulting in use of external contractors
- The facilities organizations did not effectively utilize its CMMS to maximize the productivity of its workforce or to control costs and manage performance and service levels using KPIs

### Recommendations

- Huron provided the university with an extensive list of recommendations addressing operations, technology, administration, procurement and contracts, and organization and staffing functional areas including:
- Consolidate services and management functions that overlap in the facilities organizations to improve efficiency of operations and eliminate duplicated layers
  - Implement mobile maintenance technologies to improve productivity increasing wrench time by 26 minutes per mechanic per day
  - Consolidate supplier contracts and centralize coordination of vendor management practices to achieve readily attainable cost savings

### Sample Analytics

Summary of Mechanic Productivity per Problem Code



Cost Savings, Risk Assessment and Implementation Difficulty

	Low (\$K/FY)	High (\$K/FY)	Risk Assessment	Implementation Difficulty
Eliminate Dedicated Mechanic Model	\$216	\$292	●●●●	●●●●
Improve Zone Efficiency	\$418	\$1,381	●●●●	●●●●
Implement Mobile Maintenance Technology	\$671	\$1,172	●●●●	●●●●
Implement IWMS	\$460	\$1,268	●●●●	●●●●
Consolidate Supplier and Service Contracts	\$200	\$550	●●●●	●●●●
Consolidate Custodial Contracts	\$600	\$1,300	●●●●	●●●●

# Case Study

FINANCE

HuronEducation

Increased allocation of cash to a high-return (and higher risk) portfolio and optimized use of space is estimated to generate an additional \$91.1MM of revenue over the next ten years.

## Situation

- Investment policy prohibits more than 40% of cash balances to be invested in a high-return portfolio designed to supplement the university budget and fund long-term mission critical activities
- Despite policy stating that no endowment account should accumulate more than five years of payout income, aggregate balance of funds with greater than five years accumulated payout income is \$51.1 MM
- Campus-wide rent expenditures exceed \$25MM, nearly \$2MM of which are due to expire in the upcoming year

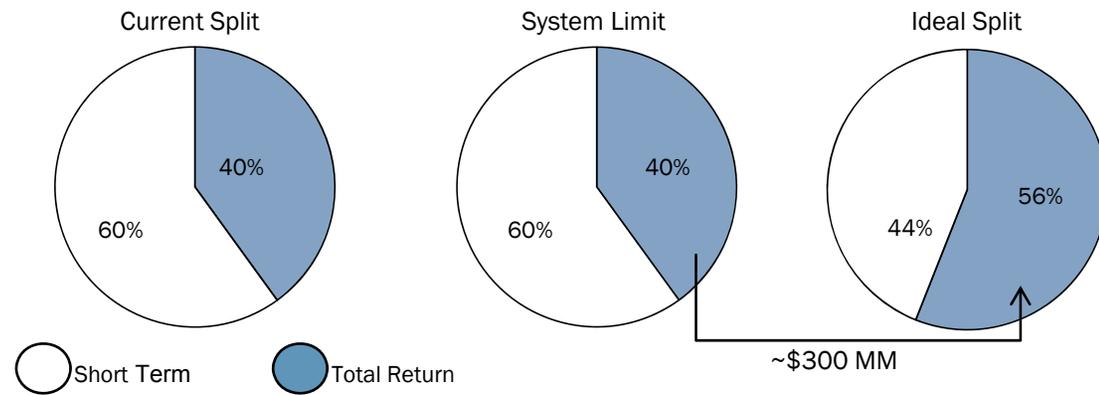
## Recommendations

- Revise investment policy to allow more than 40% of cash balances to be allocated in a high-return portfolio
- Administer more effective management of accumulated funds, through enforcement of fund balance policy, to ensure A) full utilization of endowment income and/or B) utilization of funds for less restricted purposes
- Lease expirations in the amount of \$1.7MM in the coming year should be assessed along with the entire portfolio of leased space, to identify if a move into university-owned space is both available and a good option

## Sample Analytics

### Short-Term / Total-Return Investment Pools

- Annualized total return investment returns are 8.2%, exceeding that of short term by more than 5-percentage points
- University system recently revisited the investment pool allocation policy
- Current policy caps investment allocation at 60%/40%, while attempting to maintain a system-wide balance of 70%/30%



# Case Study

## HUMAN RESOURCES

Huron has worked with numerous clients to help Human Resources transition from a transactional function to an efficient and strategic partner of the broader university.

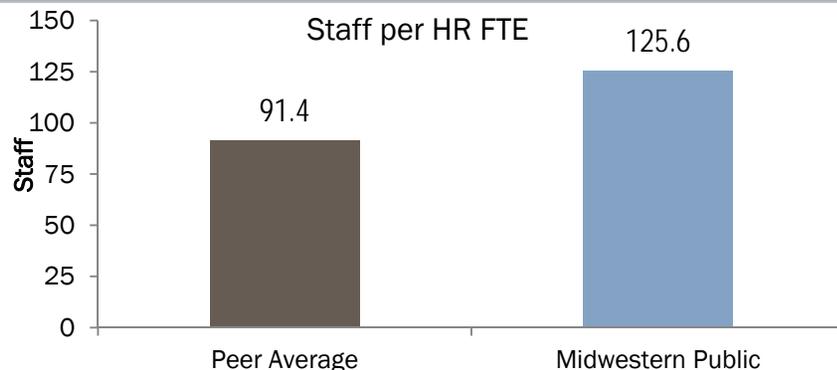
### Situation

- Large Midwest public university HR department experienced declines of 7% in budget and 5% in staffing
- Primarily focused on transactional activities with little or no strategic support for broader university mission
- Processes were heavily manual and paper-based, resulting in significant inefficiencies and process lag-time
- Limited cross-training and role misalignment present
- Lack of long-term strategy or approach for key activities

### Recommendations

- Develop three to five (3-5) year HR strategic plan
  - Align HR mission & vision and university strategic plan
- Re-design key processes to increase efficiency and decrease reliance on paper
- Re-align organizational structure and increase cross-training between HR functional areas
- Develop manager toolkits and templates for use by broader university community

### Sample Analytics



### Results

- Huron was retained and supported HR in the development of a comprehensive strategic plan including: mission, vision, goals, objectives, and key initiatives
  - Huron helped identify key metrics and measures to determine long-term success
- Huron worked with HR to re-design key HR processes to achieve greater efficiencies and eliminate pain points
  - Huron collaborated in a joint effort to support HR portion of Oracle R12 implementation

# Case Study

## IT GOVERNANCE AND INFRASTRUCTURE

Huron designed an IT governance structure for a private west coast institution that aligns priorities with strategic plans and ensures ongoing project oversight.

### Situation

- University had IT governance model that included requests from many units and was not informed by central strategic goals and objectives
- Once approved and initiated, projects were not subject to a strong governance structure and little project management or communication was provided to requesting units
- Huron identified 30 software systems in use with only 20% integrating with one another, issues related to data integrity, and increased costs due to inefficiencies

### Recommendations

- Form stakeholder-driven committees to address priority-setting within IT and ensure alignment with university-wide strategic plans
- Provide ongoing oversight and project management support for approved IT projects and periodically review for continued alignment with strategic goals
- Strengthen IT governance to ensure that technology investments are made strategically and align with as many systems as possible

### Sample Analytics

#### Rationalize IT Governance/Infrastructure

**CURRENT STATE**

XYZ's governance model focuses on the intake process from various university constituents, but the model is unable to incorporate local unit strategic goals and objectives.

The results of Huron's administrative survey indicate that close to 20% of individuals who report on IT see value of central IT's supporting IT Effort Centrally and Within the Units.

#### Rationalize IT Governance/Infrastructure

**FUTURE STATE**

XYZ could benefit from the strategic use of stakeholder-driven committees to address priority-setting within IT and to ensure alignment with University-wide strategic initiatives.

Description
<b>Executive IT Steering Committee</b>
• Executive planning and decision making group
• Takes recommendations from the committees and has ultimate approval over IT priorities, new projects and policy decisions
• Approves and prioritizes technology initiatives based on institutions strategy and recommendations of the CIO
<b>Administrative Systems Committee</b>
• Business unit committees that prioritize needs
• Technical advisors
• Managing administrative systems that
• directors
• projects
• spending teaching and basic research
• duty and students in the classroom
• restructure improvements

#### Rationalize IT Governance/Infrastructure

**INTEGRATE DISTRIBUTED IT SYSTEMS**

Huron identified 30 software systems in use on XYZ's campus, and only 20% of these systems integrate with one another aggravating issues related to data integrity and costs related to inefficiencies.

To improve processes moving forward, XYZ should strengthen its governance around technology to ensure that investments are made strategically and align with as many systems as possible.

# Case Study

## PROCUREMENT

Huron partnered with a northeast university to strategically advance their procurement function through 60+ operational enhancements and \$1.6MM- \$2.6MM in annual savings.

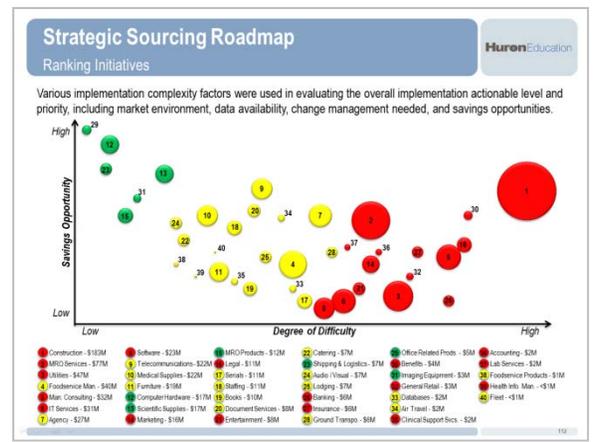
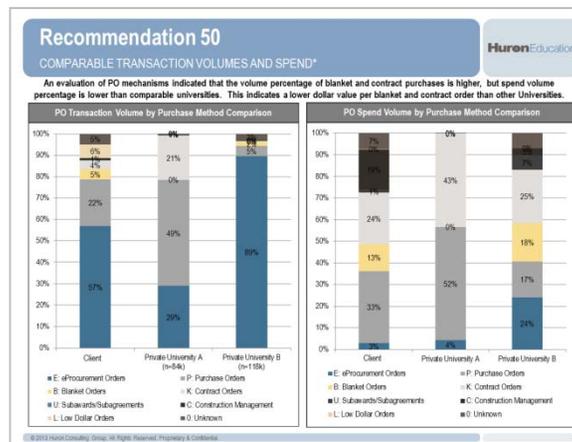
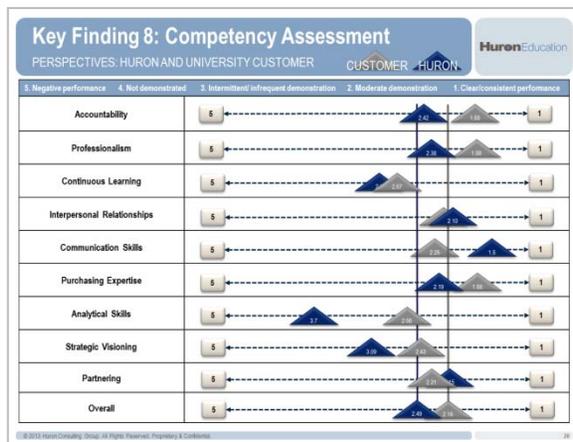
### Situation

- University engaged Huron to conduct a procure to pay operational assessment and a review of procurement data to identify strategic sourcing savings opportunities
- The operational assessment included a thorough review to recommend skills and experience required to support the future organization, aligning strategies with the university's fiscal goals, identifying opportunities for process efficiencies, and identifying opportunities to leverage use of technologies
- Strategic sourcing and category management review was performed for 8 categories of spend

### Recommendations

- Redesign organizational structure, roles, and responsibilities; opportunity exists to be a best-in-class strategic organization
- Address employee skill set gap and align with new roles
- Align procurement functions with university mission
- Develop supplier score card and formal supplier business review program to drive strategic value
- Develop standard methodologies for core purchasing processes
- Implement short, mid, and long term recommendations for each of the 8 spend categories evaluated as prioritized

### Sample Analytics



# Case Study

## SHARED SERVICES

Huron delivered designs for research administration shared service centers with estimated implementable savings of approximately \$2MM over five years.

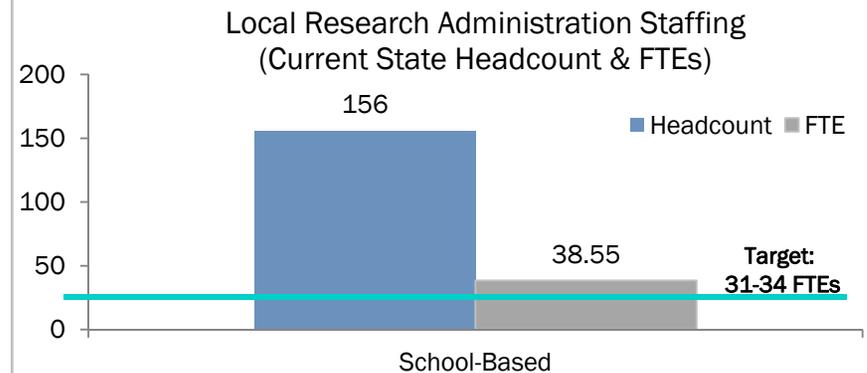
### Situation

- Private northeast institution with annual research productivity over \$150MM
- Many schools and departments lacked dedicated, trained, and skilled pre- and post-award staff; inconsistent grant management skills at the department level negatively affected efficiency, service delivery, and compliance
- Research administration business processes were carried out across the institution with little standardization and with minimal sharing of best practices

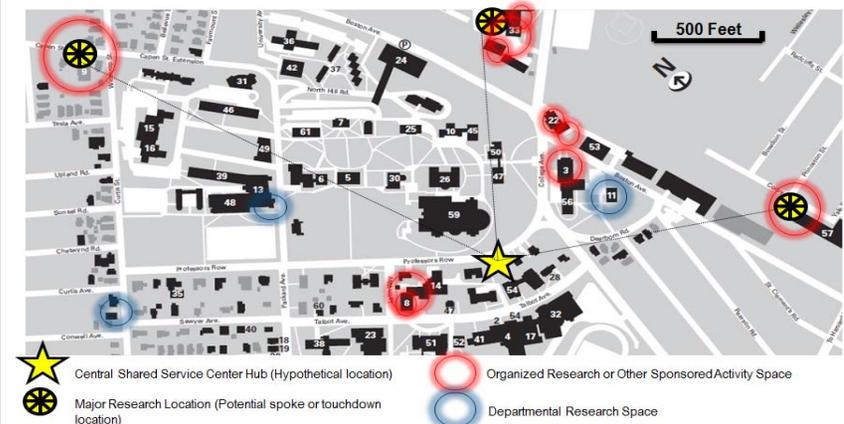
### Recommendations

- Create two research administration shared services units to serve traditional school and departmental research administration (e.g. core pre- and post-award functions)
- Apply business processes consistently across research enterprise
- Utilize performance metrics to measure the performance and success of research enterprise, the effectiveness of research administration operations, and institutional exposure to risk

### Sample Analytics



### Example Consolidated Service Locations



# Case Study

SPONSORED RESEARCH

By modifying policies and conducting in depth effective rate and operations analysis, Huron identified an additional \$23.2MM annual opportunity at a west coast university.

## Situation

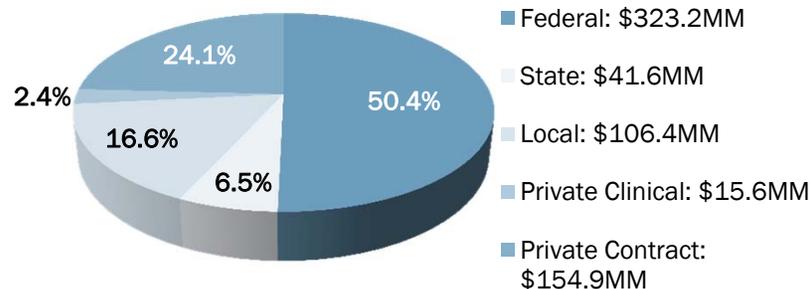
- All of the university's effective rates had improved in the last 15 years, providing impressive upward trend lines with respect to indirect cost recovery
- Federal contracts and grants represented 50% of total MTDC and 75% of recouped indirect cost recovery, suggesting opportunity in non-federal contracts and grants
- Calculated administrative costs were lower than other comprehensive peer institutions in three of four F&A administrative cost pools
- An initial analysis of expenditures of off-campus rent and facility costs for sponsored awards illustrated departmental funds being used to cover expenses that should have been charged to awards

## Recommendations

- Submit new F&A proposal to cognizant agency and, as appropriate, apply point increases to existing agreements
- Enforce a policy requiring off-campus awards pay lease costs directly
- Institute a policy which implements strict and enforced guidelines on accepting sponsored research with less than optimally desired effective IDC recovery rates
- Identify and support junior PIs to prepare them for success in acquiring grants that provide higher ICRs
- Develop a policy to ensure proper categorization of awards is used when applying for research to ensure correct rate is applied

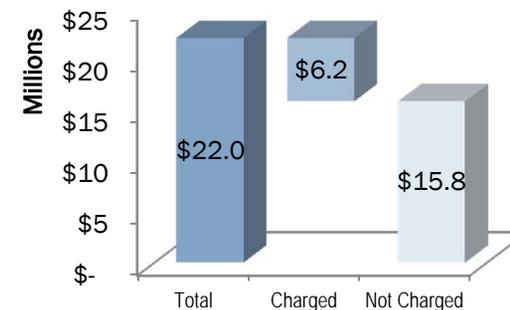
## Sample Analytics

### Modified Total Direct Costs



A breakdown of Modified Total Direct Costs (MTDC) and total Indirect Cost Recovery (ICR) by source illustrates the extent in which the Federal government is the largest contributor to recoverable direct and indirect costs.

### Off-Campus Rent and Facility Costs



An initial analysis of expenditures of off-campus rent and facility costs for sponsored awards illustrates departmental funds lost to cover the costs not charged to award.

# HuronEducation

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