

Improving Administrative Services

Implementation Update to
Board of Trustees

January 20, 2011

University-Wide Implementation Effort

- **Broad scale initiative to improve effectiveness and reduce cost of administrative services**
- **Campus, college and departmental initiatives are helping to reduce administrative costs**
- **University-wide implementation effort led by President and senior administrators**
- **Multiple projects initiated**
- **Significant savings achieved to date**

Organized Leadership

Steering Committee

President Hogan (chair), Chancellors, Vice Presidents, Chair USC

Lead overall implementation effort, Set priorities , Approve projects



Functional Teams

Design/Implement functional initiatives, Consult with stakeholders

Manage to milestones and outcomes

Track and report

IT

August 2010

Procurement

August 2010

Capital

Programs

August 2010

HR

August 2010

Strategic Procurement Services

Goals:

- **Develop strategic purchasing contracts for high-usage services and supplies in order to leverage the University's scale as a buyer**
- **Expand use of University e-procurement system (iBuy) by all departments**
- **Improve transaction processing systems to reduce costs**

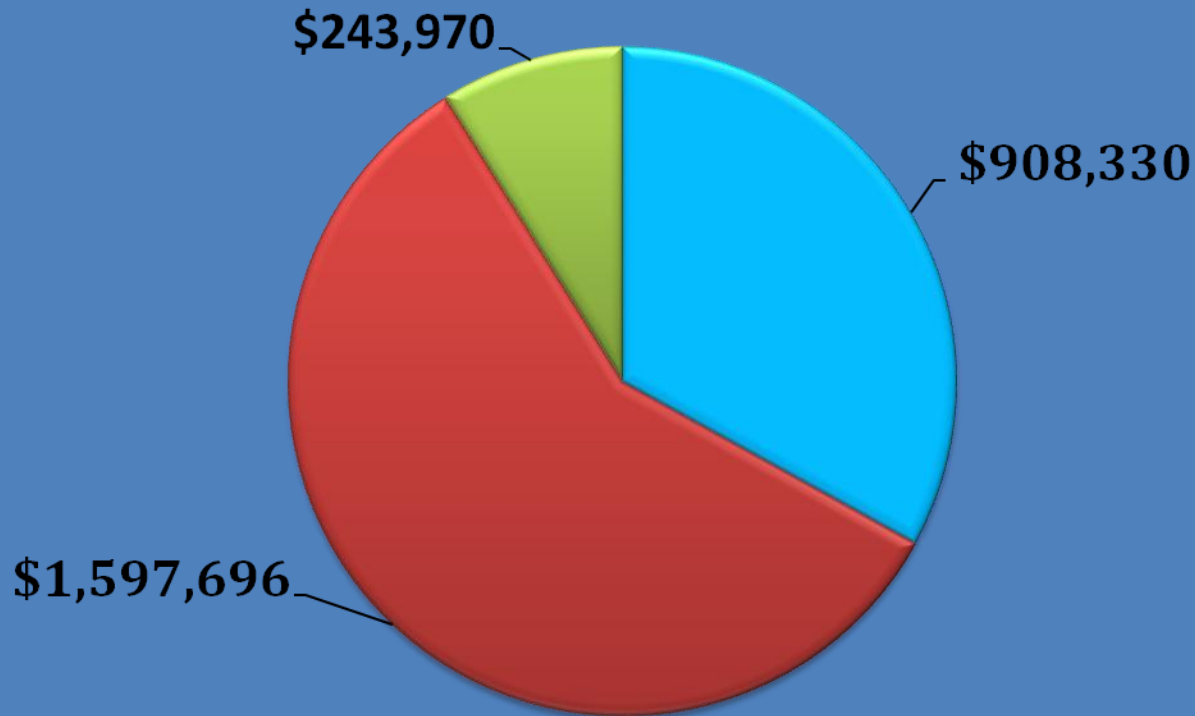
Strategic Procurement Services

Progress To Date:

- Over 60 purchasing agreements currently in place
- New ones being added continuously
- Recently added contracts:
 - **Office supplies → savings potential \$2.5 M / year**
 - **Computers → savings potential \$1.7 M / year**
- Q1 FY11 Utilization of iBuy up by 130% over FY10

Significant Savings Achieved

FY11 Q1 Total Savings \$2,749,996



■ New Contracts ■ Existing Contracts ■ Transactional Efficiency

Information Technology Services

Goals:

- **Implement projects recommended in ARR report, campus reviews—and others—to improve effectiveness and efficiency of IT services.**
- **Recommend governance model(s) to improve stewardship of IT resources at all levels of the University to support the University's mission.**

IT Efficiency Projects

- Reduce cost of maintaining enterprise software system
- Appropriately reduce portfolio of application software
- Consolidate small data centers
- Consolidate email and calendaring services
- Implement method for reducing power consumption
- Support desktop technology more efficiently
- Converge voice and data communication networks
- Expand use of cloud computing and other rapid-response outsourcing

Information Technology Services

Progress to Date:

- **Multiple Projects Underway**
 - **Savings goal \$18 M / year**
 - **Projected savings from current projects \$8.44 M / year**
 - **Savings to date \$2.40 M / year**
- **Campus and university-wide groups developing better governance models**

Effective Cost Restructuring Requires Transformational Change

Many Communication Platforms

Electronic
Calendar

Telephone

Email

Voicemail

Many Separate Tools

Online Chat

Audio/Video
Conferencing

Instant
Messaging

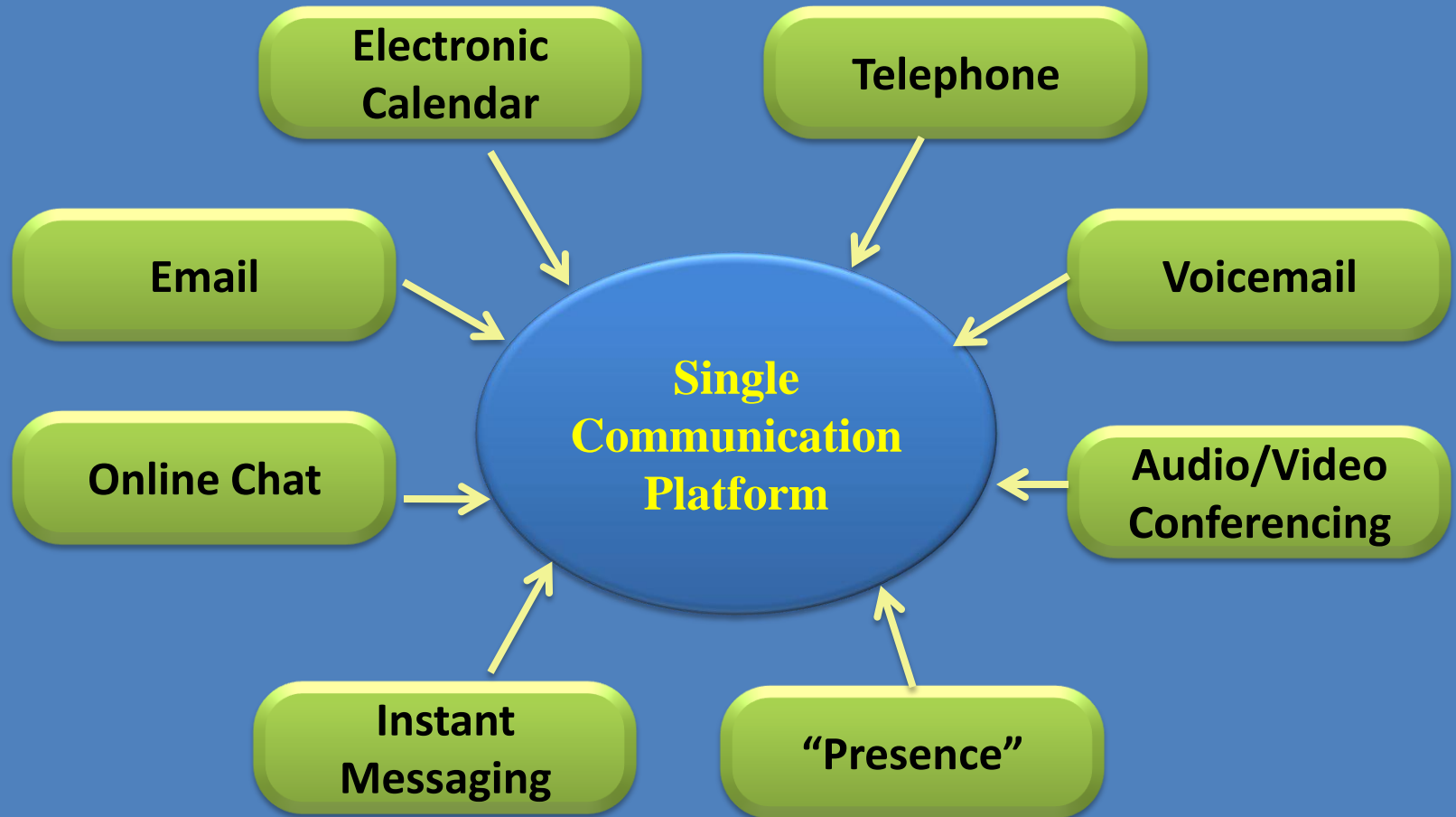
“Presence”

Decreasing the Costs for Communicating

- How do we improve the ability to communicate and save money at the same time?
- How can we achieve Smart-phone like simplicity and integration at the enterprise level?

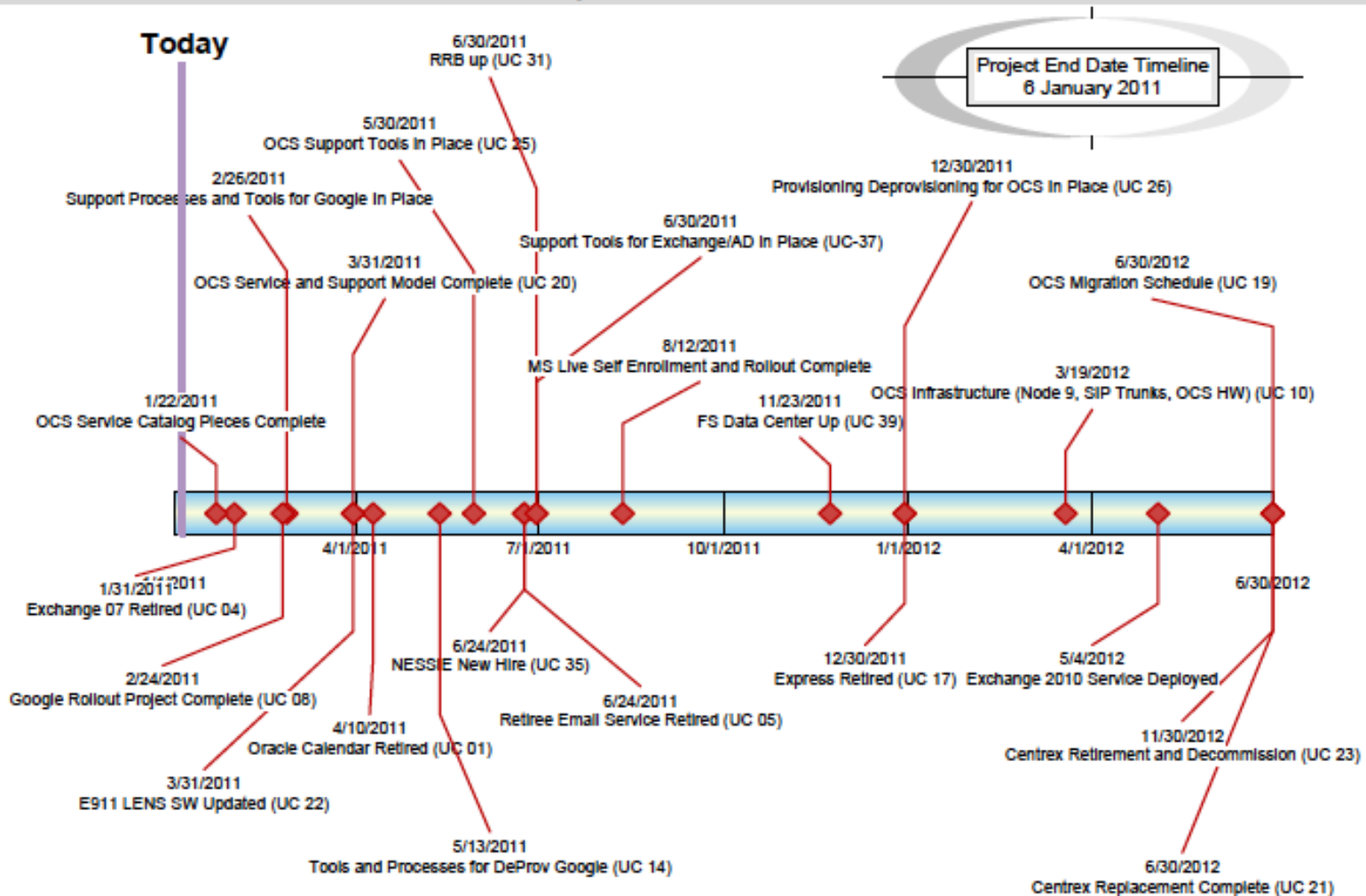


Unified Communication System



Project Timeline

UC Project Dashboard as of 6 Jan 2011



More Effective System

- **Multiple applications → Single platform**
 - **Media transferability and portability**
 - **Increases productivity of end user**
- **Cost Effective**
 - **Reduces cost of maintaining “Centrex” phone lines and multiple applications**
 - **Eliminates duplication of services**
 - **Recurring net annual savings of \$3 Million**

Business Process Improvements

- **Improved business processes result in transactional efficiencies and better decisions**
- **Multiple process improvement projects underway:**
 - **Travel and expense management**
 - **Contract management**
 - **Grants management**

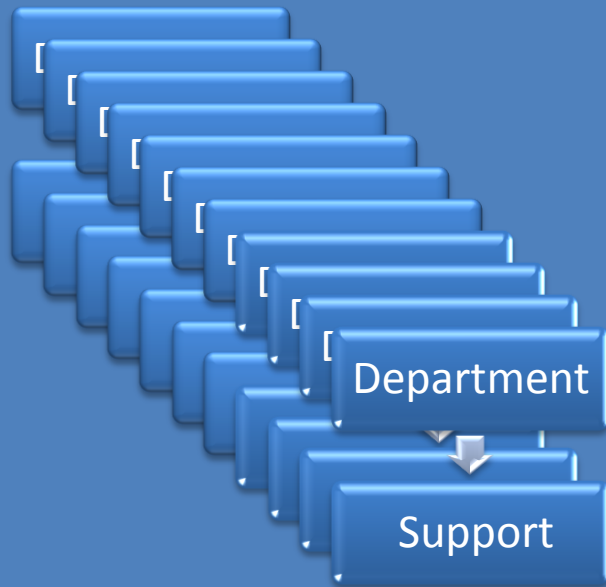
Broad-Based Initiative

University-wide emphasis on efficiency:

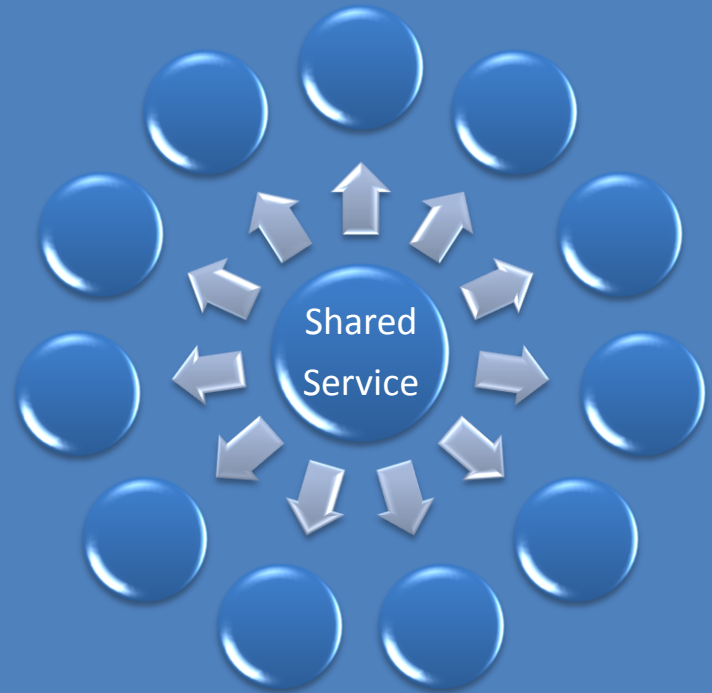
- **Shared service centers in Colleges**
- **Coordination by libraries to reduce acquisition costs**
- **Greater diligence in travel and purchase decisions and other expenses**

Shared Service Centers

Before



After



**Each department with own
Administrative support (IT, HR)**

**Shared Center Serving
Multiple Departments**

...Efficient and Effective

Shared Service Center Benefits:

- Consistent service levels (greater expertise)
- Cost savings
 - \$267,000 COE, Urbana
 - \$800,000 LAS, Chicago
 - \$175,000 SLCSL, Chicago
- Consolidation of servers
- Bulk purchasing
- Space efficiency

A Long-Term Project

In the early-stages of implementation effort

The results so far are encouraging

BUT

We must sustain the initiative

Be disciplined in our decisions

Inculcate culture of continuous improvement