



Texas A&M University System

Administrative Review of Universities and Agencies
Combined Phase – TAMU, TAMHSC, TAMUG and Agencies

Final Report
May 2014



Table of Contents

	Page
• Executive Summary.....	4
• Project Background and Objectives.....	12
• TAMUS Member Participation.....	23
• Project Review Scope.....	26
• Summary of Identified Opportunities.....	32
• Findings.....	37
• Recommendations.....	50
• Analyses Performed.....	56
– Activity Analysis Surveys.....	58
– Vacant Position Analyses.....	64
– Staffing Analysis.....	69
– Span of Control Analysis.....	73
– Collaboration Center Analysis.....	81
– TAMU and TAMHSC Integration Analysis.....	89
– User Satisfaction Survey.....	92
– Process Analysis.....	99
• Implementation Roadmap.....	109
• Next Steps.....	129

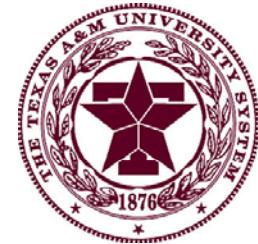
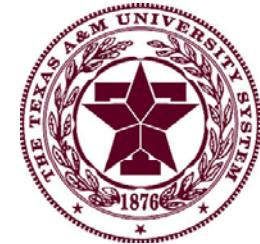


Table of Contents

APPENDICES

	Page
• Appendix A: Cost Comparison to Peer Institutions.....	132
• Appendix B: Cost Comparison to Texas Institutions.....	143
• Appendix C: Collaboration Center Overview.....	151
• Appendix D: Satisfaction Survey Results – Supporting Detail by System Member and Department.....	160
• Appendix E: Activity Analysis – Value Distribution by Function – Supporting Detail by System Member.....	176

Executive Summary



Executive Summary

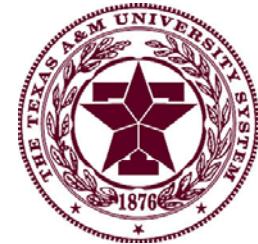
In spring 2013, Chancellor John Sharp commissioned a “Comprehensive Administrative Review” (CAR) of Texas A&M University System (“TAMUS” or “System”) member universities and agencies. His objective was to develop recommendations to enhance administrative efficiency, effectiveness and execution throughout TAMUS and to identify administrative cost savings that can be redirected into teaching, research and service* without sacrificing quality. For the purpose of this review, “administrative costs” are defined to include expenditures classified by the National Association of College and University Business Officers (NACUBO) as academic support, student services and institutional support.**

Recognizing the intertwined nature of Texas A&M University (“TAMU”), the Texas A&M Health Science Center (“TAMHSC”), the seven System member agencies, Texas A&M University – Galveston (“TAMUG”), the Office of Sponsored Research Services (“SRS”) and the Texas A&M Office of Technology Commercialization (“TTC”), Chancellor Sharp authorized the inclusion of the Brazos Valley-based System members and TAMUG in a Combined Phase.

CAR represents a focused, data-driven approach to support TAMUS member leadership in moving forward with decisive actions to re-allocate funding to core mission functions.

* Throughout this report, the core mission of “service” is defined to include extension.

**See the *Project Background and Objectives* and *Project Review Scope* sections of the Report and/or Appendix A for further definition of project scope and expenditures classified as “administrative costs”.



Executive Summary

Nationwide, public universities are under pressure in an era of dwindling resources. State appropriations are diminishing. Federal funding for research is flat. A university's ability to raise tuition and fees is constrained as demographics shift, competition from new entrants increase, and students and their parents reach the limits of their ability to afford a college education. Yet expenses associated with functions outside their core missions of teaching, research and service continue to rise at a rate that can exceed a university's ability to generate new revenues to offset them. Fiscal sustainability, achieved through either an increase in revenues or constraint on expenses, has gained increasing priority.

TAMU has constrained costs more effectively than many of their peers. Comparisons of expenses for academic administration, student services and institutional support indicate TAMU is at or below average.

However, cost trends indicate that administrative costs have increased at a pace faster than costs associated with core mission functions. This growth of administrative costs, if allowed to continue, has the potential to impair System members' ability to meet strategic goals and sustain preeminence.

TAMU Costs per Full-Time Equivalent Enrollment versus Peers for Fiscal Year 2012



Cost Factor	Texas A&M University			Peers and Aspirants	
	Cost / FTE	% of Median	% of Mean	Median	Mean
Academic Support	\$2,987	62.5%	56.8%	\$4,776	\$5,257
Student Services	\$1,602	99.9%	83.4%	\$1,604	\$1,921
Institutional Support	\$1,455	38.8%	42.2%	\$3,750	\$3,446
Institutional Support (inclusive of agencies)	\$1,958	52.2%	56.4%	\$3,750	\$3,471

Source: U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS)

Expense classifications are defined by the National Association of College and University Business Officers (NACUBO). Only selected expense classification are presented. National peers and aspirants are self-selected.

See Appendix A for additional detail and for comparisons of TAMHSC costs to national peers and aspirants. See Appendix B for comparisons of TAMU and TAMHSC costs to Texas peers.



Executive Summary

- **\$52M** in annual savings* opportunities (**\$204M** cumulative over 5 years)
- Factoring in implementation timeline and costs, the realization schedule of annual recurring value is as follows:

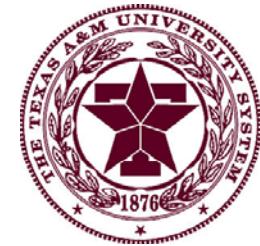
Opportunities (\$M)	FY14 Year 0	FY15 Year 1	FY16 Year 2	FY17 Year 3	FY18 Year 4	FY19 Year 5	5-Year Cumulative Value	Annual Steady State
Vacancies – No Intent to Fill	\$7.7	\$8.8	\$9.0	\$9.2	\$9.4	\$9.4	\$44.1	\$9.1
Staffing Analysis	\$1.9	\$5.5	\$5.7	\$5.8	\$5.9	\$5.9	\$24.8	\$6.4
Span of Control	\$7.1	\$19.2	\$19.6	\$20.0	\$20.3	\$20.3	\$86.2	\$23.5
Collaboration Centers	\$0.6	\$7.8	\$13.2	\$13.5	\$13.7	\$13.7	\$48.8	\$12.7
Total Savings Identified	\$17.3	\$41.3	\$47.5	\$48.5	\$49.3	\$49.3	\$203.9	\$51.7
Estimated Implementation Cost **							\$30.6	
Cumulative Savings	\$17.3	\$58.6	\$106.1	\$154.6	\$203.9			
Vacancies – Intent to Fill ***	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$12.5		\$2.5

* Annual savings include fringe benefits (some of which are paid directly by the State).

** Implementation cost is estimated at 15% of savings.

*** Vacancies - Intent to Fill are not included in total opportunities.

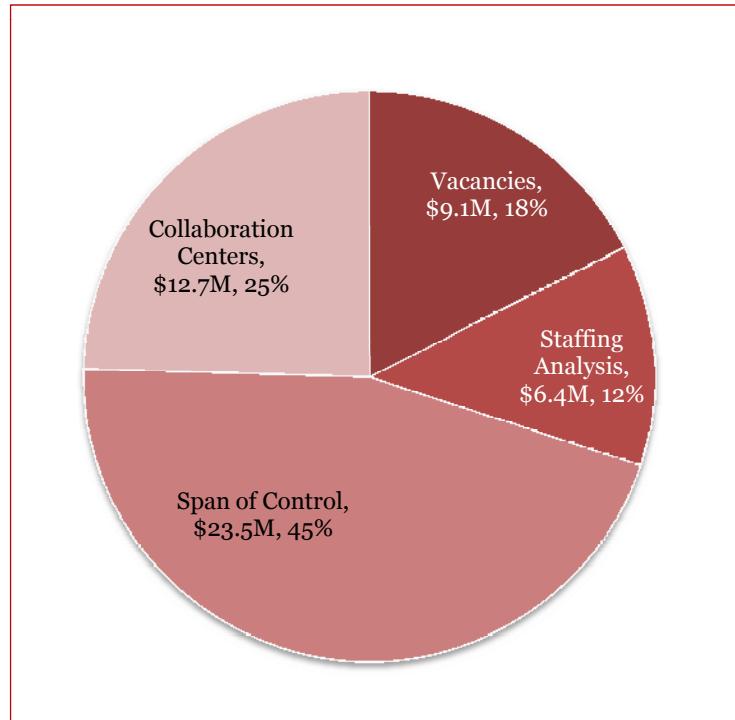
See Summary of Identified Opportunities section for additional opportunity realization assumptions.



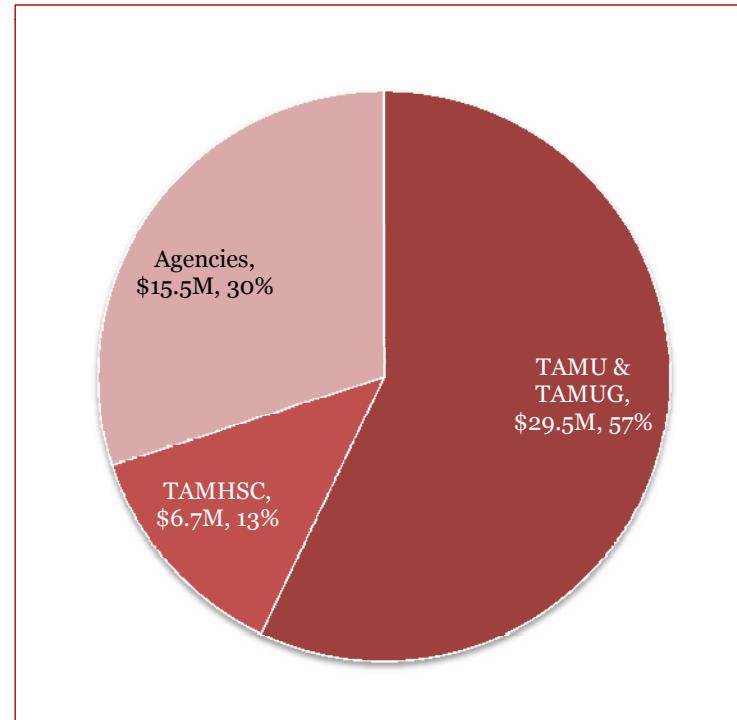
Executive Summary

Opportunities resulted from the application of a set of analytical processes described in the report and are distributed about System members as depicted below. Each TAMUS member CEO will be responsible for evaluation of opportunities in their respective university or agency. Therefore, all savings opportunities may not be realized.

Opportunities by Type of Analysis *



Opportunities by Entities **



* Vacancies - Intent to Fill are not included in estimated savings opportunities.

** SRS and TTC are included with agencies.



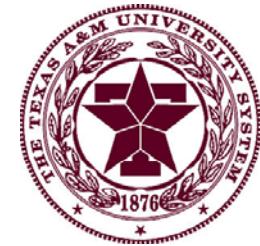
Executive Summary

It is recommended that member leadership manage and direct the implementation of accepted opportunities in accordance with the timeline below.* TAMUS should assist with coordination across System members to ensure a consistent approach and results.

- A dedicated project governance and management structure should be established to provide ongoing executive leadership and project management.

	2014												2015				2016			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec			
Set Direction																				
<i>Confirm Goals, Sequence & Timing</i>	Plan																			
<i>Establish Instruction, Research, Service Excellence Fund</i>	Plan																			
<i>Establish Leadership Structure & Budget</i>	Plan																			
<i>Establish Project Structure</i>	Plan																			
Vacancies Opportunity					Plan	Impl.														
<i>No Intent to Fill Vacancies</i>	Plan	Impl.																		
<i>Intent to Fill Vacancies</i>	Plan	Impl.																		
Direct Reduction Opportunities					Plan		Implement		Review											
<i>Staffing</i>	Plan		Implement		Review															
<i>Span of Control</i>	Plan		Implement		Review															
Collaboration Centers																				
<i>Finance/Purchasing/HR/Payroll/Travel</i>	Plan						Pilot		Review		Phased Deployments									
On-going Support										Communication & Change Management										
										Transition Support, Legal, HR & Risk Management										
										Technology & Infrastructure										

*The timeline will require modification when integrated with TAMUS HR and IT initiatives which are separate and not within CAR scope.



Challenges impact members' ability to transform

Governance and Structure	Infrastructure	Change Management
Decentralized and siloed member authority structure divorces leadership from control and oversight of critical resource decisions	Current Human Resource Information System has limited ability to manage \$1.9B of expenses (52% of total System expenses)	Negative perception of outsourcing and shared services
Numerous management layers with narrow spans of control	Financial system is inadequate and antiquated. Significant re-entry of financial information into shadow systems	Anxiety about change
Numerous small departments/units with significant administrative infrastructure	Large number of vacant positions that have not been filled for long periods of time but budget dollars are not recaptured by respective member	Perception to “wait it out until the next leadership change”
Fractured nature of TAMU and agencies precipitates insufficient transparency into the organization	Compensation management and position titles are loosely controlled by each member which negatively impacts span of control	System standardization and process changes are required to achieve savings and sustainability

Project Background and Objectives

Leading Public Universities Face Unprecedented Economic Challenges (1 of 2)



- Nationwide, **public university tuition increases over the last decade have outpaced the ability of some parents and students to pay for a college education.**
- States, facing funding constraints and demands from other initiatives, have **reduced higher education appropriations, shifting the burden from taxpayer to parents and students.**
- The Center on Budget and Policy Priorities reports that states nationwide cut spending for higher education by 28% per student over the 5-year period ending with FY13. The Center reports that **Texas cut spending** at a slightly lower rate of **27%**.

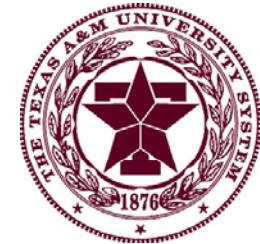
- Moody's Investor Services assigns higher education a negative outlook in its *2014 Outlook – US Higher Education, Not-for-Profits and Independent Schools* report.
 - The report notes that “Fundamental business conditions in US higher education... will remain stressed in 2014, with continued price resistance and a challenged federal budget...”
- Factors driving the outlook:
 - “slowly growing revenue eclipsed by pressure to increase expenses..., flat to declining government funding..., and heightened political scrutiny and increased regulatory oversight...”
- Moody's concludes that “public higher education is becoming less affordable” and reports that the ratio of median family income to public net tuition has decreased by 25% since 2008.

Leading Public Universities Face Unprecedented Economic Challenges (2 of 2)



- **Federal funding for research flattened or declined.** The National Science Foundation reported in November 2013 that “when adjusted for inflation, higher education R&D declined by 1.1% from FY11 to FY12. This represents the first constant-dollar decline since 1974 and ends a period of modest growth during FY09 – FY11, when R&D expenditures increased an average of 5% each year.”

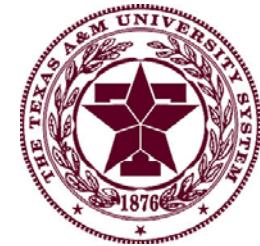
In response to these challenges,
universities and in particular public universities
nationwide are implementing initiatives to contain
administrative cost increases by increasing
operational efficiency and effectiveness.



TAMUS Members in Perspective

- TAMUS members have not been immune from these trends and have experienced reductions in state appropriations.
- Although TAMU administrative costs compare reasonably well to peer and aspirant institutions, increases in administrative costs outpace spending on core mission activities over both a 3-year and 5-year period. Administrative costs are those outside of core mission and include academic support, student services and institutional support costs.*
 - *Academic support* represents “expenses incurred to provide support services for the institution’s primary missions: instruction, research and public service.” Examples include expenses for Dean’s offices, libraries, and course and curriculum development.
 - *Student services* represents “expenses incurred for offices of admissions and the registrar... and activities with the primary purpose of contributing to students’ emotional and physical well-being and intellectual, cultural and social development outside the context of the formal instruction program.”
 - *Institutional support* represents “expenses for central, executive-level activities concerned with management and long-range planning for the entire institution...” Examples include expenses for the governing board, planning and programming, legal services, fiscal operations, administrative data processing, space management, and employee personnel and records.
 - Appendix A provides additional definition of these cost classifications.

*Source: *Financial Accounting and Reporting Manual, National Association of College and University Business Officers*



3-Year Trends

- In recent years, growth of administrative costs has outpaced growth in TAMU enrollment, tuition and fees, and expenditures for core mission functions.
- Disproportionate growth of administrative costs can impair System members' ability to meet strategic goals and sustain preeminence.
- 3-year trends are highlighted below.

Enrollment	Fall 2010	Fall 2013	3-Year Change
TAMU	49,129	53,219	8.3%
TAMHSC	1,958	2,424	23.8%

Source: TAMU and TAMHSC FY13 unaudited Financial Reports

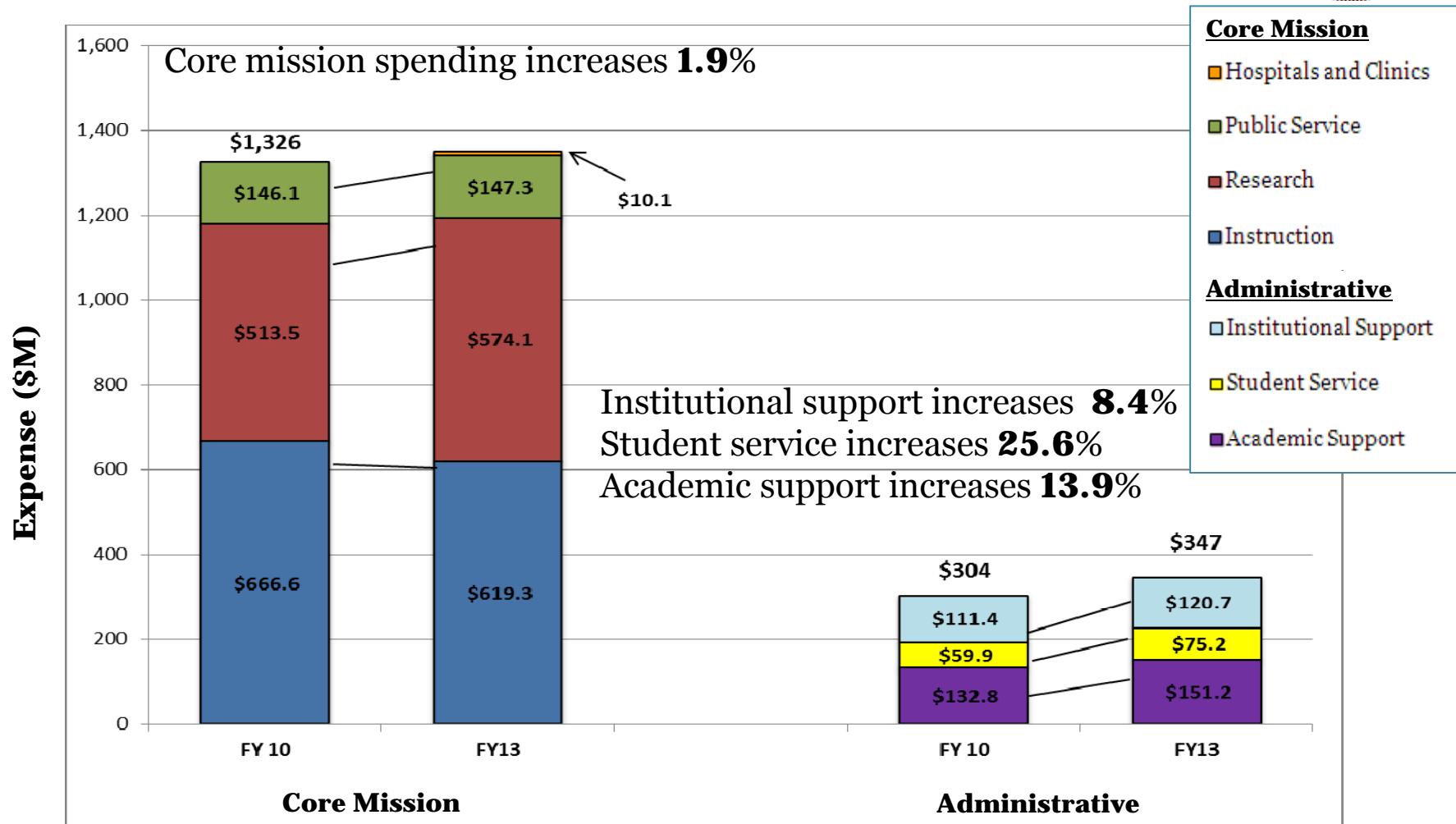
Tuition (Semester)	Fall 2010	Fall 2013	3-Year Change
TAMU	\$4,451	\$4,568	2.6%

Source: Texas Higher Education Coordinating Board; TAMUS Analysis – Tuition and Fees for Resident Undergraduate Students Enrolled in 15 Semester Contact Hours

Note: Amounts exclude differential tuition charged by specific academic programs. TAMHSC tuition varies by college.



3-Year Core Mission Spend is Flat; Administrative Spend Increases* *TAMU, TAMHSC, TAMUG and Agencies*



* Source: TAMUS unaudited Annual Financial Reports. Amounts do not include Other Post Employment Benefits; payments to acquire the Law School in FY13; Qatar campus and fee consolidation. Certain FY10 expenses have been reclassified to conform with the FY13 presentation.



5-Year Trends

- 5-year trends also indicate a disparity between the growth of administrative costs in contrast to enrollment, tuition and fees, and expenditures for teaching, research and service.

Enrollment	Fall 2008	Fall 2013	5-Year Change
TAMU	48,039	53,219	10.8%
TAMHSC	1,695	2,424	43.0%

Source: TAMU and TAMHSC FY13 unaudited Financial Reports

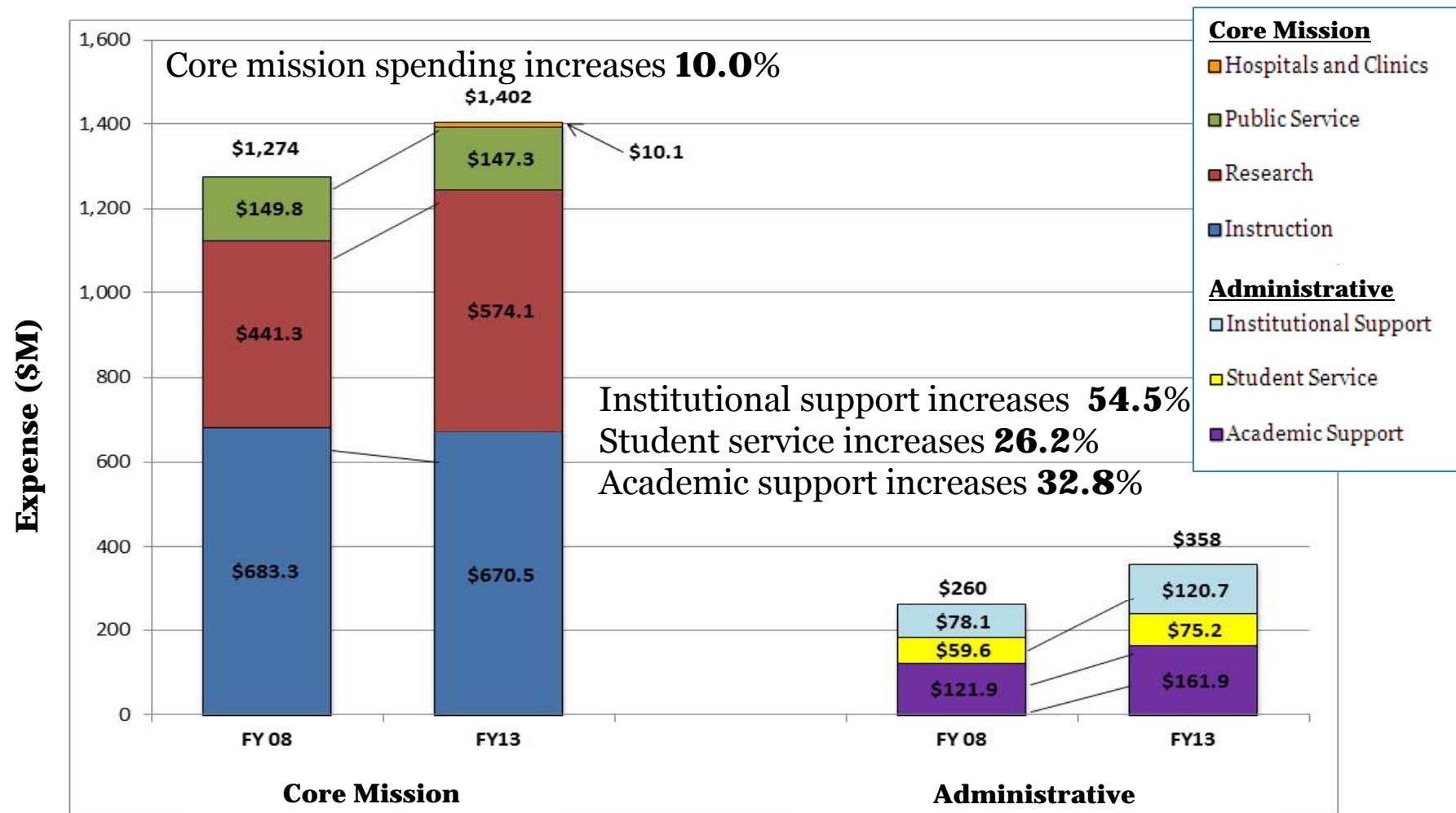
Tuition (Semester)	Fall 2008	Fall 2013	5-Year Change
TAMU	\$4,163	\$4,568	9.7%

Source: Texas Higher Education Coordinating Board; TAMUS Analysis – Tuition and Fees for Resident Undergraduate Students Enrolled in 15 Semester Contact Hours

Note: Amounts exclude differential tuition charged by specific academic programs. TAMHSC tuition varies by college.

5-Year Administrative Spend Outpaces Core Mission Spend*

TAMU, TAMUG, TAMHSC and Agencies

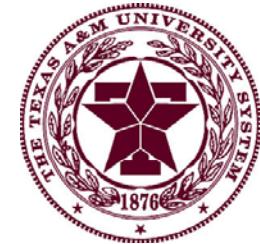


*Source: TAMUS unaudited Annual Financial Reports. Amounts do not include Other Post Employment Benefits; payments to acquire the Law School in FY13; and certain FY08 numbers have been reclassified to conform with FY13 presentation.

Chancellor Sharp Initiates Comprehensive Administrative Review



- Chancellor Sharp responded to these challenges by commissioning a “Comprehensive Administrative Review” (CAR) of TAMUS member universities and agencies.
- CAR objectives:
 - Develop recommendations to enhance administrative efficiency, effectiveness and execution throughout TAMUS
 - Identify functions and services that may be unnecessarily duplicated within and among TAMUS members, as well as organizational layers that create inefficiencies and complicate decision making and positive organizational change
 - Identify administrative cost savings that can be redirected into TAMUS core functions of teaching, research and service.
- Recognizing the intertwined nature of TAMU, TAMHSC, System member agencies, TAMUG, SRS and the TTC, Chancellor Sharp authorized modification of the phases to include these System members and offices.
- CAR represents a focused, data-driven approach to support TAMUS and member leadership as they enhance administrative efficiency, effectiveness and execution.



Project Deliverables

- CAR seeks to develop the following:
 - Organizational design changes addressing redundancy and de-layering
 - Process design through process change or technology
 - Outline of opportunities with implementation plan, consisting of:
 - Outline of opportunities with implementation cost and timeline
 - Prioritized summary matrix of recommendations and opportunities
 - Recommendations organized by A&M System member.
- This review evaluated only positions and position characteristics (e.g., number, type); not the individuals in these positions.

Higher Education Industry Response to Trends



- Notable higher education industry trends include identification of opportunities and implementation of actions to enhance administrative efficiency and effectiveness through:
 - Standardization of administrative processes to reduce complexity and facilitate compliance
 - Elimination of duplication to reduce administrative costs
 - Alignment and clarification of administrative roles and responsibilities with organizational mission and objectives
 - Creation and monitoring of performance standards
 - Adoption of Collaboration Centers to improve quality through specialization
 - Outsourcing to concentrate institutional effort on core capabilities and increase staffing flexibility.

TAMUS Member Participation

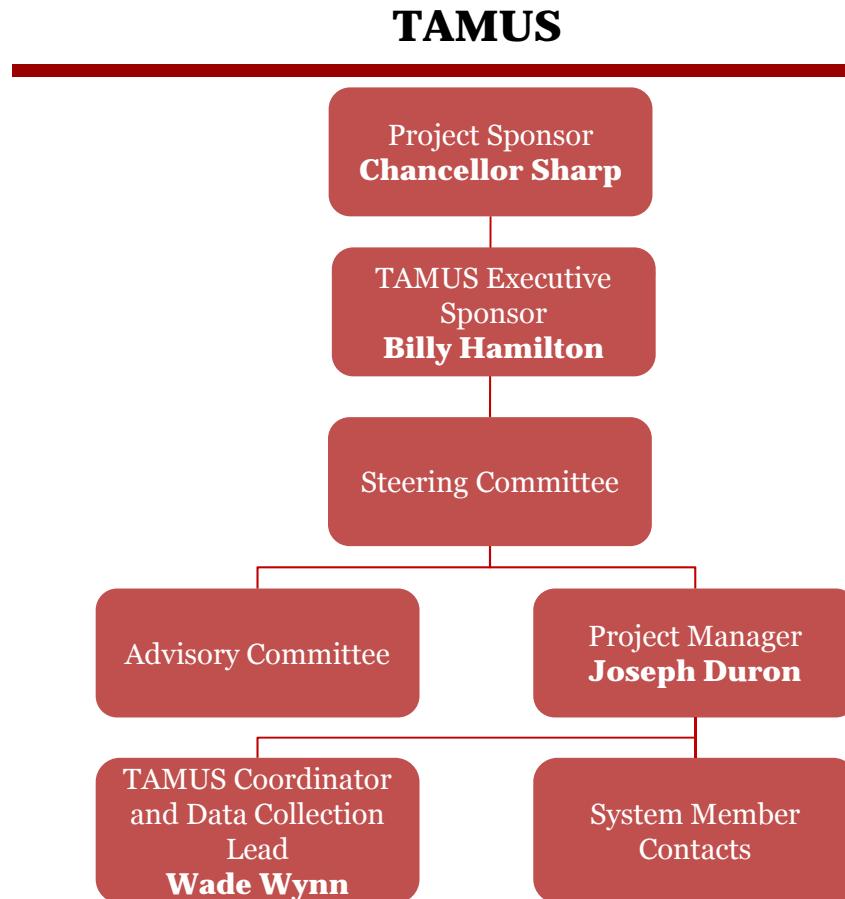
Numerous TAMUS Member Representatives Participated



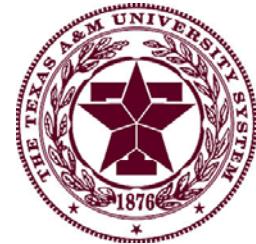
Numerous TAMUS member representatives participated:

- Executive Sponsorship
 - Met biweekly or weekly to review progress, findings and recommendations
- Steering Committee – TAMUS, TAMU, TAMHSC and Agency leaders
 - Met approximately biweekly to review progress and findings
- Advisory Committee – TAMU, TAMHSC and Agency leaders, faculty and staff
 - Met approximately monthly to review progress and findings
- Project Management
 - Met weekly to review status and discuss issues
- Survey pilots
- Surveys
- Individual interviews and direct input from TAMUS leaders, faculty and staff
- Process Work Groups
 - Discussed opportunities for improving administrative processes
 - Academic and Administration
 - Student Services
 - Financial Management
- Focus Groups
 - Developed increased understanding of areas of satisfaction and dissatisfaction

Project Structure



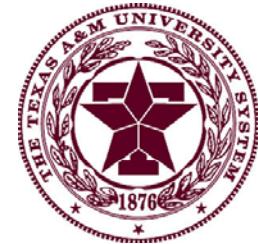
Project Review Scope



Functional Scope (1 of 2)

- Administrative functions performed by TAMUS member universities and agencies are within scope. Core mission functions of instruction, research, public service and hospitals and clinics are excluded.
- Staff and faculty performing administrative functions (e.g., deans, department/unit heads), are included within scope.
- Activity Analysis (AA) surveys of 10,987 job positions captured the distribution of effort for budgeted positions across a comprehensive set of university and agency functions and activities.
- Satisfaction surveys addressing user satisfaction with a broad set of administrative services provided by university and agency staff were administered to more than 75,000 students, faculty and staff to provide insight into users' perceptions of the overall experience, timeliness of turnaround and accuracy.
 - Satisfaction survey responses were voluntary. Respondents were not tracked to facilitate open and confidential responses.

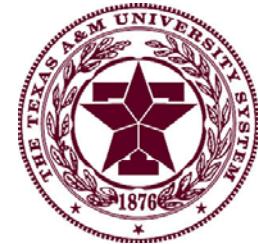
Functional Scope (2 of 2)



- Span of Control analytics were applied broadly.
 - Faculty members supervising only faculty members and/or graduate students were excluded.
- Functional scope recognized that similar reviews performed earlier or underway when the CAR project began, specifically:
 - Purchasing
 - Human resources
 - Information technology
 - Custodial, dining, facilities and landscape maintenance
 - System Office.

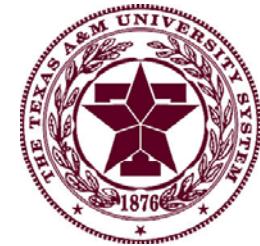
Accordingly, benchmarking of staffing levels in these areas was not within scope.
- Initial scope excluded research administration but was later amended to include the Office of Sponsored Research Services.

Combined Phase Considerations System Member Administrative Interaction



- The Combined Phase links two phases – Phases 1 and 3 of the original plan, and recognizes the intertwined nature of administrative activities performed by System members.
- System members included in the Combined Phase:
 - Texas A&M University including the Texas A&M Health Science Center
 - Texas A&M University – Galveston
 - Texas A&M AgriLife Extension Service*
 - Texas A&M AgriLife Research*
 - Texas A&M Engineering Experiment Station*
 - Texas A&M Engineering Extension Service*
 - Texas A&M Forest Service*
 - Texas A&M Transportation Institute*
 - Texas A&M Veterinary Medical Diagnostic Lab*
 - Office of Sponsored Research Services*
 - Texas A&M Technology Commercialization*

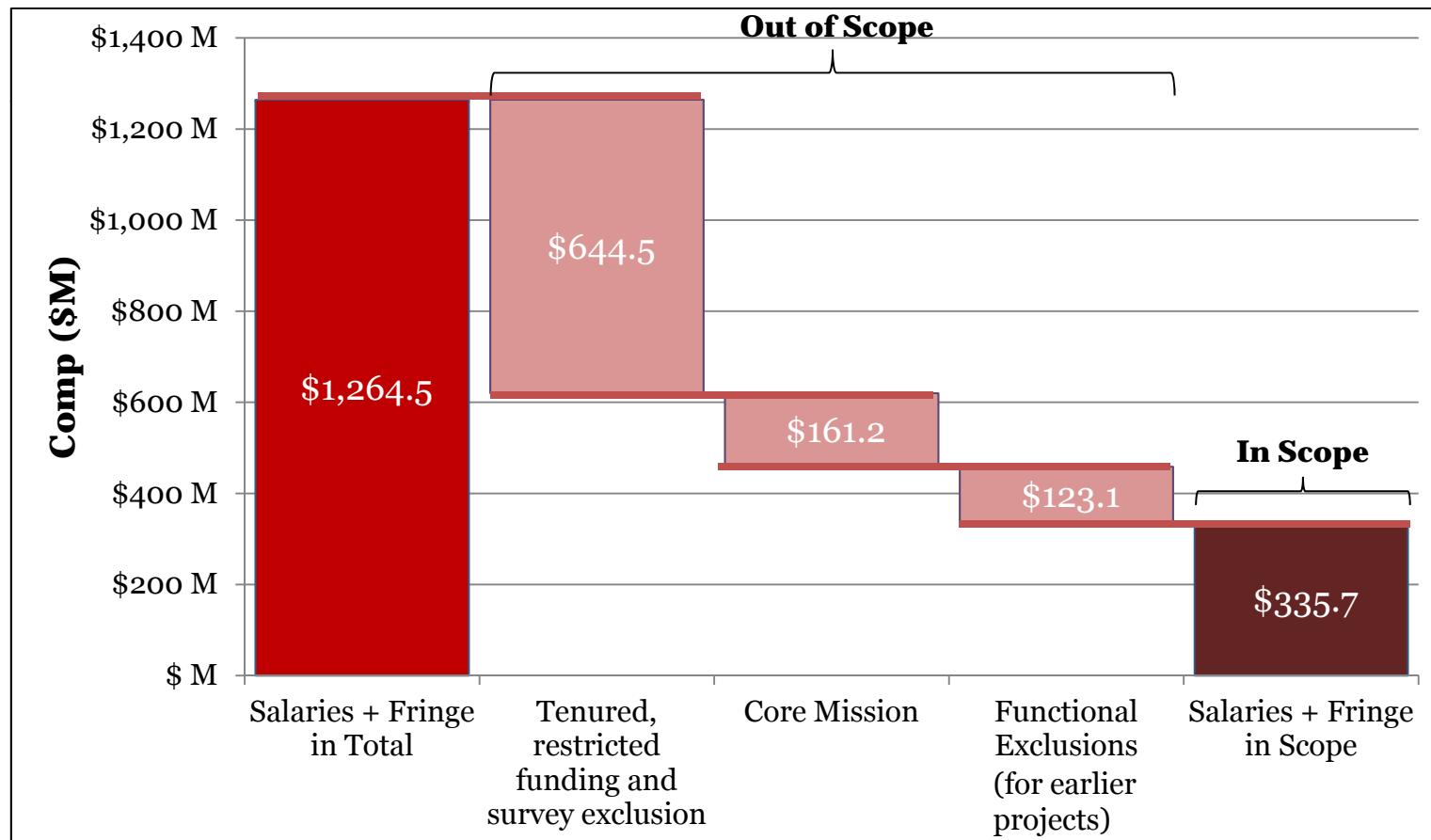
(*Unless otherwise specified in this report, “agencies” refers to the agencies and offices listed with an asterisk above).

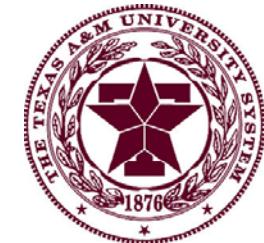


Value of Compensation in Scope

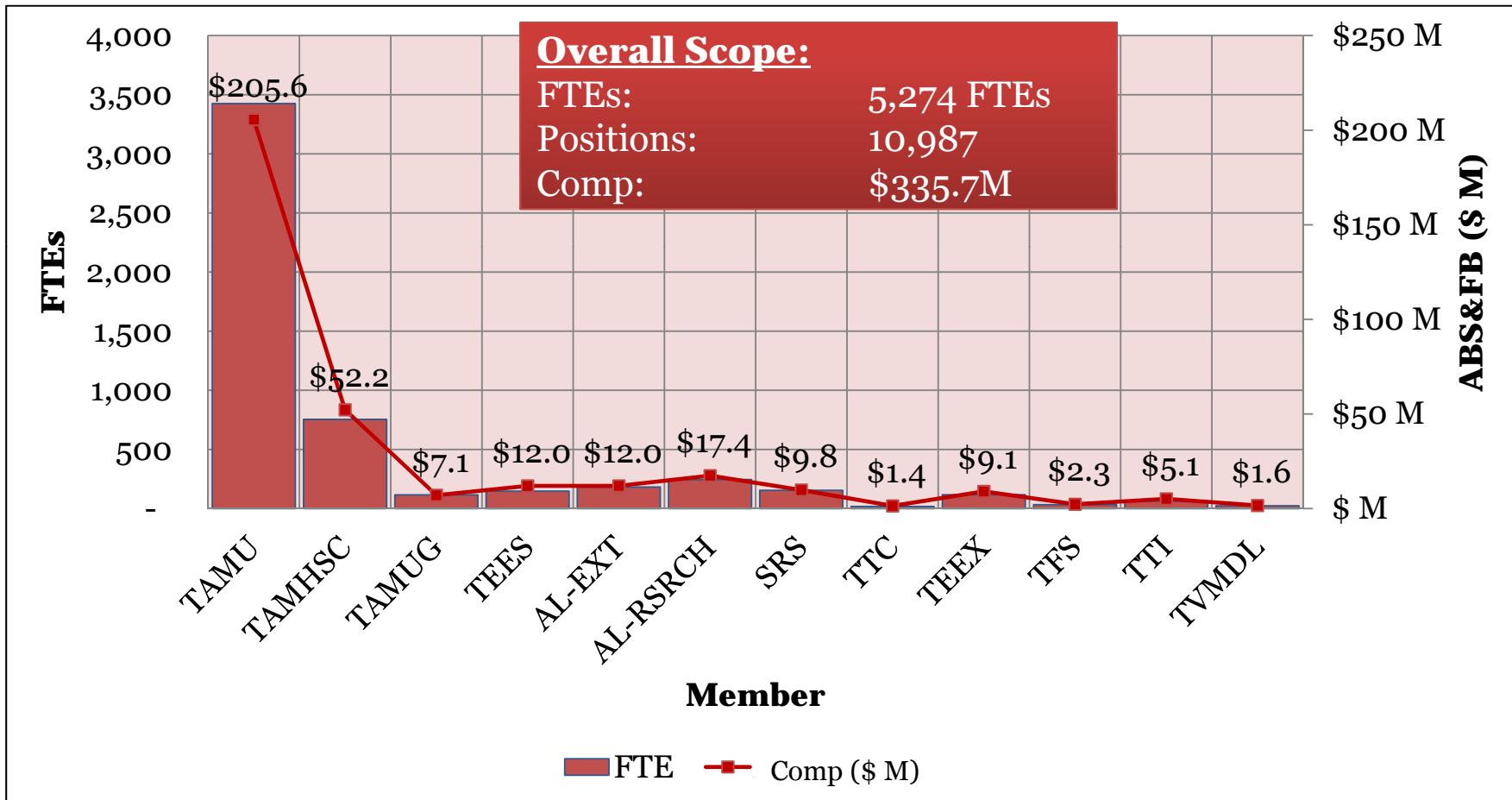
The total compensation associated with in-scope System members is \$1.265 B.

Note: Throughout the report, “Compensation” or “Comp” refers to annual budgeted salary incremented by 28% for fringe benefits. Fringe benefits include those paid by members and by the State.



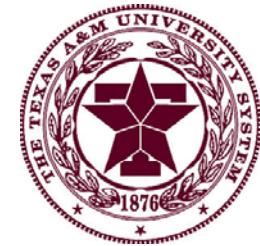


Value of Compensation in Scope by Member



5,274 full-time equivalents (FTEs) exclude the out-of-scope functions performed by the 10,987 positions in scope. Out-of-scope exclusions are noted on the previous page.

Summary of Identified Opportunities



Summary of Identified Opportunities (1 of 2)

- **\$52M** in annual savings* (**\$204M** cumulative over 5 years) identified as opportunities
- Factoring in implementation timeline and costs, the realization schedule of annual recurring value is as follows:

Opportunities (\$M)	FY14 Year 0	FY15 Year 1	FY16 Year 2	FY17 Year 3	FY18 Year 4	FY19 Year 5	5-Year Cumulative Value	Annual Steady State
Vacancies – No Intent to Fill	\$7.7	\$8.8	\$9.0	\$9.2	\$9.4	\$44.1	\$9.1	
Staffing Analysis	\$1.9	\$5.5	\$5.7	\$5.8	\$5.9	\$24.8	\$6.4	
Span of Control	\$7.1	\$19.2	\$19.6	\$20.0	\$20.3	\$86.2	\$23.5	
Collaboration Centers	\$0.6	\$7.8	\$13.2	\$13.5	\$13.7	\$48.8	\$12.7	
Total Savings Identified	\$17.3	\$41.3	\$47.5	\$48.5	\$49.3	\$203.9	\$51.7	
Estimated Implementation Cost **							\$30.6	
Cumulative Savings	\$17.3	\$58.6	\$106.1	\$154.6	\$203.9			
Vacancies – Intent to Fill ***	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$12.5	\$2.5	

* Annual savings include fringe benefits (some of which are paid directly by the State).

**Implementation cost is estimated at 15% of savings. This includes project management staffing and support (including change management). TAMUS IT infrastructure and software replacements costs are not included.

*** Vacancies - Intent to Fill are not included in total opportunities.



Summary of Identified Opportunities (2 of 2)

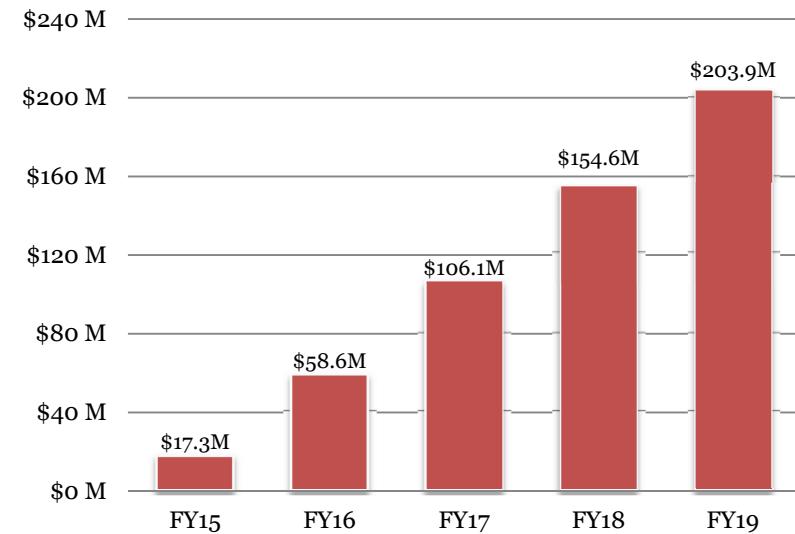
- Assuming opportunities will be realized at rates shown below, savings may be first realized in FY15 (September 2014 – August 2015).
- Over the 5-year period from FY15 through FY19, cumulative savings are estimated at **\$204 million** (before implementation cost).

Realization Schedule Assumptions

Opportunity Realization Assumptions	FY15 Year 1	FY16 Year 2	FY17 Year 3	FY18 Year 4	FY19 Year5
Vacancies – No Intent to Fill	85%	95%	95%	95%	95%
Staffing	30%	85%	85%	85%	85%
Span of Control	30%	80%	80%	80%	80%
Collaboration Centers	5%	60%	100%	100%	100%
Vacancies – Intent to Fill*	10%	10%	10%	10%	10%

* Vacancies - Intent to Fill are not included in total opportunities.
 Savings estimates assume a 2% Comp escalation increase annually.

Cumulative Opportunities



Summary of Opportunities – Estimate of Annual Savings



Type of Analysis Opportunities <i>(Comp: \$M)</i>	TAMU & TAMUG		TAMHSC		Agencies **		Total	
	Position Count	Comp	Position Count	Comp	Position Count	Comp	Position Count	Comp
Vacancies – No Intent to Fill	51	\$3.4	22	\$1.5	183	\$4.2	256	\$9.1
Staffing Analysis								
Academic Admin	59	\$2.6	12	\$0.4			71	\$3.0
Financial Management	18	\$0.6	6	\$0.3	9	\$0.3	33	\$1.2
Student Services	40	\$1.3	2	\$0.1			42	\$1.4
Research Administration					18	\$0.8	18	\$0.8
Staffing Subtotal	117	\$4.5	20	\$0.8	27	\$1.1	164	\$6.4
Span of Control	155	\$13.4	27	\$3.0	75	\$7.1	257	\$23.5
Subtotal	323	\$21.3	69	\$5.3	285	\$12.4	677	\$39.0
Collaboration Center(s)	126	\$8.2	22	\$1.4	53	\$3.1	201	\$12.7
Total	449	\$29.5	91	\$6.7	338	\$15.5	878	\$51.7
Vacancies – Intent to Fill *	229	\$12.6	65	\$3.9	242	\$8.8	536	\$25.3
TAMU and TAMHSC Integration *							12	\$1.6

Please refer to corresponding sections of this report that follow for descriptions of types of analysis and related calculations.

* Vacancies - Intent to Fill and TAMU and TAMHSC integration are not included in estimated savings.

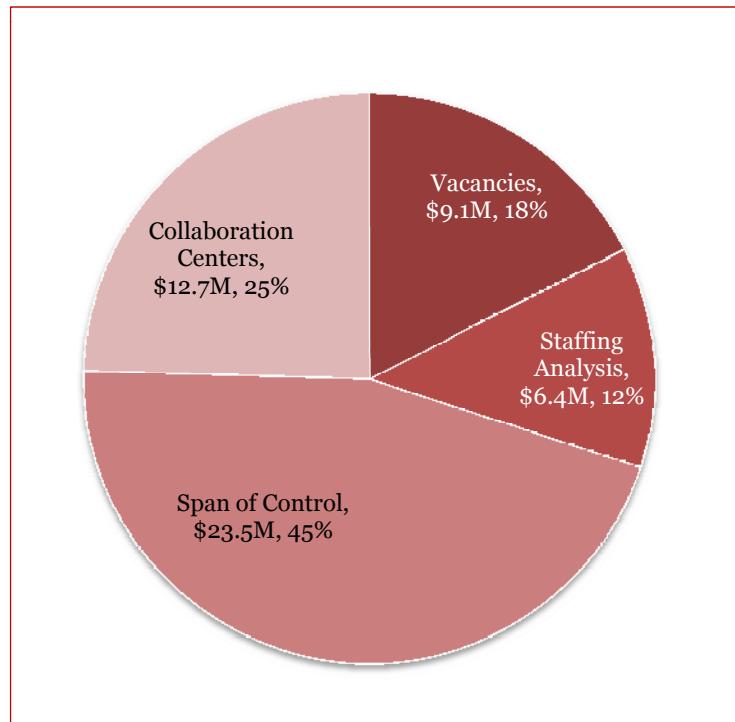
** SRS and TTC are included with agencies.

Summary of Opportunities – Estimate of Annual Savings

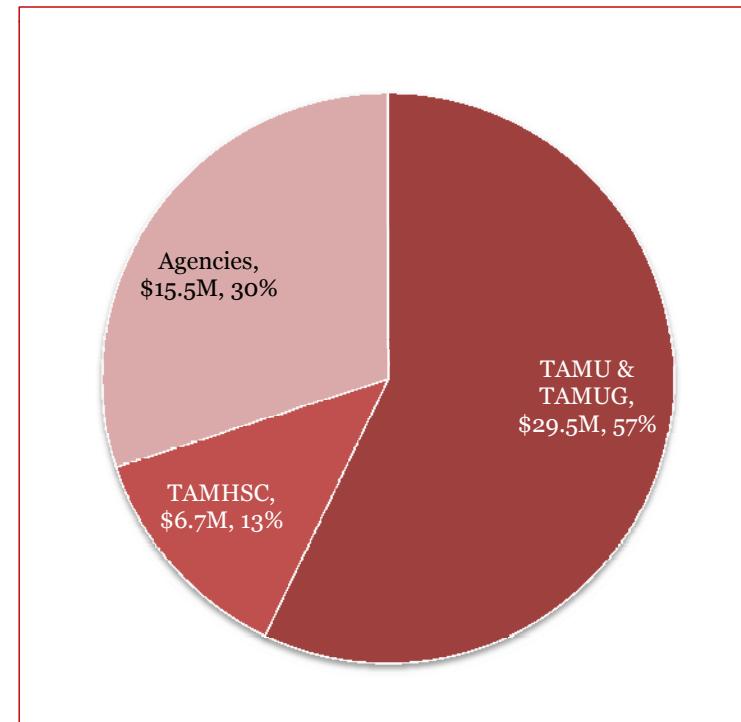


Opportunities resulted from the application of a set of analytical processes described in the report and are distributed about System members as depicted below. Each member CEO will be responsible for evaluation of opportunities in their respective university or agency.

Opportunities by Type of Analysis *



Opportunities by Entities **

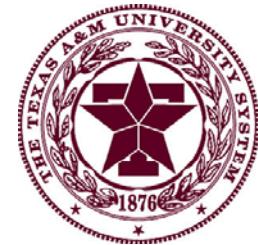


* Vacancies - Intent to Fill are not included in estimated savings.

** SRS and TTC are included with agencies.

Findings

Findings Indicate Opportunities to Increase Efficiency and Effectiveness Exist



During the last three years, TAMU enrollment increased 8.3%, in-state tuition and fees increased 2.6%

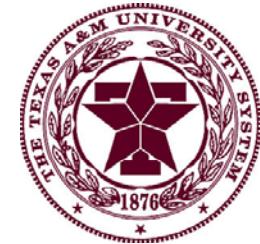
Over the last three years, TAMU/TAMUG/HSC/Agency core mission expenditures increased 1.9%, while administrative expenditures increased more rapidly: institutional support , 8.4%; academic support, 13.9%; student services, 25.6%

The State of TX has < 1,000 position titles; TAMUS has over 8,000

For every dollar spent entering transactions in FAMIS, **another \$1.96 is spent entering financial information in local systems and reconciling to FAMIS.** Entry of data in local systems and reconciling systems with FAMIS costs *TAMU/TAMUG/HSC/Agencies \$6.55 million* each year

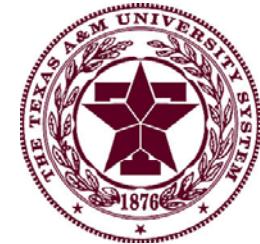
750 positions report providing administrative support for travel

While the central IT organization reports spending **\$2.15 million** annually for administrative purposes, other departments spend **an additional \$3.9 million**



Findings - Vacancies

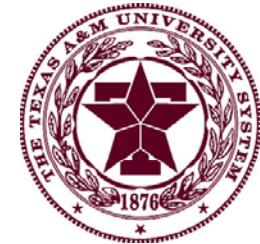
- Activity Analysis survey results indicate that:
 - Supervisors in 115 departments/units across the participating System members do NOT intend to fill 256 vacant positions representing Comp of \$9.1 million.
 - Supervisors reported an intent to fill 536 vacant positions representing Comp of \$25.4 million.
 - Vacancy aging data is incomplete.
 - For 35% of the vacant positions that supervisors indicate they intend to fill, no aging data is available.
 - 82% of vacant positions (288 positions) with aging data reported have a last payment date on or prior to October 1, 2013.



Findings – Activity Analysis (1 of 2)

- 750 positions throughout the Brazos Valley-based A&M System members* report providing administrative support for travel.
- Brazos Valley-based System member institutions report spending more than three times as much effort inputting data in financial systems and reconciling them (180.5 full-time equivalent effort) as they do preparing and analyzing financial results (56.5 full-time equivalent effort).
- Approximately 600 full-time equivalent staff and faculty performing administrative activities are currently providing services to Brazos Valley-based A&M System member institutions other than their own.
- 306 positions throughout the Brazos Valley-based A&M System members report managing departmental or divisional space.

*For purposes of this report, Brazos Valley-based A&M System members include TAMUG.



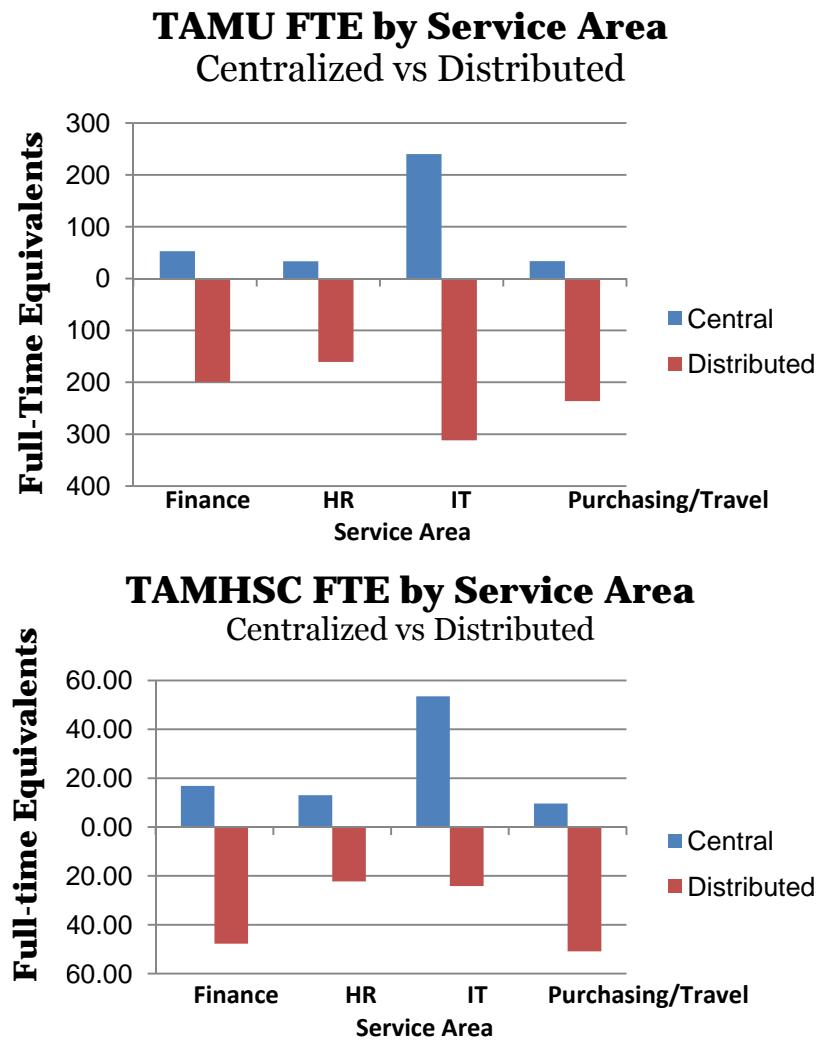
Findings – Activity Analysis (2 of 2)

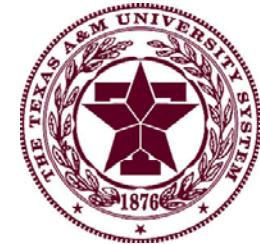
- Administrative systems are designed, developed and maintained by the TAMU central IT organization and also by other departments/units in the Brazos Valley-based A&M System member institutions. While the central IT organization reports applying effort to IT activities valued at \$2.15 million in Comp annually, other departments/units spend an additional \$3.9 million. Administrative systems support purchasing, grants, financials, human resources, student services and fundraising.
- 173 positions in departments/units across the Brazos Valley-based A&M System member institutions report that they administer data base software. Approximately 300 positions maintain computer hardware. Of these, approximately 10% report to the TAMU central IT organization.



Findings – Staffing Analysis

- Business functions, such as Finance, HR, IT, and Purchasing/Travel, are highly fragmented and distributed across TAMUS member units.
- Activity analysis reveals some colleges at TAMU are half as efficient as others in staffing costs for Academic Support and Departmental Administration.





Findings – Staffing Analysis (2 of 2)

- While approximately 500 positions enter transactions into FAMIS, the TAMUS financial system, more than 600 positions across the Brazos Valley-based A&M System member institutions enter transactions into local departmental or division systems. For each dollar spent on entering transactions in FAMIS, another \$1.96 is spent on entering financial information in local systems and reconciling systems with FAMIS. Entry of data in local systems and reconciling systems with FAMIS costs TAMUS System members \$6.55 million each year.
- TAMUS members maintains thousands of unique position titles. In many cases, the position title represents only one position.



Findings – Span of Control (1 of 2)

- 251 positions with a supervisor classification or title have no reports. 838 have one report. 491 have two reports. SOC analysis focused on positions with 2 or fewer reports. Refer to the Span of Control Analysis section of this report for additional information regarding the number of supervisors with SOC of less than 6.

TAMU & TAMUG			TAMHSC			Agencies*		
SOC	# of Positions	Comp **	SOC	# of Positions	Comp **	SOC	# of Positions	Comp **
0-2	1,015	\$120.9 M	0-2	214	\$29.3 M	0-2	351	\$40.0 M
3-5	617	\$83.8 M	3-5	109	\$17.1 M	3-5	191	\$24.0 M
6-10	300	\$50.9 M	6-10	52	\$10.3 M	6-10	131	\$21.1 M
11-20	104	\$21.2 M	11-20	25	\$6.3 M	11-20	98	\$16.3 M
> 20	35	\$9.3 M	> 20	16	\$4.3 M	> 20	62	\$8.8 M
Total	2,071	\$286.1 M	Total	416	\$67.3 M	Total	833	\$110.2 M

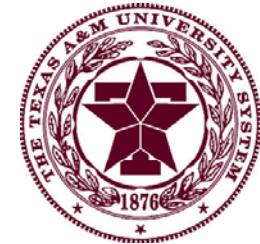
* SRS and TTC are included with agencies.

** Assumes average fringe rate of 28%.



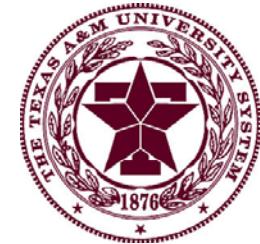
Findings – Span of Control (2 of 2)

- Members of the Advisory Committee reported that supervisor positions in the mid-to-lower layers of departments/units often represented staff promoted to give a raise when no other alternative was available.
- Among approximately 3,300 supervisor-report groups (which excluded groups of faculty supervising only faculty and/or graduate students), SOC analysis identified approximately 513 positions for TAMUS member leadership review due to low SOC. Re-assignment provides an opportunity to re-direct Comp of \$23.5 million to core mission activities.
 - 45% of these positions earn more than \$100,000/year.



Findings – Collaboration Centers

- Activity Analysis survey results indicate that finance, HR, IT, purchasing/travel and clerical activities are being performed in departments/units throughout the Brazos Valley System members.
- Although earlier TAMUS member initiatives have established less distributed support operations in several areas, many business functions continue to be decentralized. More centralized support operations have been established in Vice Chancellor operations.
- Approximately 2,000 positions apply 50% or more of their effort towards clerical functions or towards a combination of finance, HR, IT and purchasing/travel.
- Collaboration center implementations have produced efficiencies ranging from 10% to 40% in commercial organizations. Efficiencies at the higher end of this range have resulted from the consolidation of multiple units performing similar, redundant functions.
- Assuming TAMUS achieves savings of 10% (at the low end of the potential range), collaboration centers create an opportunity to re-direct Comp of \$12.7 million annually.



Findings – TAMU/TAMHSC Integration

- The integration of TAMU and TAMHSC facilitates new and potentially significant opportunities for collaboration that will only enhance the combined organization's competitive position and preeminence.
- This integration presents opportunities to consolidate administrative positions.
- While continued recognition of the health care mission is required and must be supported, opportunities for administrative consolidation with TAMU exist.
- Analysis of the potential consolidation of administrative positions across the integrated TAMU and TAMHSC has identified potential opportunities to consolidate 12 positions which represent estimated Comp of \$1.6 million.



Findings – People, Process, Technology (1 of 2)

People

- Some staff report to supervisors who are not professionals in the functions their staff perform.
- Staff are reportedly sometimes promoted to a supervisory position primarily to raise their pay when no other alternative is available.
- Variation of activities performed by positions with similar titles is greater than expected.
- TAMUS members maintain thousands of position titles, some of which relate to one position.
- Vocal dissatisfaction with current shared services and outsourcing could negatively impact implementation planning/stakeholder acceptance of Collaboration Centers.
- Overall low SOC relative to benchmarks indicates consolidation opportunities exist.
- Current efficiency, outsourcing and shared services initiatives are not coordinated.



Findings – People, Process, Technology (2 of 2)

Process

- Low level of risk tolerance drives higher staffing.
- Inconsistency in procedures across enterprises creates compliance risks and increases costs.
- Activity Analysis data indicates potential for cost savings.
- Common activities such as financial management, HR, IT and purchasing/travel are highly distributed.

Technology

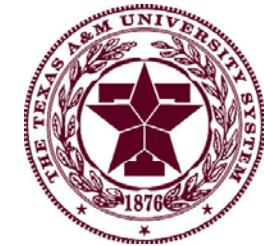
- Redundant systems complicate transaction entry, systems support and reporting.
- Enterprise systems and automation support for numerous key processes are reportedly outdated, incomplete and cumbersome, which adds to labor requirements.
- Multiple/redundant e-mail and calendaring systems create inefficiencies.
- Self-reported Budget/Payroll/Personnel (BPP) data do not reflect management structure. TAMUS lacks a single source for organizational structure information.

Recommendations



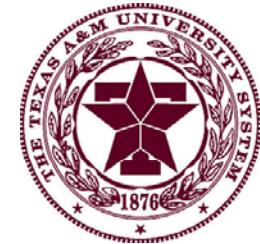
Recommendations (1 of 3)

1. Evaluate positions classified as “vacant with no intent to fill”.
 - Opportunity: 256 positions in 115 departments/units; \$9.1 million annual re-allocation
 - Timing: Short-term
2. Implement procedures to review administrative positions classified as “vacant with intent to fill” for necessity and consistency with System member staffing plans.
 - Implement ongoing procedures as additional positions become vacant to confirm justification
3. Evaluate positions exceeding benchmarks based upon results of the staffing analysis.
 - Opportunity: 164 positions representing Comp of \$6.4 million annual reallocation
 - Timing: Medium-term, following re-assignment of roles and responsibilities
4. Evaluate positions with insufficient span of control.
 - Opportunity: 257 positions; \$23.5 million annual re-allocation
 - Timing: Medium-term, following re-assignment of reporting relationships and roles and responsibilities



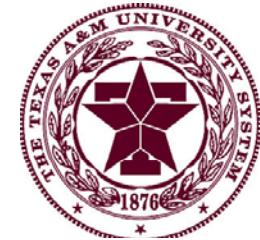
Recommendations (2 of 3)

5. Design, plan and implement a pilot multi-function collaboration center.
 - Functions in collaboration center scope: Financial, HR, IT and Purchasing/Travel
 - Implementation strategy: pilot followed by evaluation and consideration of costs, benefits and risks of further expansion; rolling additions following initial success
 - Coordinate with existing HR and IT initiatives
 - Phased roll out of central collaboration center function to System members
 - Evaluate approximately 200 positions representing in \$12.7 million annual reallocation
 - Timing: Short-term planning with long-term roll-out
6. Integrate TAMU and TAMHSC administrative roles.
 - Central offices subject to consolidation: Procurement, Finance, HR, Central Student Services, IT, Facilities Management, Health, Safety and Security, Marketing and Communications
 - Consolidate TAMU and TAMHSC business management and evaluate redundant positions; potential savings: 12 positions; \$1.6 million annual reallocation
 - Timing: Medium-term, following re-assignment of reporting relationships and roles and responsibilities



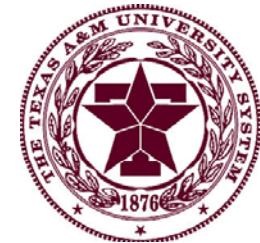
Recommendations (3 of 3)

7. Continue to monitor outsourcing trends. Continue to evaluate outsourcing for suggested functions highlighted in the Outsourcing Section.
8. Establish formal transformation project office to coordinate initiatives including governance and project management, approach to re-direction of savings, leadership alignment regarding adopted changes, refined implementation plan, outplacement process and plans for future roll-outs. Evaluate options to improve satisfaction in service areas of low satisfaction (e.g., facilities, travel) and in high cost functions (e.g., IT).
9. Consider Process Group suggestions listed in the Process Section.
10. Standardize and simplify Student Services approval processes to reduce associated workload.
11. Closely coordinate technology replacement initiatives with people and process changes.
12. Examine reasons for unit systems that require duplicate data entry in order to incorporate business requirements (e.g., chart of accounts revision) into the software selection criteria to eliminate redundancy.
13. Replace existing HR and financial systems with modern software applications, as recommended in the earlier IT assessment.
14. Incorporate HR and IT initiatives into a unified, coordinated transformation initiative.



Recommendation Priority (1 of 2)

Recommendation	Priority	Timing
1. Redirect funding (by System member) for “vacant with no intent to fill” positions	High	Short-term
2. Implement procedures to review funding for “vacant with intent to fill” positions	High	Short-term
3. Redirect funding (by System member) for positions based on staffing analysis	Medium	Medium-term
4. Redirect funding (by System member) for positions with low span of control	Medium	Medium-term
5. Design, plan and implement collaboration center	Medium	Design and plan – short-term Implement – long-term
6. Integrate TAMU and TAMHSC administrative roles	High	Medium-term
7. Monitor outsourcing trends	Medium	On-going
8. Establish transformation project management office	High	Short-term



Recommendation Priority (2 of 2)

Recommendation	Priority	Timing
9. Consider Process Group suggestions	Medium	Short-term
10. Standardize and simplify Student Services approvals	Medium	Short-term
11. Closely coordinate with technology initiatives	High	On-going
12. Examine reasons for duplicate data entry and incorporate requirements in software selection criteria	High	Short-term
13. Replace existing financial and HR systems as recommended in the earlier IT assessment	High	Medium- to long-term
14. Incorporate HR and IT initiatives into a unified, coordinated transformation initiative	High	Short-term

See the Implementation Roadmap Section for additional information regarding timing.

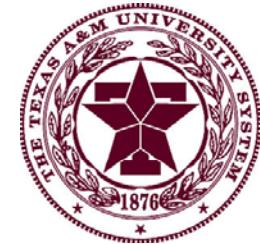
Analyses Performed



Analyses Performed

- To establish the findings and develop the recommendations presented in the previous section, several analytical processes were applied.
- Analyses include:
 - Activity Analysis Surveys
 - Vacant Positions Analysis
 - Staffing Analysis
 - Span of Control Analysis
 - Collaboration Centers
 - User Satisfaction Survey.

Activity Analysis Surveys



Activity Analysis Surveys

Objective

- Activity Analysis (AA) surveys provided supervisor-reported data regarding the activities performed by staff and faculty with administrative responsibilities at the individual position, department, college/division, System member and System levels.
- AA survey results served as the basis for staffing, span of control (SOC) and collaboration centers analyses.

Process

- TAMUS provided Budget/Payroll/Personnel (BPP) position data that includes Position Identification Number (PIN), title, EEO classification (e.g., Exec/Admin/Mgr), annual budgeted salary, supervisor and funding sources, which served as the basis for survey distribution.
- TAMUS allocated work effort by position to provide information useful in understanding:
 - The type and extent of work the position performs
 - The member organization for which the work is performed.



Activity Analysis Surveys

Results

- The response rate for the AA surveys was 98.3% .
- AA survey results have been used to:
 - Establish the Comp dollars in project scope
 - Identify functions within scope deserving attention due to the relatively high magnitude of effort applied to perform them (i.e., Academic Support and Departmental Administration, Financial Management and Student Services represent 80% of in-scope cost).
 - Provide the foundational data used in the benchmarking and SOC analyses that led to the identification of opportunities for cost savings.
 - Establishing System member effort and cost for use in comparing System member performance to benchmarks
 - Comparing functions performed by supervisors considered in SOC analysis

Value of Effort Distributed by Function and Member (Comp, \$M)



Function	TAMU & TAMUG		TAMHSC		Agencies	
	Comp (\$ M)	% of Member Total	Comp (\$ M)	% of Member Total	Comp (\$ M)	% of Member Total
Academics	\$ 19.5	6%	\$ 6.1	10%	\$ 0.9	1%
Admin	57.9	19%	15.3	24%	28.0	25%
Broadcasting	1.7	1%	0.1	0%	0.1	0%
Compliance & Audit	7.2	2%	0.9	1%	3.0	3%
Facilities	20.1	6%	1.7	3%	6.0	5%
Finance	19.4	6%	5.4	9%	11.6	10%
Fundraising	3.7	1%	0.9	1%	0.7	1%
Grants/ Awards	4.9	2%	3.3	5%	15.7	14%
HR	14.9	5%	3.2	5%	7.0	6%
IT	43.0	14%	5.2	8%	10.3	9%
Libraries	6.0	2%	0.5	1%	0.2	0%
Marketing	8.3	3%	1.8	3%	4.8	4%
Outreach	7.6	2%	3.7	6%	4.7	4%
Publishing	5.8	2%	1.3	2%	4.1	4%
Purchasing/ Travel	15.0	5%	3.5	6%	10.9	10%
Safety	14.7	5%	2.4	4%	1.6	1%
Student Services	62.2	20%	7.5	12%	0.6	1%
Tech Commercialization	0.0	0%	0.0	0%	1.9	2%
Total Comp	\$ 311.9		\$ 62.8		\$ 112.0	



System Member Interaction

Member Receiving Services ≥ 1 FTE

Home Member	Total FTE	AL-EXT	AL-RSRCH	SRS	TTC	SO	TAMHSC	TAMU	TAMUG	TEES	TEEX	TFS	TTI	TVMDL
AL-EXT	47		26	0	0	0	1	14	1	0	0	1	0	4
AL-RSRCH	94	40		0	0	0	0	42	0	0	0	4	0	8
SRS	160	20	30		0	9	19	37	4	28	0	0	12	1
TTC	11	0	2	0		0	2	3	0	3	0	0	1	0
TAMHSC	1	0	0	0	0	0		1	0	0	0	0	0	0
TAMU	188	8	38	6	3	23	14		21	63	4	3	3	2
TAMUG	1	0	0	0	0	0	0	1		0	0	0	0	0
TEES	29	0	0	0	0	0	0	25	0		2	0	2	0
TEEX	0	0	0	0	0	0	0	0	0	0		0	0	0
TFS	0	0	0	0	0	0	0	0	0	0	0		0	0
TTI	2	0	0	0	1	0	0	1	0	0	0	0		0
TVMDL	3	1	2	0	0	0	0	0	0	0	0	0	0	0
Total	536	69	98	6	4	32	36	124	26	94	6	8	18	15

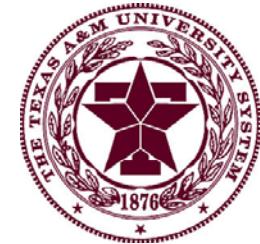
Notes: TAMU, SRS and TTC provide significant support to multiple members.
 AgriLife-Extension, AgriLife-Research and TEES interact extensively with TAMU.

Several TAMU Divisions/ Colleges Serve Multiple Members



TAMU Divisions/ Colleges	FTEs Serving Multiple System Members
College: Engineering	44
Division: VP and Associate Provost-Info Technology	28
Division: Controller	19
College: Agriculture And Life Sciences	19
Division: Operations	18
Division: Strategic Sourcing	16
Division: VP Research	15
Division: Safety and Security	11
Division: Assoc VP For Academic Services	7
Division: Assistant VP and Chief HRO	5
Division: Assoc VP External Affairs	4
Other	351
Total	536

Vacant Position Analyses



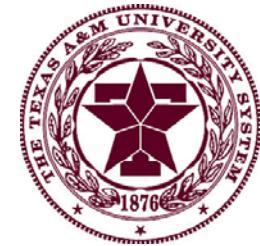
Vacant Position Analyses

Objective

- AA surveys also identified positions that are presently vacant. Respondents identified these positions as:
 - Vacant – No Intent to Fill
 - Vacant – Intent to Fill.

Process

- Corresponding Position Identification Numbers (PINs) were matched to data available in the TAMUS BPP system.
 - BPP data was accessed on September 30, 2013 for TAMU and TAMHSC employees and on January 30, 2014 for TAMUG and Agency employees.
 - During the time that has elapsed since this data was drawn from BPP, changes have occurred in TAMUS member organizational structure and personnel assignments which are not reflected in this analysis.
 - TAMUS member leadership will need to review current status against structures and data used in this analysis as one of the first steps in the implementation process.



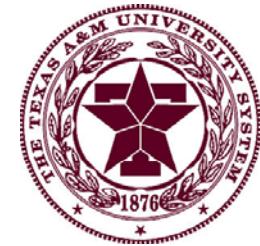
Vacant Position Analyses

Results

- TAMUS members have 256 vacant positions which supervisors indicated they have no intent to fill; 536 vacant positions they intend to fill.

Measure	Vacant – No Intent to Fill			Vacant – Intent to Fill		
	PINS	# Depts	Comp	PINS	# Depts	Comp
Summary by EEO Classification						
Executive/Admin/Mgr/Faculty	21	20	\$2.4M	31	29	\$ 4.1M
Professional Non-Faculty	169	147	\$5.1M	278	219	\$13.5M
Clerical	41	37	\$1.2M	83	67	\$ 3.0M
Service/Maintenance	1	1	*	21	14	\$ 0.8M
Skilled Craft	1	1	*	30	26	\$ 1.3M
Technical/Paraprofessional	23	21	\$0.4M	93	41	\$ 2.7M
Total	256	228	\$9.1M	536	398	\$25.4M

* Comp level insufficient to report at this level of summarization.



Summary of Vacancies by College/Division

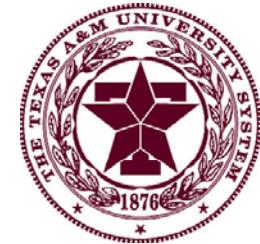
Member	College/Division	Vacant-No Intent to Refill		Vacant-Intent to Refill	
		PINS	Compensation	PINS	Compensation
TAMU	College: Agriculture And Life Sciences		\$ -	3	\$ 329,852
	College: Architecture	2	\$ 73,124	7	\$ 328,491
	College: Bush School of Gov't & Public Srv	1	\$ 53,488	1	\$ 88,879
	College: Education		\$ -	1	\$ 53,760
	College: Engineering		\$ -	2	\$ 7,424
	College: Geosciences	3	\$ 199,311	2	\$ 125,783
	College: Liberal Arts	1	\$ 40,954	14	\$ 725,954
	College: Mays Business School	3	\$ 248,514	3	\$ 164,799
	College: Science		\$ -	10	\$ 436,918
	College: Veterinary Medicine	1	\$ 35,136	5	\$ 210,965
	Division: Administration	3	\$ 182,446	41	\$ 2,567,168
	Division: Asso Prov UG Pgm & Acad Srv	2	\$ 47,064	1	\$ 58,732
	Division: Assoc Prov & Dean of Faculties	1	\$ 47,111	5	\$ 239,103
	Division: Assoc VP for Acad Services	9	\$ 601,078	24	\$ 1,115,115
	Division: Controller	2	\$ 95,402	5	\$ 224,445
	Division: Director - Athletics		\$ -	8	\$ 592,471
	Division: It Services	3	\$ 253,663	1	\$ 59,136
	Division: Library	4	\$ 139,202	10	\$ 483,889
	Division: Operations	3	\$ 171,463	35	\$ 1,881,264
	Division: Safety & Security		\$ -	16	\$ 937,901
	Division: Strategic Sourcing	3	\$ 148,287	3	\$ 170,137
	Division: Vice Provost for Acad Affairs		\$ -	3	\$ 212,310
	Division: VP & Assoc Prov-IT	4	\$ 344,030	5	\$ 377,044
	Division: VP Research	1	\$ 195,840	18	\$ 954,460
TAMU Subtotal		46	\$ 2,876,113	223	\$ 12,346,000



Summary of Vacancies by College/Division

Member	College/Division	Vacant-No Intent to Refill		Vacant-Intent to Refill	
		PINS	Compensation	PINS	Compensation
TAMHSC	Division: Baylor College of Dentistry	5	\$ 213,378	13	\$ 420,766
	Division: College of Medicine	8	\$ 490,132	14	\$ 820,282
	Division: College of Nursing	\$ -	-	1	\$ 46,080
	Division: College of Pharmacy	\$ -	-	4	\$ 220,963
	Division: Institute of Biosciences & Tech	1	\$ 27,928	4	\$ 191,747
	Division: School of Rural Public Health	\$ -	-	1	\$ 216,097
	Division: System Health Science Center	8	\$ 793,536	28	\$ 1,938,845
TAMHSC Subtotal		22	\$ 1,524,974	65	\$ 3,854,780
TAMUG	Division: Academic	4	\$ 448,405	\$ -	-
	Division: Administration	1	\$ 31,878	3	\$ 171,499
	Division: Maritime Program	\$ -	-	2	\$ 99,332
	Division: Student Services	\$ -	-	1	\$ 44,352
TAMUG Subtotal		5	\$ 480,283	6	\$ 315,183
AL-EXT		2	\$ 173,545	6	\$ 347,926
AL-RSRCH		4	\$ 121,626	8	\$ 458,615
TEES (107 positions budgeted at 10% effort)		115	\$ 955,648	71	\$ 936,475
TEEX		7	\$ 428,543	10	\$ 737,984
TFS		\$ -	-	107	\$ 4,202,452
TTI		54	\$ 2,541,349	\$ -	-
TVMDL		1	\$ 34,850	10	\$ 692,159
Agencies Subtotal		183	\$ 4,255,561	212	\$ 7,375,611
OSRS		\$ -	-	27	\$ 1,249,220
OTC		\$ -	-	3	\$ 309,821
TAMUS Subtotal		183	\$ 4,255,561	239	\$ 8,624,831
TAMUG, Agencies & TAMUS Subtotal		188	\$ 4,735,844	248	\$ 9,249,835
Grand Total		256	\$ 9,136,931	536	\$ 25,450,615

Staffing Analysis



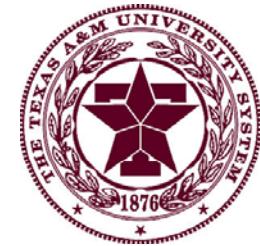
Staffing Analysis

Objective

- Performed a Staffing Analysis in the functional areas where TAMUS members expend significant effort and costs in order to identify opportunities to increase efficiency. The functional areas covered were Academic Support and Departmental Administration, Financial Management and Student Services, since the AA survey indicated that these areas comprised 80% of in-scope cost.
- Performed separate staffing analysis for SRS.

Process

- Identified and applied baseline comparisons and benchmarks
- Identified departments/units requiring efficiency improvements when compared to peers.



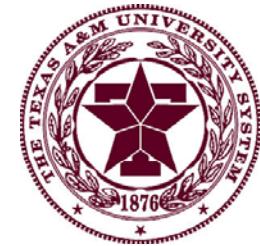
Staffing Analysis

Results

- The table below details the results of the analysis of the following functional areas: Academic Support and Departmental Administration, Financial Management and Student Services.

Functional Area Member	Academic & Administrative		Financial Management		Student Services		Subtotal	
	#	\$	#	\$	#	\$	#	\$
TAMU	57	\$2.5M	17	\$0.6M	39	\$1.3M	113	\$4.4M
TAMHSC	12	\$0.4M	6	\$0.3M	2	\$0.1M	20	\$0.8M
TAMUG	2	\$0.1M	1	*	1	*	4	\$0.1M
Agencies	-	-	9	\$0.3M	-	-	9	\$0.3M
TTC	-	-	-	-	-	-	-	-
Total	71	\$3.0M	33	\$1.2M	42	\$1.4M	146	\$5.6M

* Comp level insufficient to report at this level of summarization.



Staffing Analysis

Results (continued)

- The total consolidated opportunities identified by the Staffing Analysis are detailed below:

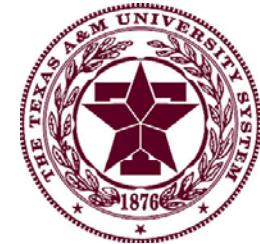
Functional Area	Member	Research Administration		Academic & Admin, Financial Management and Student Services		Total	
		#	\$	#	\$	#	\$
TAMU		-	-	113	\$4.4M	113	\$4.4M
TAMHSC		-	-	20	\$0.8M	20	\$0.8M
TAMUG		-	-	4	\$0.1M	4	\$0.1M
Agencies		-	-	9	\$0.3M	9	\$0.3M
TTC		-	-	-	-	-	-
SRS		18	\$0.8M	-	-	18	\$0.8M
Total		18	\$0.8M	146	\$5.6M	164	\$6.4M

Span of Control Analysis



Span of Control Analysis

- Due to the lack of a Human Resources Information System, TAMUS could not provide accurate span of control (SOC) data for TAMU and TAMHSC.
- TAMU and TAMHSC provided approximately 300 paper organization charts. Agencies provided spreadsheets detailing supervisor-report relationships.
- Data from the paper charts were converted to electronic format for inclusion in an analytical database and for automated generation of organization charts.
- More than 4,200 additional wage worker and student positions were added to the population of survey respondents, bringing the total population of positions to more than 16,200.
- Supported by AA and SOC analytics, organization charts were reviewed for context and to identify potential positions having designated characteristics including:
 - Positions with an EEO classification of Executive/Administrative/Managerial and no reports
 - Supervisor positions with a low SOC. In most cases, the selected positions had less than 4 reports.
- For each SOC opportunity, a set of 2 or more positions was selected. A recommendation regarding the number of positions within the set to evaluate was developed. TAMUS member leadership will make the decision regarding the specific positions, if any, to eliminate.
- SOC analyses were used in identifying opportunities for reducing redundancies, de-layering and restructuring.



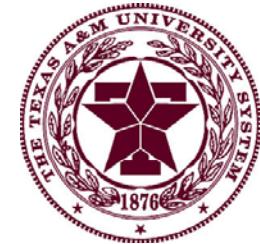
Span of Control Analysis Approach

Objective

- To identify opportunities to better align SOC with industry practice, thus improving administrative efficiencies and resource utilization
- To incorporate the benefits of better and more timely decision-making, enhanced communication and the application of most talented supervisors more broadly

Process

- Reviewed over 3,300 supervisory positions (or \$447M in Comp) across TAMU, TAMHSC and agencies.
- Members of the Advisory Committee reported that supervisor positions in the mid-to-lower layers of departments/units often represented staff promoted to give them a raise when no other alternative was available. SOC recommendations focused on upper layers because:
 - (1) the disruption associated with mass changes in these layers in comparison to the potential Comp to be re-directed to core mission does not appear to justify the change
 - (2) leadership positions should be addressed prior to changes in mid- and lower-layers
 - (3) collaboration centers, if adopted, will address a significant portion of these mid- and lower-layer positions, SOC recommendations were focused on upper layers.



Recommendations

- Identified groups (or “pools”) of supervisory positions with few or no reports (i.e., with low SOCs). At least 2 candidates were identified for each group. TAMUS member leadership will review positions in these groups and make decisions regarding whether to eliminate positions and re-allocate funding to core mission functions.
- SOC analysis was not applied to faculty positions when the faculty member supervised only other faculty members.

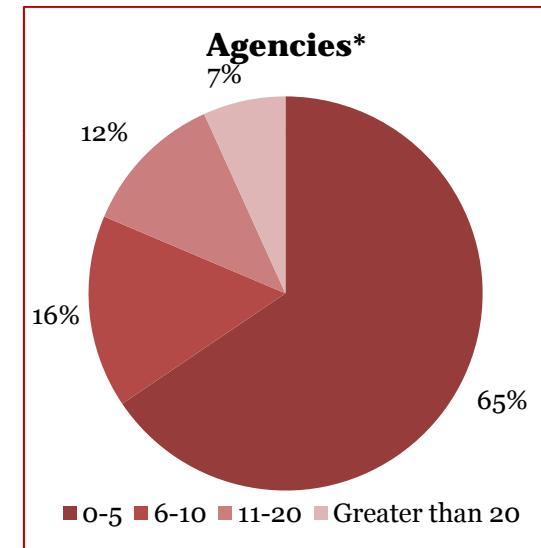
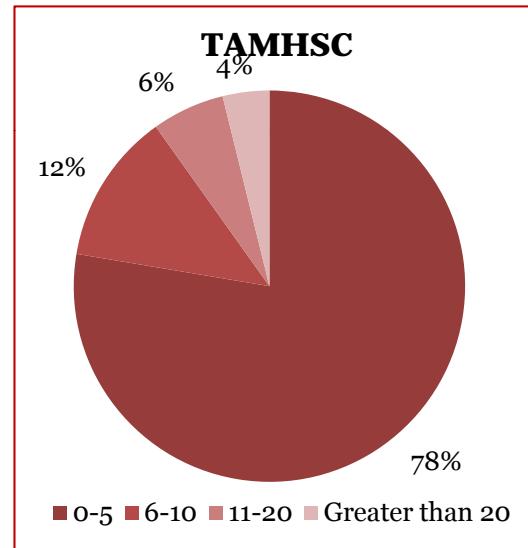
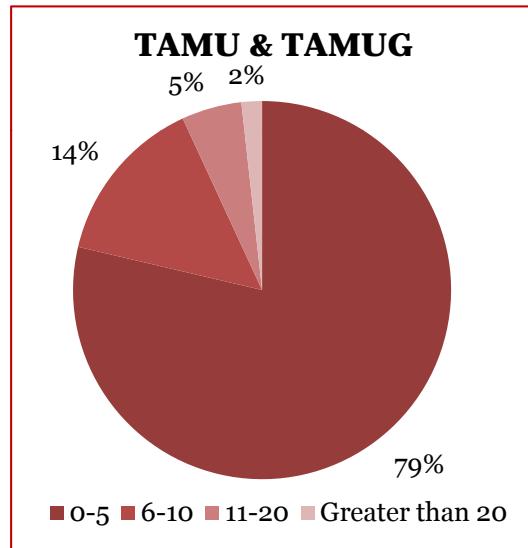


Span of Control Distribution

Results

3 of 4 supervisors (2,497 of 3,320) manage less than 6 direct reports.

SOC distribution for TAMU & TAMUG, TAMHSC and agencies are shown below:



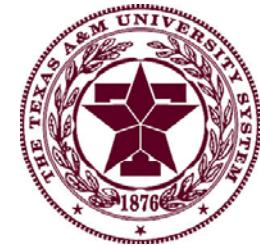
SOC	# of Positions	Comp **
0-5	1,632	\$204.7 M
6-10	300	\$50.9 M
11-20	104	\$21.2 M
> 20	35	\$9.3 M
Total	2,071	\$286.1 M

SOC	# of Positions	Comp **
0-5	323	\$46.4 M
6-10	52	\$10.3 M
11-20	25	\$6.3 M
> 20	16	\$4.3 M
Total	416	\$67.3 M

SOC	# of Positions	Comp **
0-5	542	\$64.0 M
6-10	131	\$21.1 M
11-20	98	\$16.3 M
> 20	62	\$8.8 M
Total	833	\$110.2 M

* SRS and TTC are included with agencies.

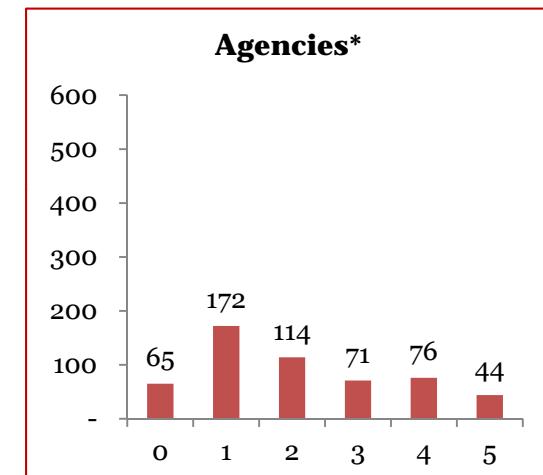
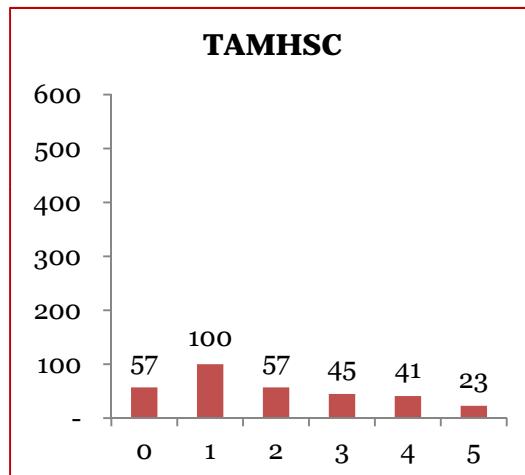
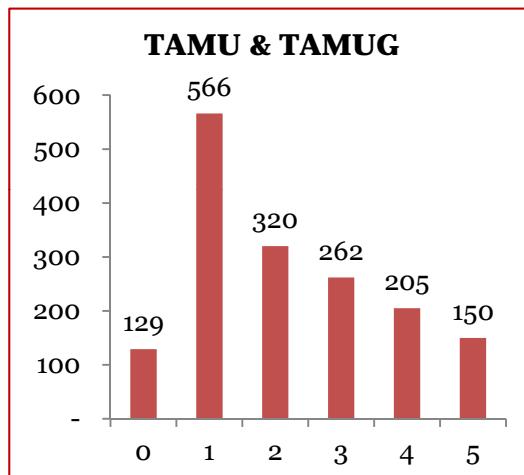
** Assumes average fringe rate of 28%.



Span of Control Distribution

1 of 4 supervisors (566 of 2,071) supervise only one employee.

For the group with SOCs less than 6, the detailed distributions are shown below:



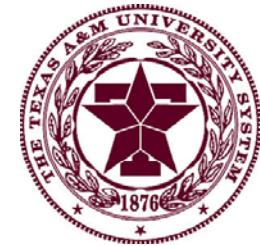
SOC	# of Positions	Comp **
0	129	\$12.9 M
1	566	\$69.2 M
2	320	\$38.8 M
3	262	\$33.8 M
4	205	\$27.5 M
5	150	\$22.5 M
Total	1,632	\$204.7 M

SOC	# of Positions	Comp **
0	57	\$7.0 M
1	100	\$13.4 M
2	57	\$8.9 M
3	45	\$6.5 M
4	41	\$7.1 M
5	23	\$3.4 M
Total	323	\$46.4 M

SOC	# of Positions	Comp **
0	65	\$7.9 M
1	172	\$19.9 M
2	114	\$12.2 M
3	71	\$8.4 M
4	76	\$9.9 M
5	44	\$5.7 M
Total	542	\$64.0 M

* SRS and TTC are included with agencies.

** Assumes average fringe rate of 28%



Span of Control Opportunities

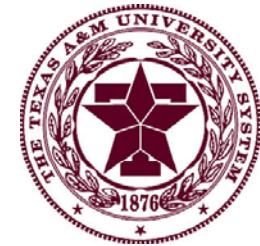
Findings

- SOC data identifies the opportunity to eliminate up to 257 positions.
 - Approximately 80% of TAMU & TAMUG and TAMHSC management positions have SOC of less than 6.
 - Over 65% of agencies management positions have SOC of less than 6.
 - 251 positions classified as Executive/Administrative/Managerial do not supervise anyone and have a total of \$28.7M in Comp.

Entities	SOC Opportunity Count	Opportunity Comp *	Percentages of Total PINs Reviewed	Percentages of Total Comp Reviewed *
TAMU & TAMUG	154	\$13.2 M	60	57
TAMHSC	28	\$3.0 M	11	13
Agencies **	75	\$7.1 M	29	30
Total	257	\$23.3M	100	100

* Assumes average fringe rate of 28%

** SRS opportunities (4 positions, or \$0.5M savings) are included under Agencies.



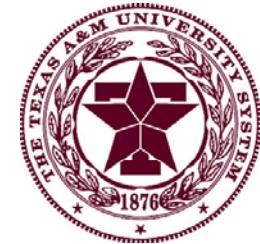
Span of Control Opportunities – Agencies

- Opportunities for agencies members are shown below:

Members	SOC Opportunity Count	Opportunity Comp *
AL-EXT	7	\$0.7 M
AL-RSRCH	17	\$1.4 M
SRS	4	\$0.5 M
TEES	15	\$1.4 M
TEEX	17	\$1.6 M
TFS	6	\$0.7 M
TTI	7	\$0.6 M
TVMDL	2	\$0.2 M
Total	84	\$7.7M

* Assumes average fringe rate of 28%.

Collaboration Center Analysis



Collaboration Center Analysis

- **Collaboration Center Analysis**

- A collaboration center provides a defined set of services such as finance, human resources/payroll, IT, purchasing/travel or a set of these. Governance is typically provided by a structure that includes organizations receiving the services. A service agreement outlines the roles and responsibilities of the participants and establishes performance benchmarks and other terms.
- A collaboration center option would be implemented subsequent to implementation of staffing analysis and SOC recommendations. This would allow for TAMUS and/or TAMUS member evaluation of the impact the accepting and implementing the initial recommendations before collaboration center plans are refined.
- Candidate positions from departments/units throughout the in-scope System members were identified based on Activity Analysis (AA) survey responses. Positions that were reported to commit more than 50% of their effort to finance, human resources/payroll, IT, purchasing and/or travel were selected as members of a pool of candidates from which a pilot collaboration center organization could be formed.



Collaboration Center Analysis Approach

Objective

- Determine viability and potential for a shared business model to drive efficiencies.

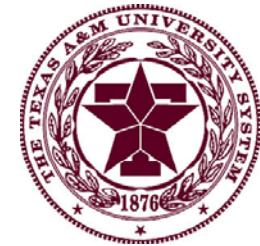
Process

- TAMUS members are already providing some level of shared services (SS), particularly TAMU, AgriLife and Engineering. These initiatives are reported to be collaborative and cost effective.
- Lessons learned from these experiences should inform any collaboration center initiative. Numerous departments/units also provide central services across System members.
- Centralization of a selected set of services in support of in-scope System members headquartered in the Brazos Valley provides an opportunity to:
 - Improve the service recipient experience through specialization of skills and professional management
 - Improve compliance through more consistent application of policy and procedure
 - Increase efficiency and effectiveness through standardization of process
 - Realize opportunities to re-allocate funds to core mission functions.

Methodology to Identify Candidates for Collaboration Centers



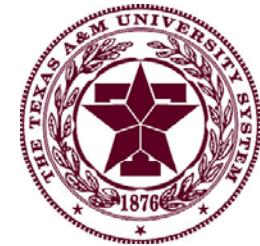
- Using AA survey results, identified five potential collaboration center business functions:
 - Finance
 - Human Resources
 - Information Technology
 - Purchasing/Travel
 - Administrative/Clerical Support.
- Population of positions identified as candidates for collaboration centers are based upon the effort reported for the position
 - Positions with high levels of effort associated with these functions were selected as candidates for inclusion to the collaboration center.



Collaboration Center Opportunities (1 of 2)

- Identified the opportunity by qualifying the positions (i.e., those positions reported to dedicate a high level of effort to the combination of finance, HR, purchasing, IT and administrative tasks or separately to administrative/clerical support).
- The associated Comp is summarized by System member below.

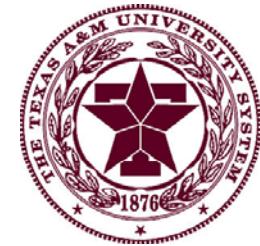
System Member	Qualifying Position Counts	Comp of Qualifying Positions (\$M)
TAMU	1,222	\$80.0
TAMHSC	229	\$13.7
AL-RSRCH	160	\$9.2
AL-EXT	141	\$7.3
TEES	66	\$4.1
TEEX	55	\$3.4
TTI	52	\$4.0
TFS	44	\$2.3
TAMUG	38	\$2.1
TVMDL	14	\$0.9
TTC	4	\$0.1
Total Candidates	2,025	\$127.1
Opportunity to Re-direct to Core (Assuming 10% re-direction)	201	\$12.7



Collaboration Center Opportunities (2 of 3)

- The associated Comp is summarized by service area below.

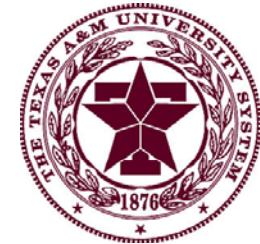
Recommended Pool	TAMU & TAMUG	TAMHSC	Agencies	Total Candidate Positions
Finance	203	39	106	348
HR	145	29	88	262
IT	532	61	95	688
Purchasing/Travel	248	56	174	478
Clerical	132	44	73	249
Total Positions	1,260	229	536	2,025
Opportunity to Re-direct to Core (Assuming 10% re-direction)	126	22	53	201



Collaboration Center Opportunities (3 of 3)

- Corresponding Comp for qualifying positions are summarized by service area below.

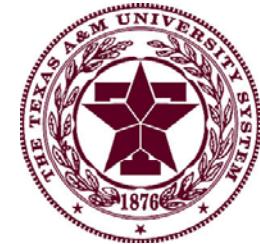
Recommended Pool (Comp in \$M)	TAMU & TAMUG	TAMHSC	Agencies	Total Comp of Qualifying Positions
Finance	\$13.2	\$2.7	\$7.2	\$23.1
HR	\$9.8	\$2.1	\$5.6	\$17.5
IT	\$40.8	\$4.0	\$6.8	\$51.6
Purchasing/Travel	\$12.2	\$3.0	\$8.4	\$23.6
Clerical	\$6.1	\$1.9	\$3.3	\$11.3
Total Comp	\$82.1	\$13.7	\$31.3	\$127.1
Opportunity to Re-direct to Core (Assuming 10% re-direction)	\$8.2	\$1.4	\$3.1	\$12.7



Observations and Recommendations

- Several administrative business process improvement initiatives are already underway:
 - Research Shared Services: Completed
 - Facilities Outsourcing: Completed
 - HR Initiatives: Underway
 - IT Shared Services: Underway
 - CAR project: Underway.
- Holistic approach to business service redesign is needed, which includes administrative services across TAMUS member universities and agencies.
- Align vision and change management approach to facilitate collaboration centers success.
- Consider and begin planning for coordinated, multi-function collaboration center(s) that support Financial, HR, IT, Purchasing/Travel support functions and, separately, that support administrative/clerical functions.
- Additional information regarding collaboration centers and the adoption of collaboration centers in higher education is presented in Appendix C.

TAMU and TAMHSC Integration Analysis



Integration Analysis

Objective

- Realize synergies associated with combining TAMU and TAMHSC leadership positions in anticipation of a more complete integration of these and academic functions in the future

Process

- Reviewed all the administrative management positions (i.e., positions with an EEO classification of Executive/Administrative/Managerial) in the following areas for both TAMU and TAMHSC:
 - Central Student Services
 - Facilities Management
 - Finance
 - Information Technology
 - Marketing and Communications
 - Procurement
 - Research Administration
 - Safety and Security.
- Identified opportunities for consolidation and proposed reduction of administrative leadership positions to eliminate redundancies.

Summary of Opportunities – Integration of Selected TAMU and TAMHSC Administrative Offices



Type of Analysis	Opportunities	TAMU & TAMHSC	
		Position Count	Compensation(\$M)
Integration of Selected Administrative Offices			
Central Student Services		4	\$0.3
Facilities Management		1	\$0.1
Finance		2	\$0.5
Information Technology		1	\$0.2
Marketing and Communications		1	\$0.2
Procurement		1	\$0.1
Research Administration		1	\$0.1
Safety and Security		1	\$0.1
Total		12	\$1.6

User Satisfaction Survey

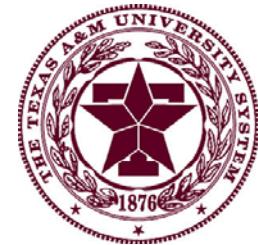
Satisfaction Surveys Captured Faculty, Staff and Student Perceptions of Services



- More than 75,000 surveys were deployed to faculty, staff and students at System members in scope.
- Survey identified areas of satisfaction and dissatisfaction that were then further analyzed from a process flow perspective.
- Response status was not tracked to maintain confidentiality.
- Voluntary nature of survey likely resulted in data skew and contributed to the following response rates:
 - For TAMU and TAMHSC:
 - Faculty – 32% (1,088 of 3,391)
 - Staff – 32% (2,256 of 7,079)
 - Students – 8% (4,756 of 58,824)
 - For the agencies and TAMUG
 - All – 26% (1,568 of ~6,000)
- Survey results are presented on the following pages. Additional detail is presented in Appendix D.

User Satisfaction Survey Data

TAMU



Faculty and Staff

Top 5 rated services	Lowest 5 rated services
Library (8.65) Payroll (8.24) Departmental Administration (7.86) Financial Management (7.64) External Relations; Community Development and Outreach (7.49)	Facilities Management (5.87) Grants and Contracts Post-award (6.2) Travel (6.22) Telecommunications (6.61) Compliance (6.62)

Students

Top 5 rated services	Lowest 5 rated services
Security (8.11) Sports/Entertainment Venue (7.94) Network and Info Systems (7.78) Admissions (7.71) Career Counseling (7.67)	Dining (5.2) Housing (6.84) Student Organization Support (6.93) Health (7.23) Financial Aid (7.28)

User Satisfaction Survey Data

TAMHSC



Faculty and Staff

Top 5 rated services	Lowest 5 rated services
Library services (8.66) Payroll services (8.38) Network and information systems services (7.96) Grants and contracts pre-award (7.85) Departmental administration (7.84)	Grants and contracts post-award (6.68) Compliance services (6.74) Facilities management services (7.08) Travel (7.15) Financial management services (7.18)

Students

Top 5 rated services	Lowest 5 rated services
Admissions (8.34) Recruiting (8.33) Security services (8.07) Financial aid (8.02) Career counseling (7.92)	Dining services (7.4) Health services (7.5) Academic counseling services (7.55) Student activity services (7.56) Network and information systems services (7.67)

User Satisfaction Survey Data

TAMUG



Faculty and Staff

Top 5 rated services	Lowest 5 rated services
Payroll (8.53) Telecommunications (8.50) External Relations; Community Development and Outreach (8.30) Library (8.22) Financial Management (8.04)	Institutional Safety (4.89) Fundraising and Development (5.90) Academic Administration (5.93) Authoring and Publication (6.25) Facilities Management (6.33)

Students

Top 5 rated services	Lowest 5 rated services
Recruiting (8.67) Security (8.25) Network and Info Systems (7.93) Health (7.86) Financial Aid (7.46)	Dining (3.97) Academic Counseling (5.95) Housing (6.03) Sports/ Entertainment Venue (6.36) Billing and Student Accounts (6.72)

User Satisfaction Survey Data

Agencies and TEEX (excluding AgriLife Extension)



Top 5 rated services	Lowest 5 rated services
Payroll (8.52) Library (8.51) HR (8.02) Authoring and Publication (7.80) Financial Management (7.79)	Facilities Management (6.41) Fundraising and Development (6.50) Telecommunications (6.74) Grants and Contracts Post-award (6.76) Grants and Contracts Pre-award (7.11)

User Satisfaction Survey Data

AgriLife-Extension



Top 5 rated services	Lowest 5 rated services
Library (9.00) Institutional Safety (9.00) Payroll (8.84) Academic Administration (8.80) HR (8.44)	Grants and Contracts Pre-award (6.64) Grants and Contracts Post-award (6.69) Authoring and Publication (6.79) Facilities Management (7.22) Travel (7.28)

AgriLife Extension results are presented separately at the request of the Steering Committee to provide an understanding of whether a wide geographic distribution impacted user satisfaction. AgriLife Extension offices are more widely distributed than any other TAMUS university or agency. Extension has a presence in virtually every county of the State of Texas.

Process Analysis

Functional Representatives Participated in Groups to Identify Process Improvements



Process Groups

- Activity Analysis survey results indicated that 80% of in-scope effort and annual budgeted salary is focused in three areas:
 - Academic Support and Departmental Administration
 - Financial Management
 - Student Services.
- Satisfaction survey results reported faculty, staff and student satisfaction with services received.
 - Two satisfaction surveys were administered: one for faculty and staff; a second for students.
 - Services receiving particularly low satisfaction ratings received further attention.
- Representatives from TAMU and TAMHSC met in process work groups and focus groups to discuss opportunities for process improvements.

Process Group Analysis Objectives and Approach



Objective

- Identify opportunities to improve existing processes

Process

- Questions considered:
 - What specific elements in the process are cumbersome or inefficient?
 - Where do bottlenecks occur?
 - Where could technology (e.g., workflow) be utilized to improve the process?
 - Could there be a policy change that would improve efficiencies (e.g., approval limit raised, number of approvals decreased)?
- Data sources reviewed included:
 - Activity Analysis survey results
 - User Satisfaction survey results.
- Input and analysis were developed with group members.

Academic Support and Departmental Administration Observations (1 of 2)



- Highlighted Processes
 - Annual Academic Catalog: “One of the most time consuming Academic processes.”
 - Convert to two-year catalog, as many peers have done.
 - Streamline data gathering by reduce number of steps and approvals required.
 - Unify TAMU and TAMHSC catalogs.
 - Data gathering for Coordinating Board Reports
 - Standardize disparate templates to reduce time spent on training, quality assurance and correcting minor details such as incorrect links.
 - Classroom and Space Scheduling
 - Substantial savings could be achieved through improved IT systems support for automation of processes.
 - Undergraduate Advising Processes
 - Electronic generation and distribution of progress to degree information would greatly reduce questions.
 - Need a system to reduce demand for face-to-face meetings with faculty advisors.

Academic Support and Departmental Administration Observations (2 of 2)



- IT Systems and Support Issues
 - TAMU and TAMHSC Student Information Systems should be integrated.
 - TAMHSC still has widespread use of paper processes and needs general support to automate Academic workflow.
- Policy and Procedure Observations
 - Course approval process could be streamlined by reducing required approvals and creating expedited review for minor changes to existing courses.
 - Faculty Senate review and approval processes were originally designed for a smaller TAMU. Comprehensive review for appropriateness and efficiency at current scale is needed.



Financial Management Observations (1 of 2)

- Highlighted Processes
 - Centralization of processing tasks for smaller organizational units - consider the model used by Geoscience whereby staff remained within unit to support faculty and staff, but tasks may have been performed by the subject matter specialist located elsewhere in the college.
 - Review policies and procedures and weigh risk tolerance for compliance versus administrative burden.
 - Streamline travel reimbursement procedures and consider standardization across system members.
- IT Systems and Support Issues
 - Consider cost/benefits of placing members on the same accounting system.
 - Significant efficiencies could be realized by expanding/enhancing FAMIS in key areas:
 - Canopy expansion/enhancements for Pcard re-allocation/approvals including daily feeds; accounts receivable including deposits; account set-up automation
 - Complete planned phases of Departmental Correction Request (DCR) module.
 - Expand usage of TREC for reconciliations or develop a module to support such.



Financial Management Observations (2 of 2)

- IT Systems and Support Issues
 - TAMHSC cash deposit processes should be automated through an online payment system.
 - Expand VOIP, thus reducing need for office phones.
 - Encourage use of video-conferencing to reduce travel.
- Policy and Procedure Observations
 - Centralize vendor set up and check printing across TAMUS members.
 - Centralize check printing process, only decentralized for on demand printing. Also, reduce costs associated with payments by check and replace by ACH, wires or Pcard.
 - Evaluate possibility of regional centralization of building facilities coordination amongst the colleges/divisions.
 - Consider elimination of communication allowances and home usage of internet.

Student Services Observations (1 of 2)



- Highlighted Processes
 - Internal Registrar procedures are still primarily manual.
 - Consider automation and reengineering of Registrar workflow to incorporate electronic efficiencies and leading processes.
- IT Systems and Support Issues
 - TAMU student withdrawal process is manual and should be automated and integrated into Student System.
 - TAMHSC has widespread use of manual processes across most Student Services processes.
 - Consider broad initiative to automate TAMHSC workflow.
 - TAMHSC graduation processes are manual (500 students/year). Consider:
 - Degree audits integrated with overall review and approval process
 - Online application to graduate.

Student Services Observations (2 of 2)



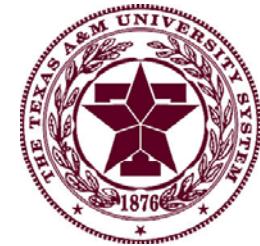
- TAMU and TAMHSC would both benefit from integration of the two Student Information Systems.
 - TAMU and TAMHSC running separate Financial Aid systems: need to consolidate systems or enhance integration between systems.
 - Need a single IT project manager for Student systems across both TAMU and TAMHSC.
- Policy and Procedure Observations
 - Comprehensive integration of TAMU and TAMHSC Student policies is needed.

Consistent/Recurring Themes Across Process Groups



- Significant effort is applied across college and agency organizational boundaries.
 - During review of AA survey results, process groups highlighted and provided background and examples of colleges and agencies in which significant numbers of positions have responsibility for providing effort and services outside their ADLOC (i.e., home member) organization.
 - Process groups input helped to drive and target the need for combining the AA results across both colleges and agencies.
- Widespread examples of processes which could be streamlined with additional/ streamlined IT system and automation support and processes include:
 - Classroom and space scheduling
 - Undergraduate advising processes
 - TAMHSC graduation processes
 - Course and catalog updating
 - TAMHSC cash deposit processes.
- Policies and procedures should be further consolidated and unified across TAMU and TAMHSC.
- TAMU and TAMHSC administrative organizational structures include significant overlap.

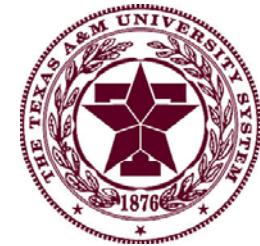
Implementation Roadmap



Critical Success Factors for Implementation

Successful implementations have several factors and elements in common.

Factors	Key Elements
Clear Vision and Strong Leadership	<ul style="list-style-type: none">• Actionable and measurable strategy• Leadership commitment and involvement• Dedicated resources• Clear communication of goals, rationale and responsibilities
Detail Planning	<ul style="list-style-type: none">• Identification of specific opportunities and risks• Detailed comprehensive plan which addresses each opportunity and risk• Prioritization for early value
Value Focus	<ul style="list-style-type: none">• Measurable targets including savings, efficiency and ongoing mission effectiveness• Clear ownership and accountability for targets - performance culture• Effective communication of linkage between actions and achievement of mission goals
Disciplined Program Management	<ul style="list-style-type: none">• Interdependency coordination• Quick resolution of issues• Speed in decision making• On-going value / progress tracking and reporting - Scorecard Management
Attention to Stakeholders	<ul style="list-style-type: none">• Top priority stakeholders include: Regents, public, State leadership, faculty, staff and students• Early organizational realignment planning and communication• Develop and execute comprehensive communications and change management plans• Proactive talent retention and monitoring of issues impacting institutional effectiveness



Elements of a Successful Transition Plan

Change Management	Workforce Effectiveness	Organizational Design
<ul style="list-style-type: none">• Change Readiness and Cultural Assessment• Communication Strategy, Planning and Execution• Leadership and Stakeholder Assessment• Change Implementation• Transition Planning• Education/Training Strategy, Planning and Delivery	<ul style="list-style-type: none">• Workforce Planning and Transition• Knowledge and Skill Gap Analysis• Competency Development to address potential gaps• Targeted Talent Retention• Staffing and Human Resources Planning• Knowledge Transfer and Management	<ul style="list-style-type: none">• Reference to leading practices in designing revised structure• Structured, distributed organization redesign process involving department/unit heads
Recommended Practices		
<ul style="list-style-type: none">• Establish a common vision for initiative goals and end-state to gain key stakeholders buy-in from the beginning.• Assess and plan for the political climate and institutional culture in developing transition and communication plans.• Align the change strategy with the requirements and goals of TAMUS and TAMUS member mission strategy and goals.• Develop a clear overall transition plan to build awareness of transition goals, communicate progress, and encourage collective ownership of the process and outcomes.• Create a measurement and reward system to encourage and reinforce desired goals and behaviors.• Provide internal stakeholders with the tools and training to support and assist in the transition.		



Implementation Roadmap: Overview

- TAMUS and TAMUS member leadership should manage and direct the implementation of opportunities accepted from this report as a single, unified project across System members to achieve the following objectives:
 - Provide consistent communications with constituents to further understanding of goals, processes and statuses, and reduce confusion and misinformation
 - Provide dedicated, professional change management services needed to reduce service disruptions and detrimental impacts to mission functions
 - Monitor progress against established timelines, objectives and metrics to keep the project on track to achieve goals and the realization of intended benefits
 - Identify and address critical and System-wide issues as efficiently as possible
 - Adhere to System requirements, policies and procedures.
- A dedicated project governance and project management structure should be established to provide ongoing executive leadership, and the levels of project expertise and staffing effort necessary to fulfill implementation objectives.
- The project structure should include:
 - A project management office with a full-time project manager and full-time change management lead
 - Dedicated resources to staff Human Resources, Communications, Legal and IT Workstreams.

Representative Implementation Project Organization Structure





Implementation Timeline

Implementation is recommended to occur over a 33-month period:

	2014												2015				2016			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec			
Set Direction																				
<i>Confirm Goals, Sequence & Timing</i>	Plan																			
<i>Establish Instruction, Research, Service Excellence Fund</i>	Plan																			
<i>Establish Leadership Structure & Budget</i>	Plan																			
<i>Establish Project Structure</i>		Plan																		
Vacancies Opportunity					Plan	Impl.														
<i>No Intent to Fill Vacancies</i>		Plan	Impl.																	
<i>Intent to Fill Vacancies</i>		Plan	Impl.																	
Direct Reduction Opportunities					Plan		Implement		Review											
<i>Staffing</i>					Plan		Implement		Review											
<i>Span of Control</i>					Plan		Implement		Review											
Collaboration Centers																				
<i>Finance/Purchasing/HR/Payroll/Travel</i>					Plan			Pilot		Review		Phased Deployments								
On-going Support							Communication & Change Management													
							Transition Support, Legal, HR & Risk Management													
							Technology & Infrastructure													

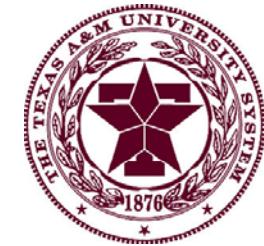
Note: The timeline will require modification when integrated with the HR and IT initiatives.

Subsequent pages in this section cover details of the steps within each area above.



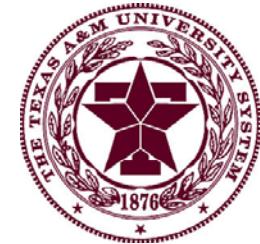
Set Direction: Overview of Project Launch

- As the immediate first step in the initiation of the project, TAMUS and TAMUS member leadership should confirm the overall initiative goals and accept or modify the recommended sequence and timing for implementation of opportunities.
 - For confirmation of goals, leadership should decide on the final financial savings targets for the initiative and how savings are to be directed in order to strengthen support for TAMUS and TAMUS member core mission functions.
 - Specific decisions should also be reached on the scope, sequence and timing of implementation of the proposed opportunities in a manner that can be directly communicated to the governance groups and the PMO for execution.
- Communications planning should also begin immediately so that messaging to internal and external stakeholders and constituent groups is clear and consistent from the launch phase and throughout the project.
- A qualified, full time project manager should be brought on board as early as possible to manage and direct the establishment of the project structure, inform and guide formulation of the implementation budget and completion of other tasks not the direct responsibility of TAMUS and TAMUS member leadership.
- A qualified, full time change management lead and track leaders from Human Resources, Communications/Public Affairs, Legal and IT should be identified and brought on board as early as possible.



Launch Decisions/Tasks Checklist (1 of 2)

Responsible Group	Key Item
Leadership	<ul style="list-style-type: none">✓ Determine TAMUS-appropriate balance between operational savings and transition risk and potential for organizational disruption✓ Decide on near-term and long-term targets for total operational savings✓ Select among recommended opportunities to determine final set to include in implementation plan✓ Complete necessary communications and/or approvals from Board of Regents✓ Agree on leadership goals on how transition goals and benefits should be tracked, measured and communicated to key stakeholders✓ Identify membership in project Steering Committee and any other governance and leadership roles to be defined for the overall implementation project✓ Identify and on-board project manager and change management lead✓ Determine leadership, governance and project reporting and communications structure✓ Develop and fund budget to support overall implementation project
Project Management (PMO)	<ul style="list-style-type: none">✓ Produce, vet and confirm initial project management artifacts, including project charter, organizational chart, roles and responsibilities documentation, scope statement, schedule and risk management plan✓ Coordinate meetings and communications of Steering Committee and advisory groups✓ Review and confirm project budget, request revisions as needed, establish project financial plan and workstream budgets✓ Establish internal project communications plan✓ Produce, vet and confirm detailed project plan✓ Identify and on-board leadership and resources for workstreams✓ Assign responsibilities and tasks to workstreams✓ Establish issue tracking and management procedures
Communication and Change Management	<ul style="list-style-type: none">✓ Develop and begin executing immediate, interim communications✓ Initiate communications planning process and associated planned workforce reduction and organizational transition✓ Identify communications and change management leadership✓ Catalog and confirm key stakeholders, constituent groups and audiences for targeted communications



Launch Decisions/Tasks Checklist (2 of 2)

Responsible Group	Key Item
Legal, Human Resources and Risk Management	<ul style="list-style-type: none">✓ Identify and brief leadership on policies, procedures and compliance requirements relevant to the planned workforce reduction and organizational transition✓ Define Leadership, Legal and Human Resources objectives and coordination processes
Transition Support	<ul style="list-style-type: none">✓ Identify and documents project requirements for member and departmental transition assistance and support✓ Begin definition and design of support materials and process for:<ul style="list-style-type: none">✓ Process design and process revisions✓ Departmental organization design✓ Education and training✓ Transition management
Technology and Infrastructure	<ul style="list-style-type: none">✓ Define proposed processes for gathering, cataloging, prioritizing and managing IT and infrastructure needs✓ Identify preliminary technology and infrastructure requirements and needs based on information available✓ Identify likely space and facilities impacts from implementation of opportunities✓ Prepare for rapid mobilization



Recommended Sequence and Timing

Type of Analysis Opportunities	Timeline		Total		Highlights
	Start	Complete	Count	Value	
1. Vacancies	Jul 2014	Oct 2014			
No Intent to Fill			256	\$9.1M	
Intent to Fill *					
2. Staffing Analysis	Aug 2014	Sep 2015			
Academic Admin			71	\$3.0M	
Financial Management			33	\$1.2M	
Student Services			42	\$1.4 M	
Research Admin **			18	\$0.8M	
Staffing Subtotal			164	\$6.4M	
Span of Control			257	\$23.5M	
3. Collaboration Centers	Jan 2015	Dec 2015	201	\$12.7 M	<ul style="list-style-type: none"> Collaboration center opportunities require fundamentally different implementation approach and should be managed separately.

* Vacancy – Intent to Fill savings opportunity not included.

**SRS recommendations are presented in a separate report.



Vacancies: Overview of Implementation

- Permanent removal of positions currently classified as “vacant with no intent to fill” represent both the least disruptive and the least complex staffing opportunity category and should be implemented first.
- The overall timeline, implementation processes and communications for the vacancy opportunity should be defined, driven and monitored by TAMUS and TAMUS member leadership for consistency and conformity to relevant policies and project goals.
- TAMUS member leadership should confirm its decisions regarding the goals, sequencing and timing of opportunities prior to implementation of the vacancies opportunity in order to launch a consistent and unified change and communications plan from the beginning.
- TAMUS member leadership should identify the steering committee, project leader and change management leader prior to implementation of the vacancies initiative.
- The central implementation plan should provide sufficient flexibility, including appeals and exceptions processes, to enable individual members and departments/units to avoid disruptions or outages of critical services and other significant damage to core mission functions.
- The implementation plan should also include procedures to review administrative positions classified as “vacant with intent to fill” for consistency with System member staffing plans.
 - Recommended procedure is to require that department/unit heads submit a form confirming the intent to fill and providing a rationale for continuing the position.¹¹⁹



Vacancies: Implementation Task Checklist

Responsible Group	Key Item
Leadership	<ul style="list-style-type: none">✓ Monitor overall project performance against overall goals , project metrics and budget✓ Periodically evaluate sufficiency of project staffing , budget and resources to achieve goals✓ Monitor critical issues and respond appropriately, as required✓ Provide appropriate/requested status reports and updates to TAMUS Regents and State leaders
Project Management Office (PMO)	<ul style="list-style-type: none">✓ Produce, vet and confirm initial project management artifacts, including project charter, organizational chart, roles and responsibilities documentation, scope statement, schedule and risk management plan✓ Coordinate meetings and communications of Steering Committee and advisory groups✓ Keep Steering Committee and leadership groups advised of :<ul style="list-style-type: none">✓ Project performance against schedule and budget✓ Status of critical issues requiring leadership or external action✓ High priority risks and risk mitigation actions✓ Communicate responsibilities, tasks and deadlines assigned to workstreams✓ Monitor, manage and troubleshoot internal project communication channels✓ Maintain and update detailed project plan✓ Monitor overall progress and completion of assignments against schedule✓ Update, manage and monitor issue tracking system✓ Check that project stakeholders receive timely and appropriate reports of critical issues and required action
Communication and Change Management	<ul style="list-style-type: none">✓ Develop, manage and execute comprehensive internal and external communications plans✓ Initiate communications planning process, Vacancies opportunity implementation and associated planned workforce reduction and organizational transition✓ Establish timelines for the delivery of communications and training



Vacancies: Implementation Task Checklist

Responsible Group	Key Item
Legal, Human Resources and Risk Management	<ul style="list-style-type: none">✓ Coordinate with PMO to develop and finalize the set of PINs, current org charts, procedures and instructions to be distributed to member leadership and department/unit heads✓ Develop departmental procedures for:<ul style="list-style-type: none">✓ Submission of exception requests and appeals✓ Submission of justification for continuance of vacant position with intent to fill✓ Submission of revised organizational process✓ Compliance procedures✓ Coordinate with PMO and Steering Committee to establish review and notification procedures and finalization for:<ul style="list-style-type: none">✓ Appeal and exception requests✓ Justification statements✓ Organizational design✓ Keep department/unit heads informed of applicable regulations, policies and procedures✓ Develop and deliver departmental packets
Transition Support	<ul style="list-style-type: none">✓ Identify and documents project requirements for member and departmental transition assistance and support✓ Develop and deliver training, support materials and processes for:<ul style="list-style-type: none">✓ Process design and process revisions✓ Departmental organizational assessment and design✓ Assessing staff education and training needs
Technology and Infrastructure	<ul style="list-style-type: none">✓ Coordinate with Communications Workstream and PMO to develop internal technology and infrastructure communications procedures✓ Monitor and respond to Technology and Infrastructure transition-related requirements and needs✓ Identify new available space opportunities resulting from position reductions✓ Prepare for rapid mobilization of next phase

Staffing Analysis and Span of Control: Overview of Implementation



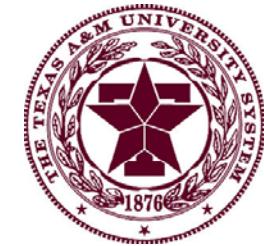
- TAMUS member leadership should implement the accepted recommendations from both the Staffing Analysis and Span of Control opportunities at the same time and in a combined, unified process in order to eliminate repetition of steps common to both processes and to avoid a more protracted time period of transition across the System.
- Both opportunities should be implemented in a process which involves extensive participation by member leadership and individual department/unit heads in the following tasks:
 - Making the final selection of specific PINs for reduction from the departmental-level pools provided by the central project team
 - Identifying specific instances for appeal when implementation of recommended reductions would eliminate the expertise or capacity to fulfil mission functions or otherwise disrupt critical operations
 - Identifying training and education needs
 - Coordinating and delivering internal communications
 - Producing updated organizational charts and departmental plans and documentation.
- The central project team should drive the overall implementation and provide member leadership and department/unit heads with the necessary instructions and direction, standard processes, checklists, internal and external communication materials and other guidance and materials necessary to execute the reductions and organizational changes at the local level in a consistent manner and in compliance with applicable regulations, policies and procedures.

Staffing Analysis and Span of Control: Implementation Checklist (1 of 2)



Responsible Group	Key Item
Leadership	<ul style="list-style-type: none"> ✓ Monitor overall project performance against overall goals , project metrics and budget ✓ Periodically evaluate sufficiency of project staffing , budget and resources to achieve goals ✓ Monitor critical issues and respond appropriately, as required ✓ Provide appropriate/requested status reports and updates to TAMUS Regents and State leaders
Project Management Office (PMO)	<ul style="list-style-type: none"> ✓ Produce, vet and confirm initial project management artifacts including project charter, organizational chart, roles and responsibilities documentation, scope statement, schedule and risk management plan ✓ Coordinate meetings and communications of Steering Committee and advisory groups ✓ Keep Steering Committee and leadership groups advised of : <ul style="list-style-type: none"> ✓ Project performance against schedule and budget ✓ Status of critical issues requiring leadership or external action ✓ High priority risks and risk mitigation actions ✓ Communicate responsibilities, tasks and deadlines assigned to workstreams ✓ Monitor, manage and troubleshoot internal project communication channels ✓ Maintain and update detailed project plan ✓ Monitor overall progress and completion of assignments against schedule ✓ Update, manage and monitor issue tracking system ✓ Check that project stakeholders receive timely and appropriate reports of critical issues and required action
Communication and Change Management	<ul style="list-style-type: none"> ✓ Develop, manage and execute comprehensive internal and external communications plans ✓ Initiate communications planning process and associated planned workforce reduction and organizational transition ✓ Set up internal hotlines and request/question submission processes for supervisors and staff ✓ Develop and manage internal communication procedures and vehicles ✓ Coordinate with HR to plan and conduct departmental/unit head and supervisor briefing and Q&A sessions ✓ Establish timelines for the delivery of communications and training ✓ Determine education/training needs including: allocation of training times, training group segmentation, training styles and preferred materials. ✓ Identify/address critical gaps in departmental and staff change, communication and training needs

Staffing Analysis and Span of Control: Implementation Checklist (2 of 2)



Responsible Group	Key Item
Legal, Human Resources and Risk Management	<ul style="list-style-type: none">✓ Identify and brief leadership on policies, procedures and compliance requirements relevant to the planned workforce reduction and organizational transition✓ Coordinate with PMO to develop and finalize the set of PINs, reduction targets, current org charts, procedures and instructions to be distributed to member leadership and department/unit heads✓ Develop departmental checklists for:<ul style="list-style-type: none">✓ Review of alternative candidates for reduction✓ Communication with staff to be terminated✓ Communication with staff to be retained✓ Compliance procedures✓ Keep department/unit heads informed of applicable regulations, policies and procedures✓ Develop and deliver departmental packets
Transition Support	<ul style="list-style-type: none">✓ Identify and documents project requirements for member and departmental transition assistance and support✓ Develop and deliver training, support materials and processes for:<ul style="list-style-type: none">✓ Process design and process revisions✓ Departmental organizational assessment and design✓ Assessing staff education and training needs✓ Transition management
Technology and Infrastructure	<ul style="list-style-type: none">✓ Provide a standard mechanism for member and departmental submission of transition-related technology requests✓ Implement standard procedures for tracking, prioritizing and addressing technology requests✓ Coordinate with Communications Workstream and PMO to develop internal technology and infrastructure communications procedures✓ Monitor and respond to Technology and Infrastructure transition-related requirements and needs✓ Prepare for rapid mobilization for next phase

Collaboration Center: Overview of Implementation

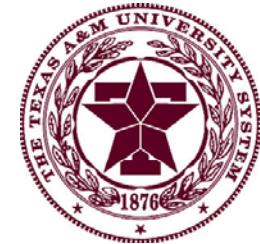


- TAMUS member leadership should employ a staged, iterative approach in the design and implementation of the collaboration centers initiative. To accomplish this a pilot collaboration center should be created in order to gain additional insights into the most effective configuration to meet TAMUS members' specific requirements prior to System-wide implementation. The pilot should be defined by the following criteria:
 - Executive Sponsorship: Active and committed executive leadership and support is a key success factor for both the collaboration center pilot and ongoing programs.
 - Functional Scope: The type and extent of services initially provided by the pilot center should be defined and limited to no more than specific sets of transactional service offerings in Finance, Purchasing, Human Resources and Travel.
 - Geographic and Organizational Boundaries: The pilot should only serve a single geographic location and limited set of TAMUS member organizational units. The geographic and organizational scope should be sufficient for a valid test of pilot operations while allowing the agility and risk mitigation.
 - Time Limitations: A clear, limited time period should be prescribed for the launch of the collaboration center pilot and a specified duration of operation before the first comprehensive assessment is conducted.
 - Budget: The pilot must have sufficient investment funding to seed one-time start-up costs and operational costs through the duration of the initial service phase.
 - Staffing: Qualified management and service delivery personnel must be available to staff collaboration center positions full-time at the start of the pilot. Partial or part time staffing can diminish or value of the pilot as a test case for a full-scale program.
 - Governance: The pilot should have a fully-formed customer governance structure to guide setting priorities, service levels, communications and cost structures.

Collaboration Center: Implementation Checklist



Responsible Group	Key Item
Leadership	<ul style="list-style-type: none">✓ Identify Executive Sponsor(s), pilot funding and governance structure and membership✓ Select departments/units and geographical location for pilot
Project Management and Project Team	<ul style="list-style-type: none">✓ Conduct detailed review of current administrative operations across pilot departments/units✓ Assess and define strategies to reduce costs and improve service in selected support functions✓ Conduct interviews and surveys to identify and analyze✓ Develop recommendations and action plan for an operating model including<ul style="list-style-type: none">✓ Targeting cost savings in the short and longer term and✓ Providing for implementation in an efficient and achievable manner✓ Inclusion of services managed centrally, in a distributed manner and through other configurations specific to the circumstances.✓ Document current business processes✓ Compare current business processes to benchmarks to measure performance, refine scope of specific opportunities and narrow processes to be included in initial phase of operation✓ Develop transformation strategy✓ Conduct collaborative review sessions with customer department/unit representative to design “to be” processes✓ Establish a Change Management team to conduct stakeholder impact analyses and tailor change support plans involving communications, training and transition support✓ Develop target operating models for selected support services✓ Prepare an integrated Cost and Benefit analysis✓ Prepare implementation roadmap, detailed project plan and recommendations for implementation



Managing the Change

To successfully implement the changes in each business unit, a TAMU/ TAMHSC/agencies project team requires the ongoing support of change leaders with respect to:

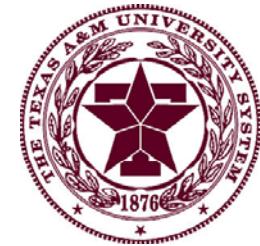
- Confirming and amending existing change, communications and training plans
- Establishing suitable timelines for the delivery of communications and training
- Determining education/training needs including: allocation of training times, training group segmentation, training styles and preferred materials
- Notification of preferred and previously effective communication deliverables
- Identifying critical gaps in business unit change, communication and training needs
- Maintaining or facilitating reminders within respective business units during initial moratorium on communications to the front line
- Consistently reminding relevant stakeholders of the changes after go-live dates
- Determining methods for feedback and evaluation for specific teams.

Change Management Function Overview



Change Management Component	Key Activities/Dependencies	Sample Deliverables
Change Readiness Assessment	<ul style="list-style-type: none">• Change Readiness• Organizational Impact• Stakeholder Analysis/Impact	<ul style="list-style-type: none">• Readiness Assessment• Stakeholder Assessment• Communication Strategy (timelines, messages, vehicles, owners, and target audience) and execution
Organizational Design	<ul style="list-style-type: none">• Key Current State Processes• Future State Design/Alternatives• Employee and Stakeholder Analysis/Impact	<ul style="list-style-type: none">• New Organization Design for Departments and Units – as Needed
Education/Training Design and Delivery	<ul style="list-style-type: none">• Project Team Integration Plan• Education Audience Identification• Current and Future State Identification• Current and Future Processes	<ul style="list-style-type: none">• Educational and training materials• Deployment Plans• Evaluation and Evaluation plans• Train the Trainer and Deployment Kit
Selections and Reductions	<ul style="list-style-type: none">• Positions to be Eliminated• Positions Targeted for Proactive Retention Efforts• Skills and Competency Analysis	<ul style="list-style-type: none">• Reduction and Termination Strategy – Employee Communications and Processes• Workforce Transition Plan
Knowledge Transfer	<ul style="list-style-type: none">• Key Expertise and Materials at Risk in Reductions• Knowledge Transfer Plans	<ul style="list-style-type: none">• Manual, Plans, Templates, Electronic Resources and Sample Communications
Risk Assessment	<ul style="list-style-type: none">• Risks associated with Change Management in Collaboration Centers	<ul style="list-style-type: none">• Risk Assessment and Mitigation Plan

Next Steps



Next Steps

Program Mgmt Office	Regional Campus Review	Change Mgmt
1. Identify ownership of analysis	1. Opportunities to capture vacancies	1. Full throttle on communication plan
2. Prepare detailed, integrated implementation and operational plan	2. Opportunities to identify collaboration opportunities across the System	2. Prepare communication to freeze “no intent to fill” positions
3. Gain buy in into analysis. Conduct roadshow into how recommendations will lead to reinvestment	3. Review the regionals: easier now than later treat everyone alike	3. Identify formal and informal influencers and garner support and public endorsement and assistance
4. Evaluate outsourcing opportunities		4. Seize on the momentum that Dr. Banks has created within the School of Engineering
5. Implement procedures to analyze “intent to fill” positions prior to soliciting candidates		4. The first 60 days are critical to success; unwavering project champion necessary
6. Identify and design collaboration center pilot		

APPENDICES

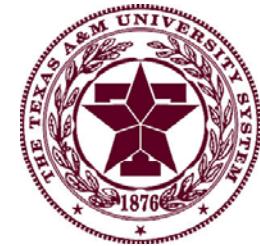
***Appendix A -
Cost Comparison to Peer
Institutions***



Cost Comparisons to Peer Institutions (1 of 3)

TAMU and TAMHSC academic support, student services and institutional support costs in comparison to self-selected peers are presented on the following pages. The categories of expenditure are defined in the Finance and Accounting Reporting Manual (FARM) by the National Association of College and University Business Officers' Accounting Principles Council and represent the recognized standard for university financial reporting.

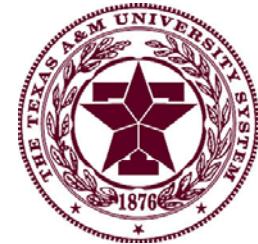
- **Academic support** represents “expenses incurred to provide support services for the institution’s primary missions: instruction, research and public service.” These include “retention, preservation, and display of educational materials..., the provision of services that directly assist the academic functions..., media..., academic administration (including academic deans but not departmental chairpersons) and personnel development providing administration support and management direction to the three primary missions, and separately budgeted support for course and curriculum development.”



Cost Comparisons to Peer Institutions (2 of 3)

- **Student services** represent “expenses incurred for offices of admissions and the registrar and activities with the primary purpose of contributing to students’ emotional and physical well-being and intellectual, cultural and social development outside the context of the formal instruction program.” These include “student activities, cultural events, student newspapers, intramural athletics, student organizations..., counselling and career guidance (excluding informal academic counselling by the faculty), student aid administration, and student health service...”
- **Institutional support** represents “expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities the provide procurement, storerooms, printing; transportation services..., support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fundraising.”

Source: Financial Accounting and Reporting Manual, National Association of College and University Business Officers

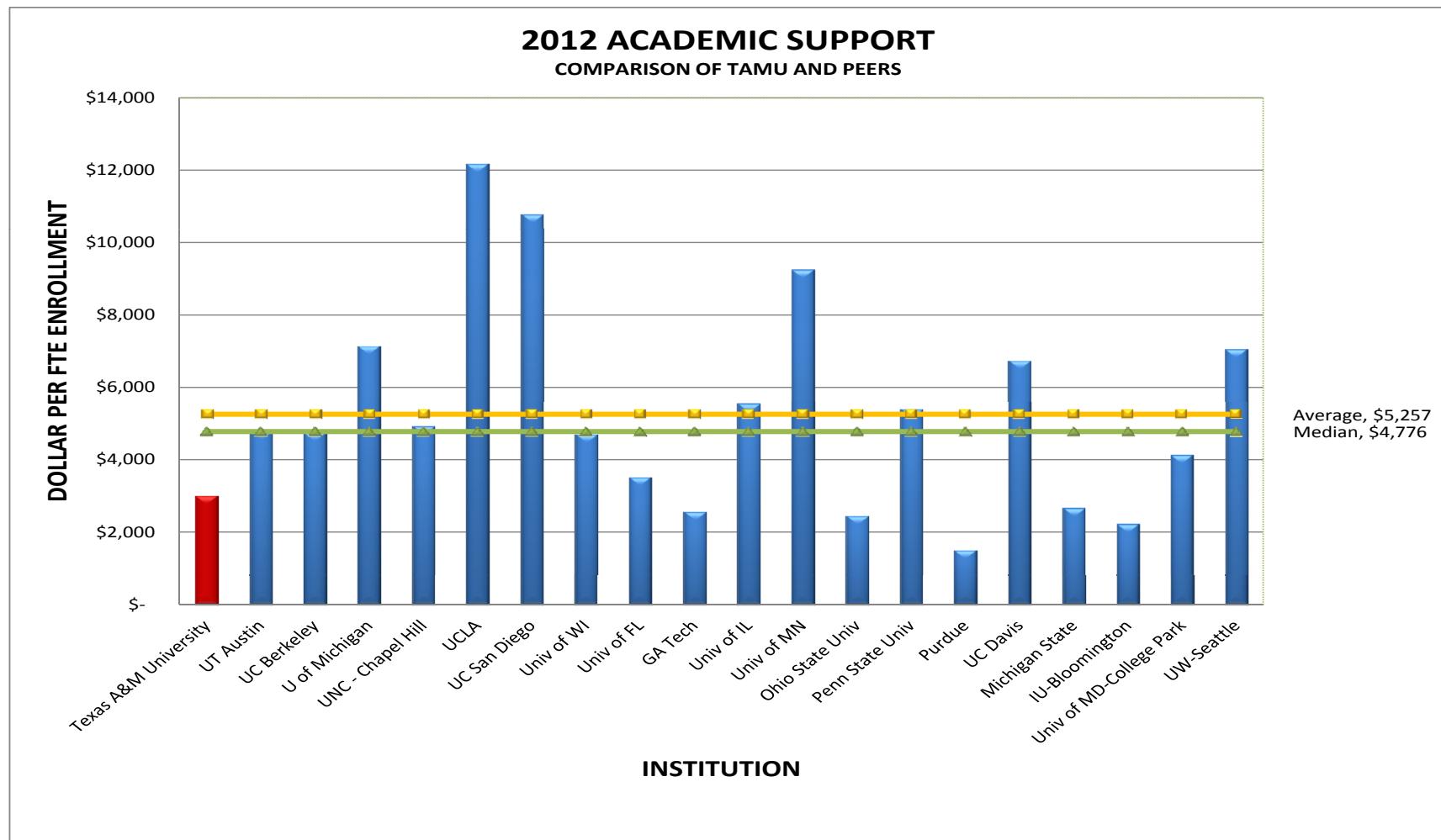


Cost Comparisons to Peer Institutions (3 of 3)

- **Costs are presented for Fiscal Year 2012**, the latest fiscal year for which a comprehensive set of costs are available from the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS), which is the source of the data presented. IPEDS reporting for recipients of Title IV Federal Funding and is commonly used for peer comparisons.
- Comparisons are based on dollar expenses per enrollment FTE.
- Peers are self-selected by the System member and suggested by IPEDS.
 - The following are identified as public land grant institutions:
 - University of California (multiple campuses)
 - University of Florida
 - University of Maryland, College Park
 - Michigan State University
 - University of Minnesota, Twin Cities
 - Ohio State University
 - Pennsylvania State University
 - Purdue University
 - University of Wisconsin, Madison

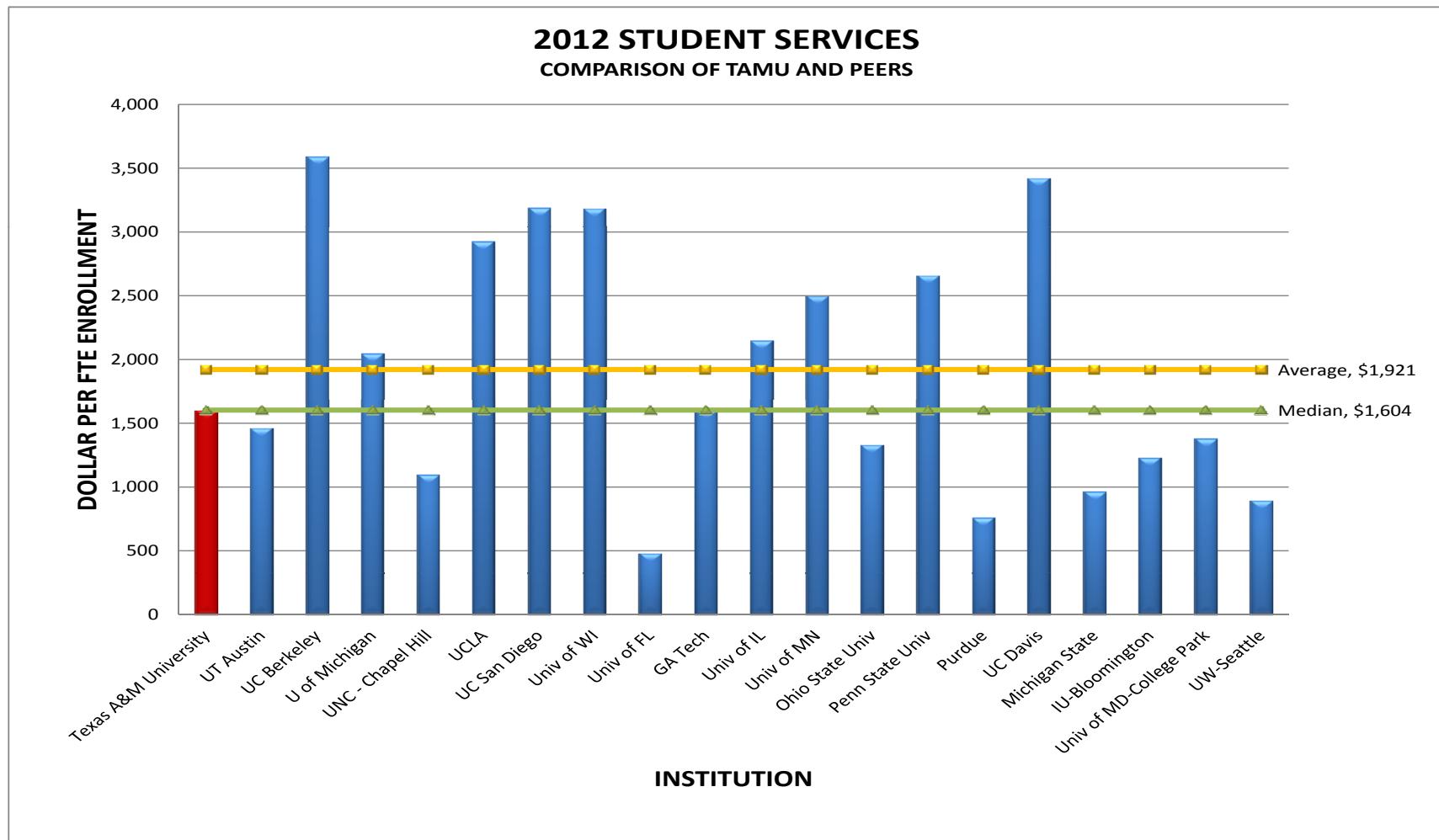
TAMU

Academic Support Costs versus Peers



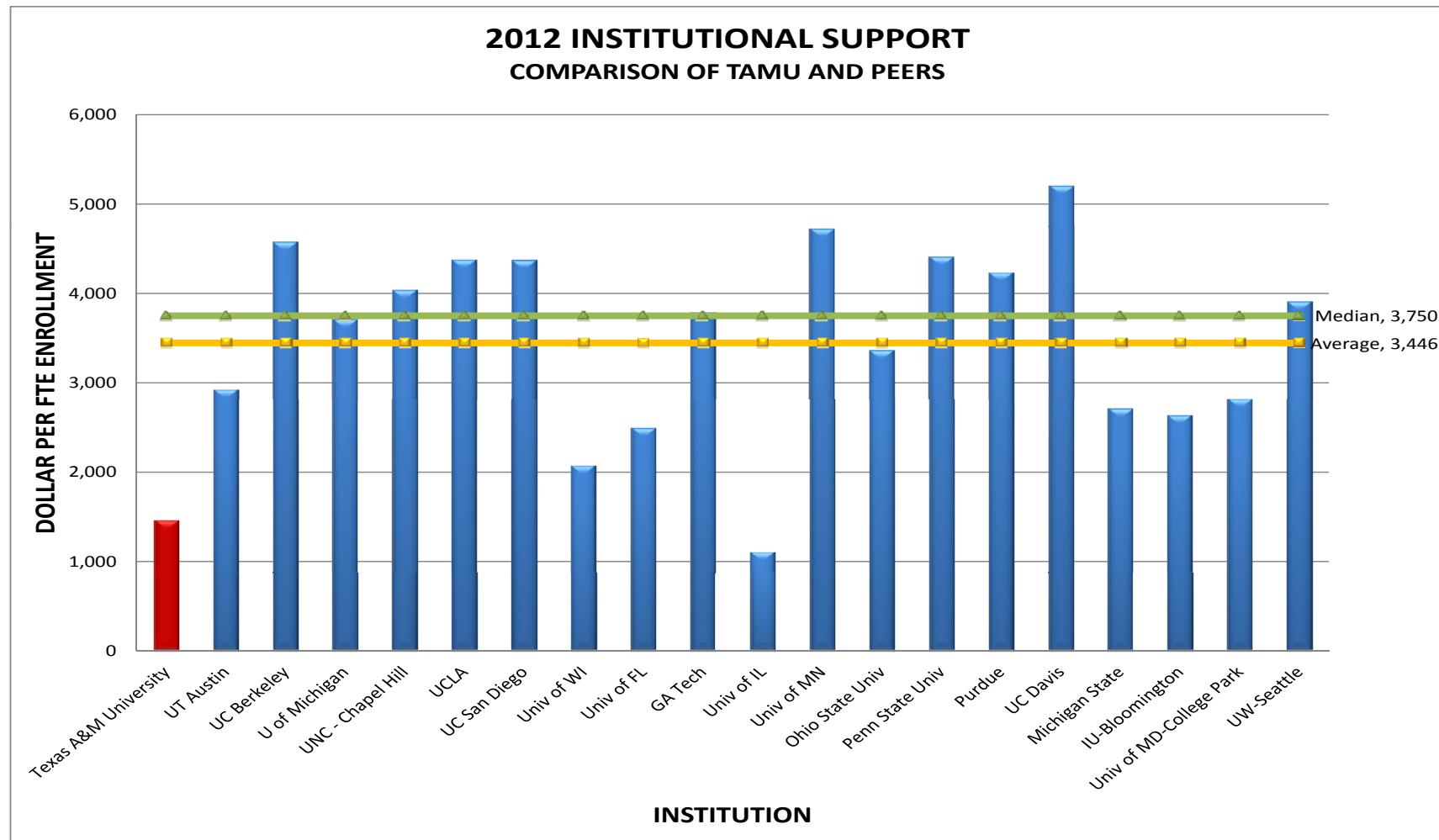
TAMU

Student Services Costs versus Peers

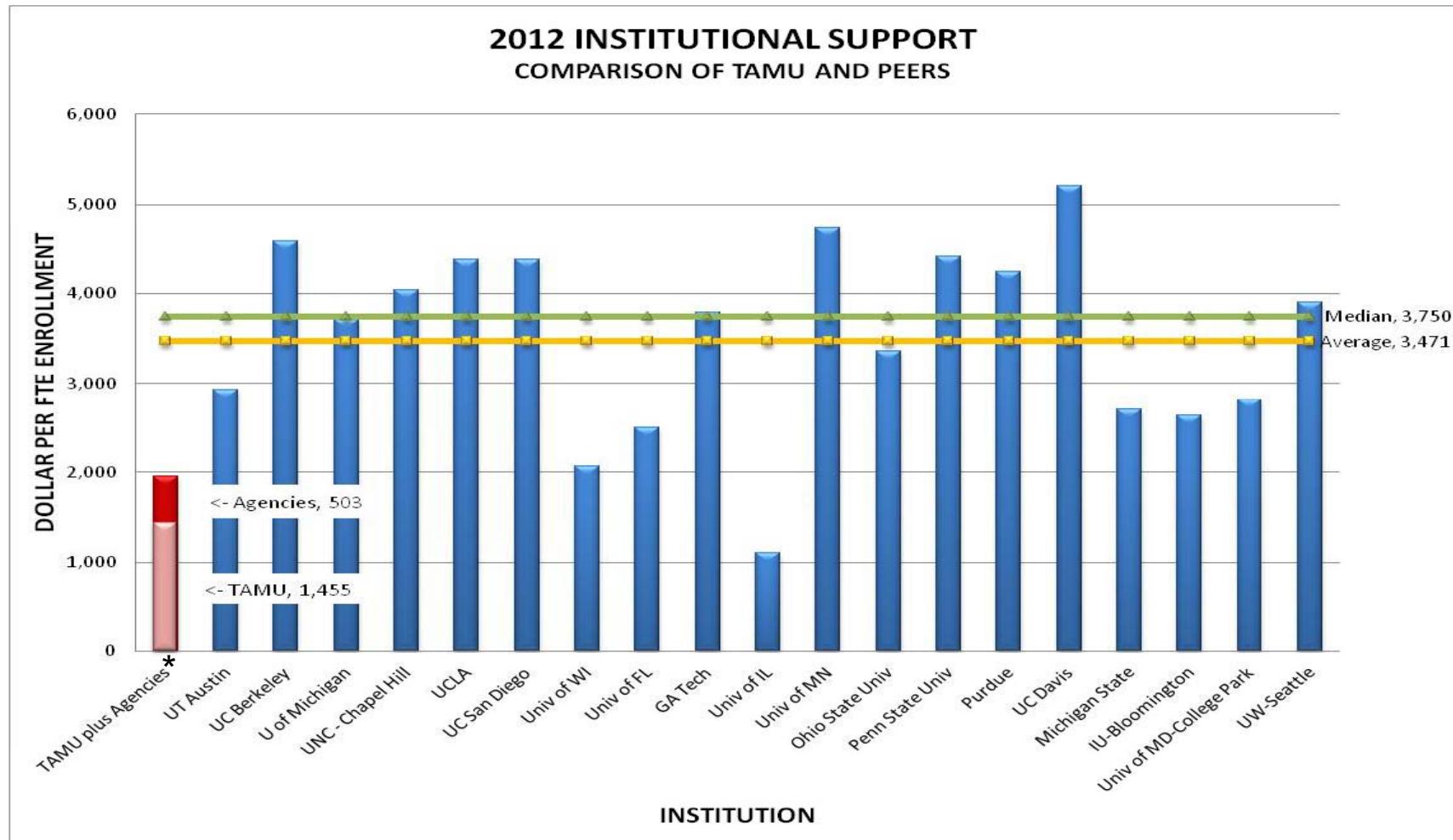


TAMU

Institutional Support Costs versus Peers

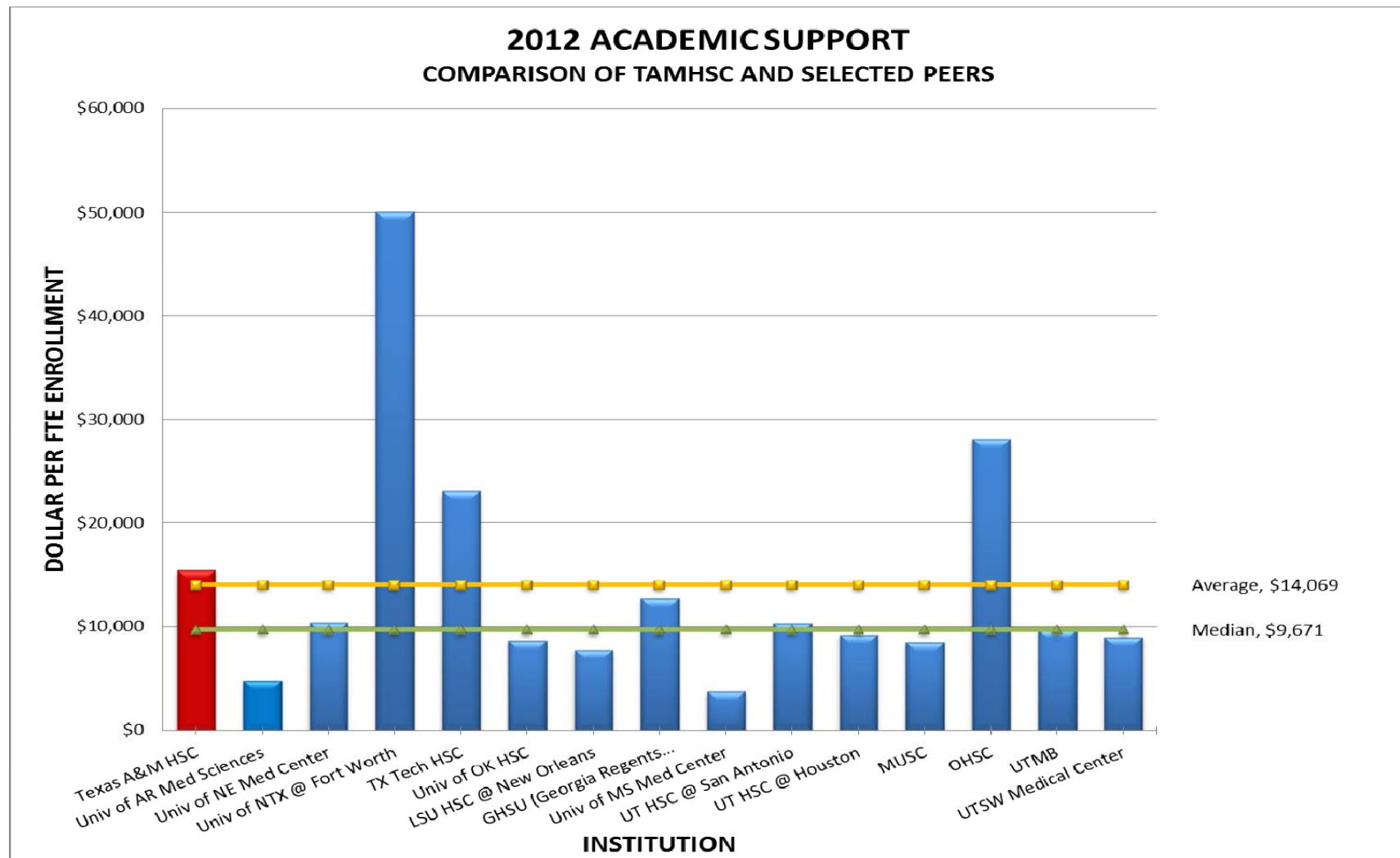


TAMU with Agencies Institutional Support Costs versus Peers



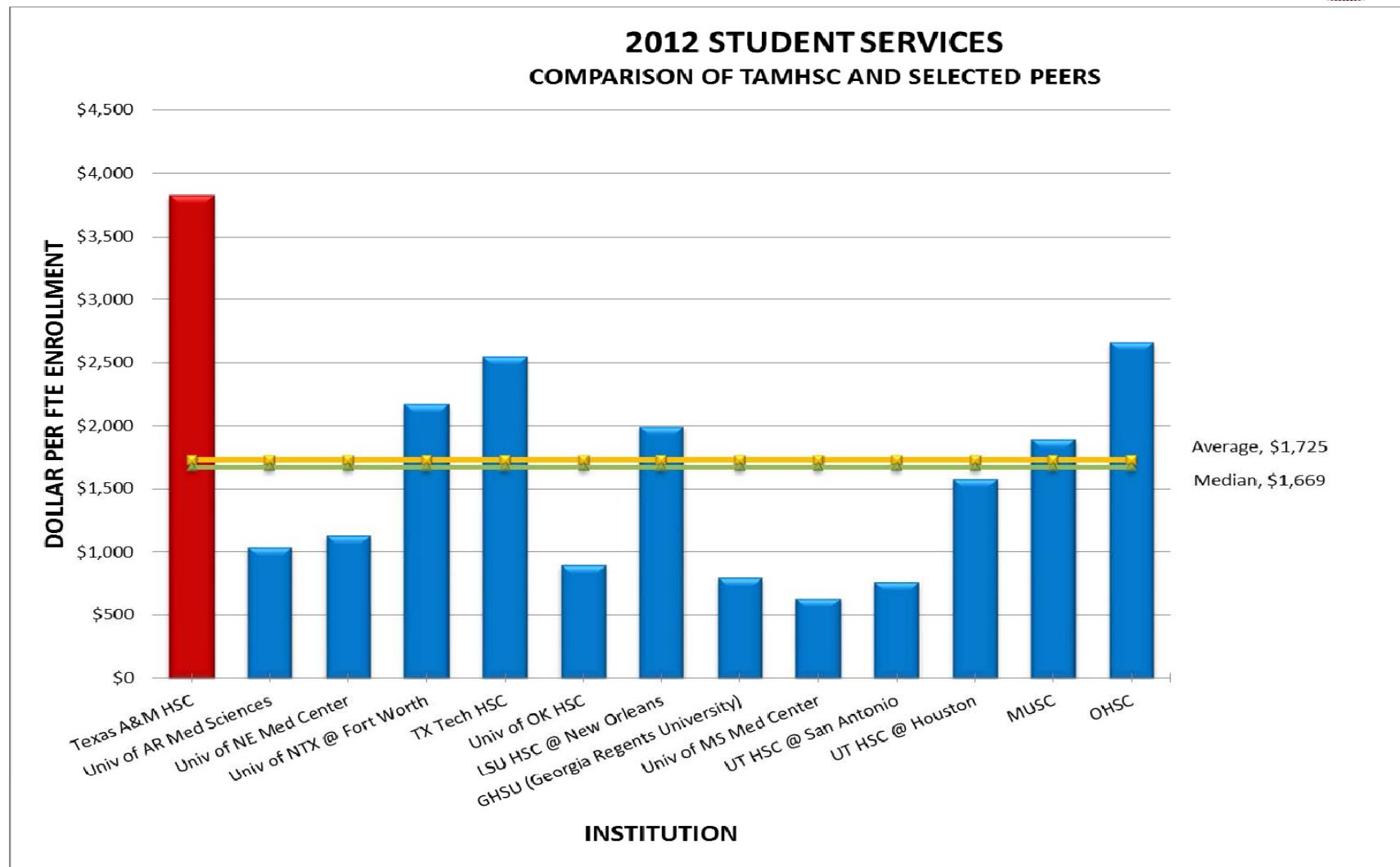
TAMHSC

Academic Support Costs versus Peers



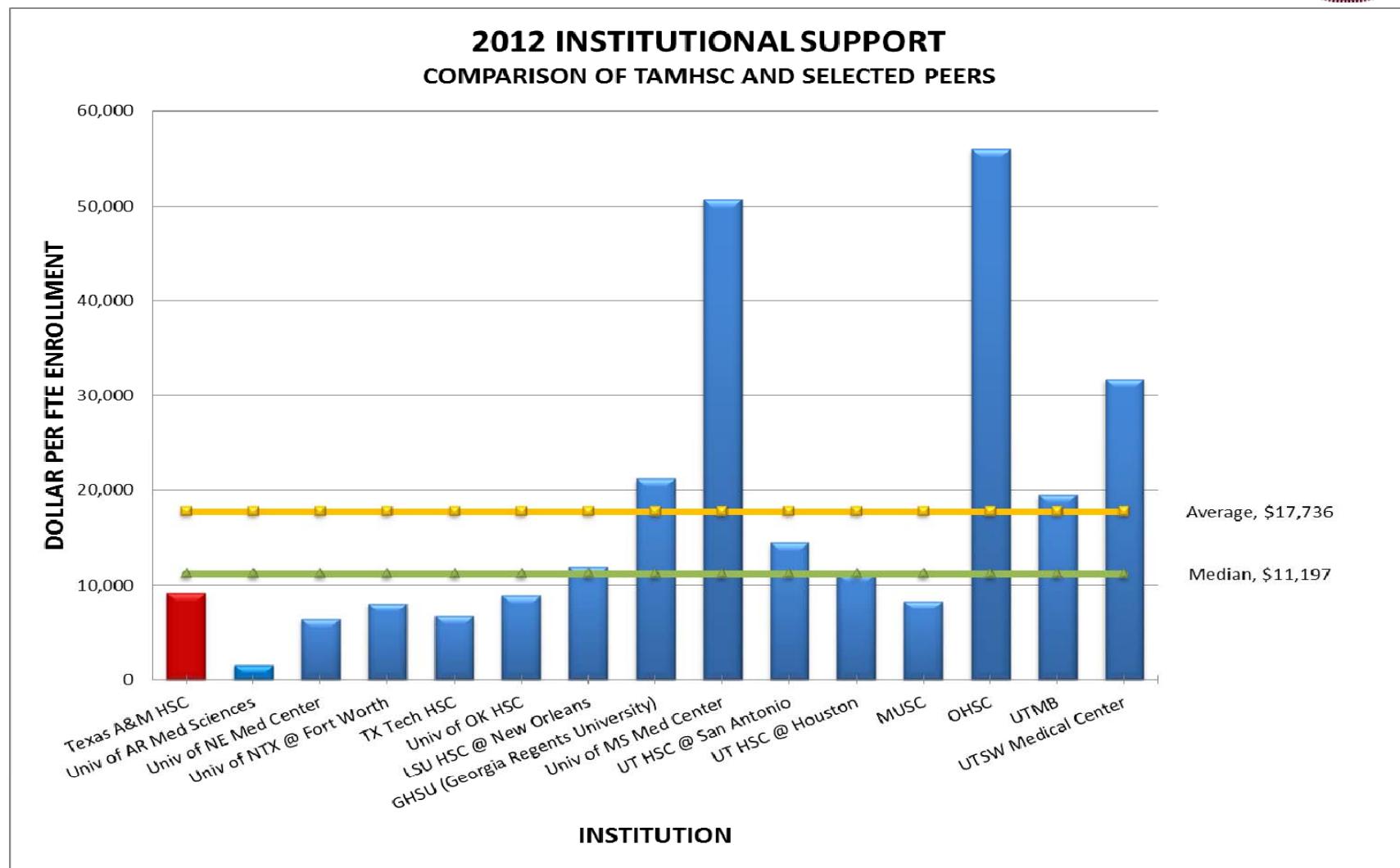
TAMHSC

Student Services Costs versus Peers



TAMHSC

Institutional Support Costs versus Peers



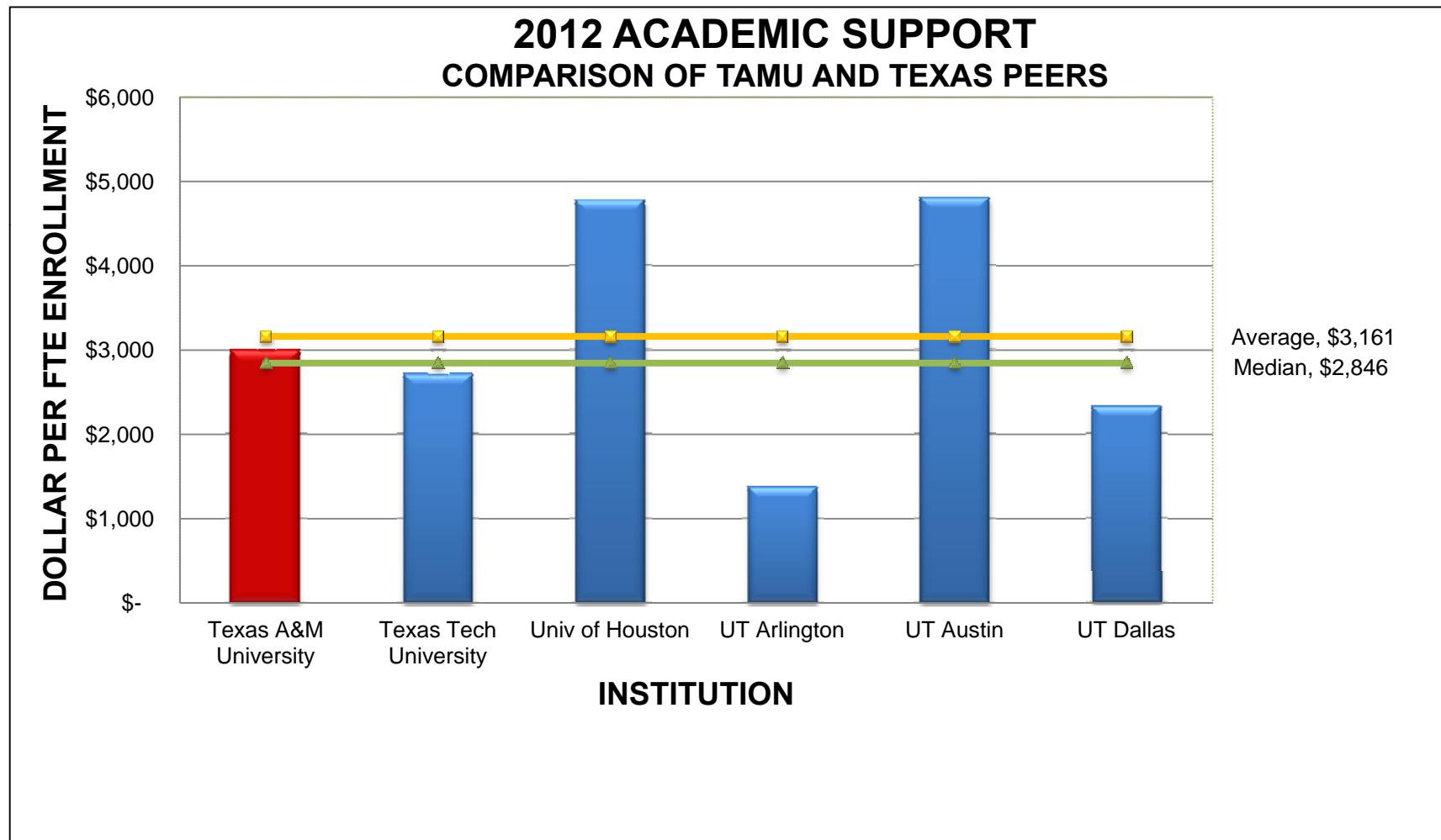
***Appendix B -
Cost Comparison to Texas
Institutions***



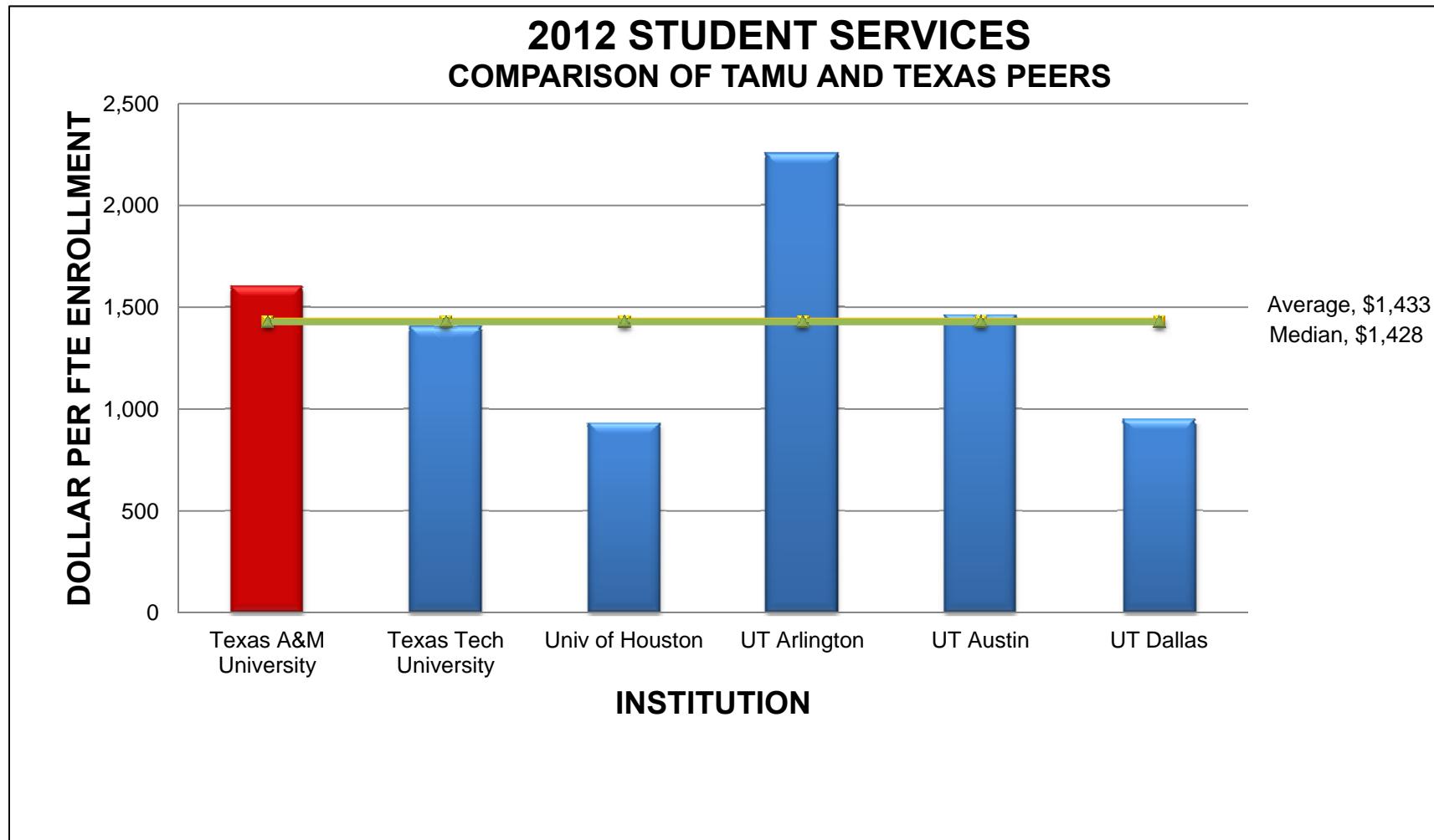
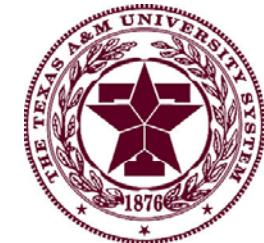
Cost Comparisons to Texas Institutions

- TAMU and TAMHSC academic support, student services and institutional support costs in comparison to other Texas institutions are presented on the following pages.
- **Costs are presented for Fiscal Year 2012**, the latest fiscal year for which a comprehensive set of costs are available from the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS), which is the source of the data presented. IPEDS reporting for recipients of Title IV Federal Funding and is commonly used for peer comparisons.
- Comparisons are based on dollar expenses per enrollment FTE.
- Peers are self-selected by member.

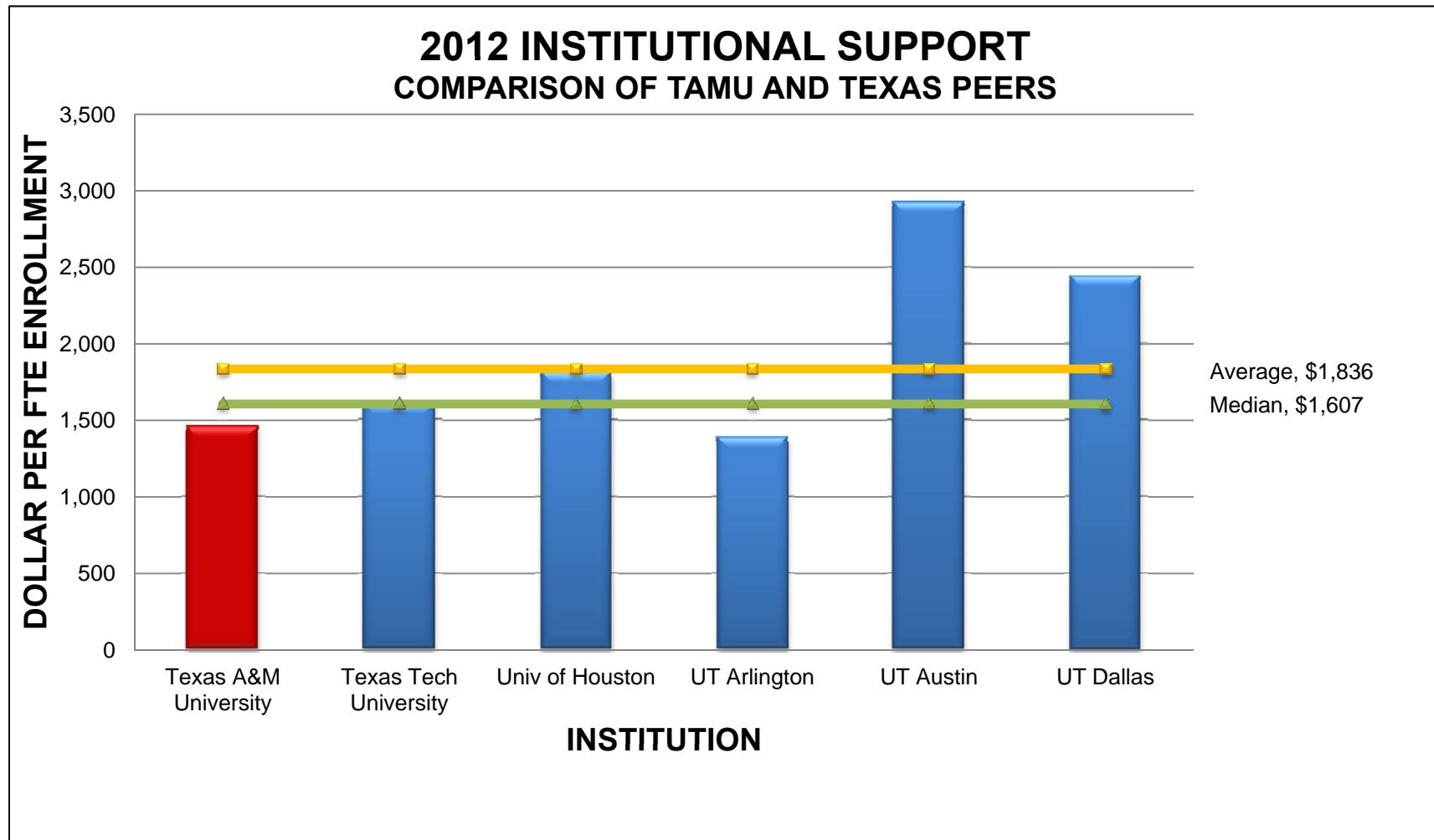
TAMU Academic Support Costs vs Texas Universities



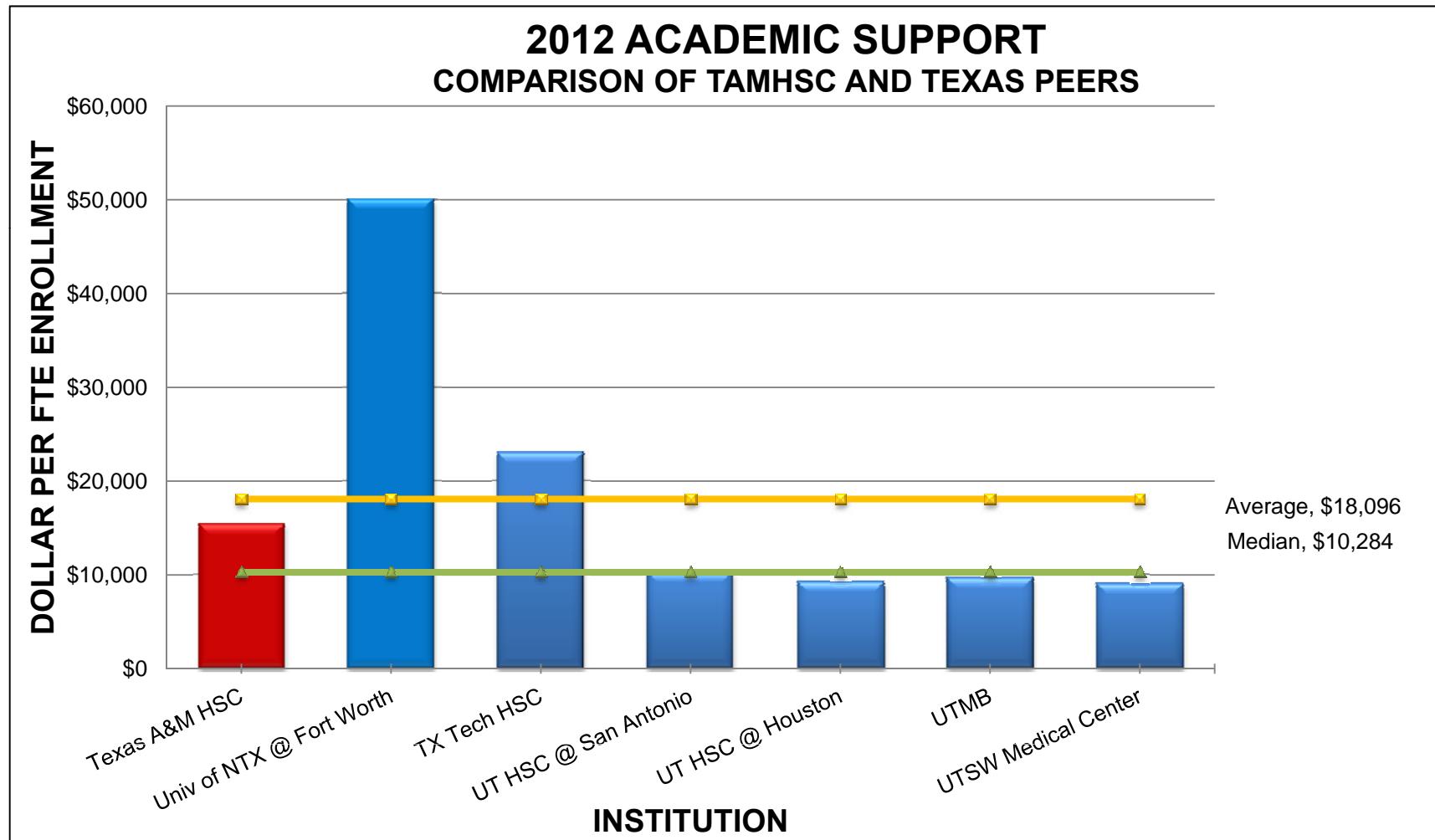
TAMU Student Services Costs vs Texas Universities



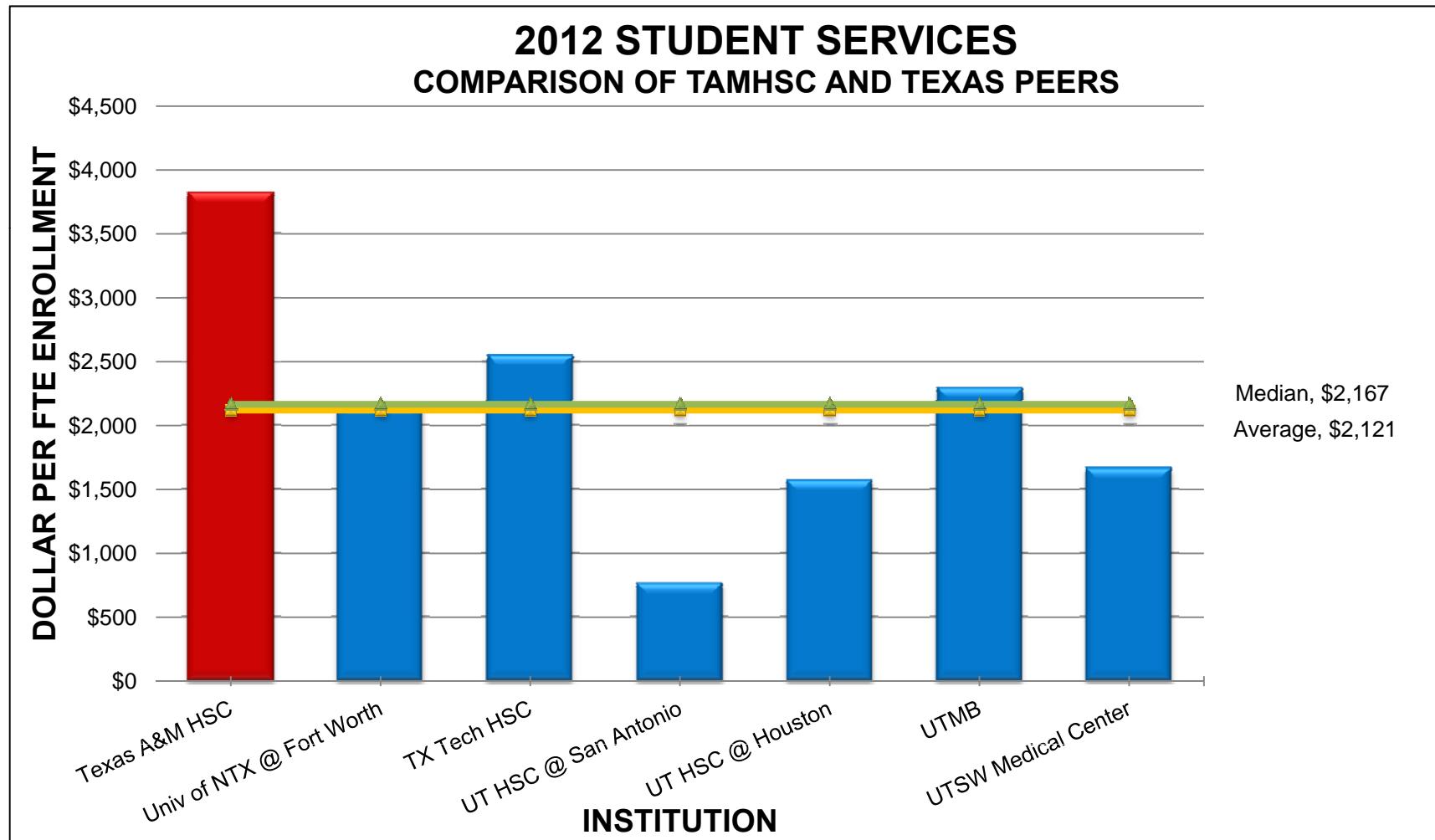
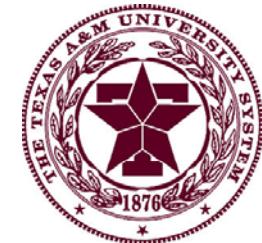
TAMU Institutional Support Costs vs Texas Universities



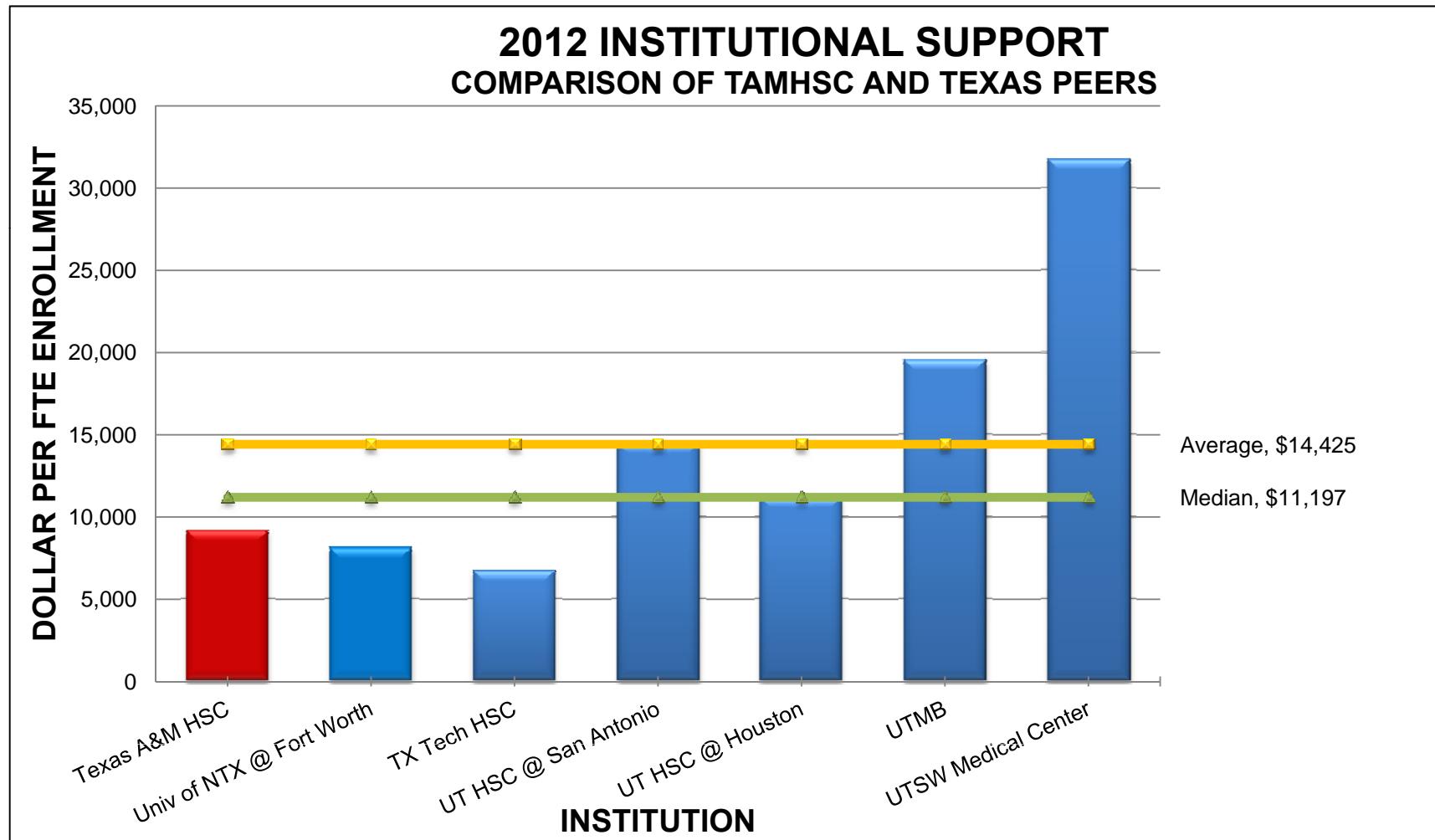
TAMHSC Academic Support Costs vs Texas Health Institutions



TAMHSC Student Services Costs vs Texas Health Institutions



TAMHSC Institutional Support Costs vs Texas Health Institutions



Appendix C – Collaboration Center Overview



What are Collaboration Centers?

Customer centric organizations that standardize transaction processes while improving efficiencies, compliance, reducing costs and generating savings.

Collaboration Centers

- Consolidate common administrative functions from individual business units into a single, internal operation.
- Create integrated business units to allow a group of “units” to share common business and administrative functions, such as Finance, Payroll, Human Resources, IT, Purchasing, Administrative Support.
- Meet unique needs of stakeholders by developing specialists in business functional areas.

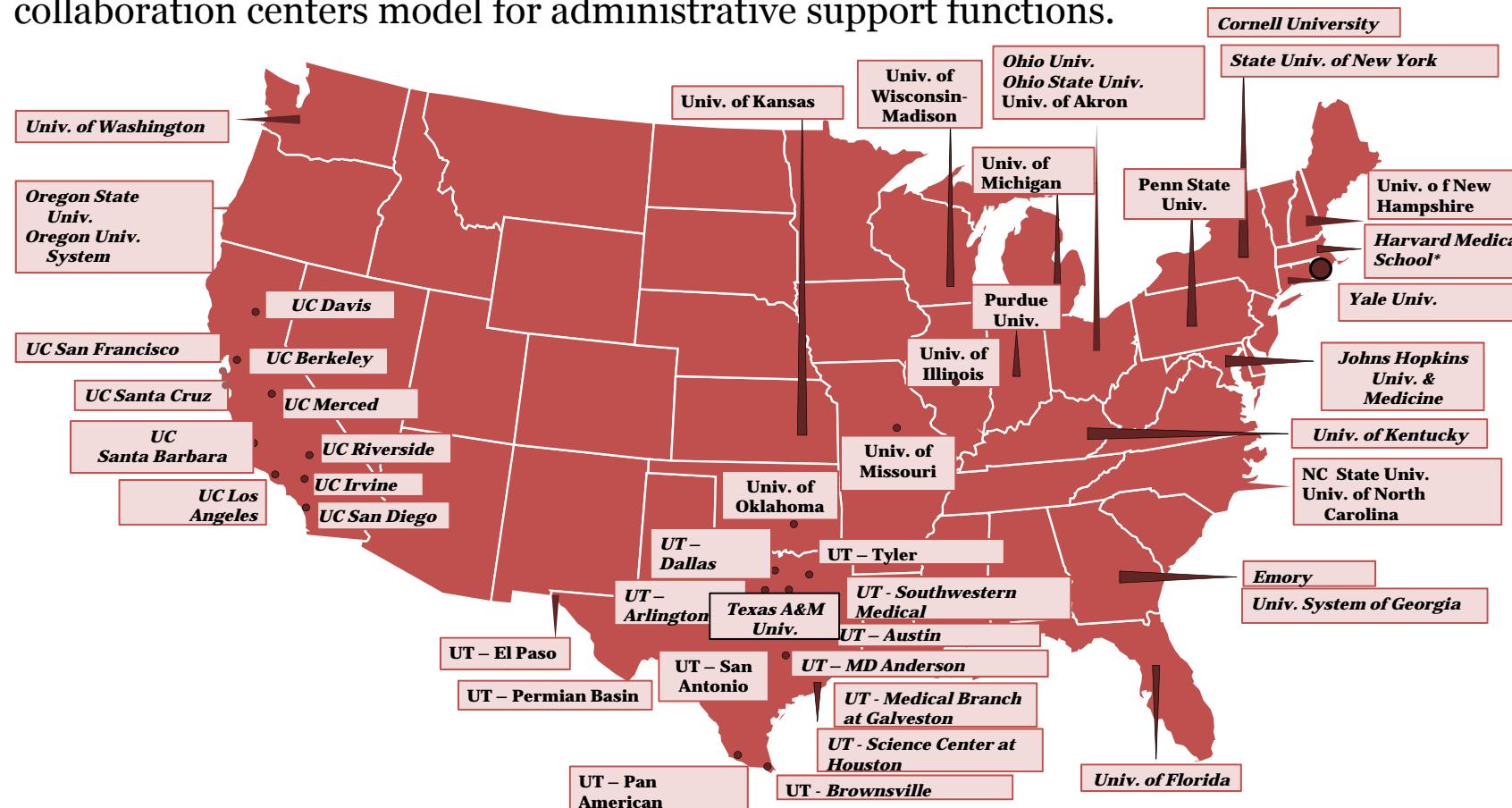
Benefits of Collaboration Centers

- **Simplification and standardization** of key processes
- **Flexibility and scalability** of operations according to business needs
- **Enhance time management:** Staff can concentrate their time in a job field such as Finance, HR, IT or Purchasing
- **Increase job satisfaction** by developing staff with more advanced skills in a few areas and have more defined roles and tasks.
- **Improve cross coverage** by providing better coverage of staff and services across departments.
- **Improve efficiencies** by developing subject matter expertise and standardizing processes

Collaboration Center Trends in Higher Ed



Many institutions across the nation have already adopted or begun to consider a collaboration centers model for administrative support functions.



Collaboration Center Maturity in Higher Ed

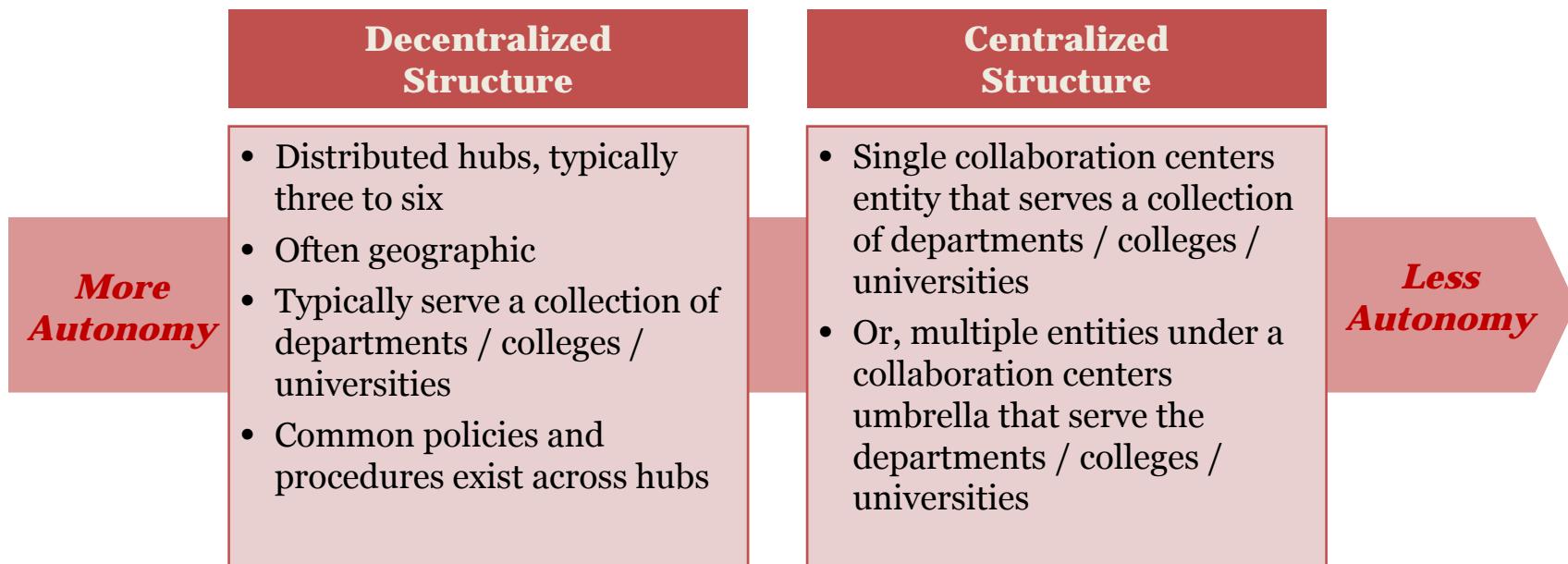


Source: Shared Services and Outsourcing Network, September 2013 (modified)

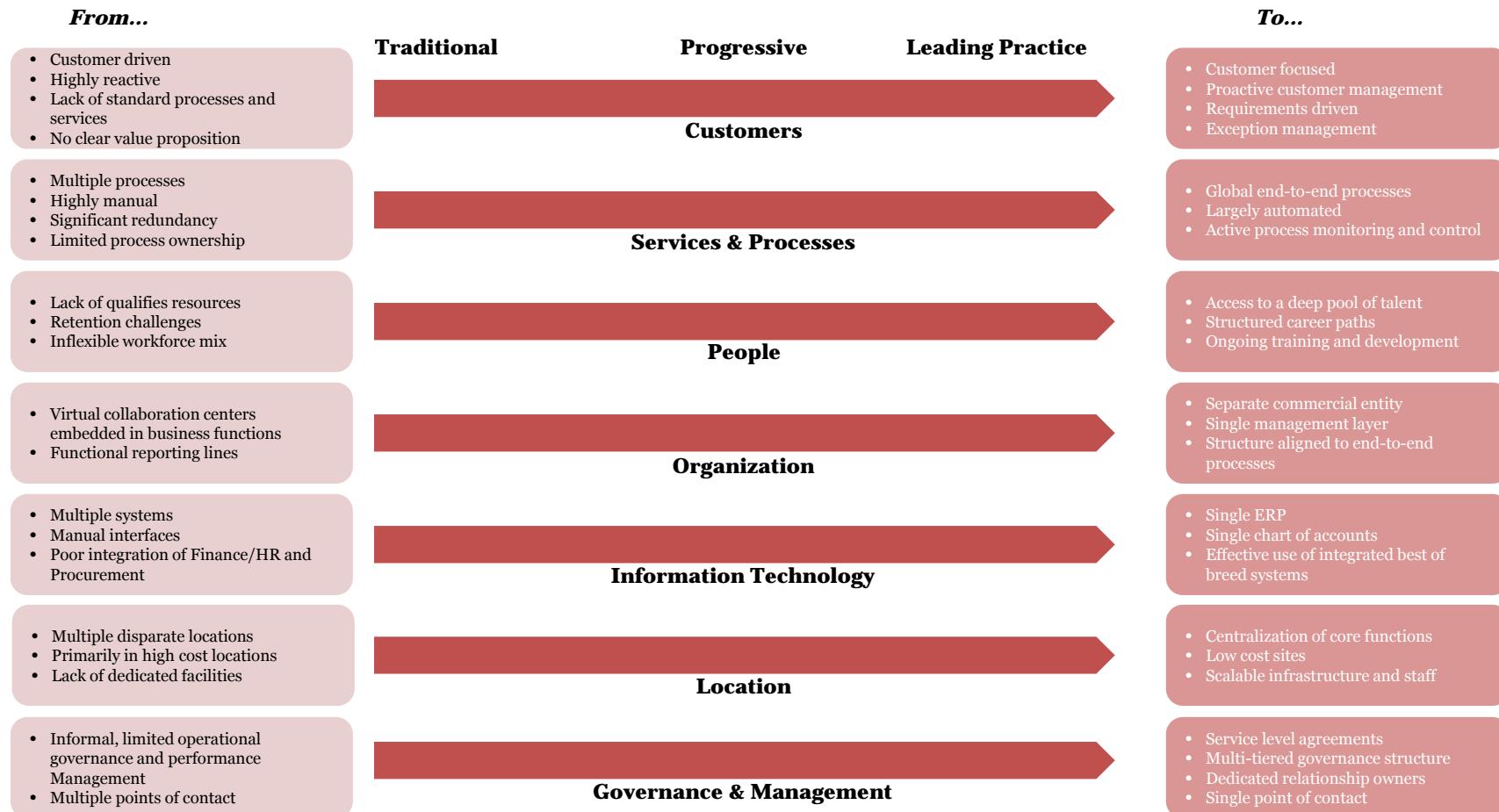
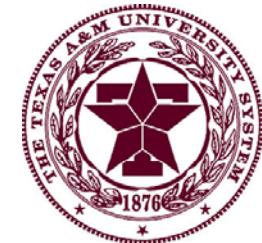
Industry Perspectives: Collaboration Centers Structure



- Distinguished by a more balanced level of autonomy, the collaboration center combines positive aspects of traditional decentralized and centralized approaches to create an innovative administrative model.
- The structure selected is dependent on a variety of factors and can change over time.

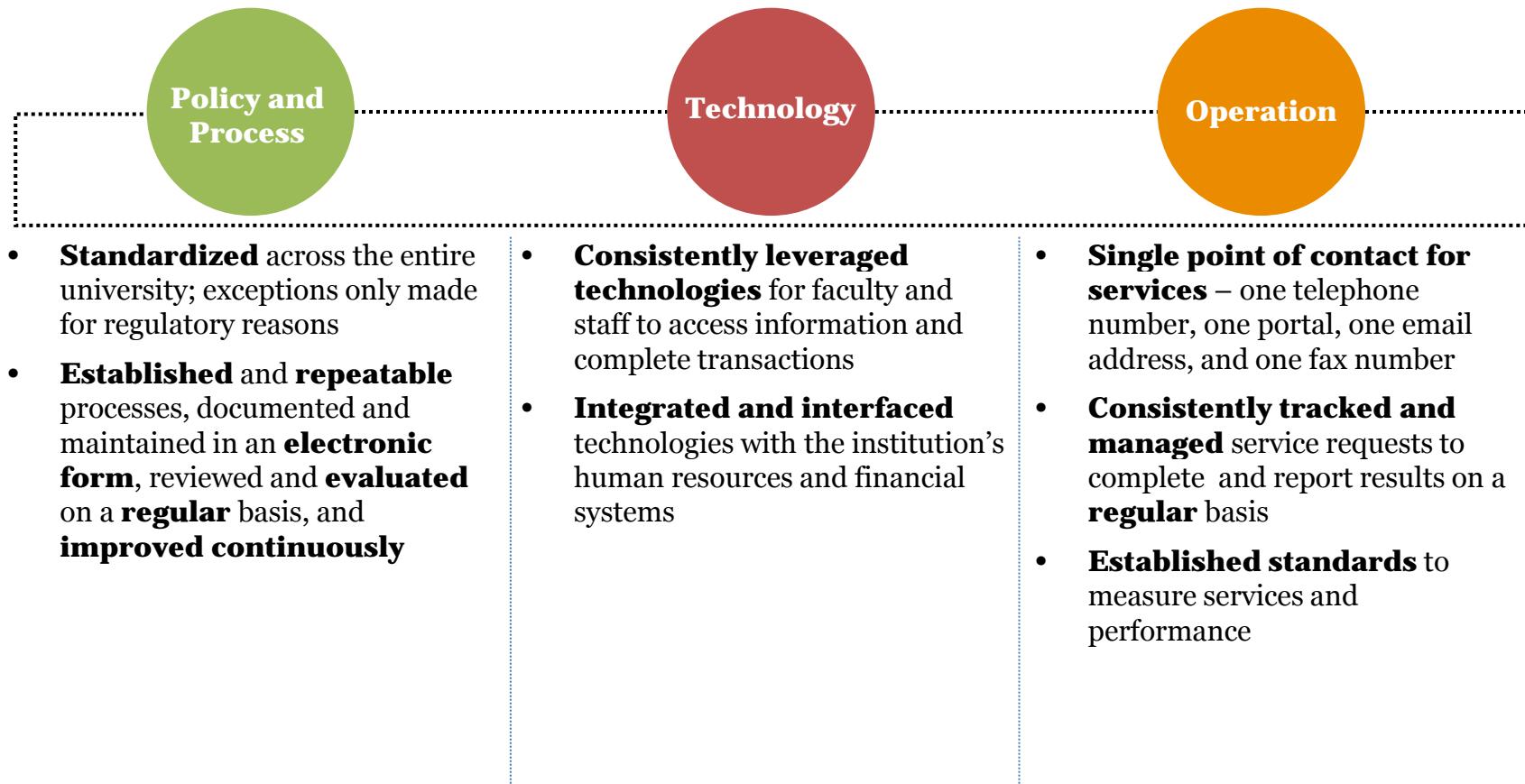


Building Blocks for Successful Collaboration Center Start-up



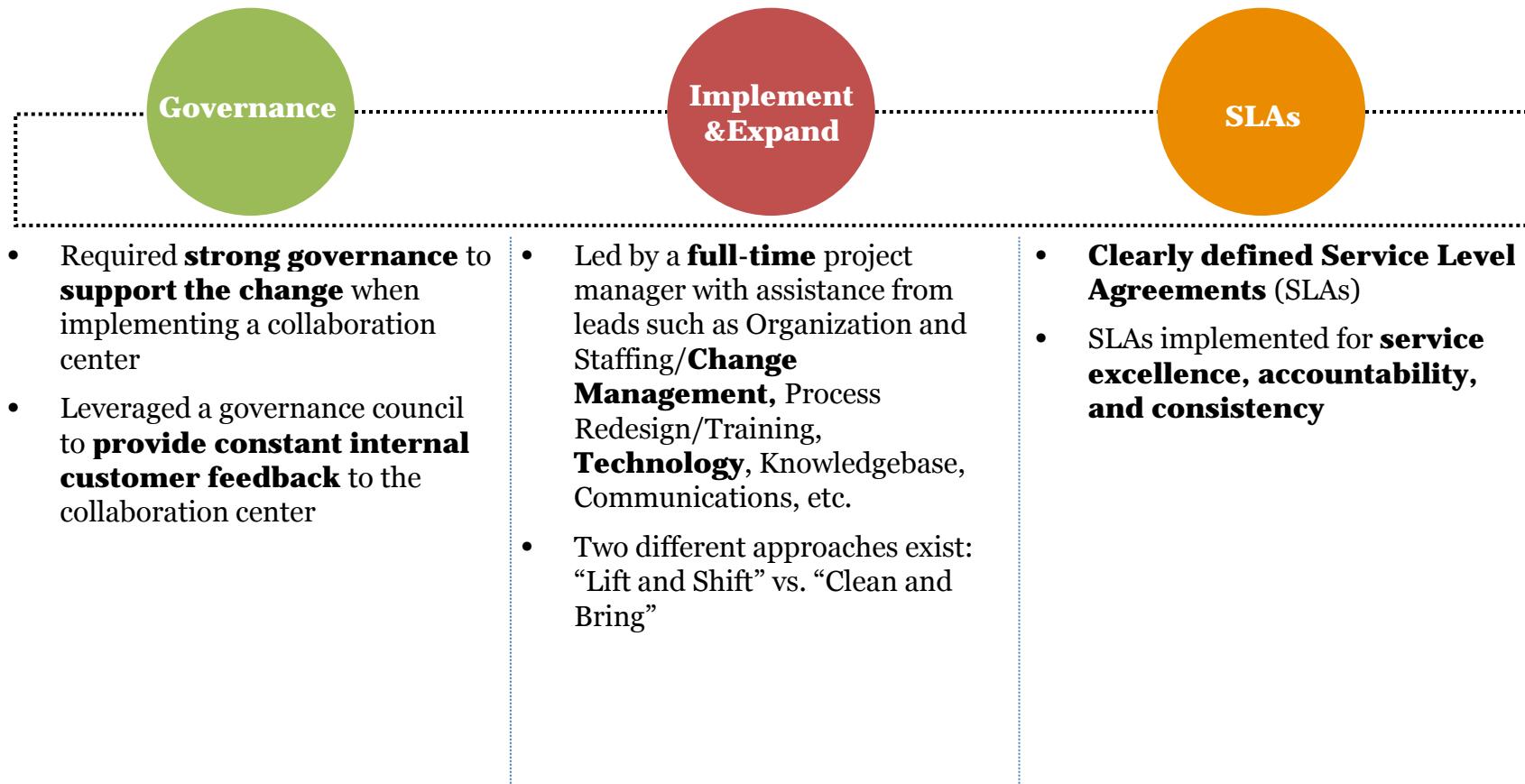
Higher Education Collaboration Centers

Key Considerations (1 of 2)



Higher Education Collaboration Centers

Key Considerations (2 of 2)



Change Management – Integral Component of Successful Start-up



A robust change management plan that exhibits strong communication and transparency is essential to collaboration centers implementation.

Potential Challenges

- Poorly defined transition plan
- Lack of productivity during time of turmoil
- Unclear roles & responsibilities
- Retaining top talent
- Cultural misalignment between client & provider
- Lack of discipline around standardized processes
- No agreed problem-solving process
- Achieving target service level

Effective Change Management

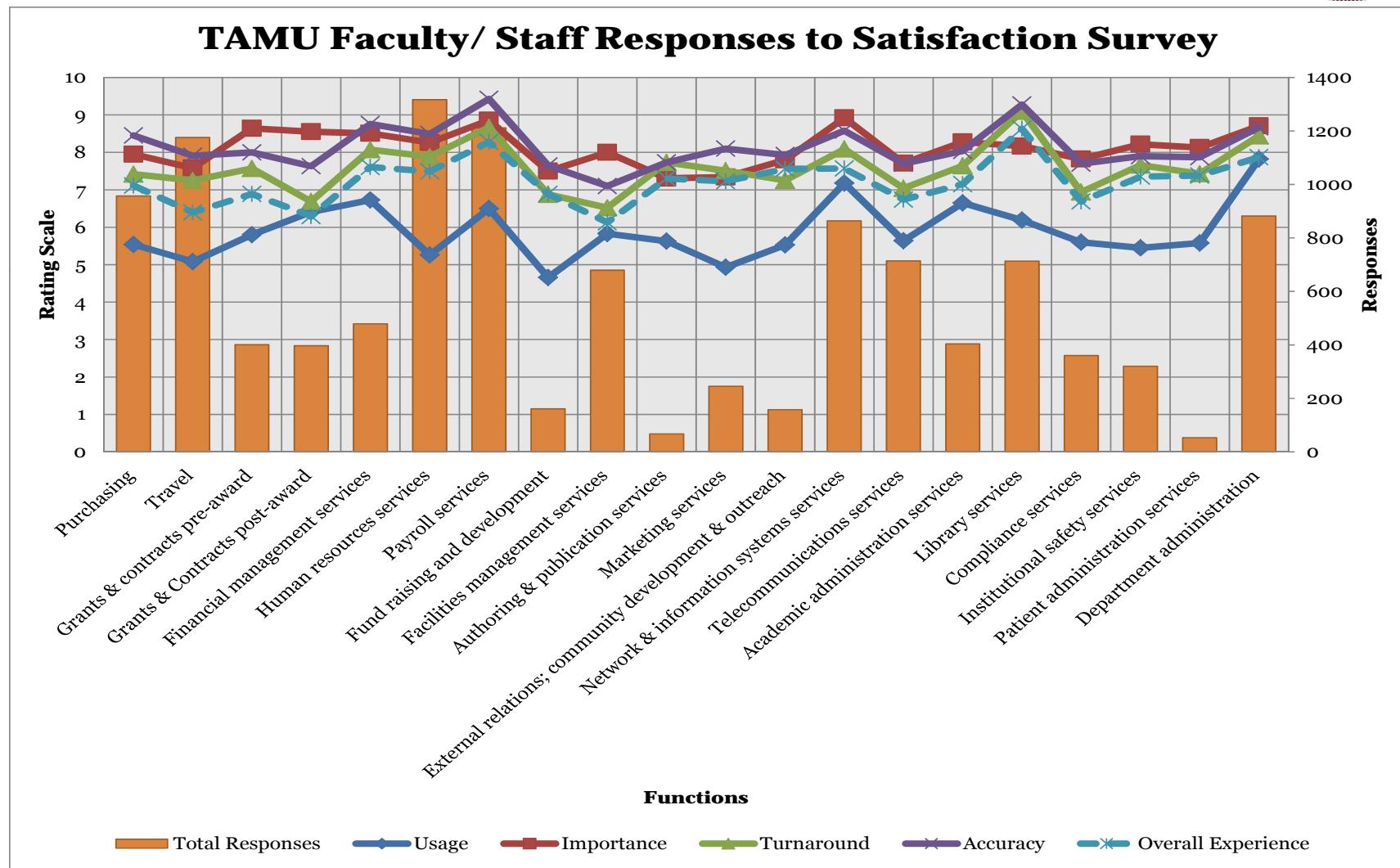
- Program and project management
- Transformation vision
- Leadership alignment
- Stakeholder engagement
- Change impact and readiness
- Communication
- Cultural changes
- Workforce transition
- Training
- Adoption
- Sustainability

Benefits of Change Management Program

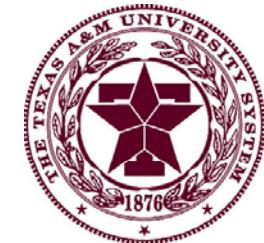
- Decreases immediate productivity dip
- Accelerates the efficiency ramp up
- Accelerates the learning curve
- Drives earlier attainment of optimal productivity

***Appendix D –
Satisfaction Survey Results –
Supporting Detail by System
Member and Department***

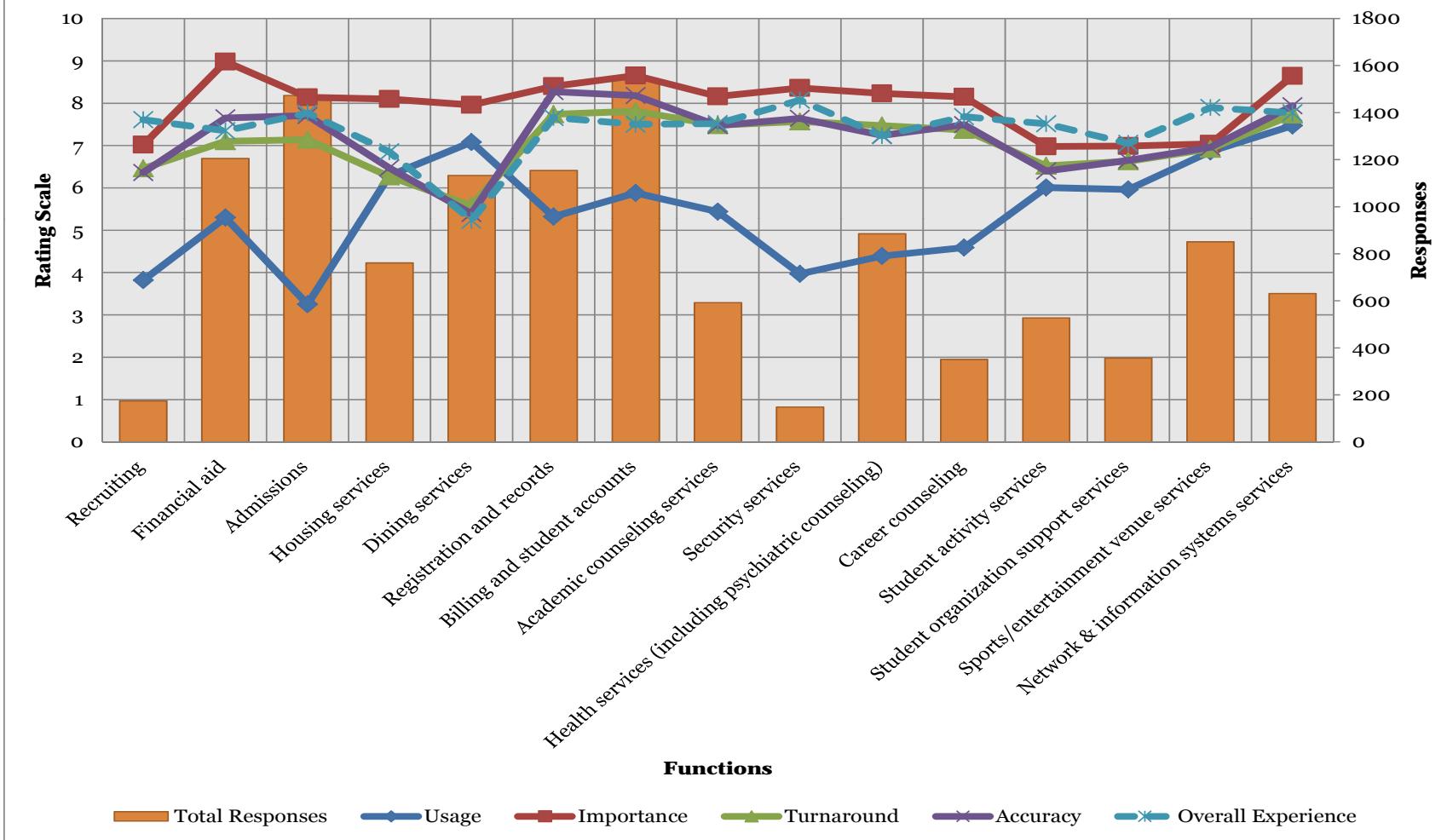
TAMU Faculty/Staff



TAMU Students



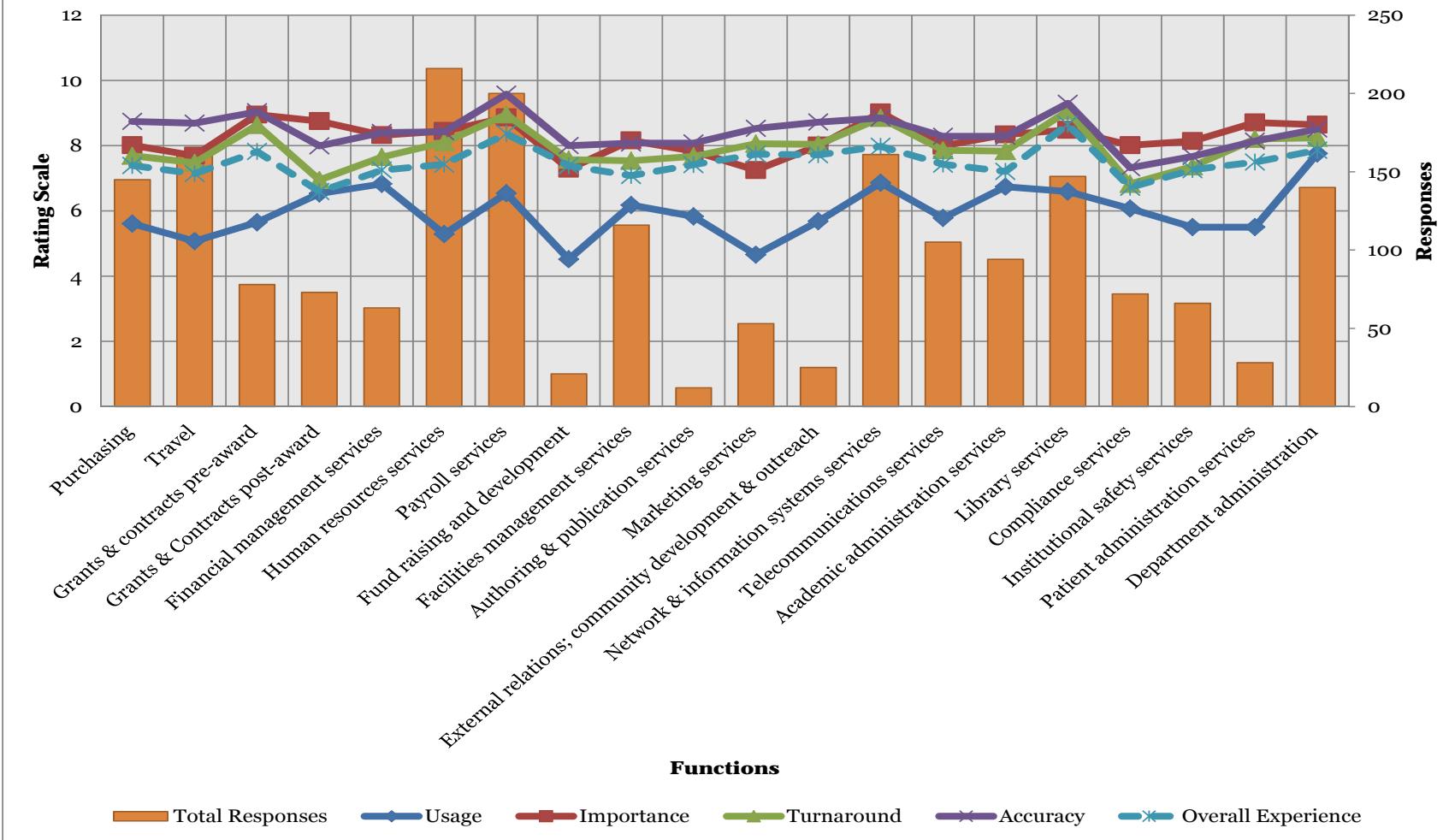
TAMU Student Responses to Satisfaction Survey



TAMHSC Faculty/Staff



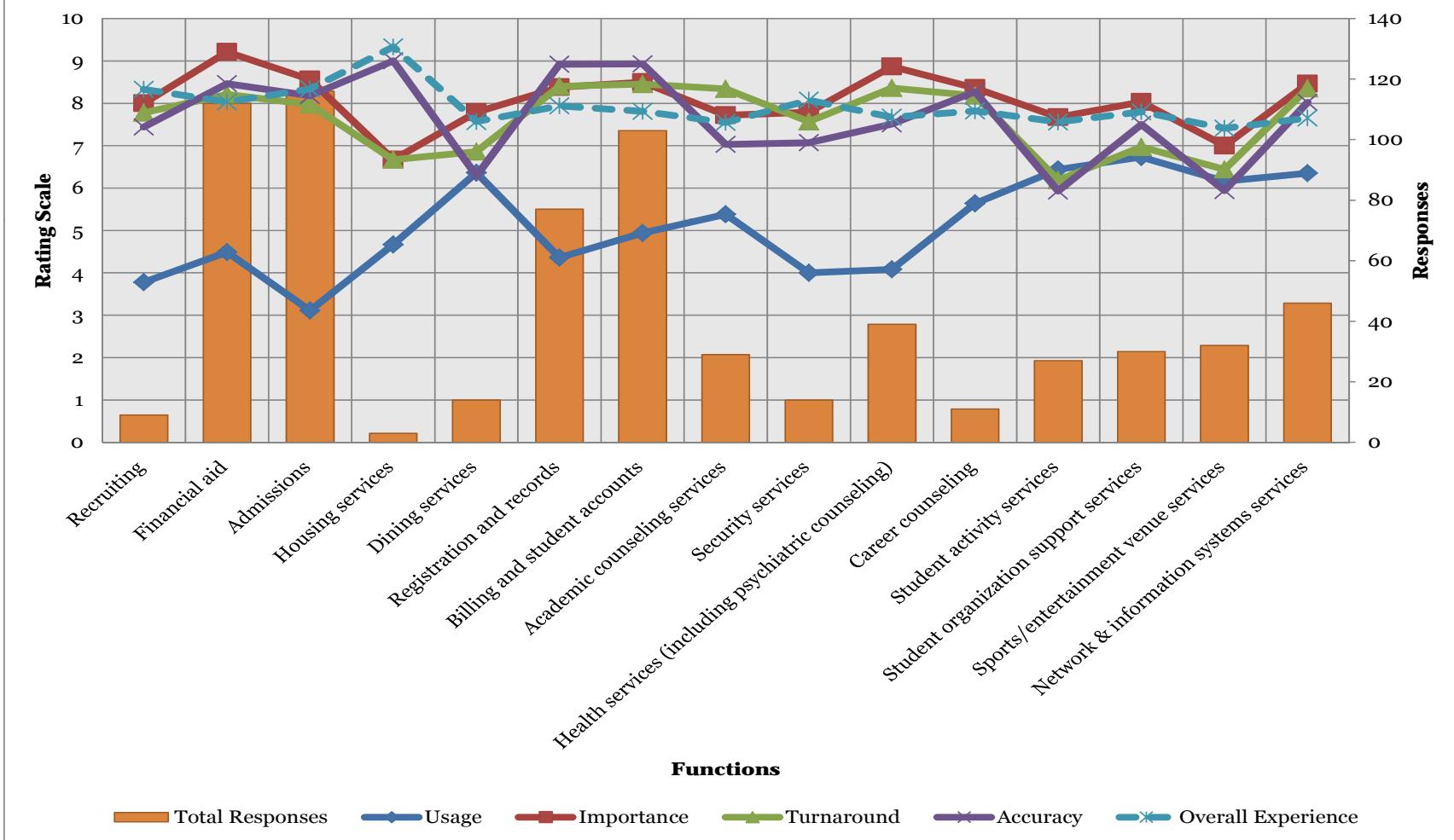
HSC Faculty/ Staff Responses to Satisfaction Survey



TAMHSC Students



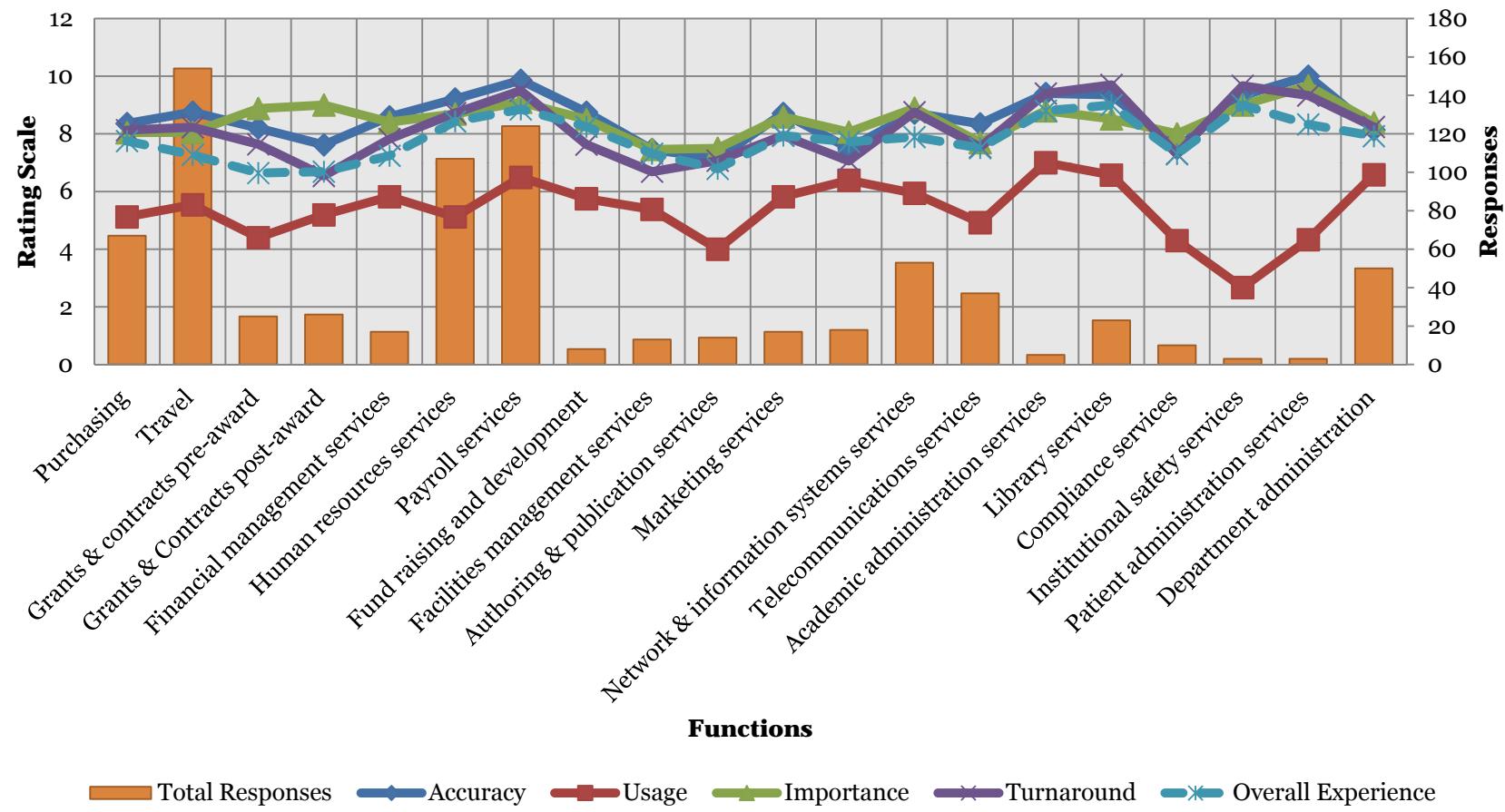
HSC Student Responses to Satisfaction Survey



Texas A&M AgriLife Extension

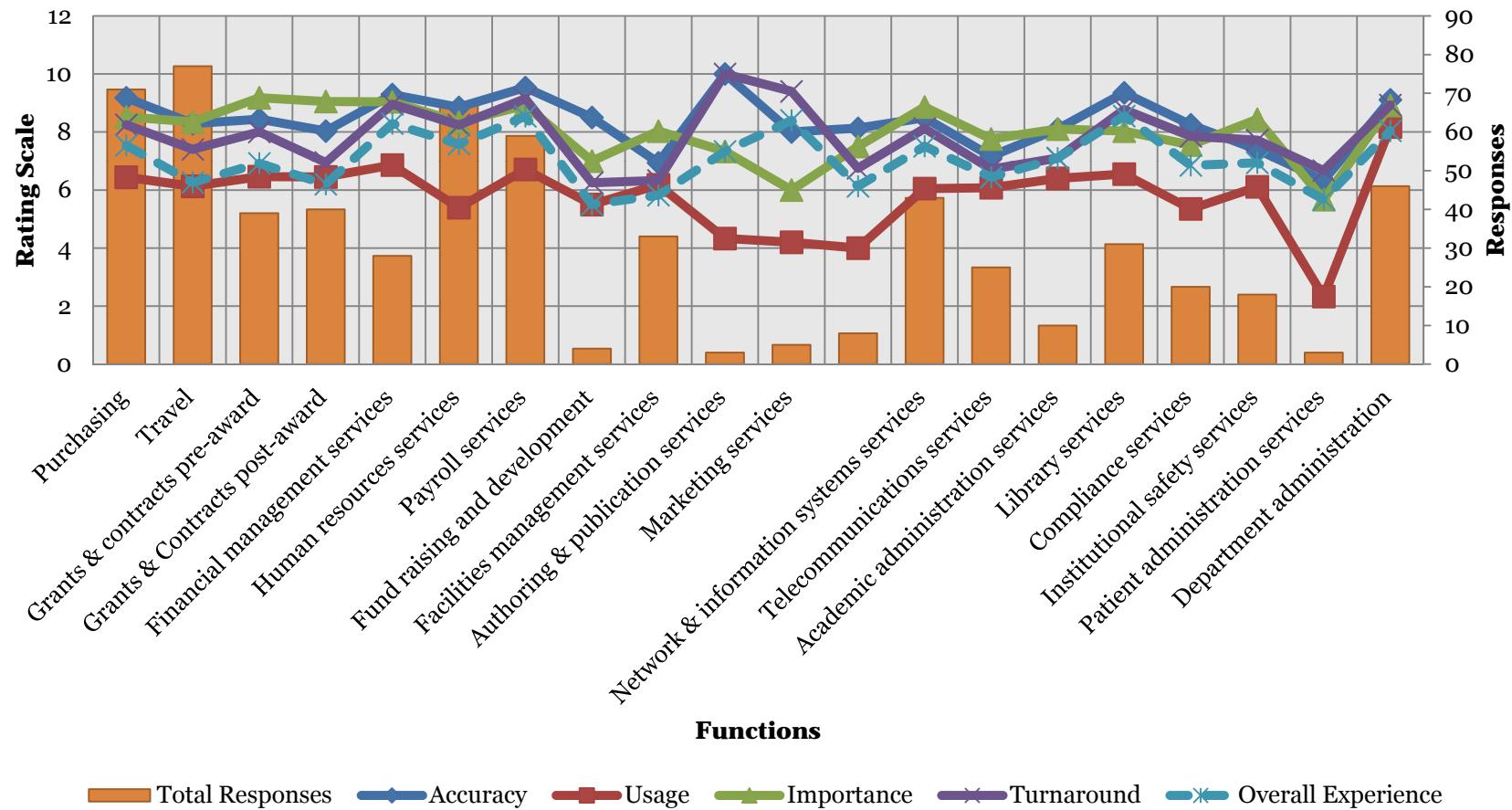


AL-EXT Faculty/Staff Responses to Satisfaction Survey

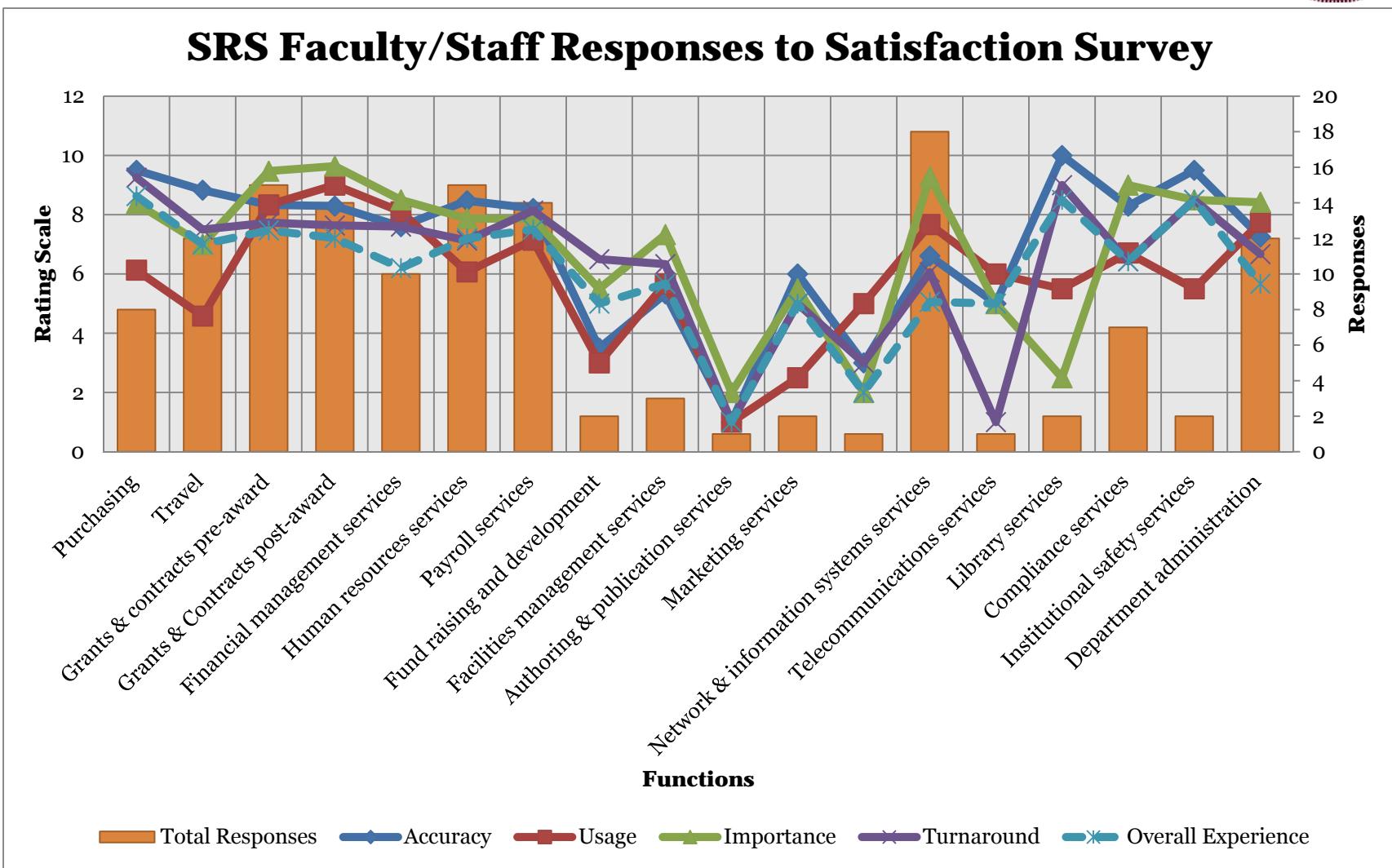




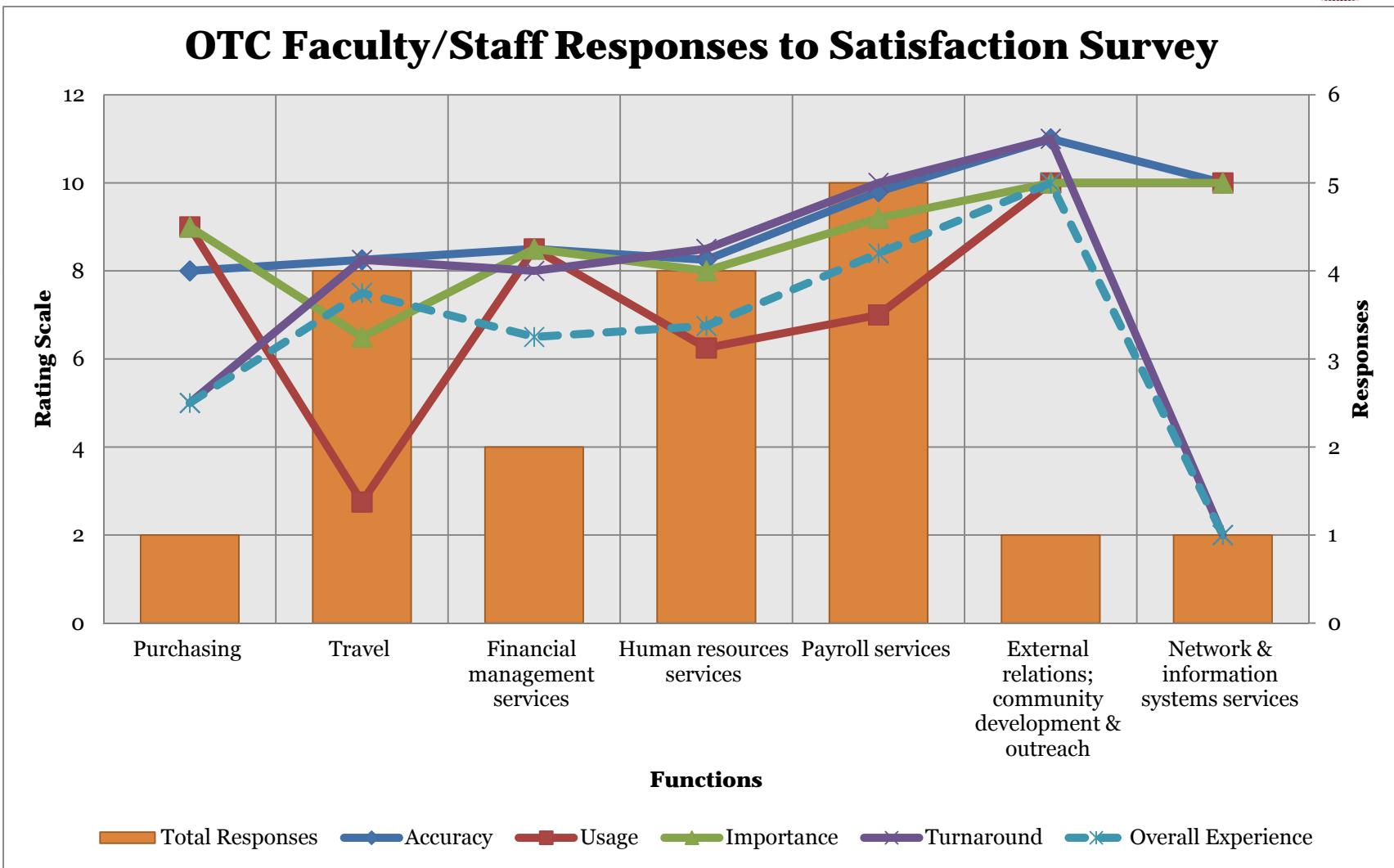
AL-RSRCH Faculty/Staff Responses to Satisfaction Survey



Office of Sponsored Research Services



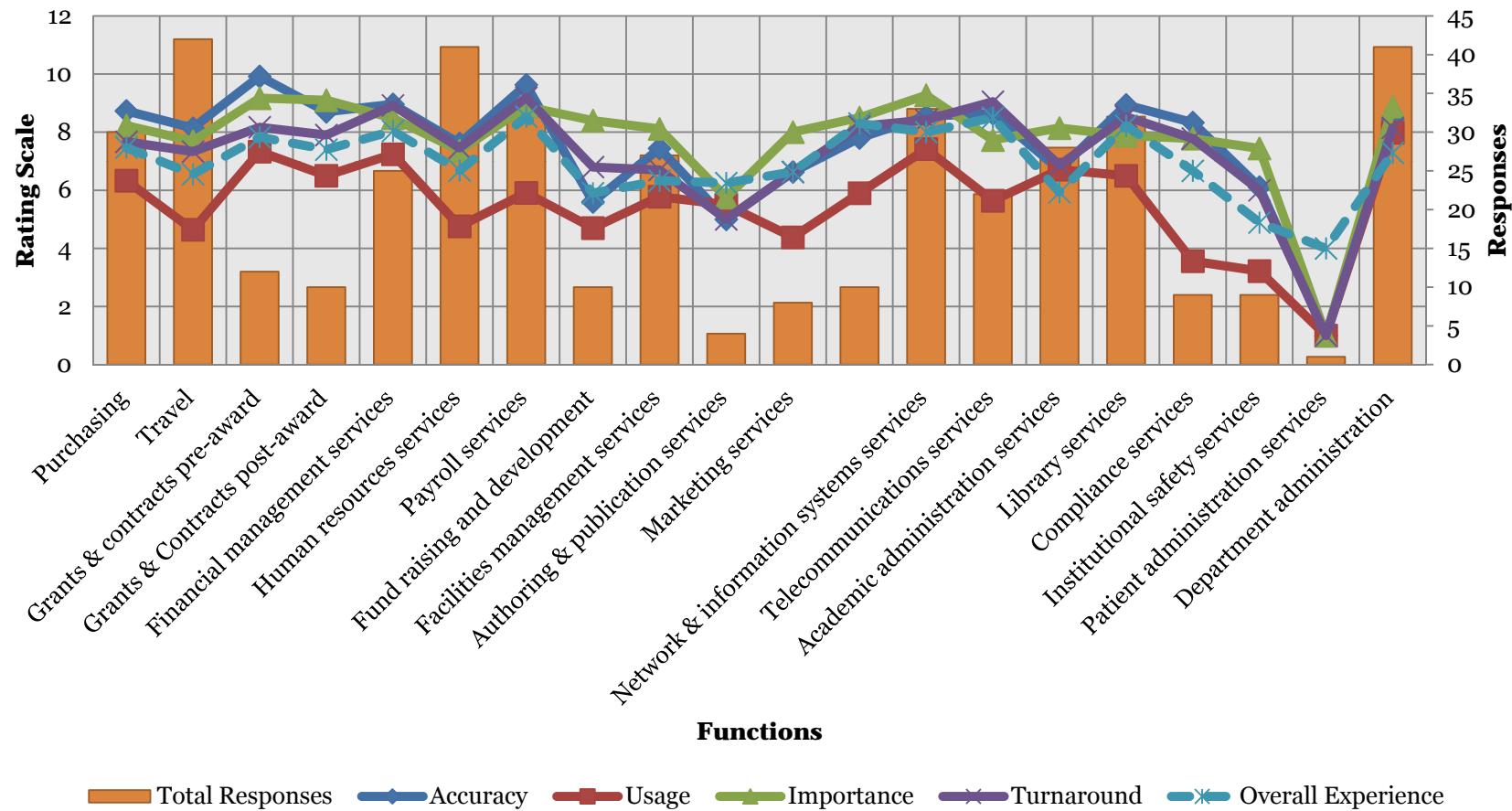
Texas A&M Technology Commercialization



TAMUG Faculty/Staff



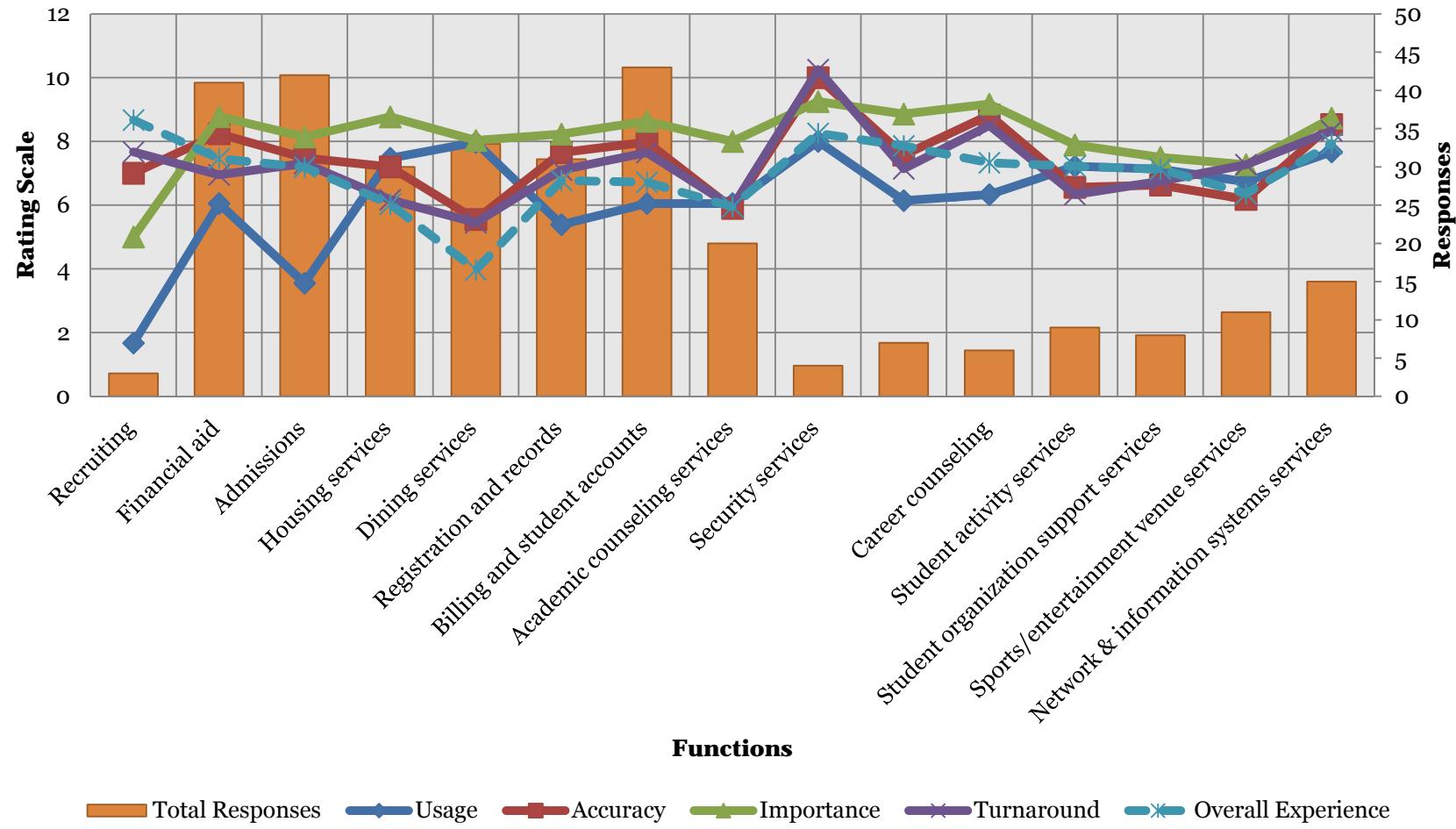
TAMUG Faculty/Staff Responses to Satisfaction Survey



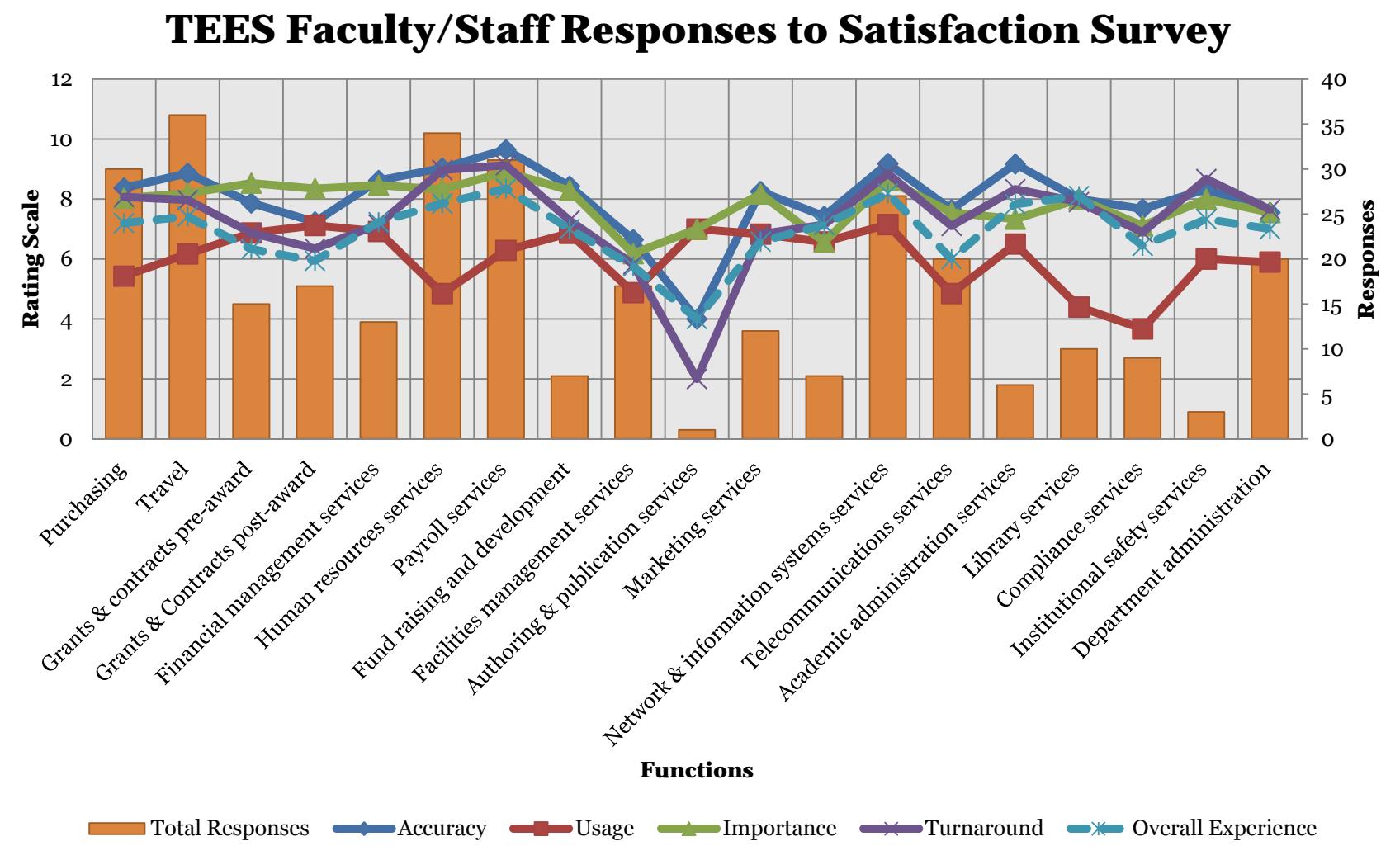
TAMUG Students



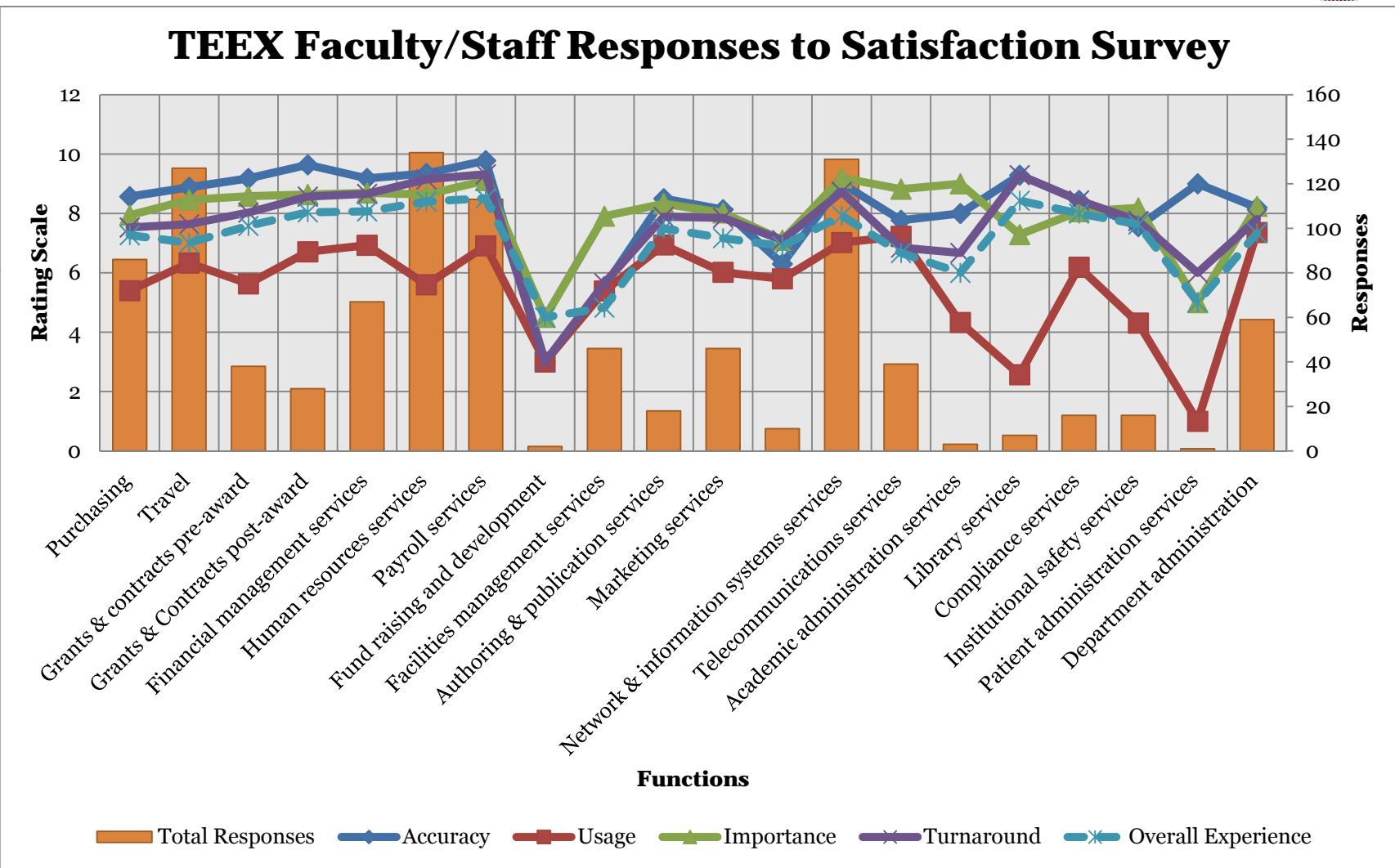
TAMUG Students Responses to Satisfaction Survey



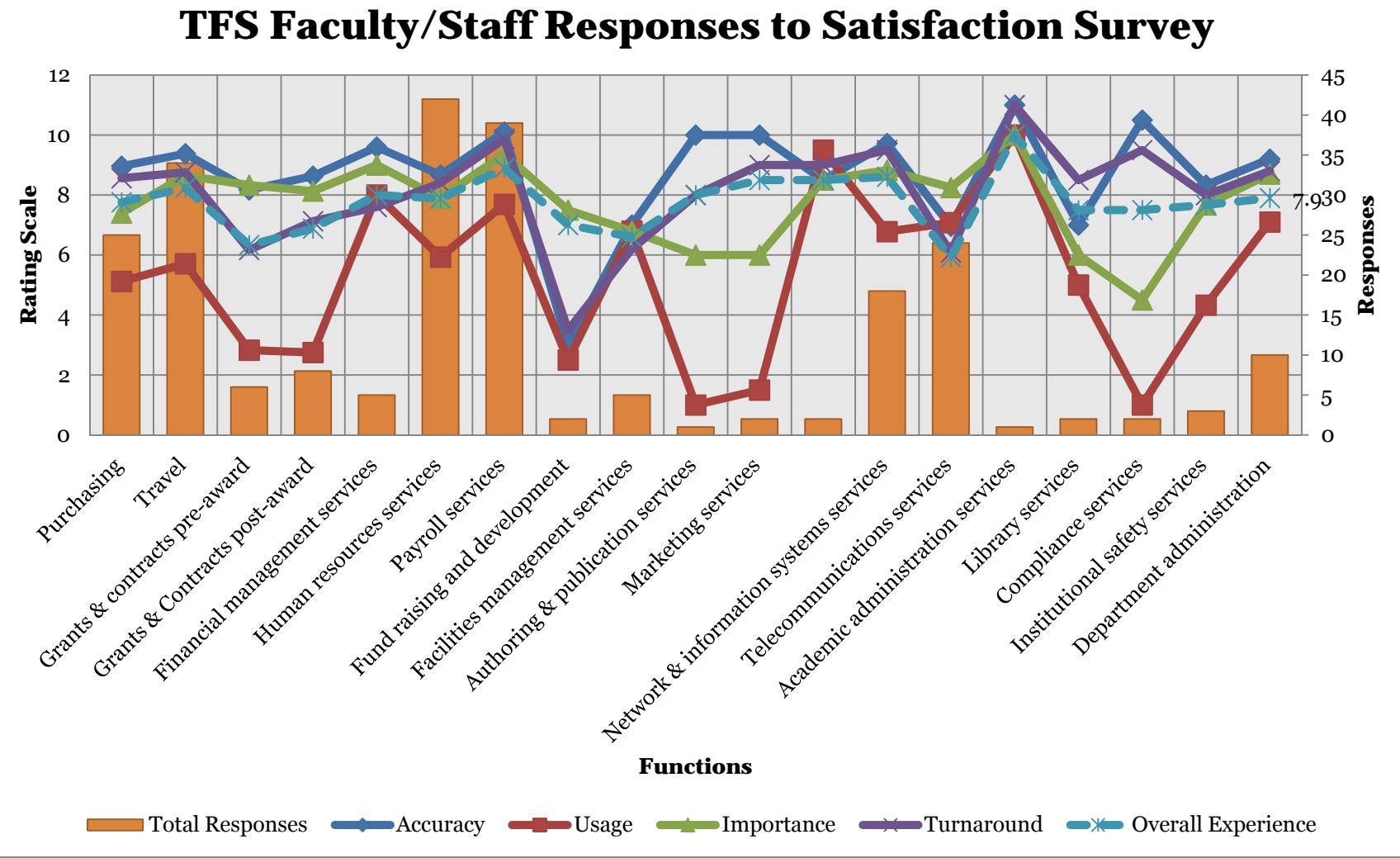
Texas A&M Engineering Experiment Station



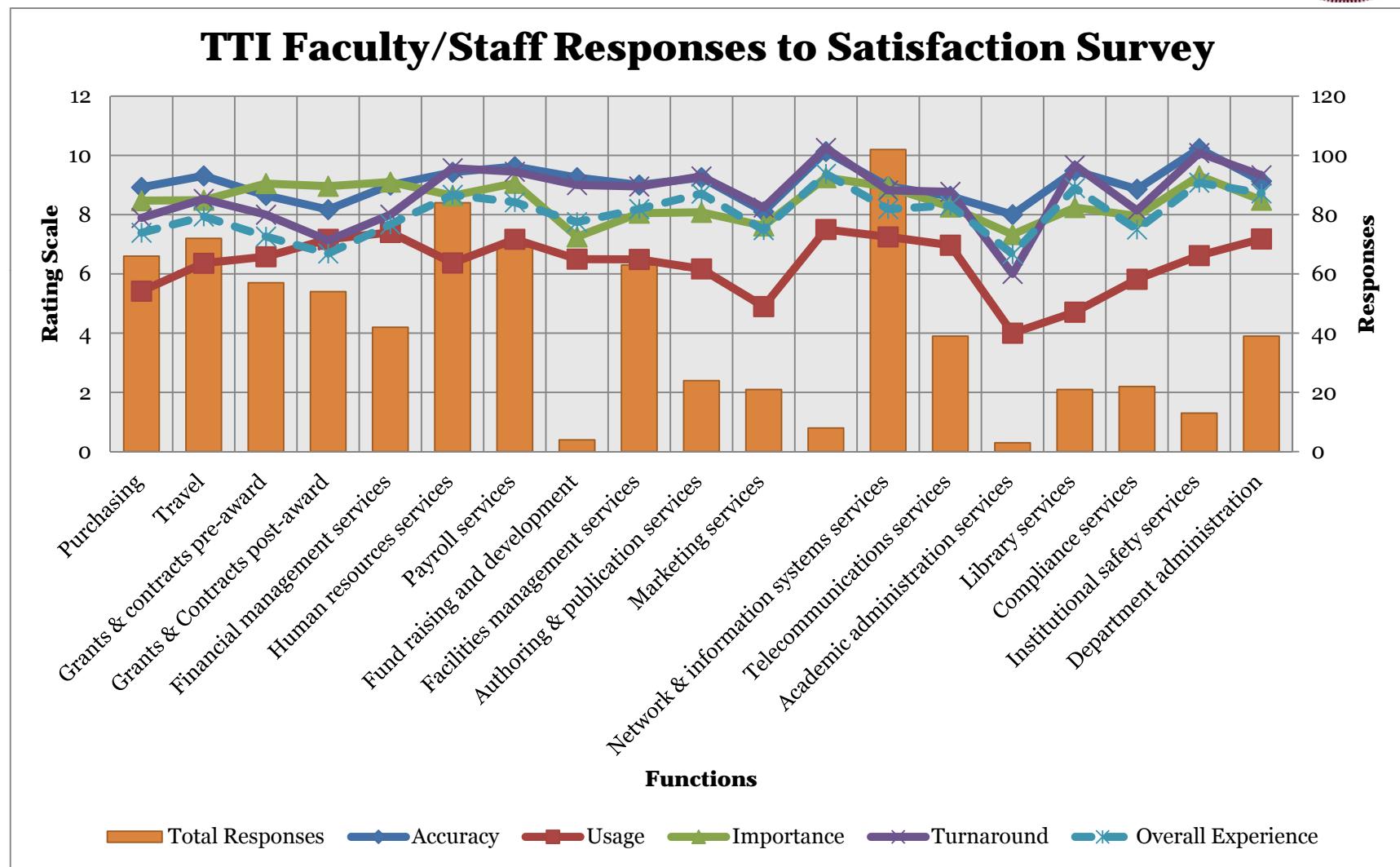
Texas A&M Engineering Extension Service



Texas A&M Forest Service



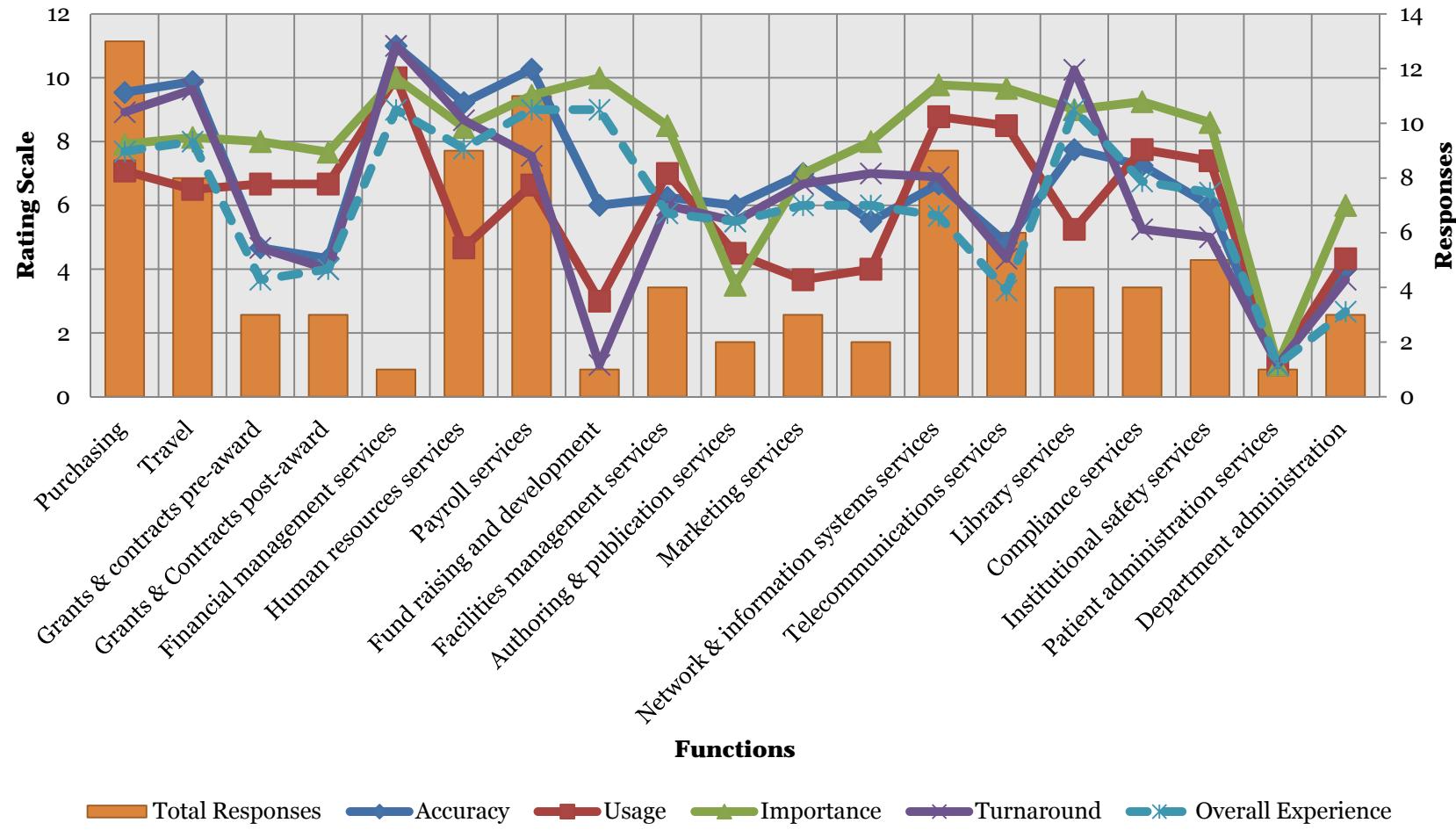
Texas A&M Transportation Institute



Texas A&M Veterinary Medical Diagnostic Lab

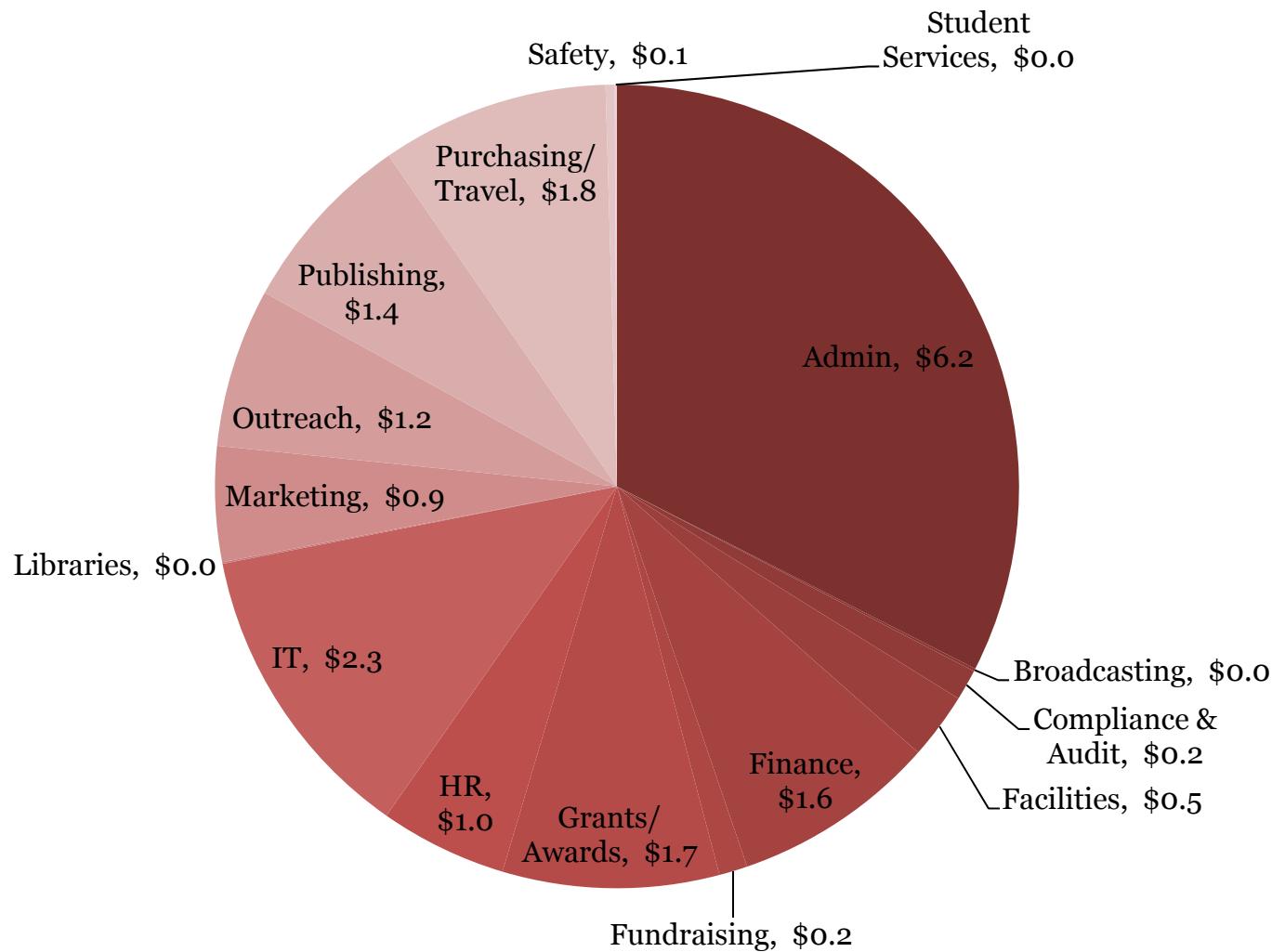


TVMDL Faculty/Staff Responses to Satisfaction Survey

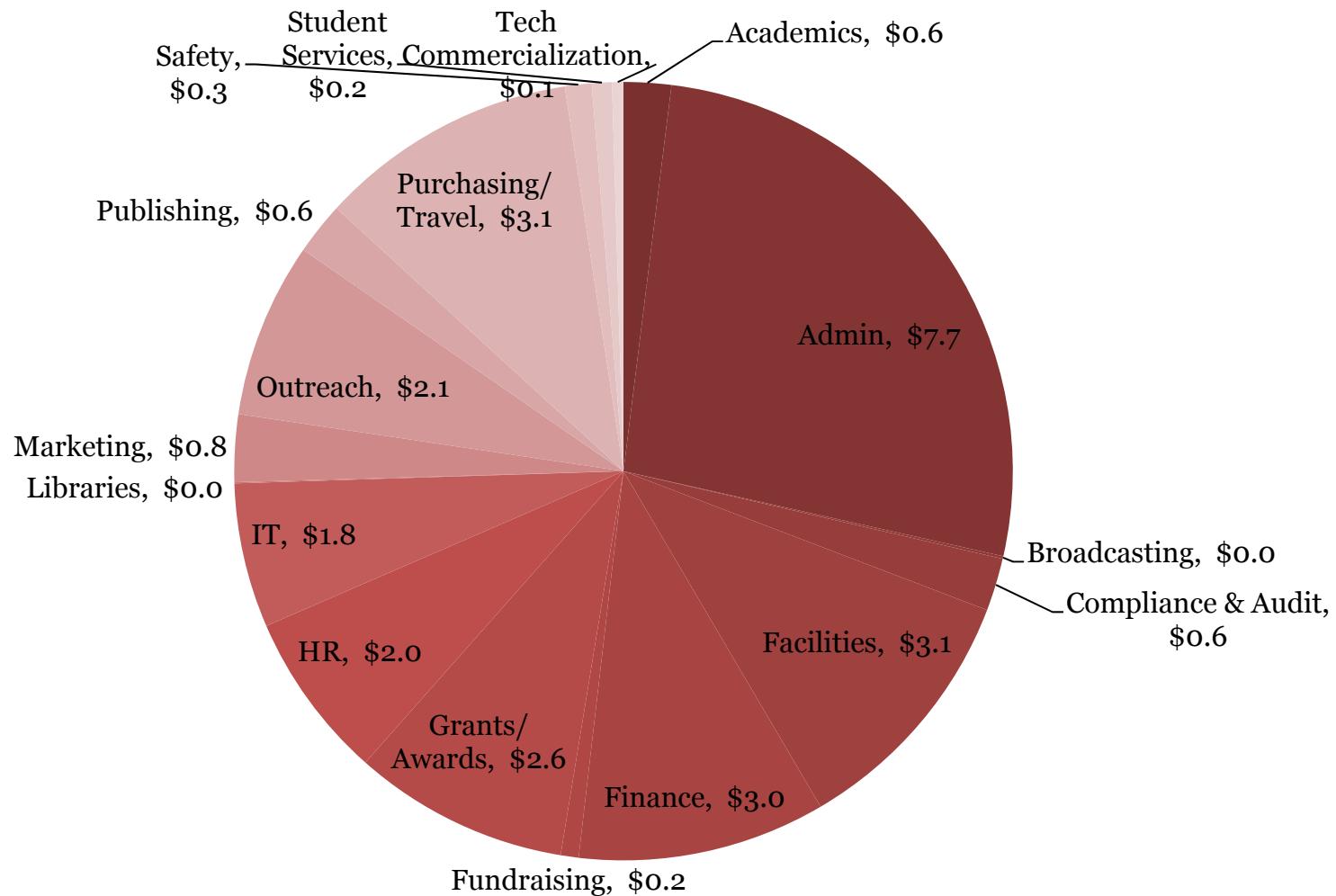


***Appendix E –
Activity Analysis –
Value Distribution by Function –
Supporting Detail by System
Member***

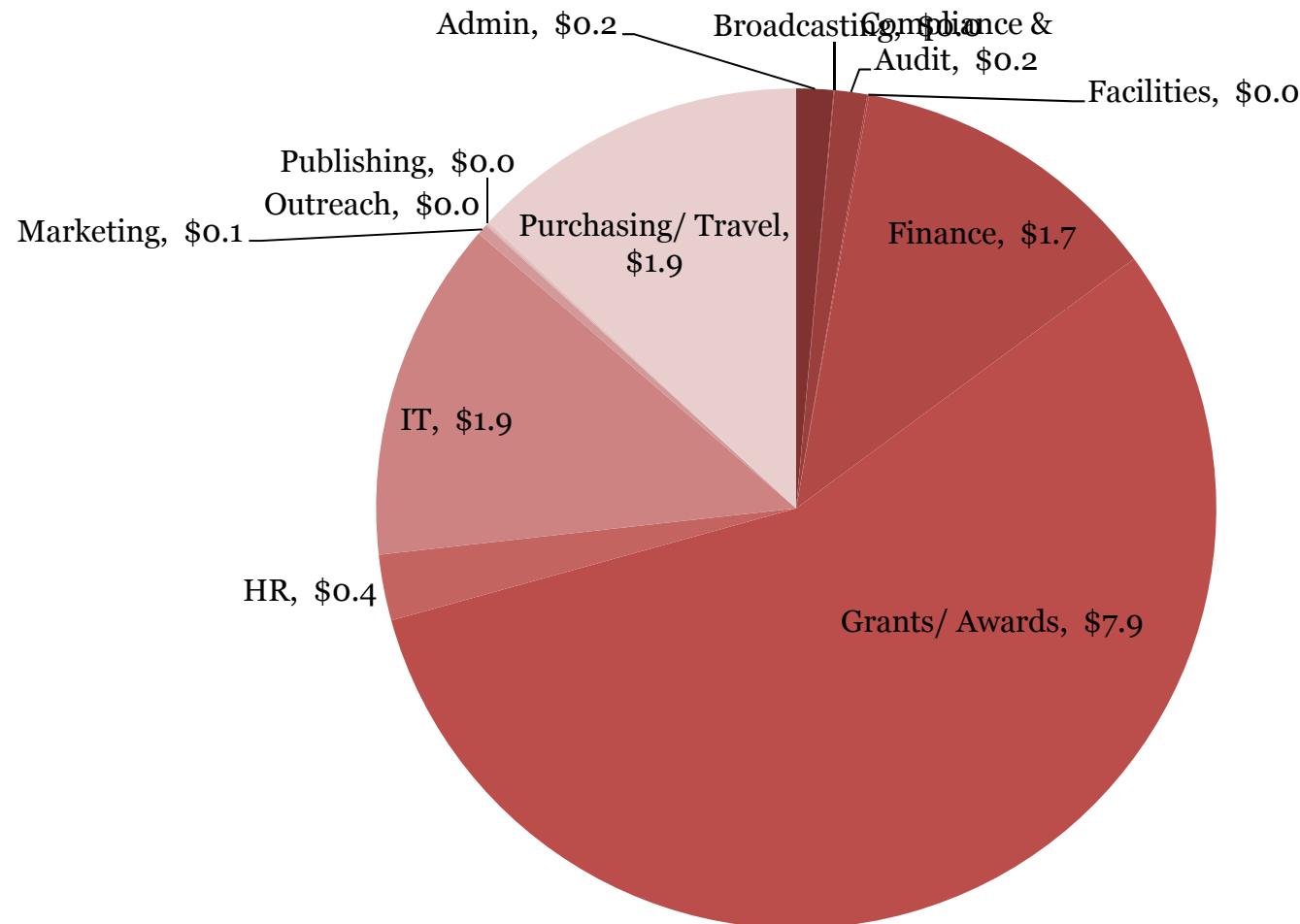
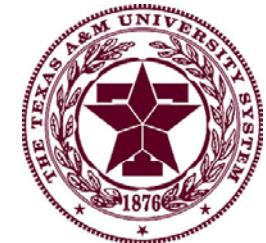
Texas A&M AgriLife Extension Service – Value of Effort Distribution (Comp \$ M)



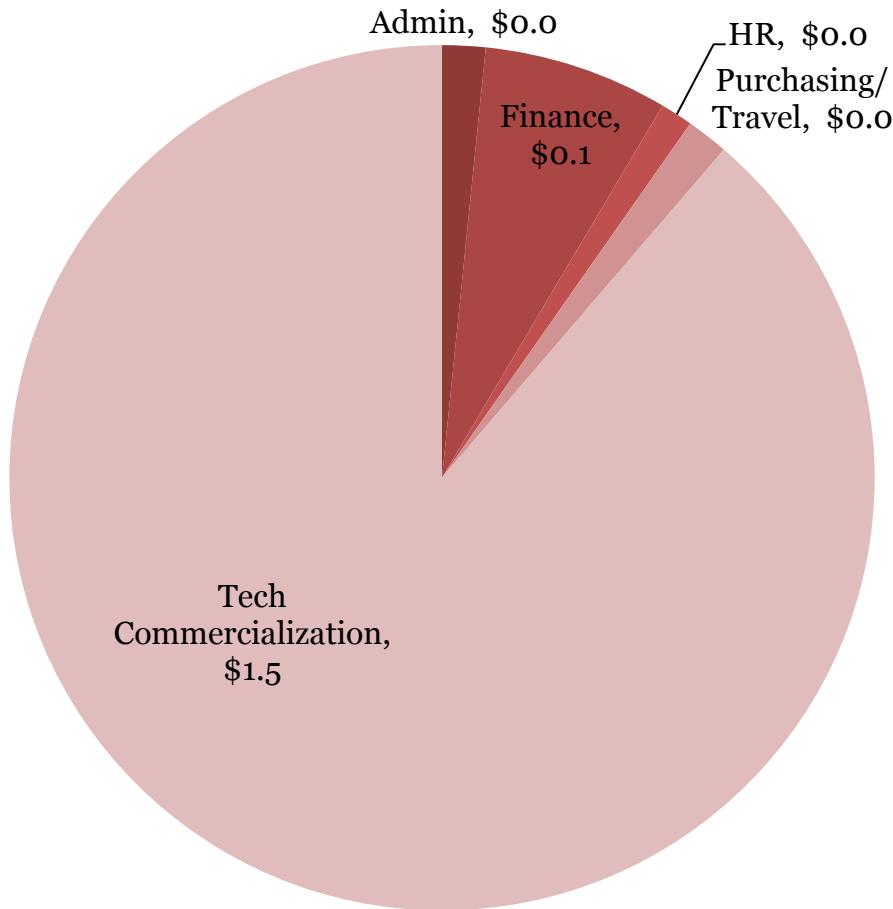
Texas A&M AgriLife Research – Value of Effort Distribution (Comp \$ M)



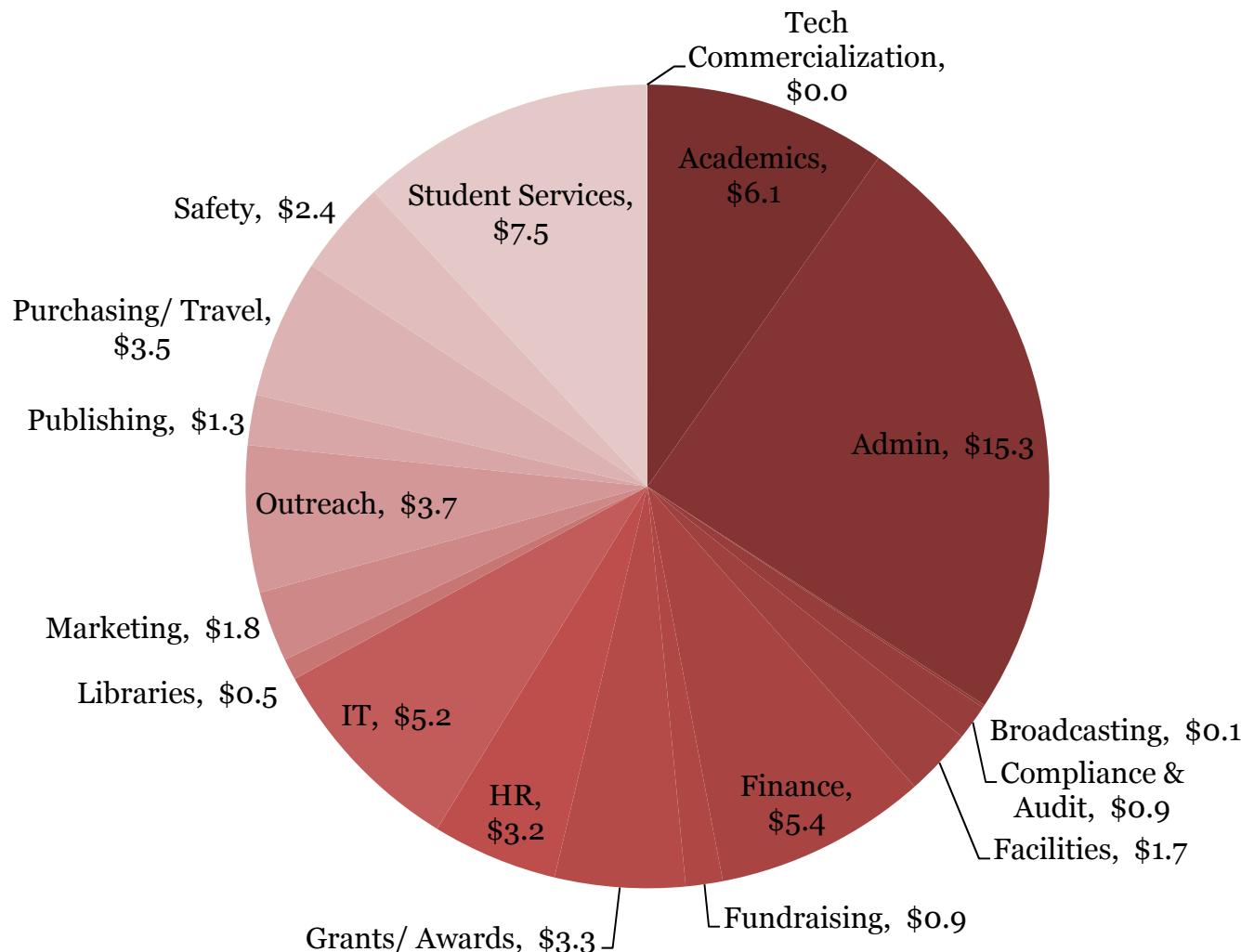
Sponsored Research Services – Value of Effort Distribution (Comp \$ M)



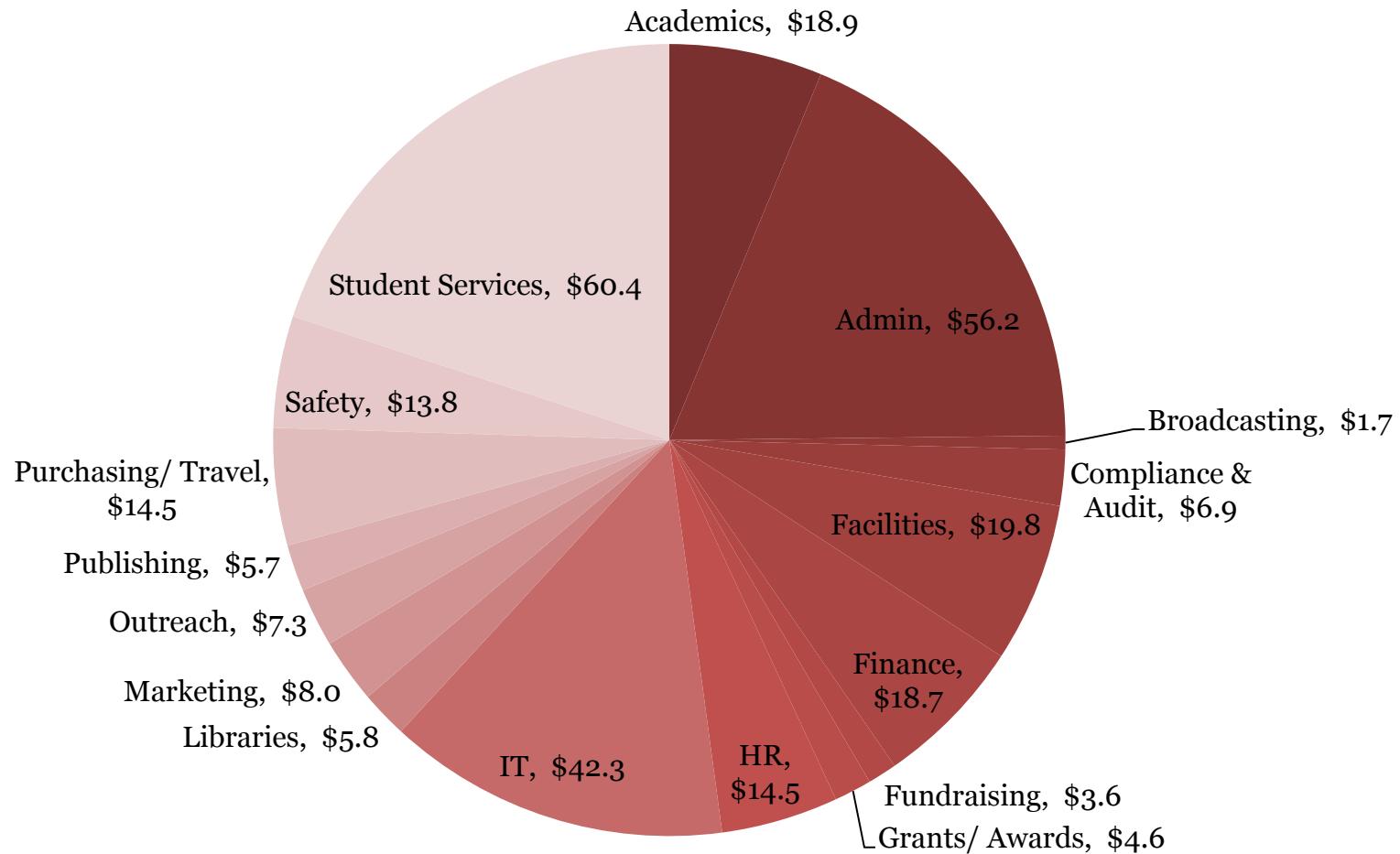
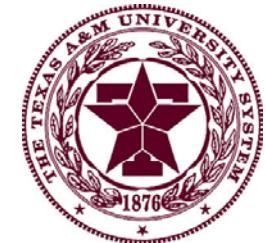
Texas A&M Technology Commercialization Value of Effort Distribution (Comp \$ M)



Texas A&M Health Sciences Center – Value of Effort Distribution (Comp \$ M)

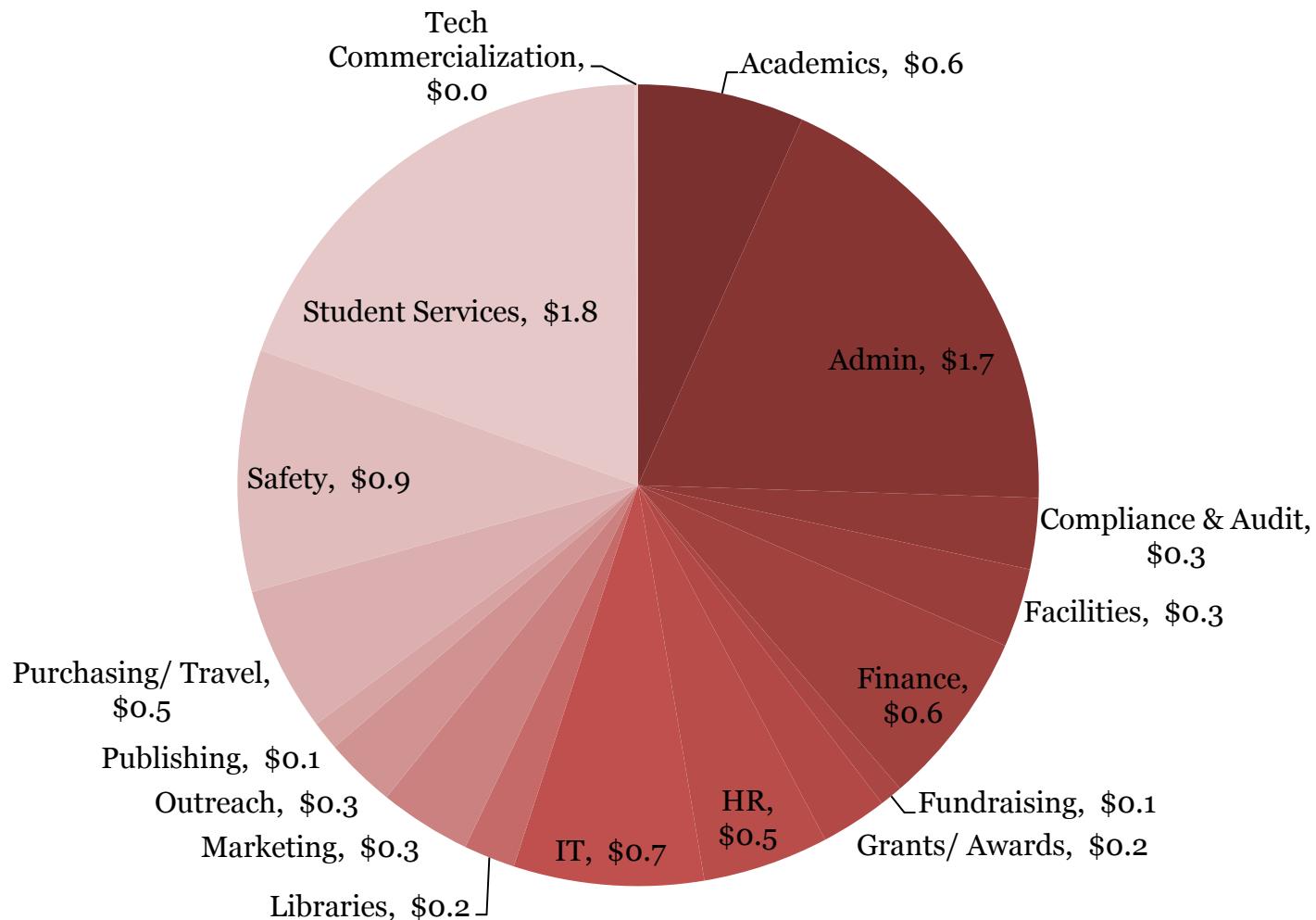


Texas A&M University – Value of Effort Distribution (Comp \$ M)

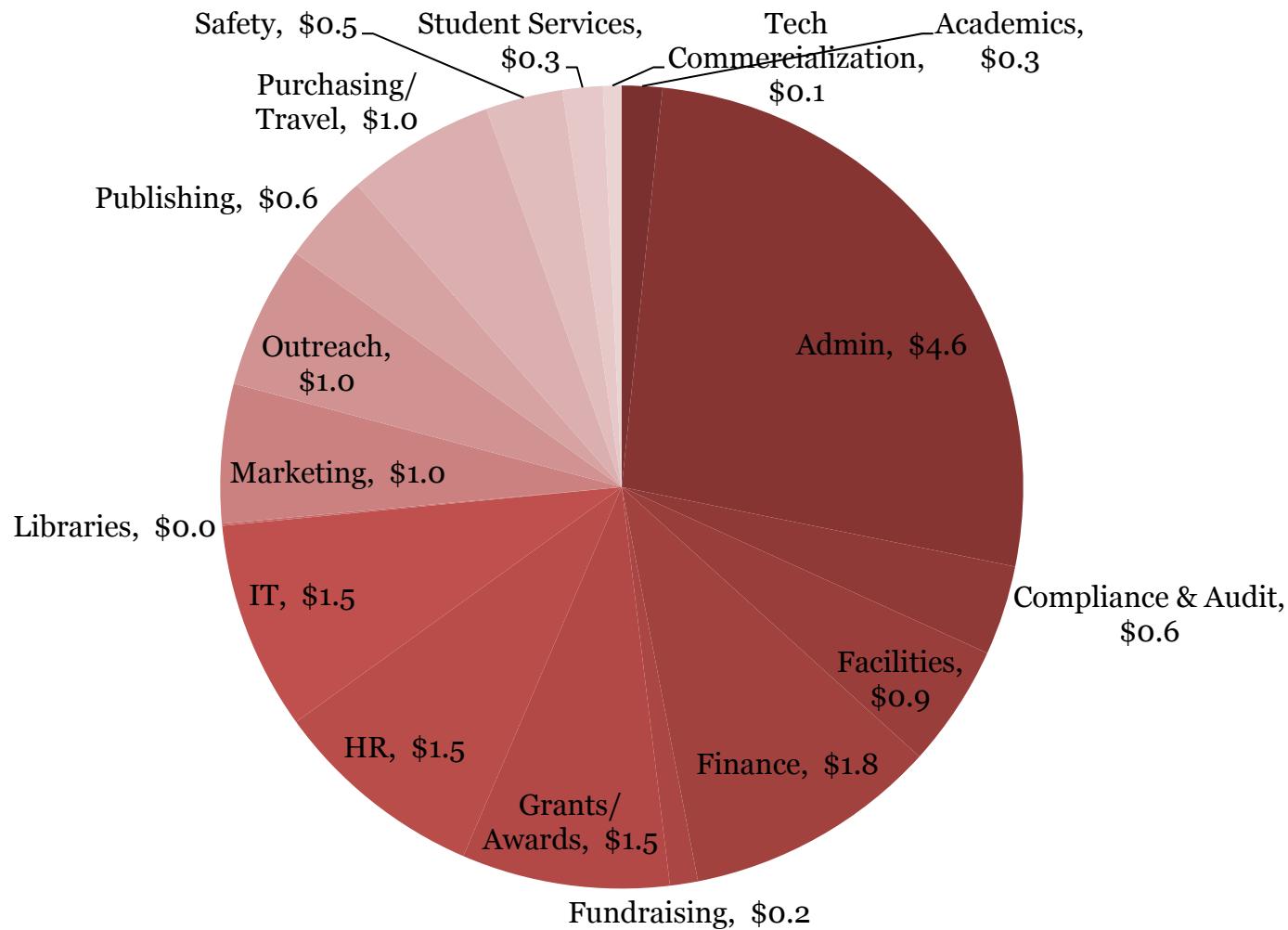


Texas A&M University – Galveston

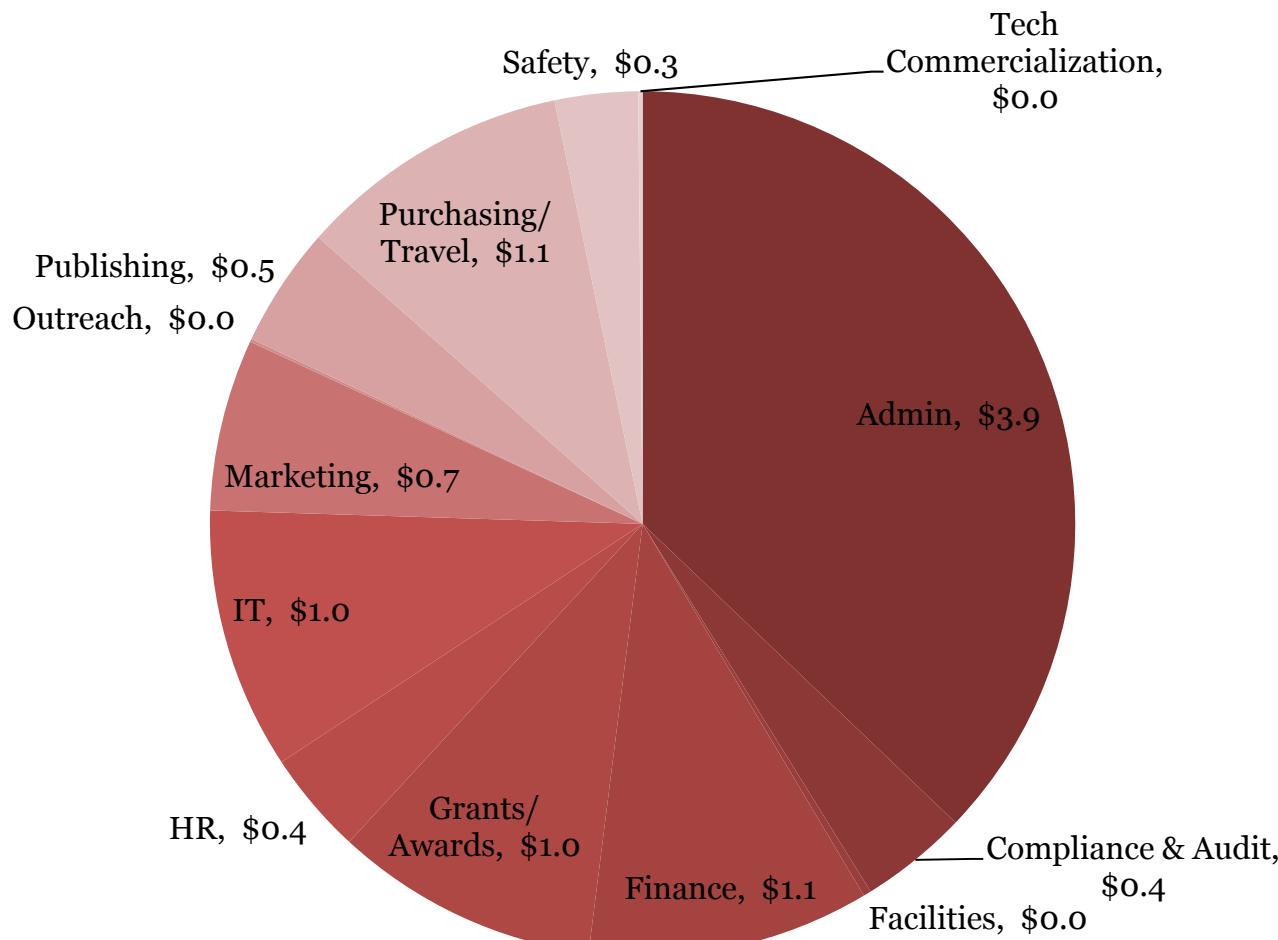
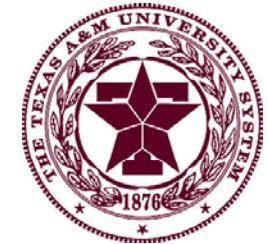
Value of Effort Distribution (Comp \$ M)



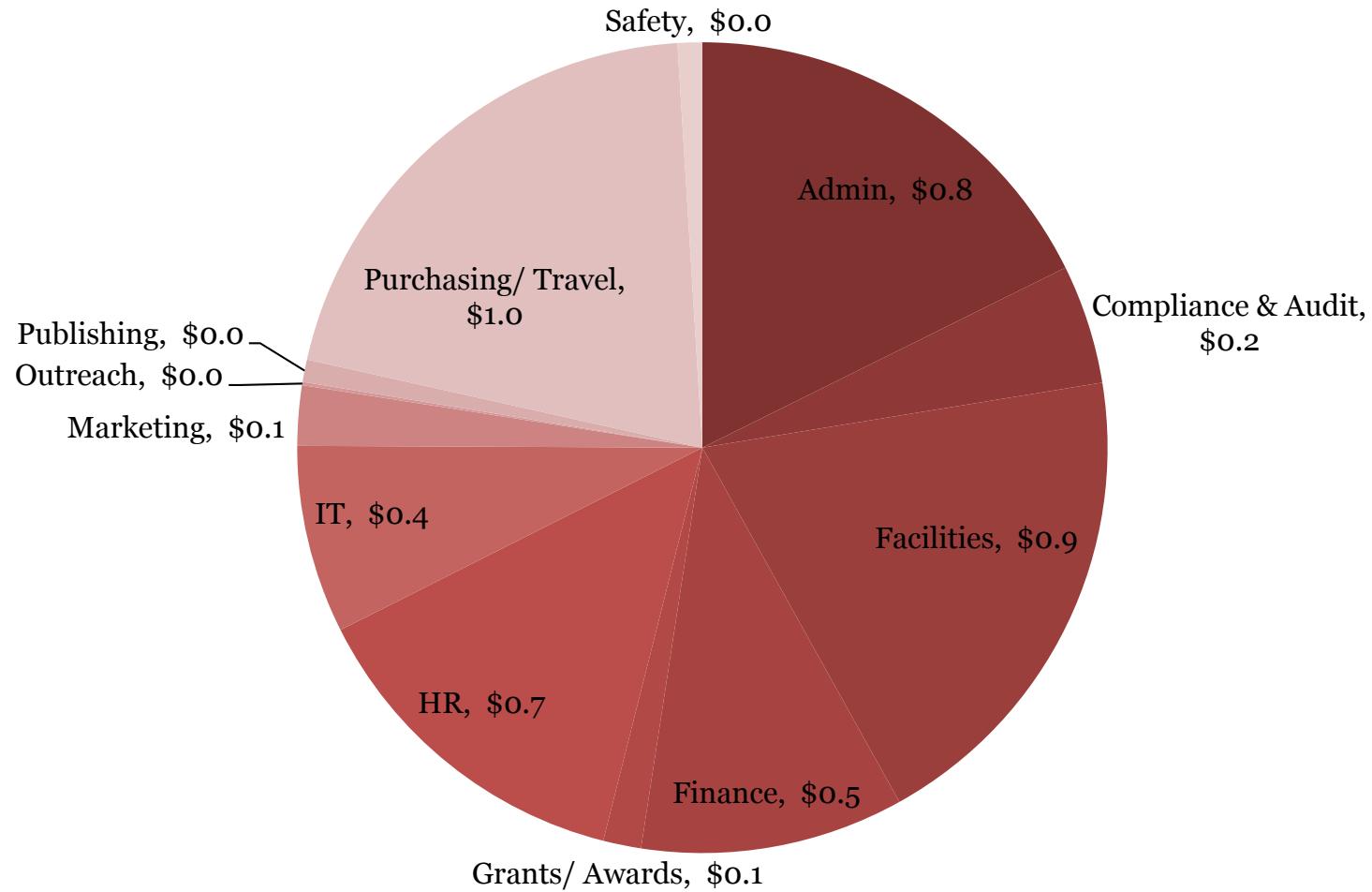
Texas A&M Engineering Experiment Station – Value of Effort Distribution (Comp \$ M)



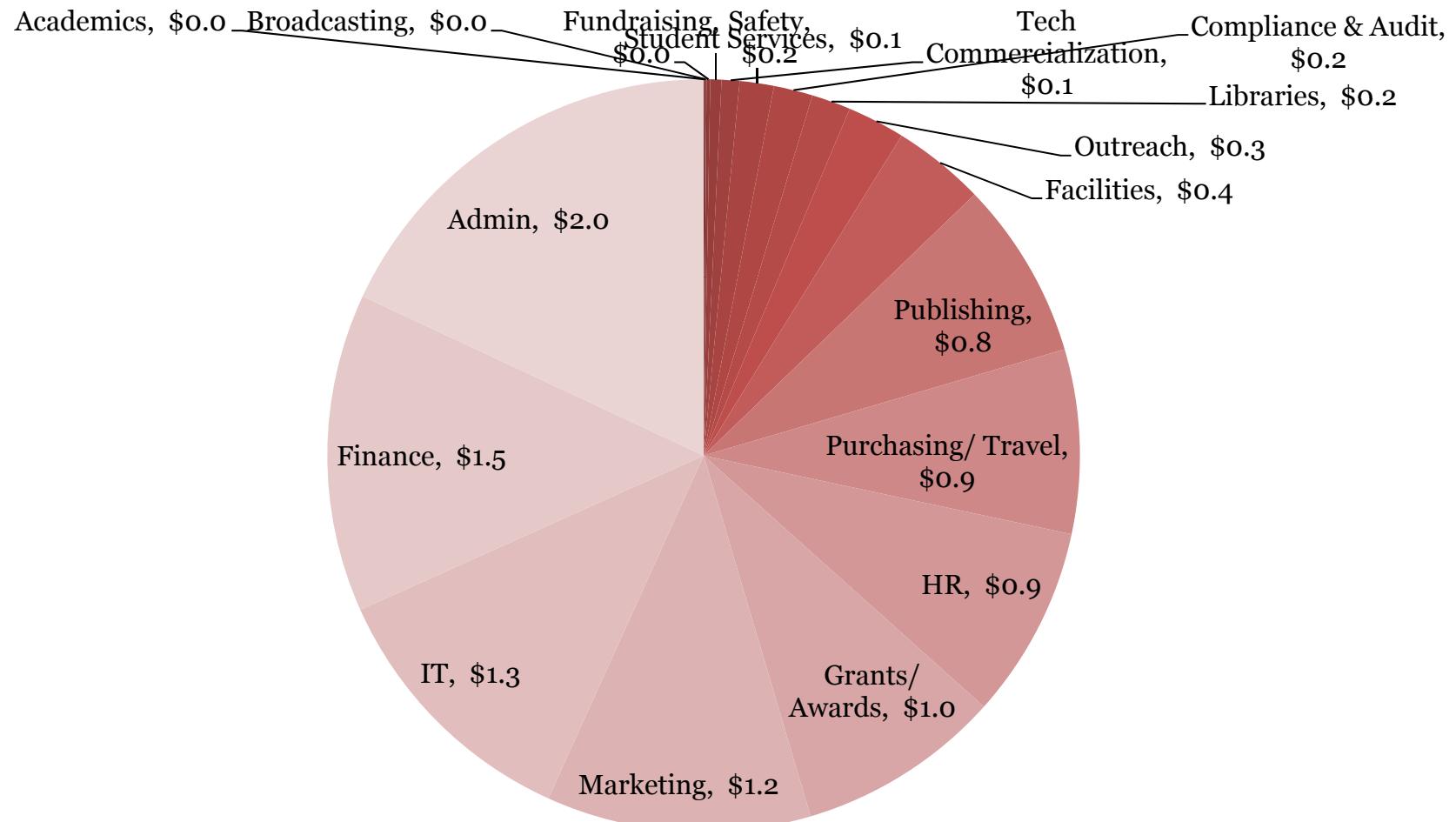
Texas A&M Engineering Extension Service – Value of Effort Distribution (Comp \$ M)



Texas A&M Forest Service – Value of Effort Distribution (Comp \$ M)



Texas A&M Transportation Institute – Value of Effort Distribution (Comp \$ M)



Texas A&M Vet Med Diagnostic Lab – Value of Effort Distribution (Comp \$ M)

