

SHARED SERVICES OPTIMIZATION REPORT

Prepared by

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SHARED SERVICES TEAMS

- × Business Services – B. J. Crain
- × Facilities – Vergel Gay
- × Federal Relations – Cathy Reiley
- × Human Resources – Guy Mortensen
- × Training – Ann Mayer
- × Information Technology – Pierce Cantrell
- × Marketing and Communications – Steve Moore
- × Research Administration – Leo Paterra
- × Risk Management – Kevin McGinnis

Greg Anderson- Co-Chair of Task Force

FISCAL TOTALS

- ✘ The grand total of all the findings and measures taken equate to cost savings of \$16.7 million**

GUIDING PRINCIPLES

- ✘ Increase efficiencies without sacrificing quality
- ✘ All stakeholders must be identified and have an opportunity for input
- ✘ No impact what goes on in the classrooms or research labs
 - + Faculty
 - + Students
 - + Other areas i.e. Admissions, Financial aid, etc.

FINDINGS

- ✘ Increased visibility of existing shared services
 - + Many of the team's individual reports provide examples of existing shared services.
- ✘ Increased communication of best practices

All members of the A&M System are committed to continuously examining opportunities to improve processes that heighten efficiencies and effectiveness of its diversified operations

SPECIFIC FINDINGS FROM TEAMS

- ✘ **Federal Relations - \$298,000 annual savings**
 - + Discontinuing multiple external contracts and utilizing one shared contract for general representation in Washington D.C.
- ✘ **Information Technology - \$243,000 annual savings**
 - + Issuing an RFP for one system-wide long distance service provider
- ✘ **Business services - \$900,000 annual savings**
 - + Standardizing the communication allowance program
- ✘ **Training - \$365,000 annual savings**
 - + Expanding technology usage and course sharing
- ✘ **Risk Management - \$500,000 annual savings**
 - + Establishing an internal insurance vehicle for construction projects

SPECIFIC FINDINGS FROM TEAMS (CONT.)

- ✘ **Facilities –approximately \$190,000 per year at TAMU**
 - + Continue to meet requirements of LEED silver standards but forego the expense of certification
 - + .1% of total project costs
- ✘ **Business Services -approximately \$6.1 million at TAMU**
 - + entering into a system-wide master contract on purchases of items for resale, office equipment, medical supplies, food services and telecommunications –
 - + 5-10% annual savings
- ✘ **Purchase of Computers- Up to \$2.5 million annually**
 - + Shared purchases of desktop computers system-wide
 - + with 100% participation

SPECIFIC FINDINGS FROM TEAMS (CONT.)

- ✘ Marketing/Communications - \$600,000 annual savings**
 - + Reduce communications print publications by moving to paperless publication environment**

- ✘ Restructure Facilities Planning and Construction fees**
 - + \$4.4 million in FY 2010 and \$3.1 million in FY 2011**
(Funds may only be used for capital projects)

FINDINGS WHICH REQUIRE INCLUDING THE REGIONAL UNIVERSITIES FOR FURTHER STUDY

- ✘ Expand video conferencing, web-conferencing and video streaming for more system-wide meetings to reduce travel costs
- ✘ Eliminate individual printers in favor of shared printer/copier/scanners
- ✘ Explore system-wide contracts for printer/copier management

REGIONAL IDEAS (CONT.)

- ✘ Consolidate Human Resource processes
- ✘ Consider expanding shared accounting, procurement, contracting, IT, HR and benefits administration services for small universities
- ✘ Establish best practices exchange through website, meetings, etc.

SHARED SERVICES AS A “CORE VALUE”

- ✘ Finally, the teams suggest adoption of shared services as a “core value” for all of the A&M System.
- ✘ We believe coupling shared services as a core value with system-wide standards for operations will facilitate the creation of more strategic approaches to achieving efficiencies in delivering services.

SUMMARY

× Findings

- + increased visibility of existing shared services
- + increased communication of best practices
- + The grand total of all the findings and measures taken equate to \$16.7 million of cost savings
 - × (\$21.1 million with FP&C recommendation In FY 2010)
- + Cost avoidance of \$5.7 million
- + Revenue enhancement of \$247,000.

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