

**Final Report
of the
Organization Study
of
Selected Administrative
and
Support Functions
for the
UNIVERSITY OF NEBRASKA**

May 1986



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May 21, 1986

Dr. Ronald Roskens, President
University of Nebraska
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3835 Holdrege
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Dear Dr. Roskens:

We are pleased to present the results of our efforts to assist the University of Nebraska with consolidating or reorganizing selected operations to attain better service, efficiencies, cost reductions or cost avoidance. This letter serves as our final report. Attached are appendices consisting of our detailed findings and recommendations and supporting exhibits.

BACKGROUND

The University of Nebraska is one university by charter with three separate campuses. The mission of each campus is unique. Each campus is fairly autonomous and contains both the staff and skills to function in a generally independent fashion. Central support is provided by Central Administration. Like many public institutions, the University's environment -- economic, political, and demographic -- is changing rapidly. Like many public institutions, the University has identified a need to review and realign operations to meet new student needs or to provide traditional programs and services in innovative or more cost efficient and effective ways.

The University has experienced a series of budget reductions and hiring freezes during the past several years. In its past, similar occurrences were caused by short-term economic conditions, and budget levels usually returned to normal levels. However, the University now appears faced with a situation of more serious consequence and longer duration. The Board of Regents, recognizing a need to implement changes in order to preserve the University's academic and fiscal integrity, authorized the administration to obtain professional support to assist University personnel with reviewing certain areas. The Regents were interested in one key question:

- Are there operations which can be consolidated to effect cost reductions, cost avoidance, or greater efficiencies?

Members of Central Administration met with Peat Marwick to discuss issues regarding these questions. It was determined that there appeared to be certain administrative functions which could be studied for possible cost reduction, cost avoidance or efficiencies. It was anticipated that change in the operation of these functions was possible which could result in reduced cost.

Because there was a need to initiate changes quickly, it was determined that a phased approach would be used rather than a study of the total organization. We included these functional areas in the initial study.

- . Institutional Research and Planning
- . University Relations
- . Purchasing
- . Risk Management
- . Student Affairs
- . Human Resources
- . Printing
- . Physical Plant

During the course of the project, we also made observations regarding other areas and issues affecting the University as a whole.

OBJECTIVE, APPROACH AND STUDY LIMITATIONS

The objective of the study was to determine if selected operations could be consolidated or reorganized to provide better services, reduce cost, or avoid costs. The purpose of the study was to determine if improvements were possible, recognizing that more extensive analysis will be required to plan how specific change should occur and be implemented.

We followed a very interactive and iterative approach to the project, which included these work steps.

- . Meetings with the President, Provost, Chancellors and Central Administrative staff to discuss and review pertinent background material.
- . On-site reviews at each campus with the respective Chancellors, Vice Chancellors and functional managers.
- . Analysis of material gathered and assessment of the results of the on-site reviews at each campus.
- . Preparation of preliminary recommendations and review with the President, Provost, Chancellors and Vice Chancellors.

- . Working sessions with Central Administrative Staff and campus functional managers.
- . Preparation of final recommendations and a final review with the President, Provost, Chancellors, and campus business officers.
- . Presentation of our findings and recommendations to the Board of Regents.

The scope of our efforts was limited by the following considerations: (a) our review was performed at a diagnostic level, that is, operating procedures and day-to-day performance of the eight functions were not reviewed, (b) end users of the services provided by the functions were not canvassed, (c) improvements in some areas could not be quantified, in part due to the absence of supportive information; and (d) data for inter-campus and intra-University comparative analysis either was difficult to obtain or was nonexistent.

In conducting the study, we developed organizational review criteria which guided our assessment of data, development of recommendations, and identification of opportunities for better service, reduced costs, or cost avoidance. There were three criteria.

- . Institutional mission of each campus
- . Service to the student
- . Service in terms of timeliness, quality, and access

An overriding criterion was to establish accountability for proposed changes in organization and operating practices by fixing responsibility for achieving results.

FINDINGS AND RECOMMENDATIONS

In this section, we highlight our major findings and recommendations under six headings.

- . University Issues and Concerns
- . Strategic Planning
- . Information Systems
- . Role of Central Administration
- . Internal Audit Function
- . Functional Areas Reviewed

Attached as appendices are exhibits and schedules supporting our recommendations.

University Issues and Concerns

During the course of the project, we developed the following general observations:

- . The campuses want strong central direction and policy-making, but they want to retain day-to-day operational responsibility.
- . The campuses are generally self-sufficient, hence, cooperation among the campuses sometimes may be less than optimum.
- . Each campus has developed its own climate of loyalty and support.
- . "Friendly" competition is a strength of the University, as in any organization; however, the ability to evaluate the results of competition is limited.
- . Administrative support (staffing) at Central Administration and the Campuses is relatively lean; many individuals have multiple functional responsibilities, and some key administrators also have teaching responsibility.
- . The Board of Regents is concerned about the quality of services provided to support the academic mission of the University.
- . There is an overriding concern that improvements or savings may result in the loss of funds to the campuses through reallocations or reductions in state appropriations.
- . There is also concern that most savings or cost avoidance may relate to departmental general funds, revolving funds, research grants or contracts and may not be readily identifiable to the specific function or available for redistribution.
- . There is concern that some changes may reduce service to the end users.

Most significantly, we found the University management team to be generally very strong and very capable of implementing desired change.

Strategic Planning

Critical issues facing the University are the lack of a University-wide and campus-integrated strategic planning process and the absence of a management reporting system that facilitates accountability through performance monitoring.

We recommend the University develop a strategic planning process integrating each campus and directing resources where required to maintain and enhance the University's mission, goals, and objectives. The strategic planning process should establish a framework for and incorporate planning for (a) academic programs, (b) administrative support services; (c) data processing and telecommunications, (d) operating and capital finances, (e) facilities, (f) University relations, and (g) student marketing. To be effective, the strategic planning process also must integrate the annual budgeting process University-wide.

Critical to the successful implementation of a strategic planning process is the development of a senior management reporting package providing key financial and programmatic information. Senior management reports should be of two general types: (a) standard reports, which provide basic financial and programmatic statistics concerning the University's operations on a regular basis; and (b) strategic management reports, which are regularly scheduled reports providing high-level, aggregated statistics related to key criteria. Key criteria are defined during the strategic planning process and provide a means to monitor progress toward obtaining specific goals and objectives. To effectively develop and implement a senior management reporting package, it will be necessary to enhance the University's management information systems and support.

Information Systems

Information systems require high priority and sufficient resources. The University has determined that one University-wide financial accounting system is appropriate, however, student information systems are being developed independently on each campus. Financial constraints have limited the University's options in developing a University student information system. An Administrative Computing Five-Year Plan has been developed which, if properly funded and implemented, should meet campus operational needs and University information needs. Since information systems were not specifically within the scope of our review, we are unable to comment whether independent systems development and the Administrative Computing Plan represent the most effective strategy for resolving the University's operational and information needs. We recommend the University establish the development and implementation of an integrated management information system as a high priority, allocate adequate resources, and ensure achievement of the Administrative Systems Plan within a specified timetable. We further recommend expansion of the scope of the Systems Plan to include the University's communication technology needs.

The Role of Central Administration

After fifteen years, there still exists a basic lack of definition as to whether the University of Nebraska is one University, a university system, or three separate universities. Within this ambiguity, the role and support functions of Central Administration have not been clarified.

Now more than ever, there is a need to forge the University of Nebraska into one force which can play a greater role in the well-being and future direction of the State of Nebraska. Successful accomplishment of this critical effort requires a focal point exerting greater influence over the total resources of the University. This focal point is Central Administration. Central Administration must exert greater influence through focused planning and policy development, focused investment of University resources in areas of excellence and opportunity, and optimization of program delivery and cost. We recommend the role of Central Administration be defined clearly as a requirement of the strategic planning process and Central Administration be provided with sufficient resources to carry out its responsibilities appropriately.

In many corporate organizations with headquarters and operating divisions similar to the University of Nebraska's structure, line managers often have dual reporting relationships. Dual reporting relationships are required to ensure that corporate policy and priorities are adhered to and that operating needs and priorities are met at the same time. Centralized or decentralized management, institutional autonomy, and the university model are issues that are addressed by strategic planning; however, clearly there are functions or operations that may be more cost efficient or effective if centrally influenced or controlled, regardless of the organization's overall structure. For these functions or operations, central responsibility must be augmented with appropriate authority to ensure the responsibility can be adequately met. In such situations, dual reporting responsibility may be appropriate.

Dual reporting may be achieved in several ways. For instance, central authority may establish policy and measurement criteria to evaluate performance. Line management executes policy and is responsible to the line hierarchy which is ultimately responsible to the President. The line manager is responsible for adhering to central policy and to the priorities of the immediate superior. The line hierarchy evaluates the performance of individual line managers, but the central authority participates in the evaluation. Or the reporting relationship itself is changed. In either case, dual reporting is successful only when roles and responsibilities are clearly defined. We recommend, therefore, that where the University finds it appropriate to exert central control over specific operations or functions and to create dual reporting relationships, that roles, responsibilities, and authority be established clearly in policy statements and job descriptions.

Operational Analysis and Internal Audit

We wish to comment on an area not included in the original scope of our study. As the role of Central Administration is clarified further to focus on policy analysis, development, and direction, the importance of operational analyses and internal audit will become paramount in the University's ability to ensure policy compliance and thus provide another means of ensuring accountability. The University should consider incorporating this function at Central Administration. Ideally, the internal audit/operational analysis function should serve to enable Central Administration to support policy analyses and performance. The internal auditor should go beyond the traditional role of reviewing financial procedure compliance by performing operational analyses and suggesting better ways of managing operations; in effect, the internal auditor should serve as an "internal consultant".

Functional Areas Reviewed

As previously identified, we reviewed eight functional areas during this study.

- . Institutional Research and Planning
- . University Relations

- . Purchasing
- . Risk Management
- . Student Affairs
- . Human Resources
- . Printing
- . Physical Plant

The facing page summarizes the potential cost savings and avoidance opportunities in each area and any investments we feel the University should make. Detailed findings and recommendations appear in the appendices to this report. A narrative summary of each area follows.

1. Institutional Research and Planning

As is the case in many universities, Institutional Research's emphasis is on data gathering and statistical reporting. However, an emerging trend is to merge the function of institutional research into a larger and more comprehensive unit supporting planning and policy analysis. Institutional research and planning support is required at Central and at all campuses; however, there are not enough resources throughout the University.

We recommend establishing a central planning, budgeting, and analysis function which incorporates the function of institutional research. We also recommend a University-wide planning process integrating all campuses and Central Administration and providing a framework for developing integrated plans for academic and administrative units, including data processing, student marketing, facilities, and university relations.

2. University Relations

Although there are nearly forty employees working in University Relations system-wide, no one campus has sufficient staff to adequately perform the University Relations function. There is no system-wide plan incorporating all aspects of University Relations, and Central Administration has neither the resources nor the authority to plan and coordinate this function.

We recommend the Board clearly fix responsibility for University Relations with Central Administration. Central Administration should develop a University-wide plan and assign resources as necessary to execute the plan. Only after the areas of government, alumni, media, community, corporate, and legislative liaison and relations are integrated and properly coordinated can the University gain sufficient support for its objectives and keep its constituencies informed of its overall plans and directions.

3. Purchasing

Purchasing is an area the University has addressed through a task force established in 1975. Although the task force has identified cost savings in the past - \$218,000 during the last two years - we believe additional savings can accrue from an annual purchasing volume of approximately \$122,000,000.

We recommend assigning oversight responsibility for Purchasing to the Vice President of Administration at Central Administration, who will work with the campuses to develop the appropriate organization structure, control mechanisms, and purchasing policies and procedures. The University should develop a standard University commodity profile, a quick order/quick pay system for all purchase orders of \$200 or less, a standard travel purchase program across all campuses, and a stockless purchasing program for appropriate commodities and items. Central Administration oversight of purchasing will also allow for rapid transfer of ideas and improvements across all campuses.

4. Risk Management

The University has experienced notable success in developing innovative insurance programs, which have been commended by NACUBO. However, there is no full-time University risk manager who can focus full attention on risk management, assessment, and avoidance. Given the chaotic nature of the insurance industry, it would seem prudent to devote more resources to this very important and potentially vulnerable area. Therefore, we recommend the University appoint a full-time Director of Risk Management to monitor the insurance industry, develop a risk assessment and avoidance program, develop University-wide policies and procedures, and provide technical assistance to the individual campuses.

5. Student Affairs

Our review of student affairs was more limited than in the other areas, given the scope of functions and activities found under student affairs and the time constraints of this project. We did find, as expected, independent development of student information systems at each campus and autonomous control of auxiliary operations at each campus. While we believe control of student services should remain with each campus, we do believe the University as a whole can benefit from central monitoring and review of auxiliary operations and results. We also recommend exploring the potential for developing a University-wide student information system using available "off-the-shelf" software and compatible hardware on all campuses. We also believe the University will benefit from an integrated student marketing and recruiting plan that combines and enhances those already existing at the campus level.

6. Human Resources

Human resources management is an area where there is close coordination between Central Administration and the campuses. In many regards, the University is on the leading edge in human resources management technology and practices. However, the University still lacks a B-Line classification and compensation system, and it has not provided the resources or sanction to adequately perform the functions of employee relations, training and development, and position management.

We recommend the University formalize the already close relationship between the campuses and Central Administration, with the campuses responsible for day-to-day operational matters and Central responsible for policy, procedures, and strategic human resources planning. The University should establish a core human resources organizational structure at each campus which includes classification/compensation, benefits, employment administration, employee relations, training and development, and position management as a unit of classification/compensation. The University should also accelerate the establishment of a B-Line classification/compensation system.

7. Printing

There are three full-service printing operations University-wide, at UNL, UNMC, and IANR. In addition, there are numerous quick copy centers and other high-volume copiers across all campuses. There are also some 115 full-time employees dedicated to printing and quick copy operations. While UNO contracts out the vast majority of its work, UNL and UNMC process most of their work in-house. Various State agencies also use UNL's and UNMC's printing capabilities.

We recommend reorganizing printing into two groups, one for each city. Each city operation will have full-scale printing capability in a central location and quick copy capability located as required by the market and user demand. The Council of Business Officers should define the organization structure and policies and procedures to be followed. The Council should also conduct a detailed study concerning volume and type of work, available and used capacity, resource requirement, and patterns of work processed.

8. Physical Plant

Physical plant and grounds operations are all well run, and coordination between Central Administration and the campuses is strong. In-house professional services - architecture, engineering, construction management, planning, designing, and inspecting - are generally lean University-wide; however, these professionals function primarily as facilitators and liaisons between outside contractors and the campus communities. Also, the organization structures are not completely uniform across all campuses.

As in the case of human resources management, we recommend formalizing the already close relationship between Central Administration and the campuses. We also suggest having the UNL Grounds Department and the UNL Physical Plant Department report to the same executive. In addition, to further enhance coordination and the transfer of technology and improvements across all campuses, we recommend a uniform reporting system incorporating campus reporting of personnel and skill levels and utilization, major projects planned and in progress, personnel and skill requirements, contracts planned and in progress, and work load, efficiency, and effectiveness measures.

NEXT STEPS

The University should continue its self-review by addressing the recommendations contained in this report as well as those presented in the appendix. The University should also address these other functions.

- . Financial Accounting Systems and Procedures
- . Information Systems
- . University Budgeting
- . Accounts Payable and Invoice Processing
- . Cash Management Practices
- . Data Processing Administration
- . Administrative Staffing and Work Distribution
- . Role and Resource Requirements of Central Administration

The effectiveness of the analysis of these and other functions or operations will be enhanced if performed in the context of a strategic planning process.

* * * * *

In closing, we would like to reiterate what we see as the primary need of the University. The University's major and primary need is for more focused and centralized direction to transfer quickly administrative improvements between campuses, to create a greater degree of comparability and understanding, to allow stewardship to be exercised at Central, to utilize the buying power of the University, and to maximize the use of the excellent staff and skills dispersed across the campuses and Central Administration.

We appreciate the opportunity to work with the University of Nebraska. We are impressed by the cooperation, candor and participation exhibited by your management and professional team during a very emotional process. This was a truly stimulating and enjoyable experience intellectually and professionally. It has been a pleasure for Peat Marwick to serve the University of Nebraska, and we stand ready to provide further assistance in the future.

Very truly yours,

Peat, Marwick Mitchell & Co.

INSTITUTIONAL RESEARCH AND PLANNING

FINDINGS

- The major emphasis is on data gathering and external or reactive reporting.
- Institutional research is not conducting or supporting strategic planning to the extent needed.
- University-wide planning is not occurring.
- Incompatible information systems hamper University-wide planning.
- The budget ceiling is the major measure of accountability on each campus. Programmatic objectives not developed through planning.
- Planning support is required at both Central Administration and the campus levels.
- Current resources dedicated to institutional research University-wide include seven professional and three clerical personnel.

RECOMMENDATIONS

- Strengthen the planning and analysis function at both the University-wide and campus levels.
- Establish a central planning and budgeting function of which institutional research is a part (Exhibit A).
- Establish a University-wide planning process which integrates each campus and directs resources where required to maintain and enhance the University. (Exhibits B and C).
- o The Strategic Planning process should incorporate planning for:
 - Academic Programs
 - Administrative Services
 - Data Processing
 - Financial (Operating and Capital)
 - Facilities
 - University Relations
 - Student Marketing
 - o Responsibility for completion of the plan should reside with the President, using whatever campus and Central resources are required.

- o The President and the Chancellors should form a planning team supported by resources drawn from Central Administration and the campuses for the duration of the effort.
- o When the plan is completed, the President should monitor progress towards obtaining the planned results.

Develop management reports for the Board of Regents, senior management and the Office of the President.

Enhance University management information systems.

COST SAVINGS

There are no immediate cost savings identifiable, but effective planning can achieve long-term cost savings or cost avoidance through better resource allocation decisions.

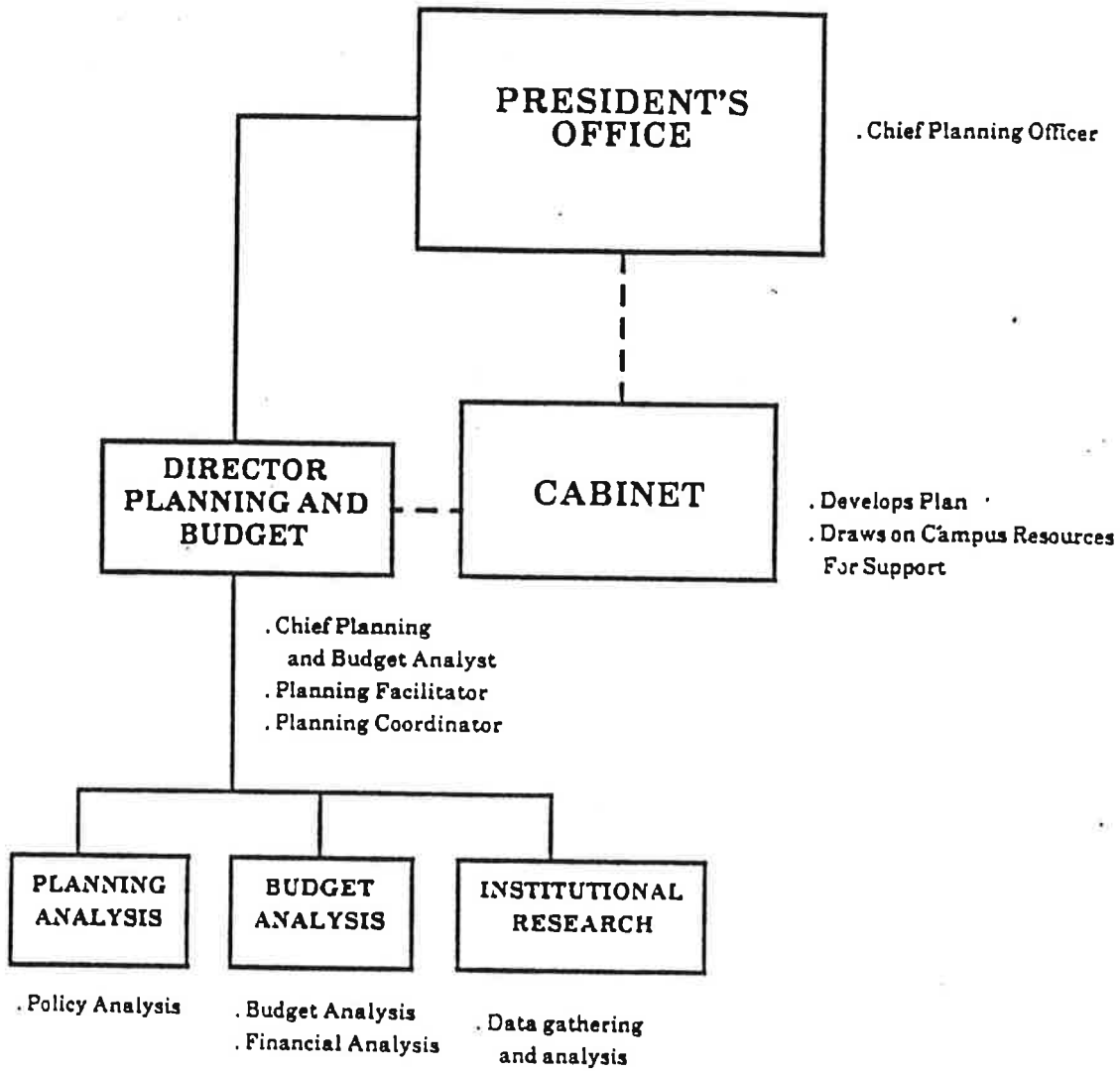
INVESTMENT

Additional resources or reallocated resources are required to establish and strengthen a planning staff at Central and at the campuses.

At a minimum, four or five additional staff members are required at Central Administration. Campus needs have not been identified.

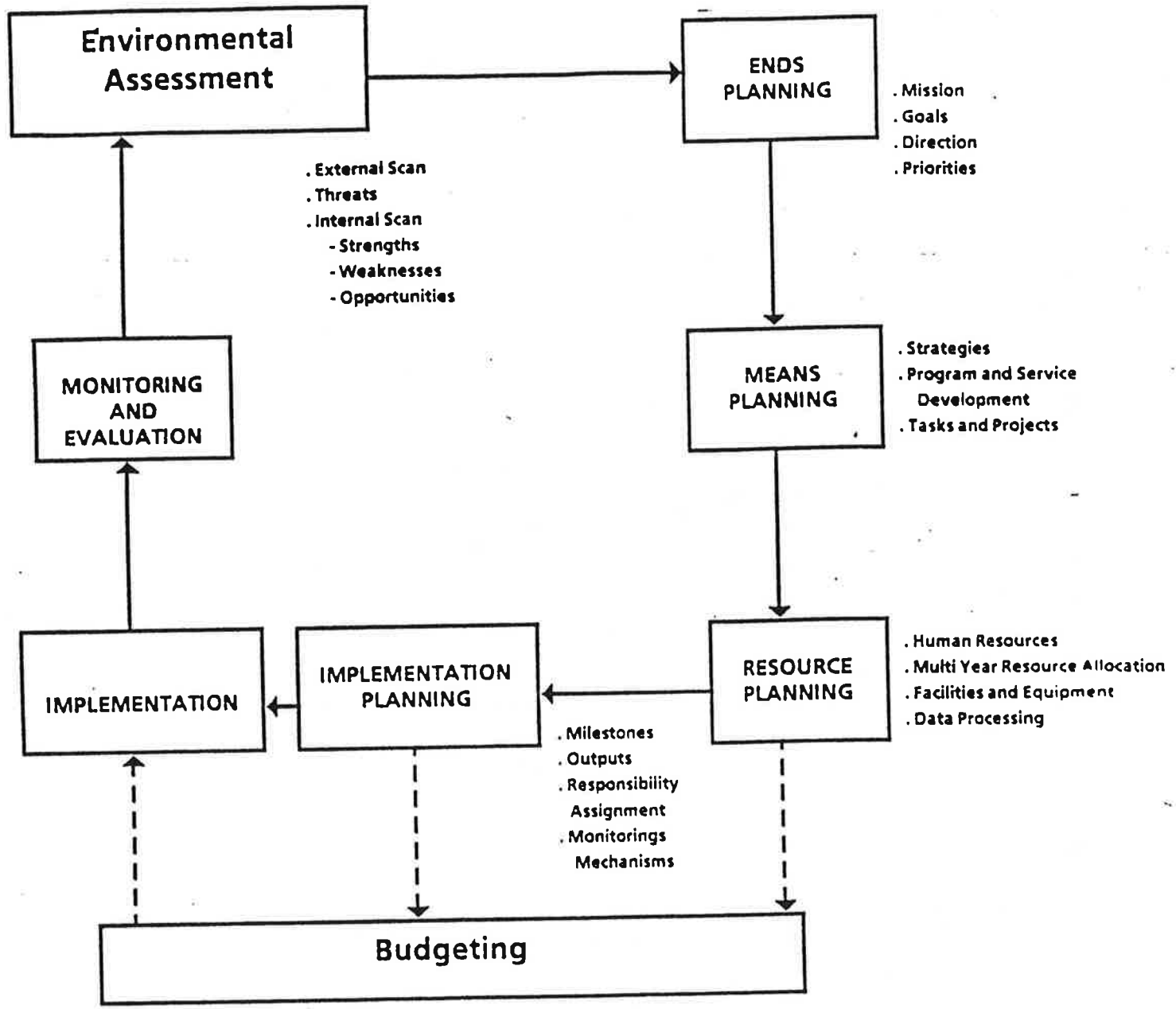
UNIVERSITY OF NEBRASKA STRATEGIC PLANNING MODEL

Planning and Analysis Function

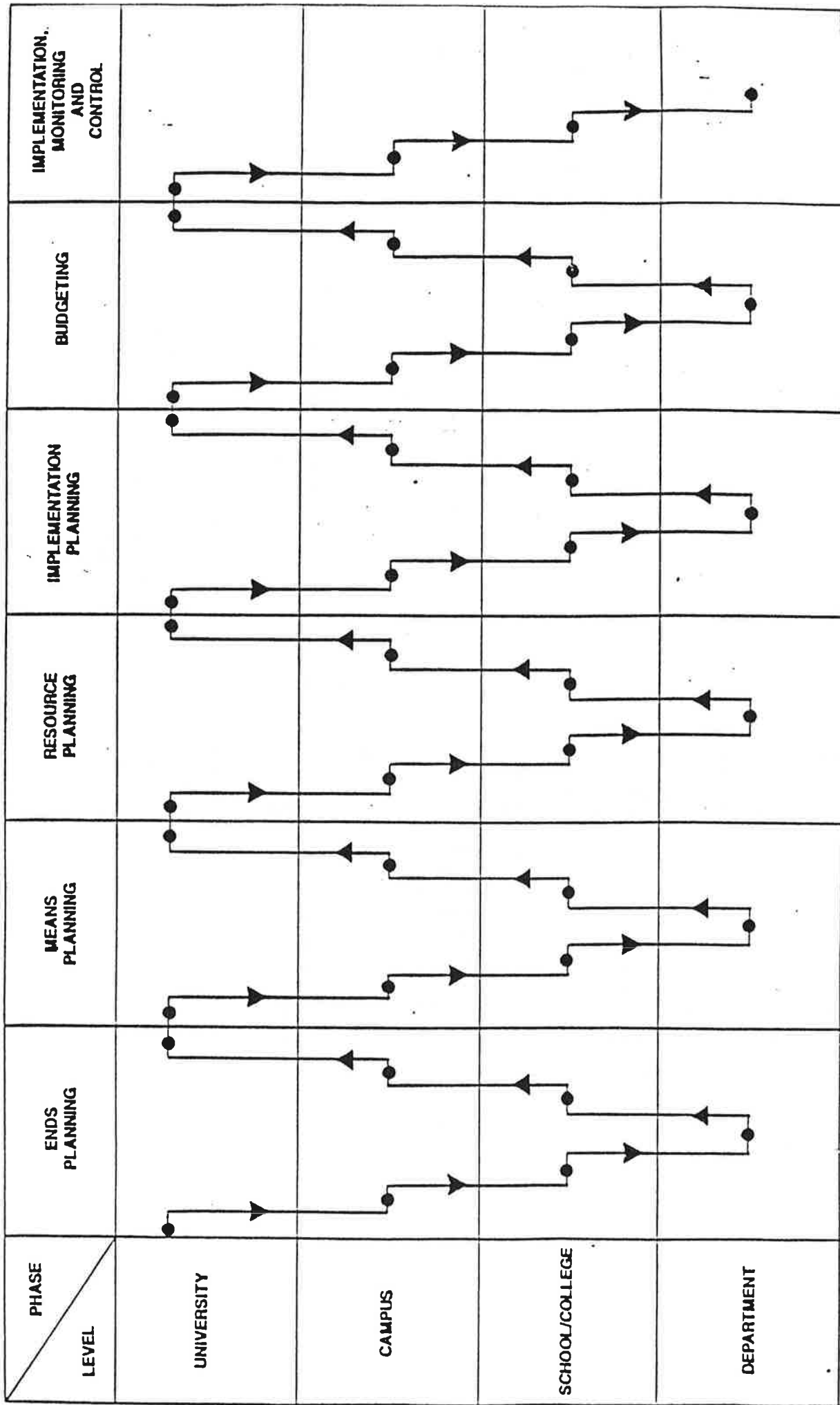


UNIVERSITY OF NEBRASKA STRATEGIC PLANNING MODEL

Planning Process



STRATEGIC PLANNING MODEL



UNIVERSITY RELATIONS

FINDINGS

No one campus has sufficient staff to adequately perform the University relations function.

There is no University-wide University relations plan integrating government, alumni, media, community, corporate, and legislative liaison and relations.

Central Administration does not have the resources to plan and coordinate the University relations function.

Coordination of University relations activities is weak University-wide.

RECOMMENDATIONS

Clearly fix responsibility for University relations with Central Administration. The intent of this recommendation is to develop and implement a focused and coordinated University-wide program using existing, decentralized resources.

Provide Central Administration with the authority to prepare a University-wide University relations plan which incorporates both University and campus priorities, and to assign University-wide resources to address the plan.

University relations should include the current functions of public and government relations.

ACTION ITEMS

Issue a policy statement which directs combining of public relations and government relations into one Department of University Relations.

Issue a policy statement which will vest authority in the Central Administration Department of University Relations for developing a University-wide University Relations Plan.

Develop a procedure which will allow the Central Director of University Relations to allocate campus University Relations staff to specific areas, programs etc., including assignment to Central for time periods as needed.

Define major external and internal University-wide and campus-specific issues which require attention. These issues will become the annual themes and priorities around which a University Relations plan will be developed.

Prepare a University Relations plan, with measurable activities, which defines the objectives, activities, required resources, and responsibilities for carrying out the plan.

Prepare a staffing plan which will allow appropriate allocation of resources, if needed, throughout the system to provide coverage and begin development of specialization in key staff.

Centrally coordinate all governmental and legislative relations activities.

PURCHASING

FINDINGS

Users of purchasing at the campuses require a high level of service and attention.

A purchasing task force was established by Executive Memo #5 in 1975.

The task force has produced savings which have been reported to the Regents annually. Reported savings which could be documented were \$218,000 over the past two years.

Gross annual purchases are approximately \$122,000,000 in total.

Central Administration does not have the ability to fully monitor the purchasing function.

A centralized commodity profile or University-wide profile is not readily available to determine purchasing effectiveness or opportunities.

The transfer of technology and ideas between campuses is slow, ad hoc and not uniform.

The Medical Center has instituted a stockless purchasing program with estimated cost savings or avoidance in excess of \$500,000 in the medical/surgical areas alone.

The task force has identified a quick order/quick payment system as an objective to be completed in 1986.

All campuses are strongly opposed to centralized management of the purchasing function. They believe the existing task force and policy guidance from Central Administration are adequate and require only formalization of the roles of the task force and the Council of Business Officers.

Improvements under the present organization structure are implemented slowly.

RECOMMENDATIONS

Assign oversight responsibility for the purchasing function to Central Administration, specifically, the Vice President of Administration. This assignment must include both the responsibility and the authority to carry out the charge of performing the purchasing function at an optimum level of cost and service.

Define an organization model based on the mode of operation, level of control, degree of acceptance of standardization, and cooperation of the campuses. If adequate results or progress are not achieved within a reasonable time frame, the President should take action to establish a more centralized purchasing function.

Develop a data base to facilitate the identification of commodities warranting increased attention.

Establish a dollar improvement target of at least \$500,000 of documented savings or other cost avoidance measures in the State-aided and non-State-aided budget, to be achieved in the next twelve to eighteen months.

ACTION ITEMS

Within sixty days, the President and Vice President of Administration should present a policy statement to the Board of Regents for approval. This statement should vest authority and responsibility for maintaining the purchasing function at an optimum level of service and cost with the Vice President of Administration.

Within sixty days thereafter, the Vice President of Administration should prepare and present to the President criteria which will be used to measure purchasing improvements or achievements of dollar targets.

Establish a data base of information which will define University-wide purchases by vendor and commodity. The data base should contain vendor name, quantity, item description, price and other pertinent data. This should be completed within sixty days. (This record will initially be a manual compilation of campus data and should be updated quarterly for the latest twelve month period. The University should investigate the feasibility of developing a University-wide materials management system.

- o After the data base is developed, select items each quarter for focused attention and assign responsibility for investigation and negotiation to specific purchasing agents. Report progress and document improvements at appropriate intervals to the Vice President of Administration.
- o The Vice President of Administration should report progress quarterly to the President and others at the President's direction.

Develop an implementation plan for a University-wide quick order/quick pay system for all orders under \$200. The implementation plan and estimated net savings generated by this program should be presented to the President within six months.

The Vice President of Administration should review each purchasing operation and identify needed University-wide operational policies and procedures required to achieve uniform levels of service and operation. In addition, the Vice President should define uniform reporting measures to allow further analysis and refinement of the purchasing function.

Design and implement across all campuses a travel purchase program which maximizes cost savings and cost avoidance.

Determine the feasibility of expanding the stockless purchasing program to other commodities and campuses.

COST SAVINGS

There is a potential savings or cost avoidance of \$500,000 within eighteen months.

The staff requirements to accomplish these tasks should be drawn from both Central Administration and the campuses. Temporary reassignment will be required.

Implementation of a quick order/pay program should reduce purchasing and invoice processing staffing levels (this item is dependent upon legislative action).

RISK MANAGEMENT

FINDINGS

The University has had significant success in developing an innovative insurance program, for which it received a commendation from NACUBO.

The insurance industry is increasingly chaotic, requiring constant monitoring and specialized expertise.

Risk pooling with community technical colleges and state colleges currently is under study.

In some areas - such as hazardous waste, radiation safety, biosafety and environment health safety programs - significant effort is expended on campus level risk assessment and avoidance; however, too little attention is given to risk assessment and avoidance from the University-wide perspective.

RECOMMENDATIONS

Designate a full-time Director of Risk Management responsible for:

- o Monitoring current status of insurance market.
- o Coordinating with state and other political subdivision risk managers.
- o Developing and maintaining a risk transfer program.
- o Promulgating guidelines for campus risk management.
- o Developing a comprehensive risk survey designed to access risk.
- o Maintaining and expanding upon existing data bases, giving consideration to using the risk management software used by UNMC for all campuses.
- o Monitoring the nature of claims, actual incidents, and tracking patterns.
- o Providing liaison support to related campus environmental health and safety committees.
- o Developing specifications for contracts for services relating to the risk management program.

Ensure campus risk management personnel continue to be responsible for implementation of risk management policies on the campuses.

Establish insurance purchasing or risk transfer policies.

COST SAVINGS

An aggressive approach to risk management can be cost effective in the future in terms of cost savings and avoidance; however, potential savings are not immediately quantifiable.

INVESTMENT

A full-time Director of Risk Management at Central Administration will be necessary.

STUDENT AFFAIRS

FINDINGS

Student needs and current system capabilities dictate control of services should remain at the campus level.

Student recruiting (promotion) plans are evident at the campus level; however, a coordinated strategic marketing plan at the University level is lacking.

Student information systems require high priority and sufficient resources:

- o Systems are being developed independently on each campus.
- o According to the campuses, financial constraints have limited the University's options in developing a University-wide student information system.
- o An Administrative Computing Five-Year Plan has been developed. If implemented, it should meet campus operational needs and University informational needs.

Auxiliary operations are consciously viewed as critical academic support services and not as revenue generating operations.

In some instances, auxiliary operations may be potential sources for enhanced revenues:

- o Three percent of auxiliary gross revenues support general University activities.
- o Campus subsidies are provided to the student unions in the form of services.

RECOMMENDATIONS

Develop a University student marketing plan, providing a framework for campus marketing plans, as part of an overall University strategic plan.

Establish the development and implementation of integrated information systems as a high priority, and:

- o Allocate adequate resources.
- o Ensure achievement of the Administrative Systems Plan within a specified time table.

Consider the revenue-generating capability of the auxiliary operations by analyzing the full cost of such operations and reviewing the fee structure to determine whether an enhanced revenue stream is feasible, either from reduced costs and/or increased fees.

ACTION ITEMS

Assign Central responsibility for monitoring and reviewing auxiliary operations (bookstores, unions, housing, vending operations, etc.) to the Vice President of Administration at Central Administration. Duties should include a review of all budgets and identification of opportunities to increase the excess of revenues over expenditures.

Establish and implement a method and system to centrally monitor performance of the auxiliary operations on a routine basis.

Establish dollar targets for all auxiliary operations (excess of revenue over expenditures) during the budget process. Define how to use these excess funds to enhance both auxiliary and student affairs operations. (For example: funding the development of an enhanced student information system.)

Review the potential for the use of a University-wide information system in the student affairs area.

- o The continued growth of nonuniform student affairs systems across all campuses will, in the long run, cause the University to expend duplicate resources for maintenance and upgrades. Different systems will require programmer analysts to be familiar with multiple packages, languages, and systems architectures. In addition, there will be duplicate investigation, familiarization, purchase, or development costs for multiple packages or systems which perform the same functions. Different packages, even though similar, will continue to present difficulties for interface and movement of data to Central Administration for reporting, monitoring and analysis.
- o This review should be undertaken by the Director of University Computing at Central and should be presented to the President within three months. It should include an inventory of the current software, its technical specifications, plans and schedules for in-house developed packages, and estimated costs to maintain and enhance the various packages versus one common system. The intent of the study is to provide the President with a full analysis of the short and long-term impact and the cost associated with the present direction.

COST SAVINGS

There is potential for enhanced efficiency and greater surplus, but this is not quantifiable at this time.

HUMAN RESOURCESFINDINGS

Human resources management is an area where there is close coordination between the campuses and Central Administration.

There is currently a University-wide C-Line classification and compensation system which requires upgrading and enhancement.

There is no B-Line classification and compensation system.

There is currently no University-wide position classification and employee compensation program utilizing uniform methodology for all employee groups.

The campuses' and central administration human resources departments are not adequately structured or staffed to perform position management, position classification, and compensation studies.

The functions of employee relations and training/development have not received the resources, priority or University sanction to adequately perform them University-wide.

There is no uniform core organizational structure for human resources management across all campuses.

Such functions as payroll, risk management, insurance, environmental health and safety, and data entry are part of the human resources structure at various campuses.

RECOMMENDATIONS

Formalize the existing relationship between the campuses and Central Administration. Campus personnel directors should be responsible to the Central Administration personnel director for purposes of coordination and application of University-wide policies and procedures, University-wide strategic human resources planning, and technical guidance to the campuses. Campus personnel directors should continue to report to their respective Vice Chancellors for day-to-day operational and functional matters.

Assign project management responsibility and authority to implement specific University-wide human resources projects to the Central Administration personnel director.

Develop a core human resources organizational structure University-wide, incorporating the primary functions of classification/compensation (base and salary), employee and labor relations, training and development, benefits administration, and employment administration and recordkeeping.

- o Establish risk management and insurance functions as separate entities on each campus.
- o Reorganize at UNL to transfer Environmental Health and Safety from the human resources department.

Develop a position management function at each campus and at Central.

Establish employee relations and training/development units on each campus and at Central.

Accelerate the completion of the B-Line portion of the integrated classification and compensation program from its present two-year time frame to a one-year time frame.

Task the Central Administration personnel director with assessing the cost savings and cost avoidance resulting from establishing employee relations and training/development functions University-wide, a position management function, and an integrated B-Line classification/compensation plan.

COST SAVINGS

Cost avoidance and cost savings is potentially substantial due to formally establishing employee assistance, position management, employee relations, training/development, and integrated compensation/classification programs. These items will require front end investment which should be recovered by future savings or cost avoidance.

PRINTINGFINDINGS

The major issue in this area is the fifty-mile distance between Lincoln and Omaha.

There are full-scale printing operations at UNL, UNMC, and IANR.

There are quick copy centers on all campuses.

There are heavy volume copiers in various colleges and departments University-wide.

It is difficult to determine the total volume of printing work, both in-house and contracted out.

UNO contracts out the majority of its work.

Approximately 16 percent of UNMC's printing work comes from UNO.

There are approximately 115 full-time printing employees University-wide.

Both UNL and UNMC process work from State agencies.

Cross use of campuses' printing capability is limited.

RECOMMENDATIONS

Consolidate printing into two groups, with one for each city, vesting responsibility for printing with the City Printing Director, who will be accountable to the Council of Business Officers.

The Council will define the organizational model and reporting relationships. They will also assure optimization of the printing function with regard to organization, cost, service, quality, existing capacity, and outside vendors.

A cost reduction target of at least \$100,000 to \$200,000 should be established for achievement within the next twelve to eighteen months, with the Council of Business Officers accountable for this achievement.

ACTION ITEMS

Establish procedures implementing the basic printing work flow shown in Exhibit A.

Establish a central coordinator for printing and quick copy in each city who is accountable to merge the work flow and coordinate with the other city print shop to assure implementation of and further development of recommendations. These individuals will report to the Council of Business Officers (see Exhibit B).

Charge the Council of Business Officers with producing a detailed study within four months regarding:

- o total volume of work and type,
- o total capacity used/unused by type,
- o equipment, space, and supply requirements,
- o personnel requirements,
- o methods to consolidate printing from two cities to one city,
- o develop an organizational structure for the consolidated operation,
- o reductions possible through consolidation, and
- o implementation plans.

If satisfactory results are not produced within a reasonable time frame, all printing should be consolidated under one person with one budget.

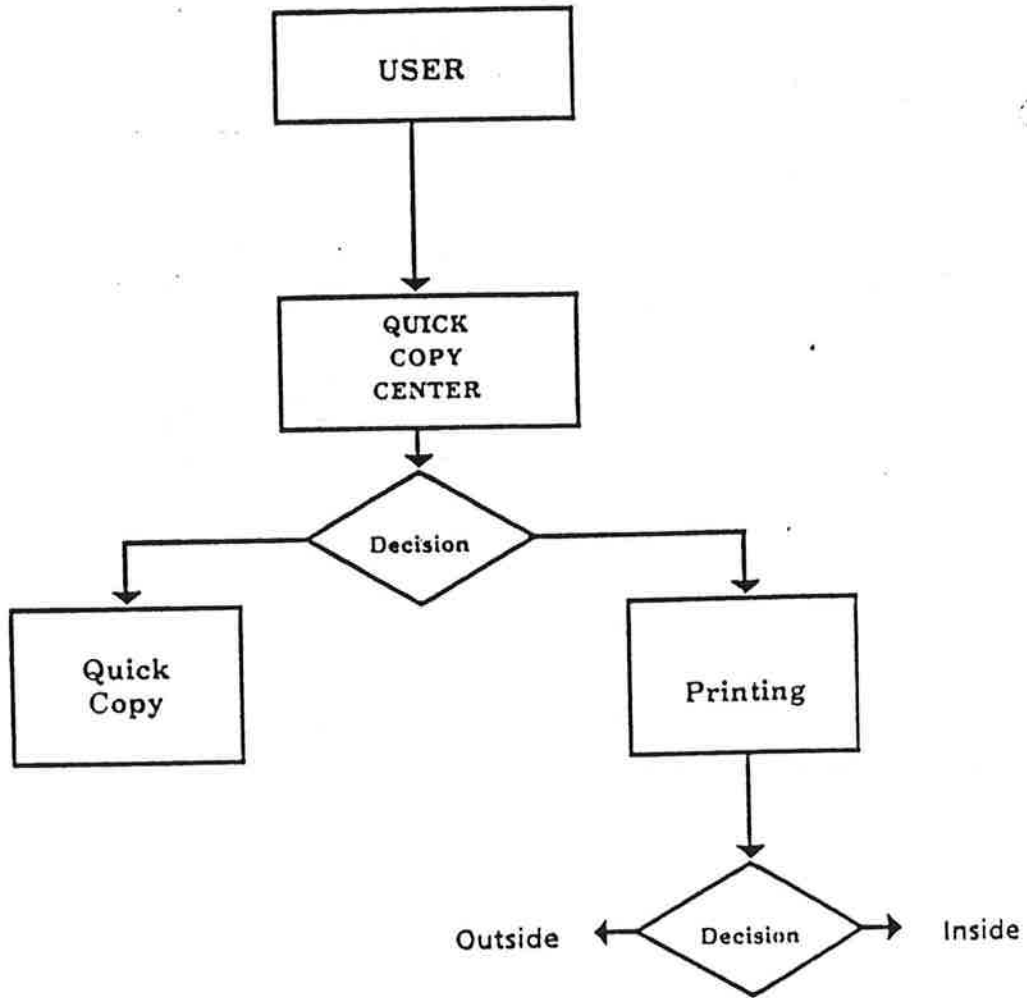
COST SAVINGS

There should be at least \$100,000 to \$200,000 generated from such areas as:

- o filling unused capacity with in-house printing; instead of contracting out,
- o maximizing warehouse capabilities,
- o securing greater leverage with vendors,
- o maintaining greater sensitivity to inside work versus outside work, and
- o reducing multiple levels of management.

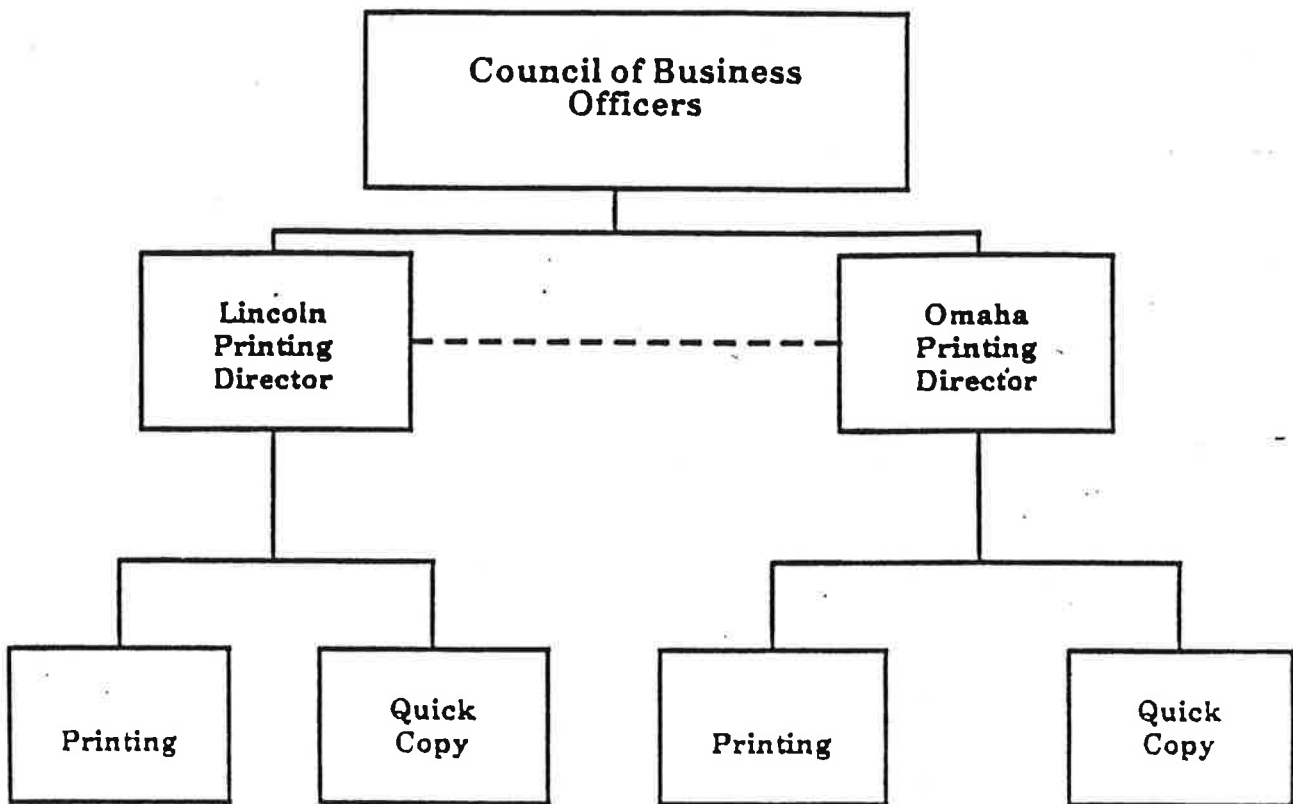
UNIVERSITY OF NEBRASKA

PRINTING WORK FLOW



UNIVERSITY OF NEBRASKA

Printing Organization



PHYSICAL PLANT

FINDINGS

All physical plant operations are well run.

Coordination between Central Administration and the campuses' physical plant directors is strong.

Deferred maintenance at UNL is approximately \$18 million.

The physical plant organization at UNO includes physical plant, grounds, and custodial operations.

The physical plant operation at UNL does not include grounds operations.

The physical plant operation at UNMC does not include custodial operations.

In-house professional services are lean University-wide; however, UNL appears better balanced in terms of planning, design, architecture and engineering, construction management, inspecting, and other such professional functions.

Physical plant professionals University-wide do not function in the classical sense. They are primarily facilitators, trouble shooters, and liaisons between physical plant, the campus community and outside contractors.

RECOMMENDATIONS

To complement the direct reporting relationships between the campus Vice Chancellors and directors of physical plant, establish an indirect reporting relationship between the Central Administration Assistant Vice President for Facilities and the campus directors of physical plant.

Formalize Central Administration's responsibility and authority for establishing and enforcing University-wide policies and procedures pertaining to physical plant, grounds, and custodial operations, and to assure that new technology is quickly transferred to each campus.

Place both the UNL grounds operation and the UNL physical plant department under the same executive.

Reevaluate the formula used to develop utility budgets to set budget levels more in line with actual recent history.

Explore opportunities to allocate a portion of new construction funds to establish maintenance funds for future operations and maintenance requirements.

Establish uniform reporting which will be forwarded to Central each month. This reporting should outline current levels of personnel, personnel utilization, major projects under way, personnel needs, and outside contract maintenance projects initiated during the period.

COST SAVINGS

Not quantifiable.