



Realizing the Promise of Process Improvement

Designing 21st-Century Administrative Processes for
Greater Efficiency, Capacity, and Cost Savings

It's Not You, It's the Work

Labor Savings Dependent on Untangling Business Processes

Bending the Labor Cost Curve



Maintain or increase output while reducing input

Modernizing the Mode of Production



Simplify, standardize, and automate end-to-end processes



Scaling Admin Services



Fewer FTEs performing equal or greater amounts of work

“

Why would you want a shared services center if you're not going to simplify and standardize the work that's being done?

Chief Financial Officer
Large Public Institution

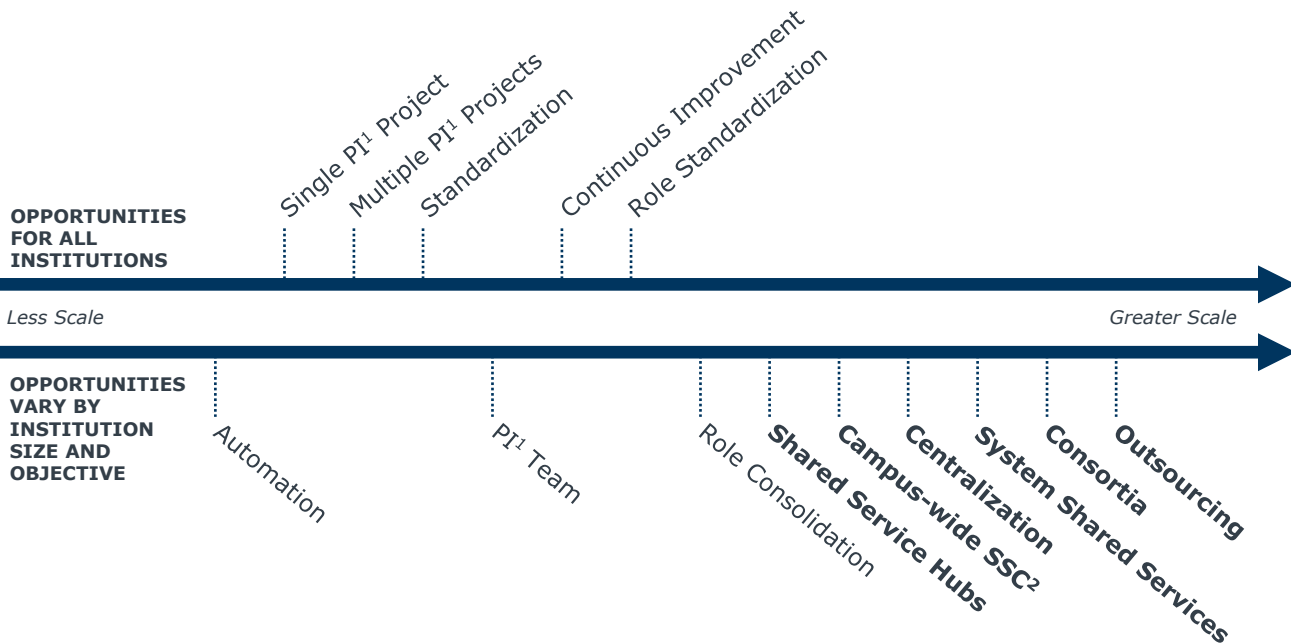
”

Spectrum of Possibility



Ideal Level of Scale Dependent on Each Process and Each Institution

Scaling Process Improvement and Organizational Change to Find the Right Level of Service and Efficiency



1) Process Improvement.

2) Shared Service Center.

A Dollar Spent Is a Dollar Wasted

Inefficient Processes Rob Support from the Teaching and Research Mission

Baratheon University's¹ Inefficiencies Add Up Quickly



Overtime pay less than \$5,000 requires signatures of four executives



Posting a job requires 11 steps and five approvals, even if the job has not changed



24% of T&E² reports require rework, stretching reimbursement time to 30+ days



234,000 paper timecards processed a year, with a 23-day payroll lag



2,500 late payroll payments and \$750,000 in overpayments in one year



We need to simplify processes because that's our responsibility—every time we have an inefficient process, there's a student or parent who is taking on another job, or delaying retirement, or taking out a second mortgage on their house.

They're paying for our time, and they're paying for our processes.

Sarah Latham

University of California – Santa Cruz
Vice Chancellor for Business and
Administrative Services

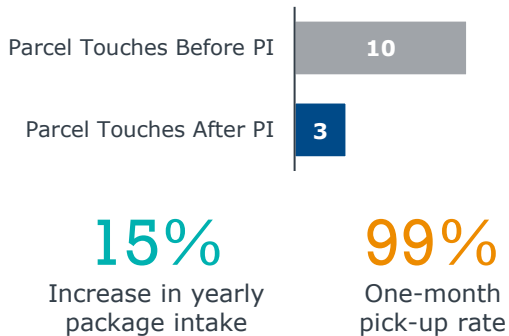


1) Pseudonym.
2) Travel and Expense.

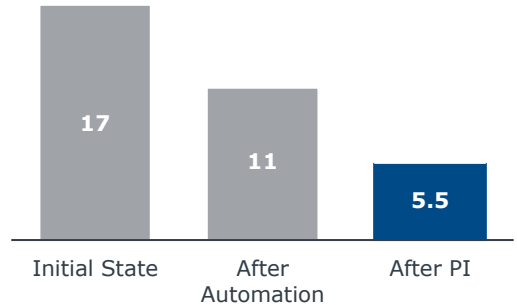
Processes Worth Getting Right

Benefits of Process Improvement (PI) Evident Even Before Org Change

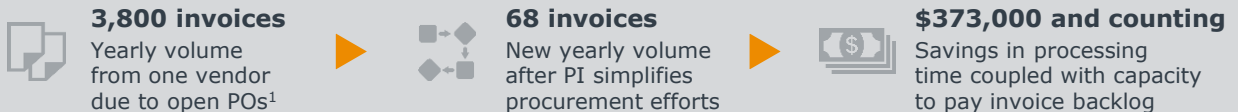
University of New Hampshire Student Mailroom Reorg Allows for Growth



Clemson University Reduces Days to Post a New Position



British Columbia Institute of Technology's Tool Cribs Net Big Savings



1) Purchase orders.
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Source: "VantagePoint: Granite Square Station Makeover," University of New Hampshire Information Technology, November 29, 2016; British Columbia Institute of Technology, Burnaby, Canada; Clemson University, Clemson, SC; University of New Hampshire, Durham, NH; Business Affairs Forum interviews and analysis.



Targeting Opportunities for Administrative Process Improvement

SECTION




- Lesson 1: Start small and strategic to build momentum for future efforts
- Lesson 2: Amplify the voices of on-campus stakeholders
- Lesson 3: Draw on external sources for inspiration and validation



A Taste of Victory

Demonstrated Payoff Sparks Interest in More Projects

Proving Value and Trust with Small Projects Earns Buy-In

Institution	First PI Project	Unlocked Opportunity
	Streamlined offboarding, as former staff retained access to UW-M network for a year	Dean proposes “fixing something that matters, like research administration”
	Eliminated paper-based process for hiring graduate assistants	President instructs PI team to ensure faculty leave time matches university policy
	Simplified p-card reconciliation process for frustrated faculty	Faculty senate suggests a standing committee to source more ideas from faculty

First in Line, in the Nick of Time

Process Improvement Eases Onboarding Effort When Needed Most



The Perfect Opportunity:

Employee onboarding for temps, students, and grad assistants

- ▶ **Irksome to all**—process included in “Top 10” offenders
- ▶ **Short time to fix**—redesign effort took only 13 weeks
- ▶ **Just in time**—rollout of solution completed before August hiring spike

Initial State Hampered by Repetitive, Manual Data Entry

13 separate forms across 36 pages

13 requests for name
10 requests for SSN
9 requests for address

Manual entry by central payroll

Future State Goes Digital and Embraces Shared Services



100,000+
pieces of paper saved for over 3,000 new hires in 2016-17

The paper could cover the **football field, basketball court, and several volleyball courts**—exciting visualizations for a sustainability-minded campus



Weighing the Options for Where to Begin

Beyond Executive Priorities, Staff Concerns Worthy of Consideration



CBOs attuned to larger strategic objectives

- Securing higher-value procurement contracts
- Effectively leveraging “big data” and business analytics
- Reducing compliance errors
- Responding to Board requests for shared services rollout

CBO Inputs



Staff bring on-the-ground perspectives

- Most frustrating processes
- Greatest need for automation
- Desire for clearer guidelines
- Unnecessary handoffs
- Backlog of work
- Customer complaints

Staff Inputs





Depth and Breadth Combined

UMBC Integrates Focus Group Feedback into Campus Survey

Process Improvement Laundry List, Sorted by a Stakeholder Survey



Select faculty and staff convene to create a list of pain points and broken processes



Focus group results used to build survey in which staff rank their frustrations

Campus Leaders Analyze Results and Divide into Two Categories

Quick wins

- **HR:** checklists for hiring tasks; evaluation of approval signatures
- **Payroll:** guide for quick contacts; evaluation of personnel actions

Long-term goals

- **HR:** electronic workflow system; electronic applicant portal; document storage
- **Payroll:** electronic timesheets and personnel actions; automated I-9, W-4, and NRA forms



Sample Broken Process

When one school at UMBC needed to renew the contracts of adjunct faculty and graduate instructors, the unit leader had to fill out and sign **189 separate forms**, one for each person. These simultaneous personnel actions now require just one click in an online system.

A Prime Method for Engaging Campus

160
respondents

- 38% non-exempt staff
- 45% exempt staff
- 15% faculty



See the appendix for a copy of the survey

Order of Operations

Identify Factors Most Relevant to Campus in Establishing a Long-Term Plan



Timeliness to Fix

What is the expected timeline for process redesign and implementation?



Compliance Risk

Does the process currently comply with institution, state, or federal regulations?



Customer Impact

What impact will redesign have on customer experience and satisfaction?



Expense to Fix

What are the expected costs of the process redesign?



Expense to Continue

What are the expected costs of maintaining the status quo?



Ease of Implementation

How easily can staff amend process steps to make the process less burdensome?



Level of Control

To what degree is improvement dependent on collaboration with external units?



Impact on Efficiency

Does the process consume a significant amount of support staff time?



Organizational Readiness

How prepared are process stakeholders for process redesign?

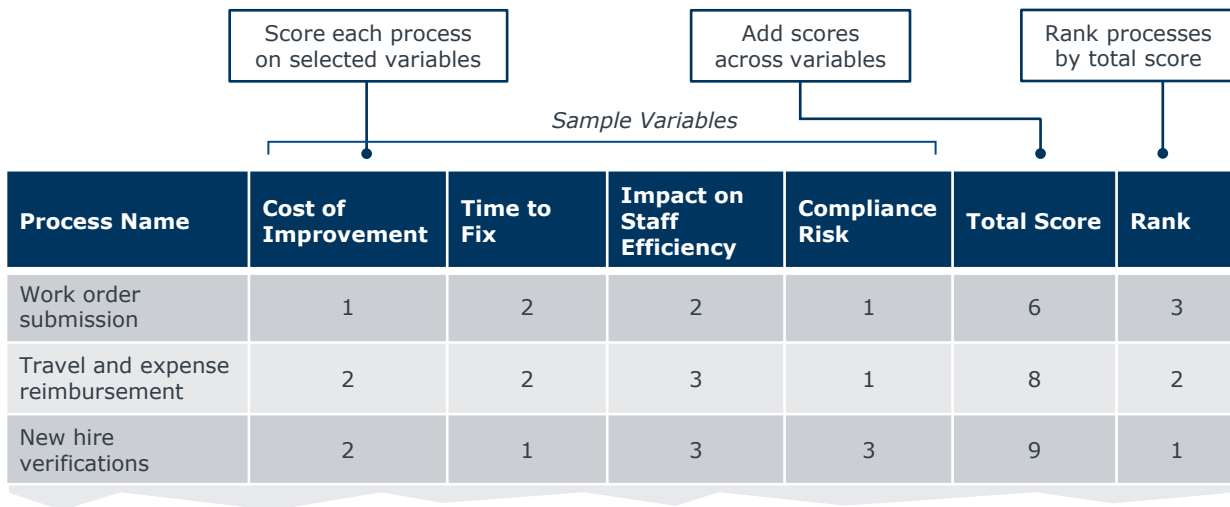


Strategic Alignment

Is redesigning the identified process critical for meeting larger institutional goals, strategic objectives?

Isolate Your Top Redesign Priorities

Creating a Process Index with the Redesign Prioritization Tool



For a full version of the Redesign Prioritization Tool, see the appendix.





Fixing Broken Processes Through Sustainable Investments

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- Lesson 4: Deploy the essential process improvement playbook
 - Lesson 5: Motivate adherence to improved processes through balanced incentives
 - Lesson 6: Scale up process improvement capabilities

SECTION

II

The Essential Recipe for Process Improvement



Boiling Down to What You Need



Donning a Different Hat to Support Process Redesign

Crucial Steps for Reengineering

- 1 Assemble the right people
- 2 Map the current state
- 3 Collect current-state data
- 4 Design the future state
- 5 Develop an implementation plan

In the Room Where It Happens

Assembling the Right People Around the Table for the Right Input

University of Louisville Process Improvement Team Composition



EAB Pro Tip: **Include These Constituencies** **to Boost Buy-in and Expertise**

- Super users
- Resident complainers
- Faculty members
- IT experts

1,000

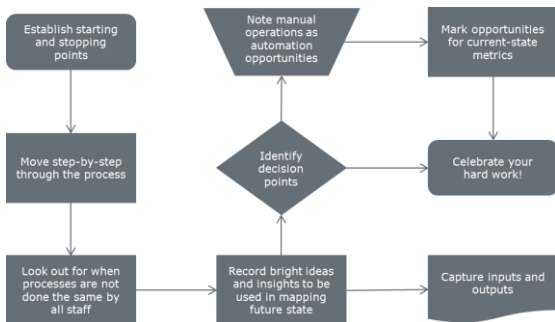
Years of University of Louisville
experience among
60 employees on 6 PI teams



Step by Step

Take Stock of the Situation with Current-State Mapping

Map Each Step of the Existing Process



- Identify when processes are done differently by different people
- Note manual operations as automation opportunities
- Record bright ideas and insights to be used in designing future state
- Mark opportunities for current-state metrics
- Capture inputs and outputs

Additional Ingredients

- 1 conference room for 3 days
- 30 pads of Post-It notes
- Boxed lunches
- Industrial coffeemaker
- EAB Process Improvement Compendium

Allergens Best Excluded

- Hierarchical distinctions
- Preconceived notions
- Blame for current state

A KPI for Every Project

Establishing a Baseline Critical to Patting Your Future Self on the Back

Baseline Metrics Should Be:

- Tied to the part of the process that is being improved
- Measureable, expressed in an equation, and simple
- Aligned with business objectives
- Tracked at a proper frequency
- Expressed graphically over time
- Validated with a master service agreement



“If you aren’t measuring, tracking, and monitoring data, then you’re not really reengineering.”

*Beth Hardin, UNC Charlotte
Vice Chancellor for Business Affairs*

Sample Baseline Metrics for A/P¹

Metric	How to Track	Current	Goal
Productivity	Percent of Invoices Paid in 30 Days	60%	85%
Cycle Time	Average Days to Process Invoice	13 Days	5 Days
Accuracy	Invoices Submitted Without Error	70%	80%

Other Possible Metrics



Satisfaction



Volume of work



Data access



Response time



Savings



Number of steps

1) Accounts payable.

The Way It Should Be

Apply Tested Filters to Streamline Processes and Create a Future State

Common Questions to Ask When Designing the Future State

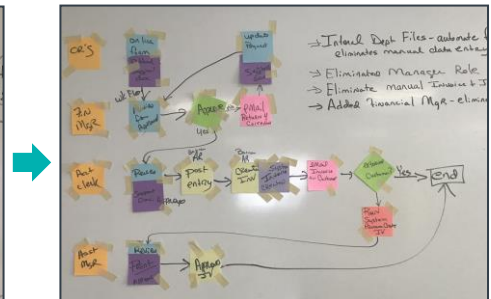
What steps...

- can be eliminated?
- can be combined with others?
- can be performed in parallel?
- take too long?
- should be done in a shared services unit?
- could benefit from technology solutions?

Only 4 Post-It Notes Needed

At Targaryen University¹, one compliance process saw a unit printing **500 pages a day**, reordering them, and scanning them to send back to the government regulator. Reengineering led to a **96% reduction** in process time, from **4 hours to 10 minutes**—all captured in **4 post-it notes**.

University of Memphis: Current and Future States for Non-Student Billing



1) Pseudonym.

How Do We Get There?



Implementation Plan Accounts for an Array of Campus Impacts



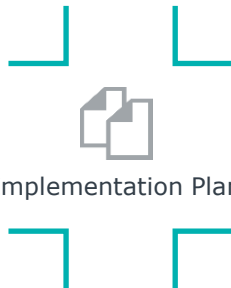
Policy

- What current policies need to be enforced or changed?
- What new policies need to be created?



Staffing

- What additional training will be needed?
- What org changes should support the new process?



Implementation Plan



Technology

- What digitization, automation, or other solutions are needed?
- What measurement systems are in place or can be supplemented with technology resources?



Communication

- Who will be affected by or need to know about the changes (staff, customers, faculty)?
- What is the best medium to share this information?

Beyond “Foolish and Broken” Processes



Ten Years of Administrative Process Redesign (APR) at UW-Madison

2007

1 Announcement of shared services to transform generalist model, improve service quality, and drive savings prompts fear of layoffs and backlash among staff

2 Listening tour unearths frustration, particularly with “foolish and broken” processes exacerbated by \$50M in state budget cuts to admin funding

3 APR formed to simplify and standardize processes; turned to faculty in business and engineering schools with experience in Lean Six Sigma

4 Success in pilot projects garners trust and buy-in; APR receives formal charter and begins to tackle research admin processes

713 Staff trained in Lean Six Sigma, representing 100% of campus units

70 Projects completed across campus, improving quality, efficiency, and service

Keys to Success

▶ **Transparency and Inclusion**

- All minutes, agendas, reports, presentations, and Lean tools posted to APR website
- Any and all faculty and staff invited to participate in focus groups, process reengineering teams, and training
- Union reps invited to weekly meetings

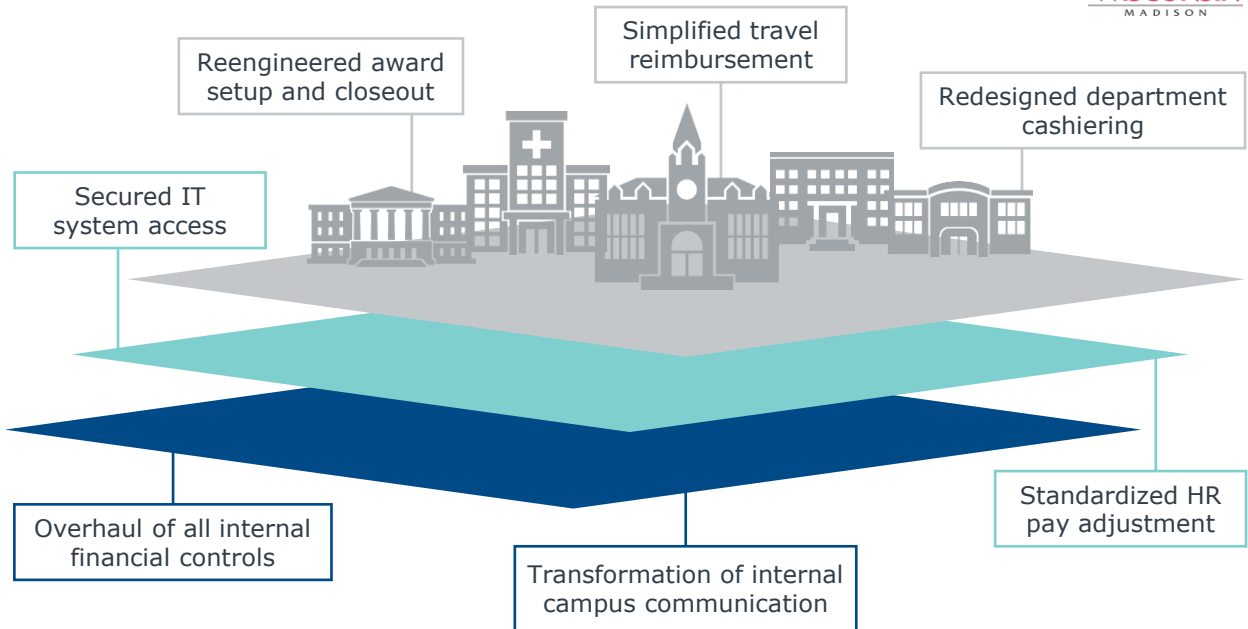
▶ **Continual Tracking and Improvement**

- Performance metrics assigned to every process, as outlined in project charters
- Baseline data collected before and after improvement work completed
- Ongoing measurement prompts reassessment of processes when necessary

Seismic Impact

“Scaled” Process Improvement Can Have Effects at Many Levels

Administrative Process Redesign Shapes Campus Operations in Seen and Unseen Ways





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