

FY13 Efficiency Initiative Update

February 1, 2013

Objective

Develop a process to transform the annual WSU efficiency initiatives reporting process

From a reporting/compliance approach



To a methodology of driving change and transference throughout the University

In order to gain financial benefits, efficiency, and effectiveness

FY13 Efficiency Initiative Summary

Division/College	Estimate of Efficiencies
Office of the President	\$ 23,040
Office of the Provost	\$ 4,886,087
Division of Business & Fiscal Affairs	\$ 4,634,935
Division of Student Affairs	\$ 796,239
Division of University Advancement	\$ 1,056,595
Division of Enrollment Management	\$ 159,066
Raj Soin College of Business	\$ 90,000
College of Engineering & Computer Science	\$ 294,398
College of Nursing & Health	\$ 577,636
College of Science & Math	\$ 1,143,218
Boonshoft School of Medicine	\$ 885,800
School of Professional Psychology	\$ 401,069
Lake Campus	\$ 522,750
University Libraries & UCIE	\$ 127,000
Grand Total	\$15,597,833

FY13 Efficiency Initiative Summary

Types of Efficiencies Reported	Number of Initiatives	Amount
Salary or Benefit Savings	50	\$ 4,888,795
Business process reengineering	44	\$ 1,176,195
Technology Initiative	36	\$ 535,429
Entrepreneurial / Revenue Enhancement	34	\$ 2,327,443
Partnership with External Entity	30	\$ 2,393,079
Redefinition of work	15	\$ 212,587
Other	13	\$ 146,809
In-sourcing or out-sourcing	13	\$ 435,563
Shared Services	12	\$ 2,140,464
Energy conservation	9	\$ 1,261,470
Space/Building Efficiencies	4	\$ 80,000
Grand Total	260	\$ 15,597,833

FY13 Efficiency Initiative Highlights

- **HB 7 Phase I – Current estimated annual savings = \$1,190,000**
- **Increased utilization of Procurement Card for centralized payments = \$100,000 savings**
- **Continued & expanded success with Strategic Sourcing - over \$700,000 in savings in FY13**
- **RSCB – Consolidating undergraduate & graduate advising process = \$90,000 savings**
- **Lake Campus – Implementation of new Bachelor Engineering program = \$200,00 revenue**
- **BSOM – Re-alignment of faculty positions as vacancies occur = \$153,340 savings**

FY12 BFO Sub-Committee Update

BFO Efficiency Committee (Spring 2012)

This committee has been charged with developing a structure for the transference of applicable efficiencies that can be operationalized university-wide.

Selection criteria (considerations) for identifying an efficiency :

- Increased productivity
- Increased value or quality added
- Cost savings opportunity
- Frequency of use
- Ease of implementation
- Does not promote cost shifting

Ease of Implementation Scale (1 to 3 points)

- 1 - Significant complexity and disruption. Considerable effort required.
- 2 - Moderate Complexity, some disruption to workflow and additional effort required.
- 3 - Minimal complexity, no disruption to workflow.

Return on Implementation (1 to 3 points each category)

Increased Productivity

Dollar Value

- | | |
|---|--|
| 1 - Minimal increase in productivity. | 1 - Pays for itself over a longer term (5 years or more). |
| 2 - Moderate increase in productivity. | 2 - Pays for itself in the intermediate term (2 to 4 years). |
| 3 - Significant increase in productivity. | 3 - Pays for itself in the short term (1 to 2 years). |

Committee members individually scored each of the identified efficiencies below on six different aspects (1 to 3 points each). The table below displays the average points scored by the committee members.

Priority Rank	Description	Potential Gain	Scales Above			Scale: 1 = Low / 2 = Medium / 3 = High			OVERALL AVERAGE
			Ease of Implementation	Return on Implementation		Expectation of Increased Customer Satisfaction	Capacity for Cross Functional Improvements	Potential for Process Integration	
				Productivity	Dollar Value				
1	Consolidation of purchase orders.	Potential cost savings due to lower price and streamlined process.	2.14	2.57	2.43	2.14	2.29	2.43	2.33
2	Prioritizing use of in-sourcing vs. out-sourcing. Utilizing university resources (expertise, personnel) as oppose to contracting out.	Potential cost savings. Alignment with University's mission, vision and values. Stronger sense of ownership of process. Potential for employee skill development.	1.86	2.29	2.14	2.29	2.57	2.71	2.31
3	Technology efficiencies through increased implementation and utilization of: a) automation of information; b) online publications; c) streamlined processes; d) capacity of Banner system to reduce need for shadow systems and processes.	Increased productivity. Potential for increase accuracy. Cost savings and reduction of material waste.	2.00	2.43	1.71	2.57	2.29	2.43	2.24
4	Capitalizing on vacancies and elimination of positions through broader use of HR position replacement form.	Reinforces careful justification of a position and encourages creative problem solving thought process.	2.57	1.71	3.00	1.67	2.29	2.00	2.22