

The UW System's Strategic Framework to
Advantage Wisconsin

**Think Tank #6: Operational Excellence
Report**

In advancing the Growth Agenda for Wisconsin, we've made considerable headway in convincing people that our state faces major challenges, and that a renewed emphasis on higher education is vital to our future. To further this public conversation, we have worked with the Board of Regents, chancellors, faculty and staff, students, external stakeholders, and others on a strategic thinking initiative called *Advantage Wisconsin*.

We have identified seven core strategies the UW System should pursue to deepen our positive impact on the state: Prepare Students, More Graduates, High-Paying Jobs, Stronger Communities, Resources, Operational Excellence, and Collaborations. These seven strategies form an umbrella under which we can work together to enhance the success of each institution.

A series of cross-institution Think Tanks, along with campus groups, have been developing key ideas for how we move ahead with the seven core strategies. Each Think Tank involved external constituents to provide an outside perspective.

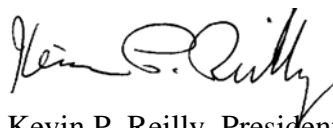
On behalf of the UW System, I would like to thank the dedicated members of Think Tank #6: Operational Excellence, for their contribution of ideas and the development of this report. Faculty, staff, business, and community leaders gathered together for brainstorming sessions to develop multiple ideas and concepts regarding advancing operational excellence by becoming more flexible, nimble, responsive, and cost efficient.

This paper represents the views and ideas of the Think Tank members; these are not findings of fact, but initial thoughts and suggestions. In addition, feedback from multiple University, community, and business entities has been helping, and will continue to help, shape an enriched System-level strategic framework to *Advantage Wisconsin*.

Your input and participation is encouraged. Please consider helping us with this important effort by providing your ideas and perspectives. Use our feedback form at: <http://advantage.wisconsin.edu>

Thank you for your interest and involvement. I look forward to leading *Advantage Wisconsin* in a way that helps every resident feel a personal stake in the success of the UW System, and that places our University system at the top of the list in public universities positively transforming their states.

Best regards,



Kevin P. Reilly, President
University of Wisconsin System

Advantage Wisconsin
Think Tank 6: Operational Excellence
Final Report

Think Tank Charge: *How can the UW System advance operational excellence by becoming more flexible, nimble, responsive, and cost efficient?*

Think Tank Membership:

- Darrell Bazzell, Vice Chancellor for Administration, UW-Madison, Chair
- Tom Sonnleitner, Vice Chancellor, Administrative Services, UW-Oshkosh
- Tom Dock, Dean, College of Business, UW-Eau Claire
- Lisa Wheeler, Executive Director, Information Technology Services, UW-River Falls
- Steve Wildeck, Vice Chancellor, Administration, UW Colleges
- Tim Sewall, Associate Provost, Academic Affairs, UW-Green Bay
- Dale Cattnach, State Auditor, Retired
- Dr. Frank Byrne, President, St. Mary's Hospital
- David Miller, Capital Planning & Budget, UW System
- Debbie Durcan, Finance, UW System
- Ed Meachen, Learning & Information Technology, UW System

Operational Excellence is defined by:

We are delivering our missions of teaching, research and service in the highest quality manner for the resources expended. We make strategic decisions to focus our efforts for maximum impact. We are responsive to the needs of our constituents and continuously improving the delivery of our services and stewards of the state's resources.

Why are we focusing on Operational Excellence?

Advantage Wisconsin outlines aims of better prepared students, more graduates, more high-paying jobs, and stronger communities. As stewards of the state's resources, we are looking for creative ways to address these important challenges with a disciplined use of our human and financial resources.

Vision – What does success look like?

Advantage Wisconsin outcomes strengthen our university and our state through:

- well prepared students,
- more graduates,
- high-paying jobs, and
- stronger communities.

Our students and constituents are getting great value

We are flexible, nimble, and responsive

We leverage the strength of our System.

Our Recommended Strategies

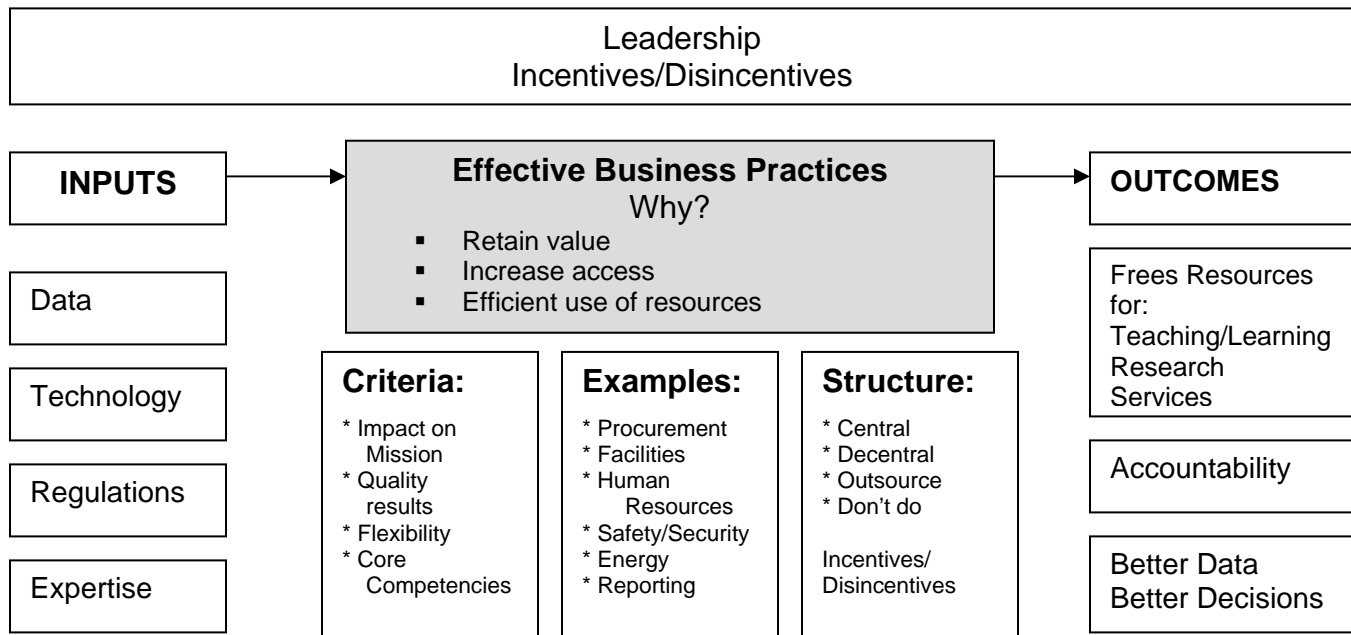
1. Leverage the Impact of our System through Effective Business Practices

Each of our campuses hires people, purchases products and services, manages facilities, produces reports, and performs hundreds of other important administrative processes that support our mission. If we collaborate to streamline and leverage these processes, we can free resources and time to be spend on value added activities.

2. Optimize Academic Program Delivery

The demand for higher education is increasing dramatically. Effective systems and processes can help us leverage our resources to ensure we are providing the most up-to-date knowledge, and making new knowledge more accessible to a broader audience.

Leverage the Impact of our System through Effective Business Practices



Recommendation: We recommend a System-wide initiative to improving our business practices.

Effective Business Practices:

To retain the value we deliver, increase access to education, and use our resources more efficiently, we will develop more effective business practices.

Each of our campuses hires people, purchases products and services, manages facilities, produces reports, and performs hundreds of other important administrative processes that support our mission. Currently, each does these things differently. In fact, within many campuses, these things are done differently from unit to unit. This strategy is focused on improving those important processes, including creating consistency and alignment where it adds value and efficiency.

Leadership: The breadth of these changes will require active leadership at the System level and from each campus. It will require a coordinated effort to define what it means to be a System as it relates to this strategy. UW-Madison is currently carrying out a campus-wide initiative, called Administrative Process Redesign. We might consider leveraging this initiative, or scaling it, for system-wide impact.

Inputs: The following inputs can leverage the impact we can have:

- **Data** - Reliable and comprehensive data can help us best select practices to improve for greatest impact.
- **Technology:** Technology is driving change and can provide the opportunity to streamline and improve accuracy and consistency of our processes and systems.

- **Policies and regulations:** We have policies and regulations at multiple levels (state, System, campus, unit) that often add complexity without adding value. Tremendous efficiency gains can be made by simply improving or eliminating outdated and bureaucratic policies and regulations that don't add value.
- **Expertise in continuous improvement** approaches that we can deploy and further develop. Some campuses have developed their expertise and capacity in these areas and applied them to improve their efficiency and effectiveness. Others can benefit by doing the same.

Criteria: We will use Criteria to choose which practices to improve for optimal impact, including: potential for improved service, complexity to change, expected savings in time/money.

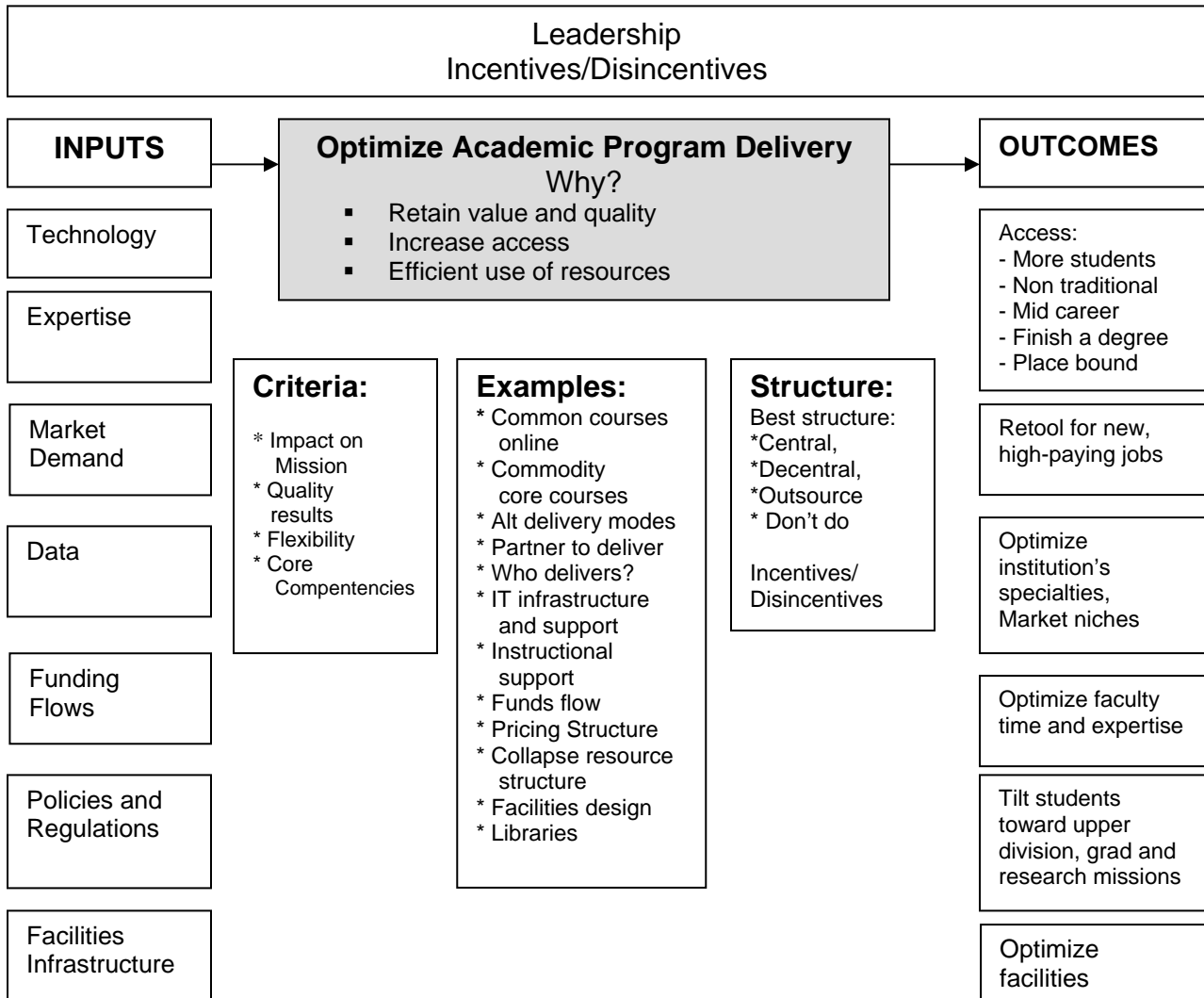
Examples of potential initiatives for improving efficiency and excellence:

- Expand the use of our procurement system. We have a procurement system in place that, if used more broadly, would save much more than it already does.
- Simplify regulations and policies for capital building projects. Current regulations and policies result in dramatically greater costs and longer timeframes, costing the state and taxpayers and delaying research initiatives that are bringing in outside funding.
- Streamline and improve our human resource practices and policies. Current HR practices and policies restrict our ability to attract, recruit, and retain the best people to carry out our mission.
- Reduce energy consumption and costs. Energy costs can be greatly reduced with changes in practices, building design, and long-range facilities planning and investment in alternative energy sources.
- Adopt more uniform approaches and improve our reporting systems to better support decision making. Currently, because each campus and units within campuses do things quite differently, it is difficult to measure and to streamline processes. If we can adopt more uniform approaches, we can establish better reporting and data that will help us make better decisions and collaborative for greater efficiency.
- Consider outsourcing non-core functions. We are currently operating many functions in our institutions that are not our core competencies, such as maintenance, food service, etc. It is possible that some of those functions could be more efficiently and effectively outsourced.

Structure: Improvement might entail changes in structure. Some processes will be optimized by doing them at a System level, others at a campus level, some at a local unit level. Some non-core processes might be best **outsourced**. Other things we might stop doing altogether. We recommend creating a system of **incentives** to encourage these difficult changes, coupled with disincentives for not changing.

Outcomes: Improving our business practices will free up time and resources that can be redirected to our core missions: teaching/learning, research, and service. This will, in turn, enable us to retain our quality and value while advancing the aims of Advantage Wisconsin.

Optimize Academic Program Delivery through Effective Practices and Policies



Optimize Academic Program Delivery

The demand for higher education is increasing dramatically. In a knowledge economy, more people are seeking more education, as traditional students and throughout their lives. Our human and financial resources are stretched to serve our growing traditional student numbers, let alone the growing demand from other learners. We have the potential to increase access to higher education through creative approaches that leverage our efforts and resources.

This strategy is NOT about academic content, but rather systems for effective delivery of that content.

Leadership: These changes will require leadership at campus and System levels.

Inputs:

Technology advances are providing opportunities for leveraging our resources. We can create a course once, and provide it a thousand, as noted by Think Tank 5, offering education when, where, and how people most want to learn, reaching many diverse audiences, and perhaps generating additional resources in the process.

Expertise: Many of our System faculty and staff are actively engaged in developing alternative approaches for delivering academic programs. Most of those are pilots with narrow scopes and impact. Our current expertise is limited, often resulting in faculty having to do things that experts could be doing, allowing faculty to focus on content.

Funding Flows: Redesign our funding model to support the teaching of more students. With our current funding model, teaching additional students results in no additional funding to support the increased costs. If the size of a class doubles or triples with no additional funds to support the course, the quality of education provided can suffer. Our current model is a disincentive to teaching more students.

Market Demand: High demand fields, like engineering and nursing, can be better served if we can optimize our systems.

Data: Developing common data across the System can help us make better decisions. This will require standardizing some of our processes across campuses.

Policies and Regulations: Income caps, funding flow models, and other policies and regulations are inhibitors. Changing some of these can open possibilities for better serving learners.

Facilities and Infrastructure: We need to think about the evolution in learning needs as we design our buildings, libraries and IT infrastructures.

Criteria: These criteria are critical to consider as we make decisions about our program design and delivery.

Examples: Potential initiatives for advancing this strategy include:

- Start with the inputs. See the section above on inputs. Many of those need to be improved as a foundation.
- Identify courses taught across many schools/colleges and/or campuses. Offer them online. Consider other alternative delivery modes. There is tremendous unmet demand by an increasingly large and diverse audience. Nearly every other Advantage Wisconsin think tank identified the need and potential for increased online offerings. Broader dissemination of existing online offerings can leverage current resources.
- Partner across institutions to offer courses. Example: There are cross-campus collaborations for Nursing education. Collaborations can be particularly helpful with low enrollment courses, uncommon courses, and those that require specific expertise or infrastructure.
- Expand thinking about who delivers courses. Example: Student affairs staff might help with leadership learning. As demands for faculty time and for more educational offerings simultaneously increase, we are compelled to explore options for course delivery.
- Rethink our pricing structure. Examples: Recently, we have begun establishing differential tuition. Online course offerings might enable us to take courses we already produce and offer them to expanded, eager audiences, which will require a pricing structure.
- Collapse the resource structure so that funds use is not so restricted, allowing more flexible use in carrying out our mission.
- Develop our IT infrastructure to enable online delivery, and provide support for that infrastructure. We cannot develop our capacity for online course delivery without

appropriate technology. Provide faculty with support and guidance in developing online courses so that they can focus on content.

- Design our facilities for optimal use as our delivery modes shift, including classroom design, alternative spaces for learning, residence hall design and capacity, etc.
- Consider the evolving role of libraries in supporting these new modes of delivery. As information becomes increasingly technology based, how should our library infrastructures evolve?

Structure: For each initiative, assess whether it is done most efficiently and effectively at a System or campus level. Outsourcing is a possible consideration for some of the systems or possibly for the provision of some academic content. A system of incentives to support these efforts, and in some cases, disincentives for not aligning with critical strategies, will encourage action.

Outcomes: This strategy will support Advantage Wisconsin by producing more graduates, enabling people to retool and advance their knowledge for career changes and high-paying jobs, serving learners when/where/how they best learn, and it will strengthen our communities by bringing knowledge to more of our citizens. It will also optimize the strengths of our University by using faculty time more effectively, focusing on institutional niches, and using our System structure more strategically.

UW System Assets and Other Opportunities to Seize

- There are a number of successful online courses that can be leveraged, scaled up, more broadly disseminated. System and campuses have some expertise in technology enhanced learning and alternative delivery modes.
- UW Stout has won the National Baldrige Award for Quality. They are a world-class resource to access.
- A number of campuses have developed best practices that can be shared or scaled up for greater impact.
- Madison's Administrative Process Redesign project might be able to be expanded to encompass a System-wide approach for some processes. Madison's Office of Quality Improvement might provide a model for supporting process improvement System-wide.
- Other universities have done what we are hoping to do. We can benchmark their efforts.