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TO: UC Berkeley Campus Community

RE: Operational Excellence – Update on Shared Services

In concert with the decision of the OE Executive Committee on April 7, I strongly endorse moving forward with the implementation of a campus wide shared services solution. In accordance with the Coordinating Committee's recommendation, I have asked John Wilton, Vice Chancellor of Administration and Finance, to assemble a dedicated team whose charge will be to develop a thorough and detailed plan to implement shared services on campus, beginning with a pilot effort in a matter of months.

The diagnostic report for Operational Excellence identified significant potential to share common services on campus. The Organizational Simplification team studied this concept and projected that the campus could save between \$20 and \$30 million annually through the reorganization of Finance, Human Resources, IT, and Research Administration functions. Not only will shared services save money by eliminating redundancies, it will also lead to delivery of improved service.

Going forward, success in the transition to shared services will depend on the input and support of all constituencies throughout our campus. Although this transition will present challenges, it is clear that implementing shared services is integral to our vision of delivering world-class administrative support to our campus in a financially sustainable way.

I cannot overstate the importance of Operational Excellence to the future of UC Berkeley. What started in 2009 as an idea about how to maintain Berkeley's academic preeminence in light of persistent budget cuts has grown into an ambitious campus-wide effort generating dozens of innovative plans for action. Over the past year, hundreds of faculty, students, and staff have provided input to the OE initiative design teams as they developed ideas into credible proposals to improve campus administration while reducing expenses.

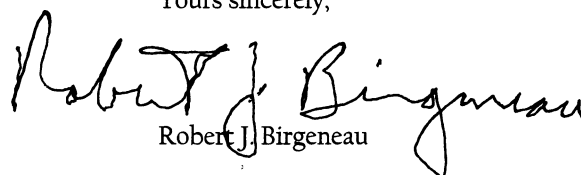
I would like to share just a few of the inventive proposals that some of the OE teams are bringing forth:

- The Financial Management team is introducing a campus-wide budget and planning tool that will enable programmatic and financial analysis that has never before been practical;
- The Procurement team is developing an online purchasing system that will leverage our enormous buying power while providing a more user-friendly purchasing experience;
- The Energy Management team is piloting an effort to bring energy efficiency to campus through real-time energy analysis at the individual building level;
- The Student Services team is developing a number of proposals designed not only to improve efficiency, but also to improve the Berkeley student experience.

The impetus for Operational Excellence began with difficult financial circumstances. I take great pride that together, as a campus, we are responding to this challenge in a manner that is strategic, innovative and bold, all traits that define UC Berkeley at its finest.

With warm regards.

Yours sincerely,


Robert J. Birgeneau