Operational Excellence

Portfolio and Project Updates from the Operational Excellence Program Office

Highlights

- Operational Excellence is on plan to meet its financial goal; it has achieved $29.9 million in operating savings as of April 30, 2012.

- Three OE projects are now saving money including BearBuy, Meal Plans, and Unit Restructuring. Six additional projects anticipate savings to begin this fall.

- The University has signed a lease for a new Campus Shared Services facility on 4th Street in Berkeley.

Program and Project Updates

Three OE projects are now saving money including BearBuy, Meal Plans, and Unit Restructuring. As of April 30, 2012, these projects have achieved $29.9 million in on-going annual expense reduction.

The BearBuy project has successfully completed all three training cohorts and the new system is being used campus wide. Early savings are ahead of plan and BearBuy projects to be saving $1 million per month by the end of 2012.

The IT Productivity Suite has selected Google to provide calendar and email solutions to campus. Transition to the new services will begin this summer.

The University has signed a ten-year lease for the Campus Shared Services facility to be located on 4th Street in west Berkeley. Early adopting units will begin moving into the facility this fall.

Campus Shared Services is currently analyzing funding models to develop a recommendation for how individual campus units will pay for services. Several models are being discussed and evaluated with campus leadership and a funding model will be announced this summer.

The Student Advising Council project has appointed members to its council and received dozens of volunteer applications to serve on four underlying workgroups. The Council held its first quarterly meeting in May and the workgroups will launch in June.

The Meal Plans project has reduced annual food and beverage procurement costs for the residence halls by $400,000 in fiscal year 2012. Savings are from food waste reduction, improved menu planning, and strategic purchasing and contract negotiations.

The One-Stop Student Business Center project team is meeting weekly and will open the new center in Sproul Hall in January, 2013.

Upcoming Milestones & Events
- Thursday, June 7 – CAOs: Shared Services Update
- Monday, June 11 – Campus Building Energy Surveys
- Monday, June 11 – Energy Review Presentation
- Thursday, June 14 – OE Coordinating Committee
- Tuesday, June 19 – Student Technology Stakeholders
- Wednesday, June 20 – Brown bag lunch with Advising Council
- Wednesday, June 27 – Shared Services Office Hours
- Thursday, June 28 – Energy: Power Agent Training
- October 1 – Save the Date - *CultureCal* – Berkeley Operating Principles live event in Pauley Ballroom.

Portfolio At-a-Glance
Current active projects: 22
Project implementation completed and transitioned to operations: 1 (Unit Restructuring)
Total OE investment committed: $60.2 million
Projected on-going annual savings of approved projects: $75.4 million
Actual OE investment-to-date: $18.0 million
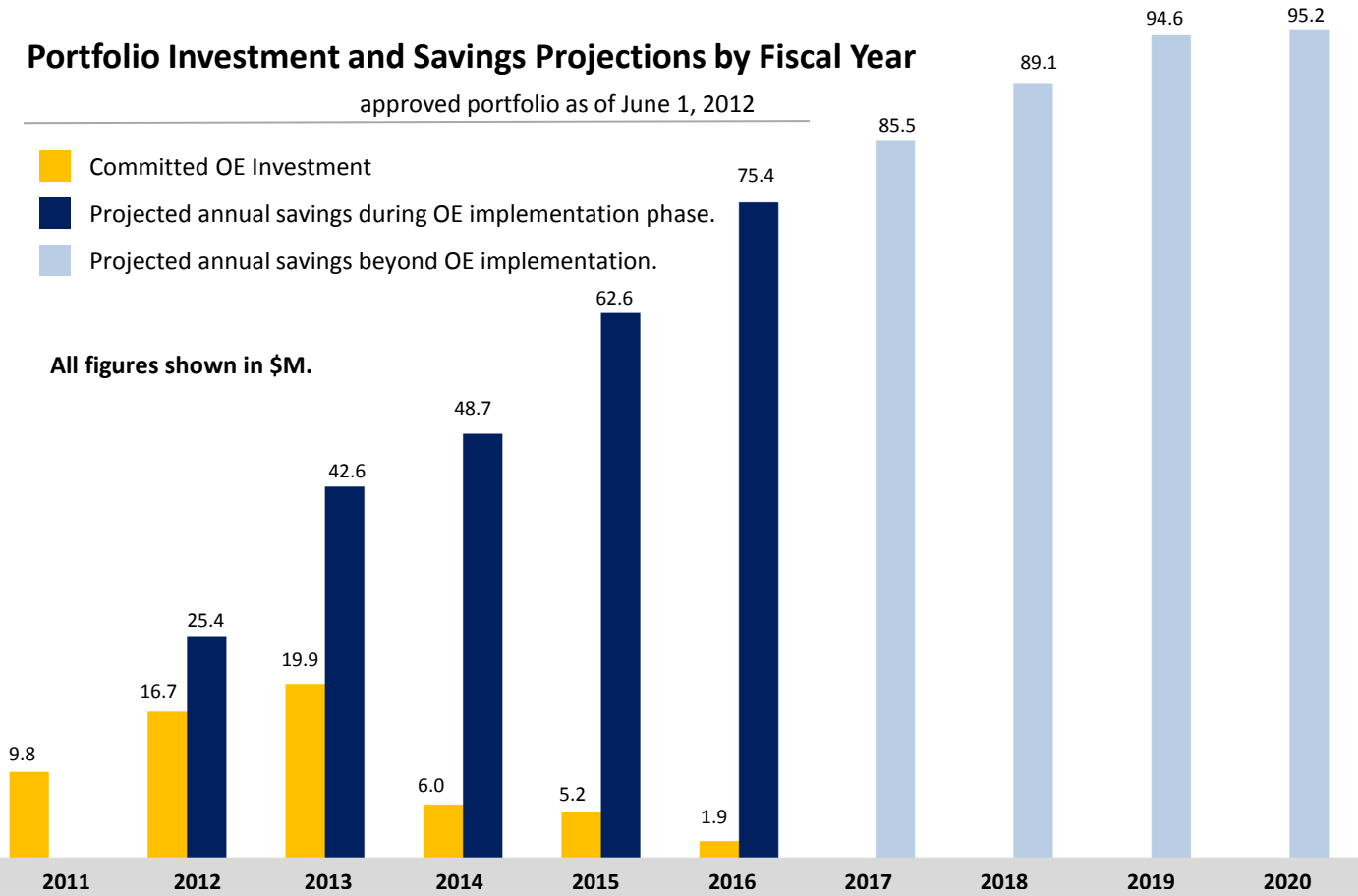**Actual savings-to-date**: $29.9 million

Berkeley
UNIVERSITY OF CALIFORNIA

Portfolio Investment and Savings Projections by Fiscal Year

approved portfolio as of June 1, 2012

- 🟨 Committed OE Investment
- 🟦 Projected annual savings during OE implementation phase.
- 🟦 Projected annual savings beyond OE implementation.

All figures shown in $M.

Year	Committed OE Investment	Projected annual savings (implementation)	Projected annual savings (beyond)
2011	9.8		
2012	16.7	25.4	
2013	19.9	42.6	
2014	6.0	48.7	
2015	5.2	62.6	
2016	1.9	75.4	
2017			85.5
2018			89.1
2019			94.6
2020			95.2

Investment and Savings Projections by OE Project

approved portfolio as of June 1, 2012

- ⬜ All Other OE Projects
- 🟦 Shared Services
- 🟦 Unit Restructuring
- 🟦 BearBuy

ONE-TIME INVESTMENT
- $32.6M
- $19.4M
- $3.4M
- $4.4M
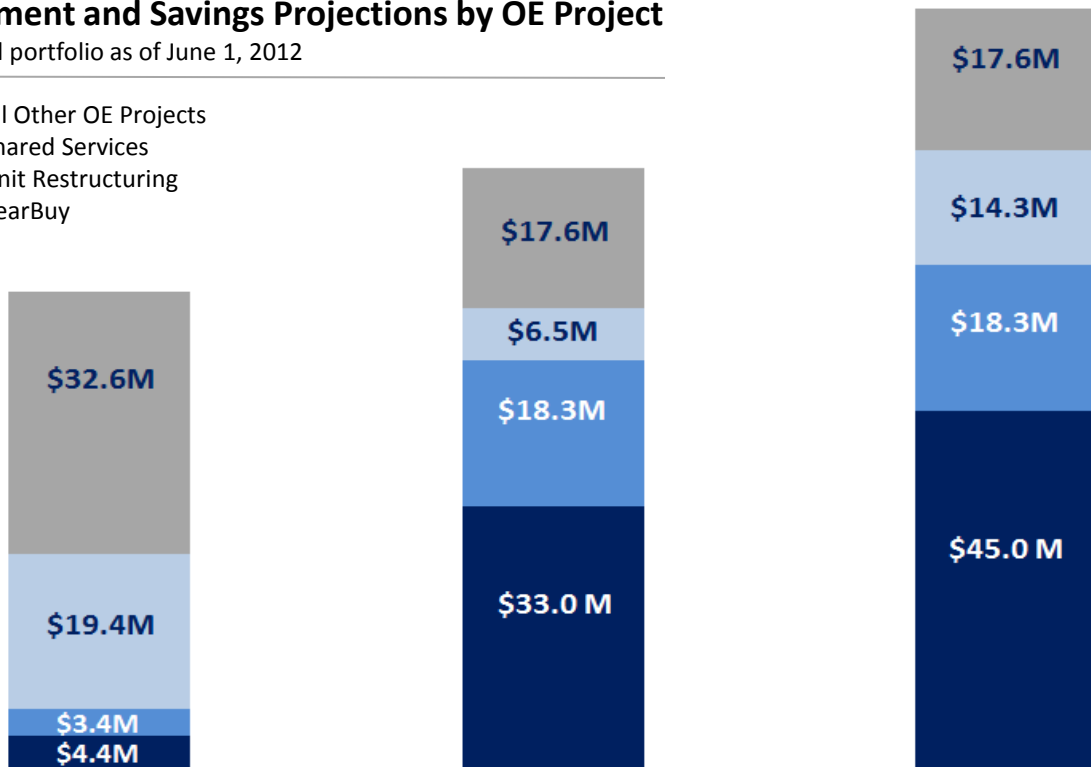
ANNUAL SAVINGS BY FY 2016
- $17.6M
- $6.5M
- $18.3M
- $33.0 M

ANNUAL SAVINGS BY FY 2020
- $17.6M
- $14.3M
- $18.3M
- $45.0 M

Project Financial Profile

PROJECT	EXECUTIVE COMMITTEE APPROVAL DATE	COMMITTED OE INVESTMENT $	OE EXPENSES TO-DATE $	PROJECTED ONGOING ANNUAL SAVINGS BY FY 2016 $	ACTUAL SAVINGS TO-DATE $
ENERGY					
Energy Office	3/11/2011	4,021,000	65,600	2,095,300	-
Incentive Program	3/11/2011	2,039,300	346,000	740,000	-
Outreach	3/11/2011	482,300	89,700	700,000	-
FINANCE					
CalPlanning	3/11/2011	6,157,200	4,269,100	-	-
HIGH PERFORMANCE CULTURE					
Berkeley Operating Principles	8/26/2011	120,000	16,800	-	-
Metrics	8/26/2011	120,000	-	1,800,000	-
Target Talent Development	6/8/2011	595,000	-	-	-
IT					
IT Governance	6/8/2011	3,023,000	115,500	-	-
IT Productivity Suite [A]	6/8/2011	5,848,000	1,938,300	2,110,000	-
ORGANIZATIONAL SIMPLIFICATION					
Shared Services [B]	3/8/2012	20,720,000	1,952,600	6,900,000	-
Timekeeping	4/19/2011	2,916,000	1,551,400	3,200,000	-
Unit Restructuring	9/1/2010	3,371,000	2,170,800	18,300,000	20,500,000
PROCUREMENT					
BearBuy [C]	5/23/2011	4,354,400	3,498,200	33,000,000	8,964,900
STUDENT SERVICES					
Car Sharing	5/12/2011	-	-	112,300	-
One Stop Business Services Center	12/1/2011	1,000,000	-	208,000	-
Student Advising Council	11/11/2011	558,700	30,700	2,316,500	-
Student Technology Phase One [D]	11/14/2011	458,000	31,500	-	-
Tools for Meal Plans	5/12/2011	-	-	747,000	400,000
NON-INITIATIVE PROJECTS					
Application Support Center - Help Desk	11/14/2011	588,000	148,900	-	-
Enterprise Data Warehouse - Governance	7/15/2011	357,000	124,100	-	-
Enterprise Data Warehouse - Procurement	7/15/2011	2,749,000	1,716,800	2,963,000	-
Enterprise Data Warehouse - Student Finances	7/15/2011	728,000	300	634,400	-

Notes

This report shows the OE-funded portion of each project. Project funding from other than OE sources, if any, does not appear here.

A.   Savings for these projects has begun and will be reported in Q4, 2012.

B.   Although fiscal year 2016 is the analysis period for which all Operational Excellence projects are evaluated, annual savings for Shared Services are projected to increase beyond fiscal year 2016 and achieve $14.3 million in annual operating savings by fiscal year 2020.

C.   Although fiscal year 2016 is the analysis period for which all Operational Excellence projects are evaluated, annual savings for BearBuy are projected to increase beyond fiscal year 2016 and achieve $45 million in annual operating savings by FY 2019. BearBuy savings to date include both one-time and on-going savings.

D.   The OE Coordinating Committee has recommended that up to $11 million from the OE investment portfolio be earmarked to fund the anticipated proposal from Student Technology Phase One. The proposal is expected toward the end of 2012.

Operational Excellence Projects

ADVISING COUNCIL
Advising Council will align advising services and develop standards for performance, communication and assessment in curricular and co-curricular advising.

APPLICATION SUPPORT CENTER – HELP DESK
The Application Support Center provides dedicated helpdesk support to the BearBuy, CalTime, CalPlanning and Shared Services implementation projects.

BEARBUY
BearBuy will streamline processes, increase efficiencies, and realize significant long-term cost savings for campus purchasing.

BERKELEY OPERATING PRINCIPLES
The Berkeley Operating Principles will solicit 10,000 voices of campus employees to articulate a shared campus culture and develop principles to guide administrative work.

CALPLANNING
CalPlanning will enhance financial analysis, shift emphasis to decision support, and streamline the budget and planning processes.

CALTIME
CalTime will implement a single campus-wide timekeeping solution to reduce costs and standardize pay rules.

CAR SHARING
The Car Sharing program will replace 40 seldom-used university-owned vehicles with a campus-wide car-share program saving money and parking spaces.

ENERGY OFFICE
The Energy Office will track, oversee, and manage campus energy use and offer financial incentives to operating units to reduce energy consumption.

ENERGY OUTREACH
The Energy Outreach project will implement an outreach program focusing on individual action to reduce energy use.

ENERGY POLICY
The Energy Policy project will establish a Campus Energy Policy to articulate guidelines and standards relating to all aspects of campus energy use.

EDW GOVERNANCE
EDW Governance funds a new Institutional Data Manager position to support development of a campus-wide Enterprise Data Warehouse, its governance and policies.

EDW PROCURE-TO-PAY REPORTING
EDW Procure-to-Pay Reporting will incorporate procurement data into the EDW to realize significant savings and efficiencies as well as improved data accuracy, reliability, and security.

EDW STUDENT FINANCIAL STATEMENT
EDW Student Financial Statement will incorporate and integrate student financial data into the EDW to realize improved analysis capabilities, as well as improved data accuracy, reliability and security.

IT GOVERNANCE
IT Governance will help the University to strategically address, prioritize, and coordinate new IT efforts with ongoing projects, processes, and operations.

IT PRODUCTIVITY SUITE
IT Productivity Suite will direct campus-wide provision, management, and operation of proven productivity solutions to provide high-quality software across campus.

METRICS
Metrics will develop guiding principles for the development and implementation of administrative performance metrics.

ONE STOP STUDENT BUSINESS CENTER
One Stop will create a first point of service contact for the most common student business transactions.

SHARED SERVICES
Shared Services will develop a single, trusted source for human resources, finance, research administration, and IT support that is currently distributed unevenly in more than 200 locations across campus.

STUDENT TECHNOLOGY PHASE 1
Student Technology will create an implementation plan for delivering a more seamless and full-service online experience for Berkeley students.

TARGET TALENT DEVELOPMENT
Target Talent Development will enable the University to focus its learning and development efforts on positioning the workforce to meet the future needs of the University.

TOOLS FOR MEAL PLANS
Tools for Meal Plans is implementing several tools to bring more efficiency to resident hall dining food & beverage procurement and management.

UNIT RESTRUCTURING
Unit Restructuring implemented "spans & layers" analysis and methodology to create a flatter organizational structure campus wide.

Find more information about OE projects online at http://oe.berkeley.edu