

Transforming NMSU into a 21st Century University



**Employee Council
Forum
September 22, 2015**

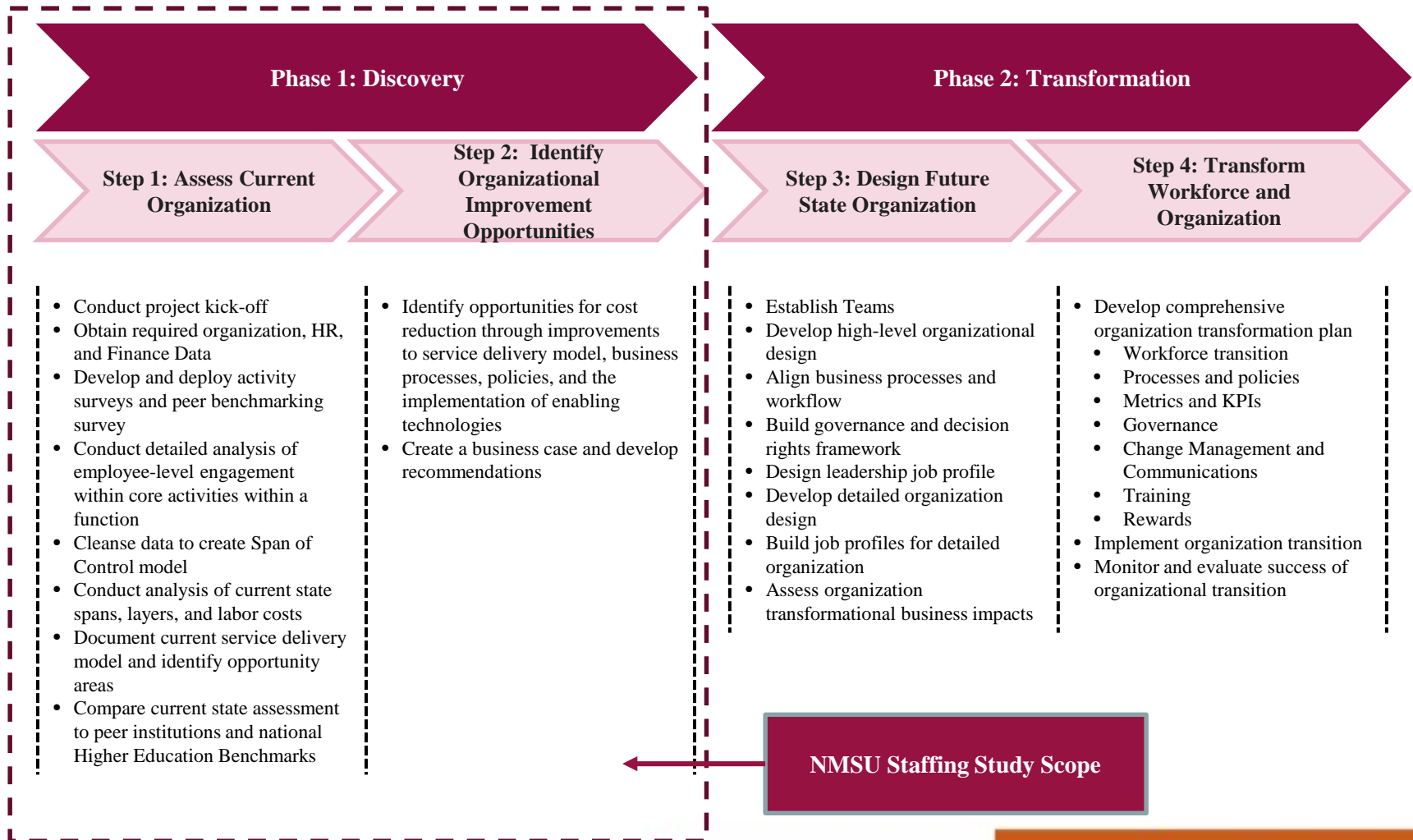
Overview

- Deloitte consulting was contracted to:
 - Analyze staffing levels
 - Ensure alignment with NMSU's core mission and strategic plan
 - Identify improvement opportunities
 - Provide business cases for improvements
 - Compare NMSU to benchmarks

Goal

- Transform NMSU into a 21st century university, meeting higher education challenges such as:
 - Increasing costs of delivering educational services
 - Declining enrollment
 - Shrinking federal research funding
- Standard & Poor's has just issued notice that NMSU was downgraded from "AA" to "AA- Outlook is Stable," citing reason for downgrade as declines in enrollment and operating deficits on an adjusted basis

NMSU Staffing Study Process



Peer Benchmarking Survey

- Deloitte Consultants completed a Peer Benchmark survey of 3 NMSU peers (Montana State University, Utah State University and University of New Mexico)
- To enhance the benchmarking data, Deloitte also used other data sources:
 - Publicly available benchmarks included IPEDS and EDUCAUSE
 - Deloitte's Higher Education Benchmarking Study, which included higher education institutions
- Peer Benchmarking Survey data was not utilized as the sole source

NMSU Taxonomy

- The taxonomy identified work performed by **functions** and **processes** to facilitate analysis and comparison of 2,343 Las Cruces staff
- 14 functions and 169 processes were defined for NMSU

NMSU Taxonomy - Functions

- General Admin Support
- Operational Management Activities
- Advancement
- Facilities
- Auxiliaries
- Finance
- Human Resources
- Procurement
- Student Administrative Services
- Award Development, Compliance & Admin
- Information Technology
- Research, Public Service & Scholarly/ Creative Activities
- Communications
- Educational Programs

We Appreciate our Caring Community



Deloitte Consultant's Key Observations

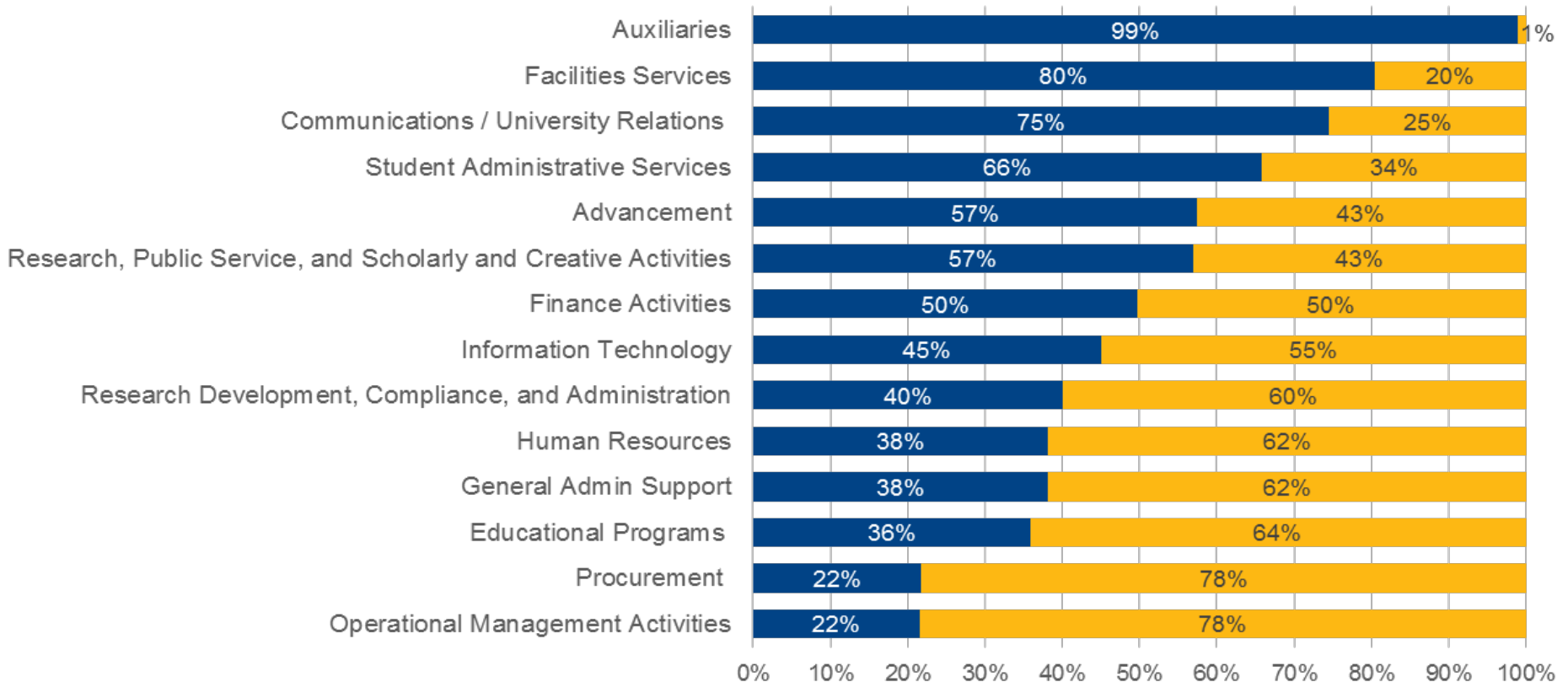
- Considerable **Fragmentation** at the function level: work being performed is distributed broadly across the University
- Chancellor Carruthers asked Deloitte the question “Is or is not NMSU overstaffed?” Deloitte’s response was that rather than being overstaffed, NMSU is poorly organized

Deloitte Consultant's Key Observations

- Refining operating models will:
 - Better align transactional and strategic work
 - Increase efficiency and effectiveness
 - Eliminate duplication of effort
 - Increase compliance with state and federal rules and regulations

Considerable Fragmentation at the Function Level

% of Centralized FTEs vs. Non Centralized by Function



 % of Centralized FTE

 % of Non Centralized FTE

Deloitte Identified Key Opportunities

	Opportunity
1	Leverage more support staff versus professional staff across key functions to reduce total operating costs
2	Consolidate management responsibilities university-wide by reducing the number of management layers from six to four
3	Establish a university-wide span of control policy that eliminates all span of control relationships that are less than 3:1 (staff: manager)
4	Assess labor cost per FTE to further validate if the results from the benchmarking effort are accurate
5	Standardize coverage ratios of administrative support staff
6	Restructure IT service delivery model for greater efficiency and effectiveness
7	Assess Outsourcing the Tier-1 help desk
8	Redesign the Finance Operating Model
9	Streamline the HR Operating Model for greater efficiency and effectiveness
10	Centralize Procurement authority and direct control to manage more of NMSU's total expenditures
11	Source Spend Categories Strategically

From Deloitte's Key Opportunities NMSU Selected 5 for Consideration

- Consider policy and procedures to standardize management span of control
- Consider policy and procedures to standardize Admin Asst staff coverage ratios
- Consider centralizing the IT service delivery model
- Consider centralizing the Finance delivery model
- Consider policy and procedures to standardize procurement

Transformation Project Stages

- Name the Project

“Transforming NMSU into a 21st Century University”

- Establish Teams
- Assess Deloitte Business Cases
- Plan and Design; seeking NMSU community feedback
- Build and Test
- Implement

Transforming NMSU into a 21st Century University

Executive Team

G Carruthers, D Howard, R Scott, S Jones, A Throneberry, L Ellis, M Howard, G Fant, K Agnew

Natalie Kellner
Project Manager

Team 1
Chancellor
Carruthers, Lead
Organization and
Span of Control

Team 2
Andrew Pena, Lead
Administrative
Assistant
Coverage Ratios

Team 3
Norma Grijalva, Lead
IT Service
Delivery

Team 4
D'Anne Stuart, Lead
Finance Service
Delivery

Team 5
Norma Noel, Lead
Purchasing Vendors
and Authority

Expected Outcomes
Reduced Mgmt Levels
Standard Direct Reports
Organizational Pyramid

Expected Outcomes
Standard Staffing Levels
Admin Asst Realignment
Admin Asst Attrition
Fiscal Asst Attrition

Expected Outcomes
IT Centralization
Services & Pricing Strategy
Service Level Agreements
IT Governance
Data Governance

Expected Outcomes
Finance Centralization
Standard Budget Reports
Service Level Agreements

Expected Outcomes
Purchasing Centralization
Preferred Vendor Use
Service Level Agreements

Dan Howard
Provost

Sharon Jones
Chief of Staff

Terry Adler
Business

Greg Block
Empl Council

Stu Munson-McGee
Faculty Senate

Kathy Agnew
Human Res

Larry Blank
Business

Bill Harty
Empl Council

Cathy Thomas
Arts & Sciences

Pam Jeffries
IT

Diane Madrid
Admin & Finance

Enrico Pontelli
Arts & Sciences

John Roberts
IT

Felipe Parra
Student Svcs

Kim Rumford
Provost Office

Cherri Lambeth
Research

Celeste Bernal
Finance

Bill Quintana
Arts & Sciences

TBD
Dir Purchasing

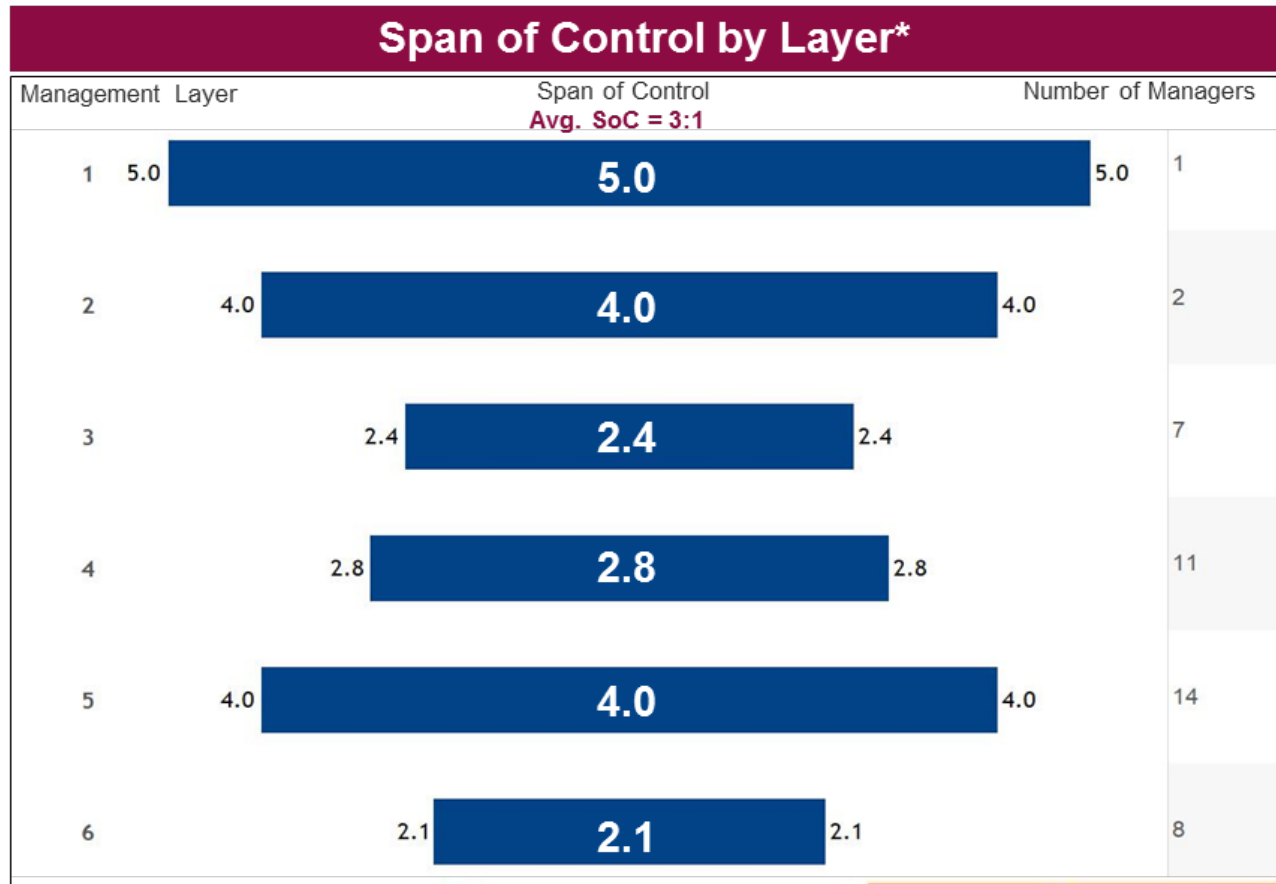
Tim Nesbitt
ACES

Glen Haubold
Facilities

Mary O'Connell
ACES

Team 1 - Organization and Span of Control

Deloitte Findings



NMSU has higher levels of direct reports at the top and fewer at the bottom

Team 1 – Organization and Span of Control

Deloitte Identified Opportunities

- Consider establishing policy and procedures to standardize reports to relationships; reducing and/or eliminating any that are less than 3:1 (staff: manager)
- Consider a target span of control range of 8:1 – 12:1
- Consider reducing management layers from 6 to 4

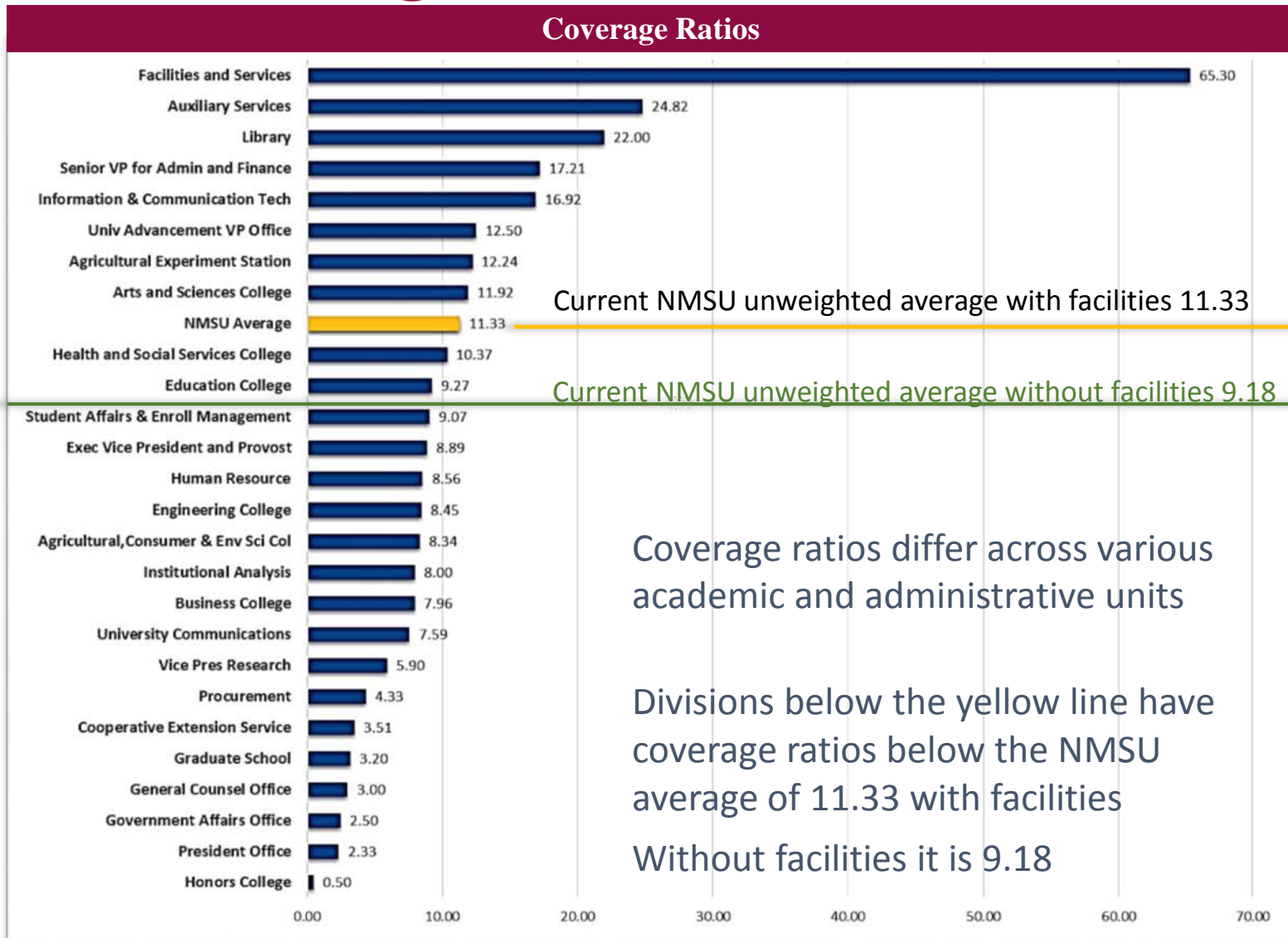
Team 1 – Organization and Span of Control

Deloitte Identified Benefits

- Reducing layers and optimizing span of control will:
 - Increase efficiency and effectiveness
 - Realign Spans of Control within Divisions
 - Decrease organization complexity
 - Reduce the distance between management and support staff
 - Reduce costs

Team 2 - Administrative Assistant Coverage Ratios

Deloitte Findings



Team 2 - Administrative Assistant Coverage Ratios

Deloitte Identified Opportunities

- Consider establishing policy, guidelines and procedures standardizing the number of administrative staff supporting NMSU departments
- Consider a target best practices coverage ratio of 13:1 (staff/faculty : admin assist)

Team 2 - Administrative Assistant Coverage Ratios

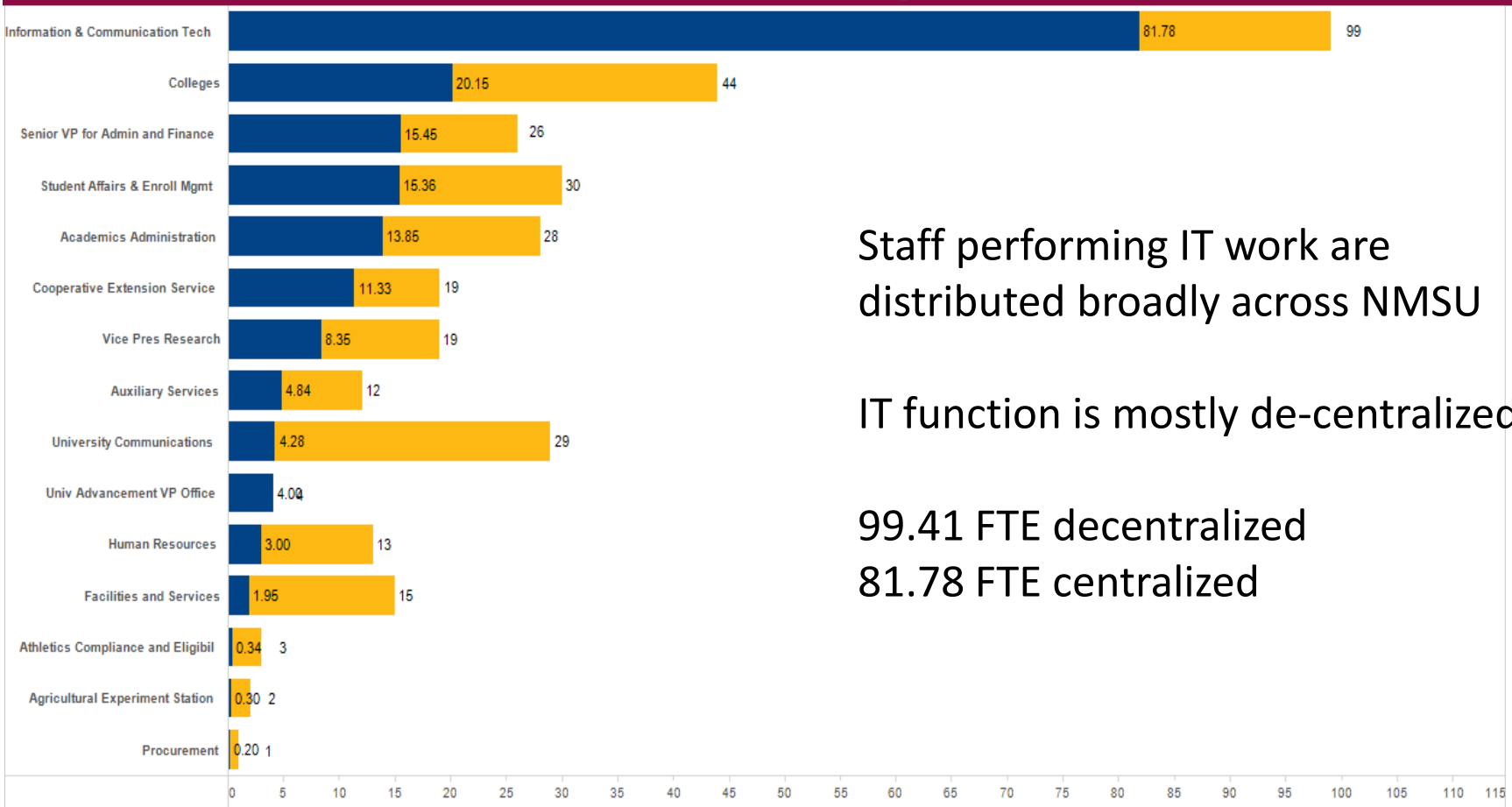
Deloitte Identified Benefits

- Establishing standards will:
 - Balance administrative assistant coverage ratios
 - Focus work loads to provide core admin support
 - Enhance flexibility to prioritize and allocate administrative resources based on workload
 - Improve service delivery through clearly defined administrative services and performance expectations
 - Enhance career prospects

Team 3 - IT Service Delivery

Deloitte Findings

Location Analysis*



Staff performing IT work are distributed broadly across NMSU

IT function is mostly de-centralized

99.41 FTE decentralized

81.78 FTE centralized

 FTE

 # Employees

Team 3 - IT Service Delivery

Deloitte Identified Opportunities

- Consider centralizing the service delivery model through the implementation of shared services
- Consider streamlining and standardizing support and processes for greater efficiency and effectiveness

Team 3 - IT Service Delivery

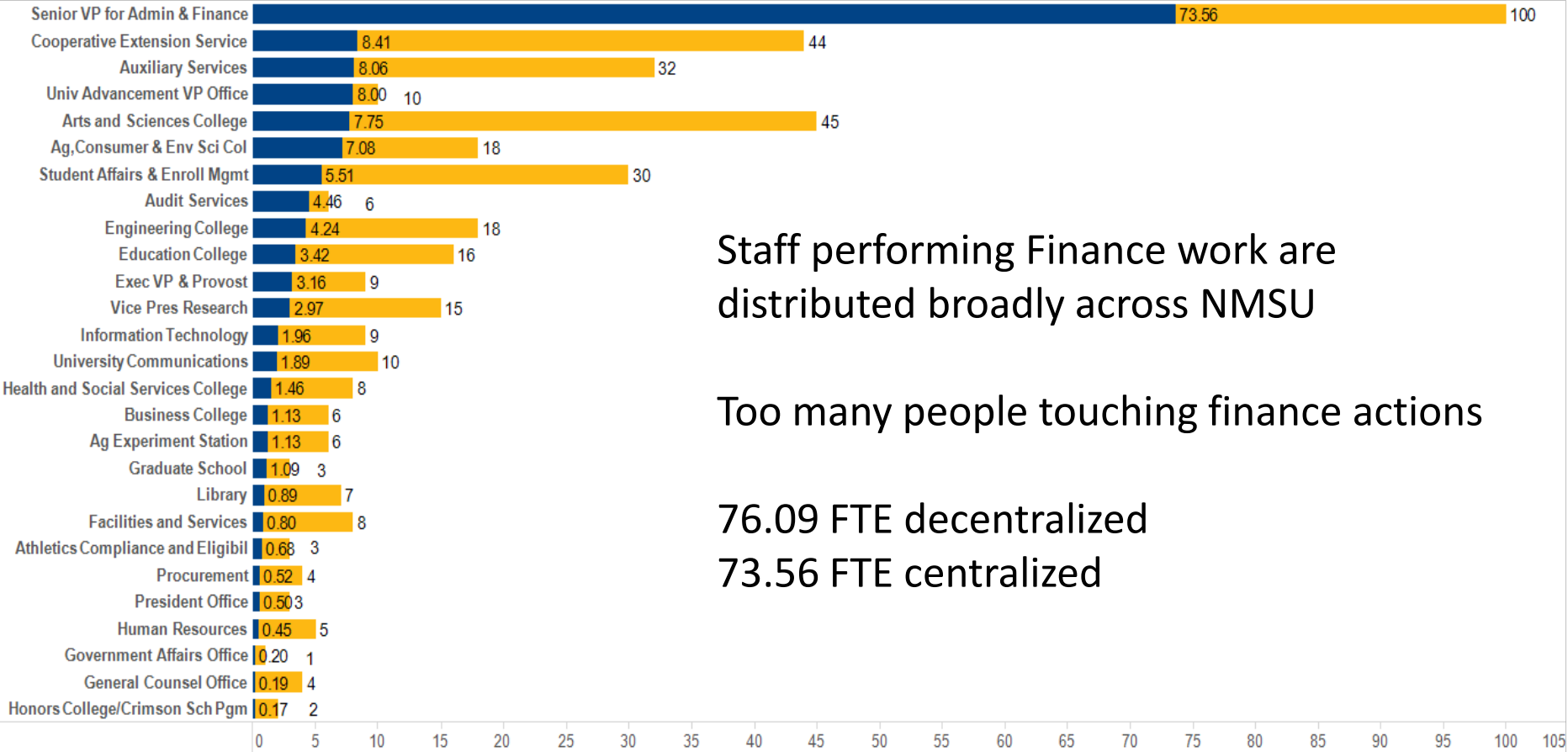
Deloitte Identified Benefits

- Introducing shared services and centralizing IT services will:
 - Increase the use of technology university wide
 - Standardize and improve processes and procedures

Team 4 - Finance Service Delivery

Deloitte Findings

Location Analysis



Staff performing Finance work are distributed broadly across NMSU

Too many people touching finance actions

76.09 FTE decentralized

73.56 FTE centralized

 FTE

 # Employees

Team 4 - Finance Service Delivery

Deloitte Identified Opportunities

- Consider centralizing finance service delivery model through the implementation of shared services
- Seek to simplify and consolidate transactional activities

Team 4 - Finance Service Delivery

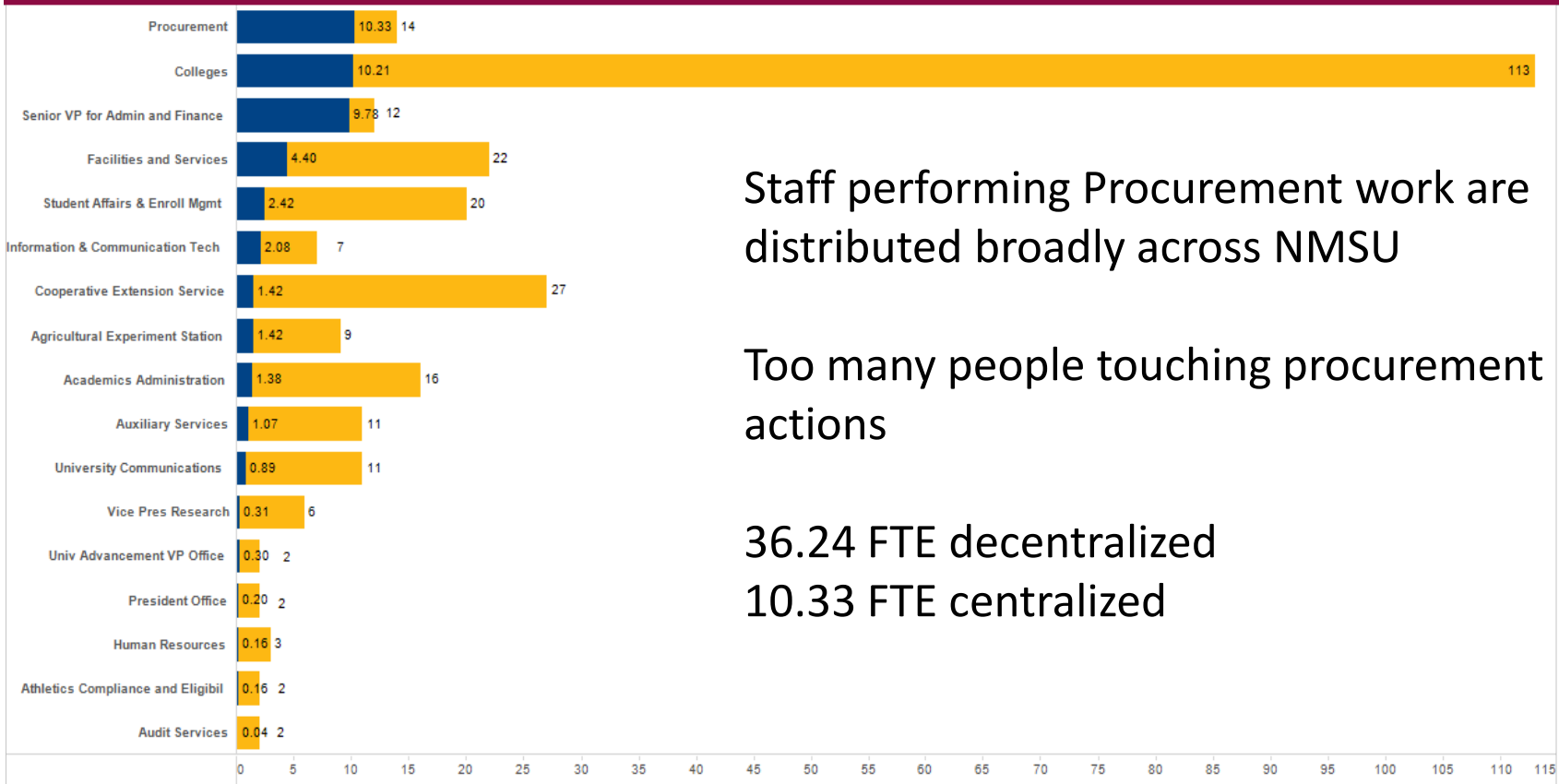
Deloitte Identified Benefits

- Introducing shared services and centralizing finance services will:
 - Reduce administrative burden
 - Improve transaction processing times and reduce error rates
 - Improve service delivery experience by providing process-focused and highly skilled staff
 - Increase compliance with policy, procedure and regulation
 - Increase use of technology university wide

Team 5 – Purchasing Vendors and Authority

Deloitte Findings

Location Analysis*



Staff performing Procurement work are distributed broadly across NMSU

Too many people touching procurement actions

36.24 FTE decentralized
10.33 FTE centralized

 FTE

 # Employees

Team 5 – Purchasing Vendors and Authority

Deloitte Identified Opportunities

- Consider establishing procedures to obtain better pricing on goods and services
- Consider organizing procurement spending into logical categories

Team 5 – Purchasing Vendors and Authority

Deloitte Identified Benefits

- Strengthening source spending and procurement processes will:
 - Identify where the University spends its resources for better financial planning, budgeting and forecasting
 - Establish vendor lists and relationships to improve customer service and efficient pricing strategies
 - Increase compliance with policy, procedures and regulations

Transforming NMSU into a 21st Century University

- Project Timeline

Deloitte indicates a project implementation range of 2-3 years

- Potential Cost Savings

Deloitte has estimated a potential cost savings of up to \$53 million, for the 5 key opportunities combined

Transforming NMSU into a 21st Century University

- If we transform NMSU, we can then begin to:
 - Stabilize management and budgeting
 - Generate funds for:
 - Teaching
 - Research
 - Compensation
 - Scholarships
 - Graduate Assistant Programs



Resources

- For information and copies of the Deloitte Consultant Reports, visit the staffing study website at <http://staffingstudy.nmsu.edu/>
- Questions can be emailed to president@nmsu.edu