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## End of Phase 1 Update

The Iowa Board of Regents (BOR) and Iowa's three public universities (University of Iowa, Iowa State University, University of Northern Iowa) have been working alongside Deloitte Consulting as part of the *Rising to the Next TIER (a Transparent, Inclusive Efficiency Review)* program. TIER is a review of the academic and administrative areas across Iowa's three public universities, as well as the Regent system as a whole. The goal of TIER is to transform Iowa's public universities so the universities are sustainable for the long term and true to their core academic missions of education, research and service as well as learning, discovery and engagement.

Phase 1 of the TIER project included a broad review to identify preliminary opportunities to reduce costs, increase revenue, or improve service or outcomes. This review covered several areas at each university:

- **Sourcing & Procurement** relating to the purchasing of goods and services
- **Academic Programs** including student success, instructional research, organizational practices, and fiscal resources
- **Information Technology (IT) Services** ranging from IT strategy to data center management
- **Facilities Management** including building maintenance, custodial services, and energy consumption
- **Construction** relating to contracting and delivery practices and strategies
- **Auxiliaries** including areas such as power plants, parking and transportation, athletics, residence halls, and dining
- **Finance** ranging from transaction processing to budget formulation
- **Research Administration** relating to pre- and post-award activities
- **Human Resources (HR)** ranging from recruitment to retirement
- **Marketing & Advertising** including the development and distribution of materials
- **Strategic Space Utilization** relating to classroom scheduling and efficient space usage
- **Student Services** ranging from admissions to career services.

During the 10 weeks of Phase 1, Deloitte visited each campus twice, conducted more than 390 interview sessions and focus groups, and met with nearly 700 individuals across the three universities and BOR office. Additionally, Deloitte along with BOR subcommittee representatives, conducted Town Hall meetings at each campus to provide a forum for all community members to express ideas and ask questions. From each of these sources, Deloitte reviewed the information available and compared current practices and approaches to industry best practices to identify key themes and potential improvement opportunities.

As a result of this initial analysis, several strengths and challenges emerged:

### *Strengths*

- Dedicated and talented faculty and staff
- Highly engaged, motivated students

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- Clear focus on the mission of each institution
  - Strong desire to use resources effectively
  - Keen interest in continuous improvement

#### *Challenges*

- Limited cross-university collaboration
- Many siloes within and across universities leading to overlapping and duplication of roles, services, and programs
- High degree of complexity across functions, resulting in inefficient processes that cause time delays and frustration
- Difficulty accessing and using data to drive decision-making

Below is a summary of themes that emerged during Phase 1 within each of the analyzed functional areas.

- *Sourcing and Procurement:* The purchasing organizations within each university have been proactive in identifying savings opportunities relating to the procurement of goods and services. Relative to benchmarks, however, there appears to be opportunities to realize additional savings and sustain these savings through further investment in the procurement function (e.g., personnel and technology).
- *Academic Programs:* The three universities demonstrated a strong commitment to student success and are clearly a great asset to the state. Moving forward, there appear to be several opportunities to build on the academic strengths, including decreasing the time it takes for students to complete degrees, increasing collaboration, increasing access of non-traditional students to university offerings through Distance Education, using institutional research data to facilitate empirically based decision-making, and furthering enrollment management principles.
- *Information Technology Services:* IT practices generally follow industry standards and there are multiple examples of collaboration between the three universities. There appear to be opportunities, however, for a greater focus on IT strategic planning, enterprise architecture, sharing of technology infrastructure and usage of technological innovation.
- *Facilities and Auxiliaries:* A broad range of complex services are effectively provided to faculty, staff, and students by Facilities and the various university auxiliary units. Additional progress, however, can be made relating to energy management, contracting approaches, and facilities management practices.
- *Finance:* Many of the processes discussed with Finance staff appear to be in line with industry practices. Several staff and faculty, however, reported feeling overwhelmed by the number of finance areas they need to be proficient in, which indicates there may be an opportunity to simplify how finance processes are performed. Additionally, there may be an opportunity to review financial compliance and audit processes to balance compliance and effectiveness considerations.
- *Research Administration:* Services provided by Sponsored Programs and Sponsored Accounting are generally well received across campuses. There is a need for a more consistent approach, however, to provide support for proposal development and post-award management at the local level. Additionally, there may be opportunities to

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increase collaboration and support relating to technology transfer and economic development.

- *Human Resources*: In general, there has been a strong sense of collaboration between HR and university departments and functions. Additionally, there are many examples of the use of automation and employee self-service for routine transactions. Moving forward, there appear to be opportunities to optimize HR transactional processes (e.g., personnel action forms, I-9 processing) to improve quality and speed of service and to clarify roles and responsibilities of central HR and supporting staff.
- *Marketing & Advertising*: University departments and functions that conduct marketing and advertising generally are aware of brand guidelines and have started to transition from print to online distribution approaches. Going forward, there appear to be opportunities to further adhere to brand standards and collaborate within each university to better use available tools and resources.
- *Strategic Space Utilization*: The universities have taken steps to monitor classroom utilization and some progress has made in benchmarking classroom resource usage; however, more work can be done to analyze building usage and to schedule classes more efficiently to improve classroom usage rates.
- *Student Services*: There is a strong commitment to student success with a focus on retention and graduation rates. Going forward, there may be an opportunity to further coordinate student services within each university to provide a clearer view of services to students and to automate manual processes.

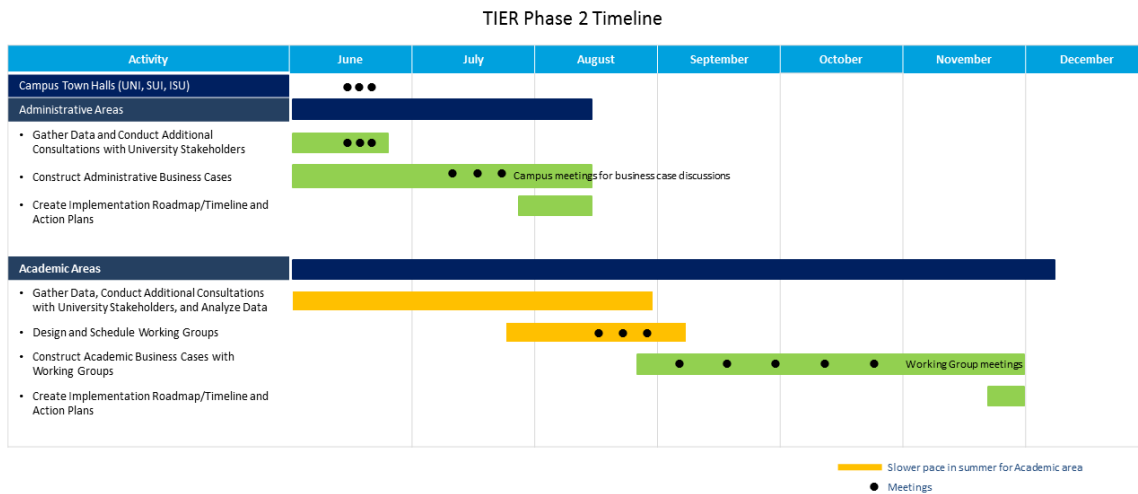
In the final week of Phase 1, Deloitte worked with members of the Board of Regents subcommittee to discuss observations and key themes, and to select areas of focus for Phase 2. During this next phase, Deloitte will conduct a more detailed analysis of the selected opportunities. This will include developing a business case of the costs, benefits, and estimated implementation timeframe for each opportunity to further gauge the potential to increase efficiency and effectiveness. These opportunities will then be sequenced across a timeline to show the all of the opportunities across a multi-month or, in some cases, multi-year, implementation horizon.

The areas that Deloitte will focus on during Phase 2 include:

- **Sourcing & Procurement** to analyze further improvements to purchasing practices
- **Academic Programs** to strengthen academic programs to achieve maximum competitiveness, to broaden non-traditional student access through Distance Education, and to better support institutional research practices and capabilities
- **Information Technology Services** to examine ways to optimize how IT services are provided
- **Facilities** to explore ways to more effectively use university infrastructure and reduce utility consumption
- **Finance** to determine ways to simplify the delivery of finance services
- **Human Resources** to optimizing how HR services are provided
- **Strategic Space Utilization** to improve building usage rates
- **Student Services** to evaluate if a common application portal across the three universities would benefit students and the universities

## Phase 2

Deloitte will continue to develop the schedule and plans for Phase 2, which will begin in mid-June. As part of that plan, Deloitte will return to each university beginning the week of June 16<sup>th</sup> to initiate Phase 2 work and hold additional public forums to obtain input from stakeholders at each university. As previously shared, there will be a greater focus on the administrative analysis over the summer while the academic review continues at a slower pace. Most of the work in the Academic area will occur in the Fall of 2014 when faculty, students and staff return to campus. Highly interactive working groups will be convened to develop business cases in the Academic area and will meet periodically throughout the Fall. A high-level timeline of Phase 2 is shown in the graphic below.



Throughout Phase 2, the TIER team will continue to engage with stakeholders at each campus. The Deloitte team is also interested in continued input from the university communities and the public over the summer months. All are encouraged to continue to submit comments and to check for progress updates on the TIER websites of the Board and the universities, all of which can be accessed from the Board's web site, [www.regents.iowa.gov](http://www.regents.iowa.gov).

Please visit the following web sites for additional information on the TIER study:

Board of Regents – <http://www.regents.iowa.gov/TIER/tier.htm>

University of Iowa – <http://efficiency.uiowa.edu/>

Iowa State University – [www.iastate.edu/efficiency](http://www.iastate.edu/efficiency)

University of Northern Iowa – <http://www.uni.edu/web/efficiency>