


WSU – An Institution in Transition

NSF B&O Advisory Meeting
May 2012

WSU – An Institution in Transition

- ▶ Set the stage – Massive change at the top, middle and everywhere in between
 - ▶ “Environmental” Issues
 - ▶ Two distinct initiatives – Personnel, Operations
 - ▶ Its really about Change Management and Organizational Development
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Change in Management

- ▶ New Provost * – September 2010
- ▶ New President * – January 2011
- ▶ New Senior VP of Finance* – January 2011
- ▶ Deans – 5 new between August 2010 and July 2011, number 6 in August 2012
- ▶ New AVP/Controller – April 2011
- ▶ New AVP for Business Operations – July 2011
- ▶ New AVP for Procurement – February 2012
- ▶ New Director of Purchasing * – April 2012
- ▶ New AVP of Human Resources * – May 2012
- ▶ New Director of Payroll – June 2012

* Notes outside candidate



Environmental Issues

- ▶ WSU is an urban, public research university
- ▶ Annual research expenditures top \$250M
- ▶ State appropriation has decreased for 4 consecutive years
- ▶ FY 2012 appropriation decreased 15%
- ▶ Highly represented staff and faculty
- ▶ Located in Detroit, Mich

SOMETHING HAS TO HAPPEN!



Budget Reduction Initiatives

- ▶ Personnel Initiatives
 - SRIP – Special Retirement Incentive in May 2011
 - Cost ~ \$9M to implement, took “hit” in FY 2011
 - Save ~\$3.5 million annually
 - Reduction in Force – August 2011
 - Cost ~ \$1.4M to implement, took “hit” in FY 2011
 - Save ~\$1 million annually
- ▶ New Contract Approach
- ▶ Reduction in cost of benefits w/o reduction in coverage

Budget Reduction Initiatives

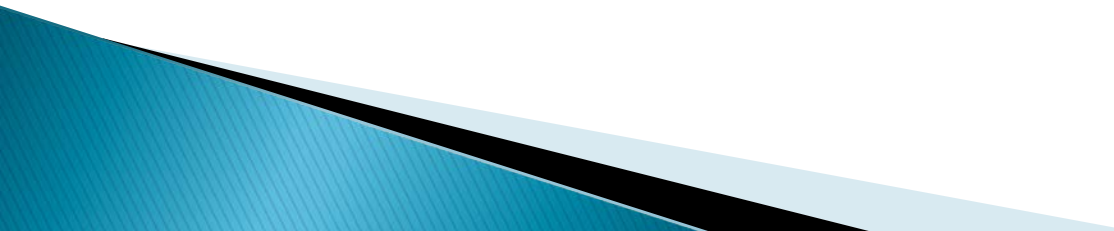
- ▶ Operational Initiatives
 - All Business practices reviewed
 - Automate, streamline, remove non-value steps
 - Review, re-write business policies
 - Restructure the organization
- ▶ The fallacy of “Customer Service”; the cost of doing everything

Key Business Initiatives

- ▶ **Procurement**
 - Implement on-line procurement system (SciQuest)
 - Move to a “strategic sourcing” model
 - Executive “exclusive” contracts with key vendors resulting in deeper discounts
- ▶ **Business Processes**
 - Remove non-value business practices
 - Implement automated travel system (Concur)
 - Highly encourage direct deposit for all payments

Key Business Initiatives

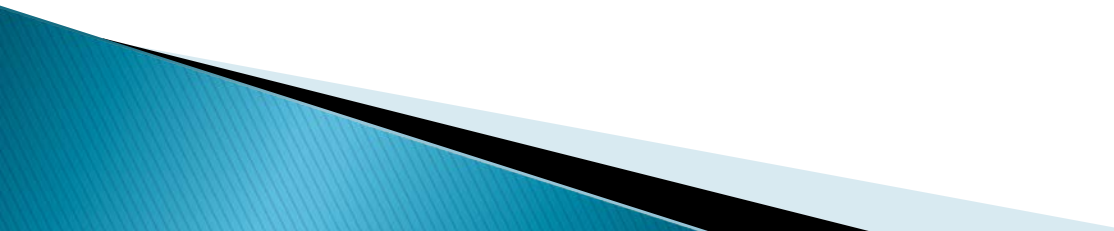
▶ Facilities

- Implement Job Order Costing model to simplify work order execution
 - Implement new Work Order system to track/monitor departmental requests
 - Implement new time-keeping system
 - Execute agreement with firm for energy conservation measures with guarantees
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What are we saving?

▶ Personnel Initiatives	\$ 4.5M
▶ Procurement/Strategic Sourcing	\$ 5M
▶ Business Processes	\$ 2M
▶ Facilities	<u>\$ 6M</u>
	\$17M
Future HR	\$ 2M

Change Management

- ▶ It is really about the people
 - ▶ WSU has a challenge that many times “hands are tied” due to contractual issues
 - ▶ Keys to victory
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Keys to victory

- ▶ Positive Communication
 - Common message
 - Senior Management – town halls, Q&A's
 - Organizational – regular, open discussions
- ▶ Reinforcement to staff
 - Do what you can in rewards/recognition
 - Discuss long term, both career and
 - 2.5–3% increase last year
 - 2% this year



MICHIGAN



**THOSE WHO STAY
WILL BE CHAMPIONS**