

→ STRATEGIC MANAGEMENT AND A STRATEGY FRAMEWORK

As work progressed over the last year on the Strategic Management and Metrics project, it became increasingly clear that the campus would benefit from an integrated strategic framework for planning. While there are a significant number of planning initiatives underway and regular planning processes in place, we lack an overall framework that aligns these efforts and allows us to consider tradeoffs in a transparent manner. Enhanced strategic planning is an iterative top down/bottom up process that would provide a comprehensive roadmap and clear priorities to define what we most value and where we are going. Using metrics as a management tool for performance monitoring, the campus could assess its progress towards realizing top priorities and adjust course as necessary.

Plan & Indicators: If a decision is made at the campus level to launch a strategy initiative, we will move forward to implement a process. An assessment would be done in early fall to determine what we could practically implement during FY2014 and what other elements would be phased in future years. We will also continue to build on work started with the five pilots of the Strategic Management and Metrics Projects and expand that work to include additional interested units. We have created a toolkit that brings together performance metrics, budget data and qualitative inputs and will complete development of a flexible prototype for a Strategy module that leverages our existing systems of record (CalPlanning and CalAnswers) to ensure consistent data and to automate the process as much as possible.

→ FACILITIES SERVICES AND OPERATION AND MAINTENANCE OF PLANT

As State funding of capital projects has diminished, it has become increasingly vital to consider alternative financial approaches to ensure that Berkeley can continue to offer the modern facilities required of a world class teaching and research university. The merger of Facilities Services with Administration and Finance in January 2014 will facilitate a more integrated approach to the planning and construction of new buildings and their subsequent operational costs.

Plan & Indicators: In fall 2013, we will complete a campus-wide review of how services related to the operations and maintenance of Berkeley's physical plant are organized and delivered with a view to making specific recommendations that could increase the level of service and efficiency. At the same time, I will also be working closely with Ed Denton and his leadership team to ensure a smooth transition of Facilities Services into Administration and Finance. In addition, Harry LeGrande and I will partner to review how we plan, manage and finance the Student Affairs real estate and dining portfolio and Harry and I will submit a joint report to the Chancellor by the end of the calendar year.

→ BUDGET REFORM

FY2014 is year three of an ambitious project to move Berkeley towards best practice for budgeting and financial management. Goals in this area include: simplify the mechanics of financial flows; shift the budget process to focus on Berkeley's strategic priorities and away from the cycle of State budget appropriations; establish a financial information system that yields consistent data and facilitates analysis instead of being transaction focused; and create incentives to motivate our managers to make decisions that are in the best long term interests of Berkeley.

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Achievements: In FY2013, VCAF completed the rollout of CalPlanning and Position Management, establishing insight for employee compensation and vacancy planning into the FY2014 budget process. Income statements were introduced at the department level and comprehensive “base budgets” were established against which we can measure variance. Several key improvements for financial incentives were implemented, based on actionable data from CalAnswers. A new financial model for the JD and MBA programs was created that rationalized fee incentives going forward while eliminating unintended distortions caused by legacy policies. In addition, we initiated projects to do deep dives into the budgets of IST and Student Affairs to better understand finances of these complex areas.

Plan & Indicators: We will continue to take steps to implement the “road map” of best practices that was developed in FY2012. We need to drive the reforms deeper and continue to train our managers and staff how to use the new information and tools. We will also further improve the understanding and presentation of our financial accounts, re-examine the structure/functions of our finance departments, and continue to work with the heads of our business units (VCs, Deans, administrative units) to create appropriate financial incentives.

→ GROWTH AND EFFICIENCY INITIATIVES

The OE Executive Committee has so far committed \$65.4M in investments for a total of 23 projects designed to improve our operations and achieve savings. Nine of these projects have now completed implementation and have moved into operations. Projected ongoing annual savings of approved projects is \$82.5M. In FY2013, we expanded the OE effort to incorporate projects focused on the other side of the balance sheet – revenues – with a goal to close the campus’s structural deficit through the combination of savings efficiencies and revenue enhancements.

Achievements: OE has reduced the total annual administrative cost by \$32M, a savings for the campus to date of \$63.6M. bCal, bMail, Campus Shared Services - Cohort 1, and CalTime for exempt employees rolled-out in 2012-2013. Through a BAS initiative that consolidated the procurement functions of Berkeley and UCSF, we are also well on our way to achieve annual procurement - related savings of \$90M across both campuses. On the revenue side, we identified five areas as opportunities: online strategy, unit-level entrepreneurship, philanthropy, research and the Richmond Bay Campus. In the area of online strategy, we launched the Berkeley Resource Center for Online Education and joined edX. We held two campus-wide Revenue Generation Symposia for campus units interested in entrepreneurship and charged the OE Program Office to manage the project process. For the Richmond Bay Campus (RBC), VCAF established a Finance and Infrastructure subcommittee to examine options for financing development of the RBC and recruited a Development Manager to coordinate development of the site.

Plan & Indicators: We need to stay focused on implementing existing initiatives to ensure they yield adequate savings and afford the campus the ability to generate clear metrics and engage in continuous improvement. Critical next steps for the coming year include:

- Successfully implement other projects, including: CalTime for non-exempt employees, Metrics and Strategic Management, and the remainder of Shared Services, and EDW.
- Support the work to replace the Student Information System.

ADMINISTRATION & FINANCE

- Ensure that all projects, including those transferred to operations, model continuous improvement based on defined measurements and feedback from stakeholders.
- Finalize and integrate a sustainable methodology for determining spans of control, and develop targets for the purpose of consolidating gains in streamlining of management made under *Unit Restructuring*.
- Cultivate a robust methodology for consideration of ideas, and launch implementation of proposals for revenue generation projects.
- Improve faculty awareness of services available to support the development of online courses and programs.
- Launch efforts to aggressively advance a development plan for the Richmond Bay Campus.

→ Intercollegiate Athletics (IA)

We are in the midst of a multiyear initiative to develop and implement a sustainable funding model for IA. The opening of the SAHPC and CMS, and the performance of Cal athletes across a wide spectrum of sports create tremendous positive opportunities. At the same time, the financial dynamics of IA present a real challenge

Achievements: Following the objective pro bono analysis of IA's business model in FY2012, we worked in FY2013 to develop a diversified and aggressive plan to increase net revenue. An investment of \$400K in a professional ticket sales staff produced \$2M in new ticket revenue across football, basketball and baseball. Most recently, we have launched an effort to consider the revenue implications of broadening the use of CMS to a multi-use facility for academic, student and community use.

Plan & Indicators: Fully implement revenue generation initiatives identified in the IA business model review and continue the operational improvements that have been initiated over the last few years. Develop and implement goals and metrics to ensure that staff have clear accountability for their areas of responsibility and are appropriately rewarded for performance. Progress indicators include: increasing ticket sales revenues, increasing philanthropic contributions, establishing an Event & Venue Rental business (Cal Events), increasing sponsorship/royalties revenues, increasing net positive and decreasing net negative for each of the 29 sports on a cost per sport basis, finish FY2012 within defined expense budget.

→ CAMPUS IT SYSTEMS AND SERVICES

In FY2013, IST moved into the VCAF organizational structure and dual reporting lines to the EVCP and VCAF were established for the CIO. Larry Conrad was hired into this position in spring 2013. A more detailed version of his priorities plan with progress indicators is included under a separate tab.

Plan: The overall strategic direction for FY2014 will be to ensure that the campus IT organization continues to anticipate and support the diverse needs of campus units. In alignment with leadership goals and campus feedback, five major areas of focus have been identified for the coming year.

- Begin a three-year effort to implement a new student information system.
- Focus on the fundamentals of IT systems management and project delivery.
- Improve customer service, engagement and governance.
- Develop and research/academic engagement support strategy.

ADMINISTRATION & FINANCE

- Enable Campus Shared Services with key technologies including selection of a help desk ticketing system, customer relationship management tools, etc.

→ **CAMPUS SHARED SERVICES (CSS)**

Campus Shared Services is the most complex and challenging OE project, but potentially one of the most transformative. The goal of CSS is to create a centralized organization for human resources, finance, research administration and IT support to provide high quality administrative services for the campus. Berkeley is one of the few campuses to attempt to do this in a comprehensive manner across all these functions.

Achievements: In FY2013, we completed development of a governance structure, finalized our workforce planning and launched the move of campus units to receive service from the new organization. A fair, simple and affordable funding model was developed and we achieved broad campus buy-in for the model. We procured a building in west Berkeley with capacity to house the full organization, both to benefit the CSS staff and to create capacity on the central campus for core academic usage. Rollout to a first cohort of early adopters that encompassed both administrative and academic units occurred between January and May of 2013.

Plan & Indicators: In FY2014, we will continue implementation of CSS with a focus on process improvement, standardization and innovation. Success will be measured by feedback from customers – gathered through meetings, surveys and other feedback mechanisms. Some top priorities include:

- Improve the implementation process for Cohorts 2 – 5.
- Implement the CSS financial model.
- Ensure CSS leadership and organization operates as a cohesive team.
- Improve service delivery and relationship development with units.
- Improve communications.
- Continue to develop staff engagement and development program.

→ **VCAF**

The VCAF will continue to look critically at its organizational structure and business model to improve our operations, systems and workflows. We also must take a look at the way we are organized and how we communicate internally.

Achievements: Effective July 2012, the Office of Emergency Preparedness and the Office of Continuity Planning were consolidated to form the Office of Emergency Management (OEM) and aligned with EH&S. HR began implementation of its restructuring project, “One HR”, to refocus and serve a more strategic role in policy development, workforce planning and development, and HR business process improvement. A Talent Acquisition Unit was created to deliver enhanced support services for recruiting. HR has also partnered with CSS to further clarify roles of central HR and shared services.

Plan & Indicators: Human Resources will complete the implementation of its new organizational and service model and work with CSS to address any service gaps. Work teams will recommend and implement changes and success will be measured by customer engagement as described under CSS. Additional priorities within HR include:

ADMINISTRATION & FINANCE

- Develop a team within Talent Acquisition to deliver executive level support for recruiting. In FY2014, a business plan will be developed and submitted for discussion/decision in the spring.
- Develop a staff compensation strategy. Includes strategy to address market lag, revision of performance bonus program, and development of tools to support a robust pay for performance program.
- Assist campus units with change management related to restructuring and new systems via Transformation Support Services (TSS). It is expected that TSS will engage with at least six major units in each of the next two fiscal years.

In the past, BAS worked with Learning and Organizational Development to customize the campus's supervisor training program (KEYS) for BAS supervisors. In FY2014, BAS will focus on increasing the number of supervisors certified as competent in all KEYS areas, with a goal of having 85% certified by the end of the fiscal year. A second priority for BAS is to build a wellness vision that the campus will embrace. A success indicator would be for leadership to designate wellness as a strategic priority. The objectives of a wellness vision and action plan are to:

- Strengthen students' academic success by equipping them to make choices to support their physical, mental and emotional wellbeing.
- Pursue policies and practices that promote health and wellness by institutionalizing access to healthy options.
- Strengthen workplace strategies that maximize health, wellness, productivity, and success for the campus's diverse faculty and staff.

➔ **CAMPUS SECURITY AND EMERGENCY MANAGEMENT**

The security and safety of the campus community is a critical priority. Whether we are facing a full-scale crisis, campus protests, or day-to-day issues such as lab safety or property crimes, it is important that we are as prepared as possible. Key priorities in this area include: the Campus Emergency Management Initiative, the Protest Response Team (PRT), the Laboratory Safety Culture Change (LSCC) Initiative, and improve the safety and security of the campus.

Achievements: In FY2013, OEM developed a Five Year Strategic Plan to better prepare the campus for a large-scale emergency and to conform to the National Fire Protection Association (NFPA) standard. This plan identifies 36 strategic initiatives within 10 overarching strategic goals to better prepare the campus to manage emergencies. The PRT has continued to evolve its practices on protest response, working to improve its communications plans, community engagement and partnership with the UCPD. EH&S has completed Phase 1 of the LSCC Initiative – achieving initial settlement compliance in the Department of Chemistry.

Plan & Indicators: Goals for FY2014 include:

- Begin implementation of the Campus Emergency Management Initiative. In FY2014, we will establish a fully operational EOC in Warren Hall; revise the Emergency Operations Plan to include several new, important sections; and conduct a round of tabletop exercises.
- Continue to improve our practices in the PRT to allow campus affiliates to exercise their right to freedom of speech and a safe manner. In addition, we will complete

documentation of the campus's practices related to recommendations in the Robinson-Edley Report.

- Follow-on work for the LSCC Initiative has not been funded. Additional activity could include implementation of an enhanced lab inspection program, mandated online training for PIs, and tools to help assess lab hazards or determine appropriate Person Protective Equipment (PPE).
- UCPD will begin the process to gain accreditation with a goal to complete the process and gain accreditation by the end of FY2016. The PD will also begin to look at more effective and efficient ways to enhance campus safety, reduce crime and build community with a goal of a 10% reduction in Property, person and violent crimes on campus.