

# Operational Excellence

Portfolio and Project Updates from the Operational Excellence Program Office

## Operational Excellence at Work



### Keen Eyes Identify an Energy Anomaly

Duncan Callaway (pictured left), an assistant professor in the Energy and Resources Group, and his students were quick to email the Energy Office after detecting a suspicious spike in energy usage on Barrows Hall's Pulse Dashboard. The Energy Office used the data and analytic capabilities of the dashboard software to detect an equipment setting issue. Left uncorrected, this problem would have cost the department upwards of \$45,000 annually.

That is how people + processes + technology are decreasing wasteful energy consumption! To find out more about what UC Berkeley is doing to further distinguish itself as an environmentally concerned, fiscally responsible leader in energy conservation in higher education, visit [mypower.berkeley.edu](http://mypower.berkeley.edu).

By mid-September, Campus Shared Services will be submitting to campus unit leaders and senior administrative staff a Proposed Funding Model that describes what units will pay for services, how implementation costs will be managed, when costs will be reviewed and evaluated, and how charges will be transacted. Based on feedback from the OE Executive Committee, campus unit leaders, and senior administrative staff, the final Funding Model is slated for publication in October.

This past spring, the Campus Budget Office launched an unprecedented budgeting process that leveraged CalPlanning, our institution's new budget software. As a result, UC Berkeley has its first all-funds, all-units budget. This process marks a shift to more strategic financial planning and sets UC Berkeley on the right path for financial sustainability.

bConnected (formerly IT Productivity Suite) announced the schedule for the roll-out of bApps – which includes bCal, bMail, and bDrive. As of August 20, faculty, staff, and students, who do not already have an @berkeley.edu email address through CalMail, began receiving bApps. Visit [bconnected.berkeley.edu](http://bconnected.berkeley.edu) for the campus-wide roll-out schedule.

On August 27, BearBuy hosted a celebration to thank the project team and other contributors for the successful launch of our campus' new procurement system. BearBuy has already achieved \$10.8 million in savings and is on track to save \$33 million by 2016. Among the luminaries who presented was Chancellor Robert Birgeneau.

On August 9, the OE Executive Committee approved the proposal for Transformation Support Services (TSS). TSS is a collaborative effort to help academic and administrative managers and their staff derive the greatest benefit from Operational Excellence projects. The TSS team will work with units across the campus to create an operating model that delivers world-class administrative services in a financially sustainable way.

The CalTime rollout begins this month for Residential & Student Service Programs (RSSP), which is serving as an early adopter of the new campus-wide timekeeping system. RSSP's timekeepers, supervisors, and employees are receiving training and all of RSSP's exempt employees (those who report only their leave usage) will begin using CalTime at the end of September.

### Portfolio At-a-Glance

**Current active projects:** 23

**Project implementation completed and transitioned to operations:** 2 (Unit Restructuring and BearBuy)

**Total OE investment committed:** \$63 million

**Projected on-going annual savings of approved projects:** \$81.5 million

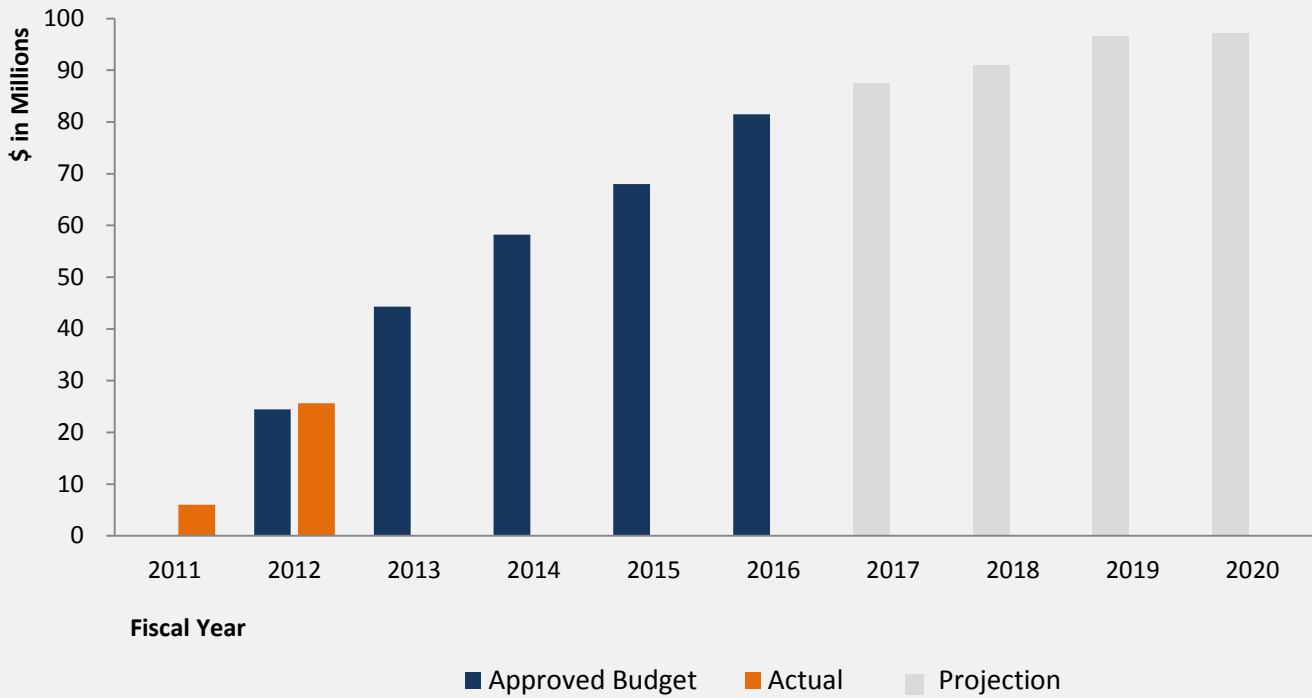
**Actual OE investment-to-date:** \$21.3 million

**Actual savings-to-date:** \$31.7 million

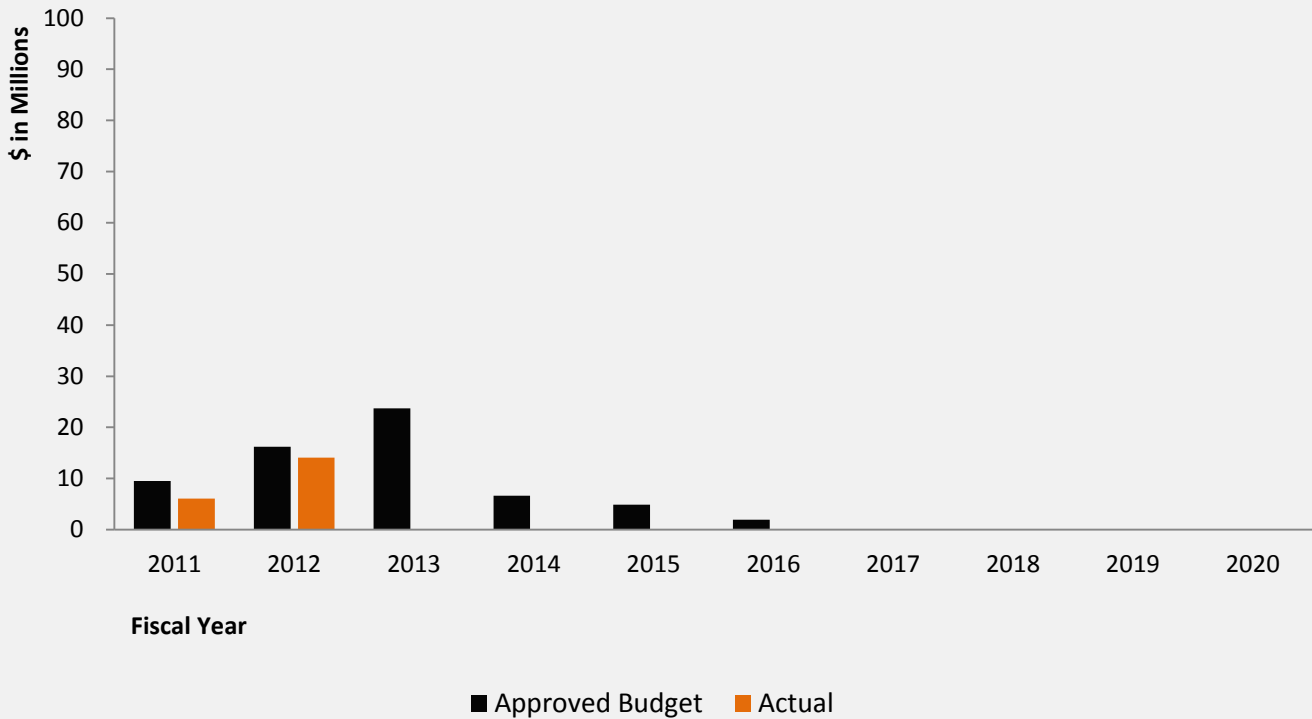


# Portfolio Profile

## OE Portfolio Annual Savings Actual Savings More Than Plan To Date



## OE Portfolio Annual Investment Actual Investment Less Than Plan To Date



# Project Financial Profile

PROJECT	EXECUTIVE COMMITTEE APPROVAL DATE	COMMITTED OE INVESTMENT AS OF 8/21/12 \$	OE EXPENSES AS OF 7/31/12 \$	PROJECTED ANNUAL SAVINGS BY FY 2016 \$	ACTUAL SAVINGS As of FY12Q4 \$
<b>ENERGY</b>					
Energy Office	3/11/2011	4,021,000	128,400	2,095,300	-
Incentive Program	3/11/2011	2,039,300	416,100	740,000	-
Outreach	3/11/2011	482,300	112,900	700,000	-
<b>FINANCE</b>					
CalPlanning	3/11/2011	6,157,200	4,760,500	-	-
<b>HIGH PERFORMANCE CULTURE</b>					
Berkeley Operating Principles	8/26/2011	120,000	46,200	-	-
Metrics	8/26/2011	120,000	1,400	1,800,000	-
Target Talent Development	6/8/2011	595,000	-	-	-
<b>IT</b>					
IT Governance	6/8/2011	3,959,000	170,000	-	-
IT Productivity Suite	6/8/2011	5,848,000	2,394,100	3,703,200	-
<b>ORGANIZATIONAL SIMPLIFICATION</b>					
Shared Services <sup>A</sup>	3/8/2012	20,720,000	2,702,000	6,900,000	-
Timekeeping	4/19/2011	3,676,000	1,688,700	7,300,000	-
Unit Restructuring	9/1/2010	3,371,000	2,312,400	18,300,000	20,500,000
<b>PROCUREMENT</b>					
BearBuy <sup>B</sup>	5/23/2011	4,354,400	3,850,500	33,000,000	10,794,000
<b>STUDENT SERVICES</b>					
Car Sharing	5/12/2011	-	-	112,300	-
One Stop Business Services Center	12/1/2011	1,000,000	25,600	208,000	-
Student Advising Council	11/11/2011	558,700	77,600	2,316,500	-
Student Technology Phase One <sup>C</sup>	11/14/2011	648,000	148,800	-	-
Tools for Meal Plans	5/12/2011	-	-	747,000	400,000
<b>NON-INITIATIVE PROJECTS</b>					
Application Support Center - Help Desk	11/14/2011	623,000	274,800	-	-
Enterprise Data Warehouse - Governance	7/15/2011	357,000	170,400	-	-
Enterprise Data Warehouse - Procurement	7/15/2011	2,749,000	1,945,500	2,963,000	-
Enterprise Data Warehouse - Student Finances	7/15/2011	710,000	131,800	634,400	-
Transformation Support Services	8/9/2012	814,000	-	-	-

## Notes

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

- 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.
- 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.
- 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

## OPERATIONS IMPROVEMENT

### APPLICATION SUPPORT CENTER

The Application Support Center provides dedicated helpdesk support to the BearBuy, CalTime, CalPlanning, and Campus Shared Services implementation projects.

### 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.

### CAMPUS SHARED SERVICES

Campus 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.

### ENTERPRISE DATA WAREHOUSE (EDW) GOVERNANCE

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

### METRICS

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

### UNIT RESTRUCTURING

Unit Restructuring implemented a “spans & layers” analysis and methodology to create a flatter organizational structure campus-wide.

### TRANSFORMATION SUPPORT SERVICES

Transformation Support Services will help schools and departments campus-wide define and implement a way of operating that delivers world-class administrative services in a financially sustainable way.

## PROCUREMENT & COST CONTROL

### BEARBUY

BearBuy is an e-procurement system that streamlines processes, increases efficiencies, and realizes significant long-term cost savings for campus purchasing.

### CAR SHARE

Car Share will replace 40 underutilized vehicles with a campus-wide car-share program that will produce savings related to vehicle purchase, maintenance, and insurance.

### ENERGY OFFICE

The Energy Office is tracking, overseeing, and managing campus energy use and offering financial incentives to operating units to reduce energy consumption.

### ENERGY OUTREACH

The Energy Outreach project is implementing an outreach program focusing on individual action to reduce energy use.

### ENERGY POLICY

The Energy Policy project is establishing a Campus Energy Policy to articulate guidelines and standards relating to all aspects of campus energy use.

### IT PRODUCTIVITY SUITE

IT Productivity Suite enhances collaboration between faculty, staff, and students by offering access best-in-class IT tools from Microsoft, Adobe, Google and more.

### TOOLS FOR MEAL PLANS

Tools for Meal Plans is implementing several tools to bring more efficiency to residence hall dining food and beverage procurement and management.

## IMPROVING THE STUDENT EXPERIENCE

### ADVISING COUNCIL

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

### ONE STOP STUDENT BUSINESS CENTER

One Stop will create a first point-of-service contact for the most common student business transactions.

### STUDENT TECHNOLOGY PHASE 1

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

## HIGH-PERFORMANCE CULTURE

### BERKELEY OPERATING PRINCIPLES

The Berkeley Operating Principles will engage the campus community to develop a set of principles to guide and inspire staff in their work supporting UC Berkeley's mission.

### 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.

For more information: <http://oe.berkeley.edu>