Administrative Leadership Meeting

Randy Woodson
Chancellor
Tuesday, March 10, 2020
## Upcoming ALMs

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 12</td>
<td>Office of General Counsel Update</td>
<td>Titmus</td>
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<tr>
<td>July 14</td>
<td>Peer Institutions</td>
<td>Titmus</td>
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</tbody>
</table>
Coronavirus

- No cases of Coronavirus on NC State’s Campus at this time

- Highly skilled team working on campus preparation, planning and response

- [https://www.ncsu.edu/coronavirus/](https://www.ncsu.edu/coronavirus/)
Early Action Applications

- Received over 22,000 Early Action Applications for the Class of 2024
  - Approximately 32,000 total applications
- Admitted early-action applicants represent 99 North Carolina counties, all 50 states, as well as 24 countries
University Council Meeting
Organizational Excellence

- University Advancement
  - Update on University Advancement Roadmap

- University Human Resources
  - Update on University Human Resources Transformation

- Finance and Administration
  - Vision for increasing University Effectiveness
Finance and Administration Update
Charles Maimone, Vice Chancellor for Finance and Administration
ALM, March 10, 2020
Pursuing Organizational Excellence

- Commitment to University Effectiveness
- Setting Expectations in Finance and Administration
- Engaging Campus Finance and Administration Teams
- Strategic Initiatives Underway
- Discussion/Advice
Finance and Administration

- Budget and Resource Management
- Campus Enterprises
- Environmental Health and Public Safety
- Facilities
- Finance
- Human Resources
- Real Estate and Development
- https://ofa.ncsu.edu/
Commitment to University Effectiveness

• Every unit, division and college on the campus is involved in financial and administrative operations.

• Together, we steward financial assets, optimize physical resources and strategically invest in human capital.

• Improved communication, coordination and collaboration will result in greater university effectiveness.
Commitment to University Effectiveness

- Administrative efficiency is measured by department level faculty and staff time that can be redirected from administrative tasks to program effort.

- We need to identify specific Finance and Administrative business processes that help position NC State University as a premier land-grant university and world-class institution. This work can only be done together.
Challenges to Growth and University Effectiveness

- Limited potential to increase tuition and fees
- Competitive environment to win contracts and grants
- Funding providers with high expectations for performance and compliance
- Competition for faculty and staff talent across Raleigh, the Triangle region, North Carolina and the nation
- Reputational and financial risk for poor performance anywhere on campus
- Stable yet flat state appropriations for operations
5 Year Trend: Stable State Appropriations for Operations* Compared to Growing Total Operating Expenses (in $millions)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Operating Expenses (in $millions)</th>
<th>State App for Operations* (in $millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15-16</td>
<td>$1,401</td>
<td>$503</td>
</tr>
<tr>
<td>FY16-17</td>
<td>$1,494</td>
<td>$506</td>
</tr>
<tr>
<td>FY17-18</td>
<td>$1,532</td>
<td>$515</td>
</tr>
<tr>
<td>FY18-19</td>
<td>$1,557</td>
<td>$522</td>
</tr>
<tr>
<td>FY19-20 (Projected)</td>
<td>$1,714</td>
<td>$525</td>
</tr>
</tbody>
</table>

* State Appropriations for Operations includes operating expenses only, and does not include State Appropriations for Capital Projects

Source: NC State University Office of the Controller and University Budget Office.
Operating Expenses Increasing at Faster Rate than Operating Revenue

FY20 Interims (7/1/19-12/31/19)

- Operating Revenues up by $18.3 million or 2.2%
- Operating Expenses increased by $54 million or 4.6%
- Total Assets up $122 million, of which:
  - Cash and Investments up $66.5 million or 7.5% to $950 million
  - Increases in Gifts, Investments and Auxiliaries
University Effectiveness
Moving Forward

To continue moving NC State forward, we must:

- Recruit, hire and retain the best talent (Faculty & Staff)
- Select, retain and graduate top students
- Continue branding and communicating our success
- Raise gift and endowment funds, and campus resources
- Slow the growth of administrative and operating expenses by improving the application of resources at all levels of the institution
University Effectiveness Approach

- **Strengthen**
  - Leadership, strategy, tools
  - Communication, collaboration, coordination, change management

- **Drive**
  - Organizational and process improvements
  - Reduced administrative tasks
  - Slow resource consumption

- **Redirect**
  - Allocate resources to highest and best use
  - Free staff time to focus on programmatic tasks
Pursuing Organizational Excellence

- Commitment to University Effectiveness
- Setting Expectations in Finance and Administration
- Engaging Campus Finance and Administration Teams
- Strategic Initiatives Underway
- Discussion/Advice
All employees of Finance and Administration are guided by the same three principles of work:

• Employee Engagement
• Customer Service
• Resource Stewardship

https://ofa.ncsu.edu/principles-of-work/
Principles of Work
Employee Engagement

Empowering, retaining and rewarding a talented and productive workforce.

• Supervisor interactions
• Co-worker relations
• Workplace environment
• Collaboration and communication
• Training on policies and procedures
• Encouraging and rewarding job commitment and accountability
• Recognizing job impact and duties
• Valuing workplace diversity
• Offering professional development opportunities
• Identifying advancement opportunities and career path progression
Principles of Work
Employee Engagement

The VC, AVCs and Directors will develop strategies and equip each employee with the necessary tools and training to meet performance expectations.
Principles of Work
Customer Service

We hold three fundamental expectations for all customer service programs:

• Accountability (steward process from start to finish)
• Customer Experience (measure performance)
• Continual Service Improvement
Principles of Work
Customer Service

Each department will establish performance goals by analyzing service levels for:

• Promptness
• Accuracy
• Reliability
• Effective Communication

We will develop plans for improvement, and measure progress against the plans and goals.
We will focus on the stewardship of fiscal, physical, and human capital.

We will work to ensure the highest measure of productivity and accountability with benchmarking processes and performance monitoring.
Principles of Work
Resource Stewardship

Within the divisions, we will identify efficiencies to redirect valuable staff time and financial resources to prioritized projects and programs.

Resource Planning.
Setting Quantifiable Goals for FY 21

• Advance the principle of work (by factor) with specific initiatives

• Identify and share expertise across divisions

• Set Annual Progress Goals to improve department and unit level operational performance

• Set Division Wide Strategic Goals to transform the way we conduct business with the rest of campus
Review of FY19-20 Goals by Divisions

Budget & Resource Mgmt  Campus Enterprises  EH&PS  Facilities
Finance  Univ Human Resources  Univ Real Estate & Dev

Some goals distributed across more than one principle.
<table>
<thead>
<tr>
<th>CUSTOMER SERVICE</th>
<th>EMPLOYEE ENGAGEMENT</th>
<th>RESOURCE STEWARDSHIP</th>
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<tr>
<td><strong>Leadership</strong></td>
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<tr>
<td>• Customer-centered vision setting</td>
<td>• Management and career-oriented vision setting</td>
<td>• Brand-focused vision setting; resource preservation/exploitation</td>
</tr>
<tr>
<td>• Strategic planning (programmatic)</td>
<td>• Strategic planning (hiring)</td>
<td>• Strategic planning (revenue streams)</td>
</tr>
<tr>
<td>• Customer-oriented prioritization</td>
<td>• Employee-oriented prioritization</td>
<td>• Influencer partnerships</td>
</tr>
<tr>
<td><strong>Management</strong></td>
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</tr>
<tr>
<td>• Operational improvements (streamlined, efficient, ease of use)</td>
<td>• Operational improvements (streamlined, simplified)</td>
<td>• Shared-vision partnerships</td>
</tr>
<tr>
<td>• (External) staff development</td>
<td>• Automation (reduce errors and rework)</td>
<td>• Entrepreneurship (new markets, services)</td>
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<tr>
<td>• Automation (tasks, data)</td>
<td>• Data driven decision-making</td>
<td>• Resource optimization (highest and best use, least waste)</td>
</tr>
<tr>
<td>• Standardization</td>
<td>• Accountability</td>
<td>• Asset protection (compliance, risk mitigation, brand protection)</td>
</tr>
<tr>
<td>• Data driven reporting</td>
<td>• Communication</td>
<td><strong>Management</strong></td>
</tr>
<tr>
<td>• Compliance, risk mitigation</td>
<td>• Employee recruiting, retention</td>
<td>• Accountability</td>
</tr>
<tr>
<td>• Accountability</td>
<td>• Staff development, empowerment</td>
<td>• Collaboration</td>
</tr>
<tr>
<td>• End-user collaboration</td>
<td>• Work environment</td>
<td>• Increased revenue</td>
</tr>
<tr>
<td>• Communication</td>
<td></td>
<td>• Strengthen brand (elevate, expand, exploit)</td>
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</table>

- **Leadership**
- **Management**
University Effectiveness

Building the Service Maturity Model

Perform Essential Functions

Provide Management Information

Develop Analytics

Predictions
Recommendations
Projections

Executive Reporting
Management Reporting
Benchmarking
Key Performance Indicators

System Applications
Training
Standard Operating Procedures
Pursuing Organizational Excellence

- Commitment to University Effectiveness
- Setting Expectations in Finance and Administration
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University Effectiveness – Service Maturity Model
• Customer focused outcomes
• Ownership from start to finish
• Sustainable improvements
• Value-add at every step

One-Stop-Shop: Improving the integrated delivery of services to students, the Student Services Center provides a single front-end for the Cashier’s Office, Registration & Records and Financial Aid services.
Engaging Campus Finance and Administration Teams

• **Sharing the principles** of work with campus constituents (making a commitment to perform)

• **Strengthening communication** with College and Unit Finance, HR and Research administrators

• **Piloting** a management information project with College of Engineering

• **Exploring** major budget/finance projects to consider for activation this spring
Engaging Campus Finance and Administration Teams

- Working with Internal Audit to scrub existing audit findings for relevant university-wide issues of policy and process
- Documenting Standard Operating Procedures (SOPs)
- Online training using Reporter – increased training activity
- Contracts & Grants/SPARCS shared training coordinator and joint website
- Student Services Center (One-Stop-Shop for Cashier’s Office, Financial Aid and Registration & Records services)
Pursuing Organizational Excellence

- Commitment to University Effectiveness
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Centennial Activation: Pop-Up Dinner held on Centennial Campus, Summer 2019; bringing new groups to campus in innovative settings.
Mixed-use innovation district on Centennial Campus. This development will leverage university land to bring new investment and resources to campus.
Strategic Initiatives
Campus Enterprises – Career Pathing
Strategic Initiatives
Facilities – Electrical Infrastructure Upgrade

Bragaw Switchyard

This is the main distribution point for 17 circuits that serve North and Central Campus. Faults here can cause widespread outages. The 1970s-era equipment is a safety and reliability challenge.

- Organize the system
- Enhance reliability
- Improve safety
- Prepare for future growth
Strategic Initiatives
Environmental Health and Public Safety

- Wolfline bus service and campus parking
- Laboratory compliance and safety
- Security networks and applications
- Risk assessment (violence prevention, youth programs, training)
Strategic Initiatives

Facilities

• Campus Master Plan
• Safety Stand-Down
• Housekeeping
• Utilities
• Sustainability

NC State's University Housekeeping is first university in NC to earn national Green Seal Certification and sixth in the nation.

Home of the Wolfpack

Brick by brick, the NC State campus provides an extraordinary place for students, faculty and staff to Think and Do. The Facilities Division ensures that the campus physical environment supports the university’s mission — 24 hours a day, 365 days a year.
Strategic Initiatives - Finance

• Robotic Process Automation A/P and Procurement – Paymode-X

• MarketPlace First initiative

• Electronic purchase orders

• Eliminating vouchers for vendors on MarketPlace

• Instructional Designer (Procurement and Business Services/HR)

• Shared compliance function in Finance across five departments
Virginia Tech
Administrative and Operations Transformation Initiative

Employees over T&R Faculty*

[Bar chart showing comparison of employees over T&R faculty among different universities, with Virginia Tech having the highest number.]
University Effectiveness Summary

To move NC State forward, we must slow the growth of administrative and operating expenses by improving the use of resources at all levels of the institution.

University Effectiveness is critical for sustainable, mission-oriented growth especially when facing current and future challenges.

- Strengthen leadership, strategy and tools
- Drive communication, collaboration, coordination and change management
- Build our Service Maturity Model
- Re-allocate resources to highest and best use

For Finance and Administration, adhere to Principles of Work to inform strategic priorities and decision-making.

- Employee Engagement
- Customer Service
- Resource Stewardship
Discussion/Advice
Finance and Administration
Current State – Diverse Operations

- Manage business operations across all aspects of the university
- Oversee NC State’s $1.7B operating budget
- Employ 4000 staff including 1200 students and 1200+ temp workers
- Lead emergency and safety operations, supervise police
- Run transportation, including bus lines and parking
- Maintain ~1200 buildings on 100,000+ acres across the state
- Direct construction and renovation projects
- Develop the university’s real estate portfolio and Innovation District
- Activate Centennial Campus
- Serve students directly through student centers, bookstore and residential dining
- Manage financial processes such as Payroll and PCard
- Serve as University Treasurer and University Controller
- Manage university endowments
- Provide Human Resources for all aspects of employee lifecycle