


MEMORANDUM

TO: Don Patty, Chair, Interim Director Business Operations (Asst. Dean, CNR)
Jeff Braden, Dean, CHASS
Julie Brasfield, Director, Contracts and Grants, F&RM
John Fountain, Department Head, MEAS, PAMS
Gwen Hazlehurst, Director, Enterprise Application Services, OIT
Jim Klingler, Director, Facilities Budget Office
Nikki Kurdys, Personnel Office, CALS
Barbara Moses, University Budget Officer, F&RM
Vicki Pennington, Assistant Vice Provost, Provost Office
Roby Sawyers, Professor, COM
Barbara Sherry, Professor, Molecular Biomedical Sciences, CVM
Brian Simet, Director, HR Information Management
Virginia Teachey, Assistant Dean, COE

FROM: Charles D. Leffler, Vice Chancellor for Finance and Business 

SUBJECT: Business Operations Realignment Steering Team

Date: May 25, 2011

Thank you for agreeing to serve on this important team. For NC State to implement the goals identified in the Recommendations for Strategic Realignment (<http://www.ncsu.edu/about-nc-state/university-administration/planning-leadership/>), decentralized business support services across campus are being consolidated into Business Operations Centers that will better serve both departmental and institutional needs. The goal of restructuring business operations is to improve institutional effectiveness and strengthen NC State's culture of service by ensuring that academic support activities and business practices are efficient, responsive, and cost effective. This steering team comprising administrative and academic representatives from a cross-section of colleges, departments, divisions and units is being appointed to advise on the implementation of the Business Operations Centers (BOC) concept.

Specific tasks and deliverables of the Business Operations Realignment Steering Team:

1. Become knowledgeable about the shared business services concept and how it has been implemented elsewhere
2. Advise on the selection of the permanent Executive Director of Business Operations

3. Receive input, communicate, and educate the campus on an ongoing basis about the general BOC model, and about the implementation project as it unfolds
4. Evaluate current transactional volumes, processes, and staffing on campus to understand our current operating environment
5. Define the initial scope of services provided by BOCs and recommend an organizational model, including staffing requirements
6. Advise on policies and standard operating procedures for BOCs

7. Work with central functional offices and the Office Information Technology to improve transactional mechanisms and processes
8. Recommend the optimal number of BOCs and most efficient and effective groupings of colleges and divisions
9. Identify any additional functions that could be accommodated within BOCs
10. Recommend a phased implementation plan for the BOC concept

Leadership and Support of the Team:

A University-level Executive Director of Business Operations will hold oversight authority and responsibility for successful coordination of all Business Operations Centers. Until a permanent director is hired, Don Patty will provide leadership and coordination for the consolidation process as the steering team works collaboratively with key central functional personnel across campus. Additional supporting staff will be necessary and engaged as this effort moves forward. The steering team will also interact with the Administrative Process Review Committee as appropriate.

The primary role of the Business Operations Realignment Steering Team is to help ensure that NC State's transition from decentralized, unit-based transaction processing to consolidated Business Operations Centers achieves the following goals:

- BOCs that have job design, training, expertise, supervision, accountability, performance evaluation, and essential redundancy for the personnel who process transactions and, where appropriate, be the final approval for certain HR and Financial transactions
- BOCs that can concentrate on high-volume transactions utilizing specialized staff with less frequency of error.
- BOCs that recombine dwindling administrative staff to serve multiple colleges and/or divisions, reducing non-essential duplicative FTEs who are currently performing similar work activities at lower volumes, improving efficiency and effectiveness.
- BOCs that will support the special characteristics and needs of the units they serve, while holding responsibility and accountability for high-quality service.

Baseline Assumptions and Parameters for the Steering Team:

1. The business transactions of 10 colleges + 8 major divisions can be consolidated into no more than 6 – 9 total business operations centers for the campus.
2. The recommendation cited \$75 million in annual transaction volume as the minimum size, but don't think of that number as some kind of magical cutoff point, just an order of magnitude concept. A right-sized center will likely be larger.
3. Some groupings of existing colleges and divisions may be more logical than others. Units that are in close physical proximity to each other? Units that have similar academic characteristics? Units that have similar business requirements?
4. Each BOC will be "approximately comparable" in size and scope, and each manager and staff member within each center will have a robust span of accountabilities. Even so, each center will need to reflect the special characteristics and needs of the units it will serve. For example, some colleges and divisions have heavy grants/contracts volume, others have very little. The centers will not be identical clones; one size or shape will not fit all. However, the approval authorities and business practices of the centers should be similar.
5. The centers are not intended to be anonymous "call centers" where customers don't know to whom they're speaking and can't get to the same representative twice. Instead, each center and its staff will be expected to really get to know the units they serve, to understand their differences and special needs, and to be responsible and accountable for high-quality service.
6. The Business Operations Centers will be structured around the volume of transactions processed. Some transactional volume information can be made available from the existing Financial and HR systems to help inform decision-making.
7. The assumption is that we will ultimately have fewer FTE applied to accomplishing this total work than we do now in our distributed environment – but cutting FTE is not the primary goal of implementation. The primary goal is to consolidate existing resources into more productive business entities by utilizing the existing staff from campus units.
8. Each BOC may or may not be a single physical location in which all its staff is housed together in one office suite. They could be "virtual" centers that can service their customers remotely. They may have "roving" staff that can come to their customers.

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9. The BOCs must operate in close cooperation with the relevant central office to ensure that adequate internal and compensating controls are in place and working to ensure that a clean annual audit report is always received.

Timeline:

I ask that you attempt to complete your planning activity by the end of this calendar year and recommend an implementation plan that commences the first quarter of 2012. I would like to target all centers being operational by July 1, 2013. Please work to determine an aggressive meeting schedule and action plan. I realize this will be a substantial commitment of time on your part and am ready to support this effort in any way you request and thank you, again, for your willingness to contribute in this substantive way toward positioning NC State for greater strength, efficiency, effectiveness, and resilience during these difficult economic times. Don will be coordinating the first meeting of the team shortly.

cc: Chancellor Randy Woodson
Executive Officers
Deans
Lead Representatives