Operational Excellence - Overarching Goals

1. Reduce administrative costs by $75 million annually by 2016 to direct more resources towards teaching, research, and public service
2. Create more efficient, effective administrative operations
3. Establish a culture of continuous improvement

How? By INVESTING in

- PEOPLE
- PROCESSES
- TECHNOLOGY

Operational Excellence
OE Savings – Guiding Principles

1. Retain majority of savings in units.

2. Keep tracking/administration as simple as possible.

3. Centrally recapture at least enough savings to pay back UCOP loan.

4. Regularly report on savings to campus and OE leadership.
Units Create and Keep the Majority of Savings

Projected OE Savings - Split

- TBD Savings
- "Unit" Savings
- "Central" Savings

$ in millions

10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16
## OE Tools to Support Unit Savings

### Three Examples

<table>
<thead>
<tr>
<th>OE Project</th>
<th>What’s New?</th>
<th>Savings Opportunities in Each Unit</th>
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</thead>
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| BearBuy    | - Streamlined, online process removes steps and paper  
- Improved vendor contracts reduce prices and transaction costs  
- Reports show procurement info, including trends/patterns | - Devote less staff time to procurement activities  
- Use contracted vendors to reduce spending on goods and services, and earn FastPay incentives  
- Eliminate high-cost processes, such as p-card  
- Use procurement reports to help decide how to optimize procurement spending |
| CalPlanning | - Standardized reporting formats allow easier analysis of information  
- Financial staff can run reports showing spending by fund type, department, program, etc. | Comprehensive, timely information makes it easier for leaders to understand full financial picture; enables decision-making on strategic use of resources:  
- Maximize use of restricted funds and optimize use of unrestricted  
- Use position budgeting information to review uses of funds and make informed staffing decisions |
| Energy     | - Building-level energy use data easily available online  
- Incentives for reducing energy use in buildings  
- Monthly reports on energy usage  
- Energy dashboards in buildings | Reduce energy use in your department:  
- Buy energy-efficient equipment, including laptop computers instead of desktops  
- Reduce the number of printers, scanners, etc. by networking/sharing  
- Turn off lights and equipment when not used  
- Switch to CFL or LED bulbs  
Use energy dashboards to spot and address problems |
Opportunities to Identify Savings and Redirect Them to Your Unit’s Priorities

**New Information** + **Your Unit’s Actions** → **Achieving Priorities/Addressing Problems**

**Examples**

- View restricted and unrestricted funds (CalPlanning)
- New insight into uses of funds with position budgeting (CalPlanning)
- Understand purchasing spending patterns (Cal Answers Procure-to-Pay reports)
- Current energy use Data (Energy)

Maximize use of restricted funds and optimize use of unrestricted funds

Make informed decisions about staffing, purchasing, and energy use

What 2 or 3 priorities / problems would you like to address in the next 2 years?

What if you could identify money to redirect to them?