CALIFORNIA STATE UNIVERSITY

SYNERGY PROJECT

SETTING A NEW DIRECTION

MARCH 2010
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1.0  Overview

The California State University (the University) remains California’s most cost-effective instrument in terms of producing baccalaureate degrees per dollar of public investment. However, recent reductions in state funding have highlighted the increasing need for the University to identify new opportunities to increase the efficiency and effectiveness of administrative functions systemwide. The CSU Synergy Project (the Project) was established to accomplish this goal.

Over the past nine months, opportunities for synergy have been explored and discussed among Chancellor’s Office administrators, campus presidents, campus executives, subject matter experts, and university affinity groups. Following is a discussion of preliminary observations on the University and synergy, as well as an update on the Project, including an outline of potential next steps. The update and observations are presented to initiate discussion and further analysis in support of the achievement of real and measurable outcomes for the Project.

*The Synergy Project in Concept*

The principle objective for the Project is to identify and capitalize on specific opportunities to leverage resources with the purpose of lowering overall systemwide costs, while maintaining and improving the University’s operations. Further, these opportunities are intended to support core values encompassed within the University’s *Access to Excellence* strategic plan.

*Synergy and the Nature of University Administrative Activities*

Administrative services include a wide range of activities, such as accounting, budgeting, capital planning, design and construction, investment management, risk management, human resources, information technology, and financial reporting. Ultimately, these activities support the academic mission of the University and are overseen by the Executive Vice Chancellor and Chief Financial Officer, campus chief financial officers and a cadre of campus administrators. The nature and extent of business affairs goes far beyond the approval of disbursement requests, handling of paperwork, and creating and processing electronic data. Yet, these smaller essential activities often can command a significant portion of management and staff time and represent a significant cost to the University.

Cost savings and/or improved operations would be realized if the University could:

- Establish collaborative processing of transactions
- Create operating frameworks in support of inter- and intra-campus administrative synergies
- Streamline processes by simplifying and improving reporting and compliance requirements
- Consolidate costly and staff intensive activities using technology
- Improve essential services provided to faculty and students and eliminate non-essential services where possible

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Scope of the Change Required

The scope of change required to implement synergy is broad. How activities are conducted is a primary focus. All administrative activities (where inputs and outcomes are common systemwide or at least shared between two or more campuses) would be within the scope of the Project; as long as doing so results in (1) reducing administrative costs, (2) maintaining or improving operations, and (3) meeting the CSU strategic objectives of “access, quality and diversity.”

Organizational Structure and Synergy

Controlling administrative costs has long been a priority for Chancellor’s Office and campus leadership. Years of asking administrators to do more with less appear to leave little opportunity to reduce costs to the degree required by revenue reductions imposed by the State. And this would be true, if the Chancellor’s Office and campus administrative activities, structures, and organizations are left unchanged. For the most part, synergy can be gained only with a change in how administrative activities are organized and managed.

Measuring Synergy Success

The benefit of current year cost savings during times of reduced budgets is clear. The real outcome of the Project, however, is implementing change that offers administrative cost savings (current/future) without compromising services to faculty, staff, and students. To facilitate this goal, the University must meet budget reduction targets and absorb costs necessary to enable this transformation.

Measuring direct cost reductions associated with synergy initiatives can be achieved. Indirect cost reductions (and the value of changes projected into future years) are more difficult to calculate, though such cost reductions and values represent a significant portion of the synergistic value of an initiative. Equally difficult to value accurately is a synergy initiative only intended to stave off uncontrollable, roughly estimated future cost increases. Nevertheless, we expect the Synergy Project, if fully implemented, to yield several million dollars in savings in the short term. A permanent shift of resources from administrative activities to academic ones ultimately will define the success of the Project over the immediate ability to measure precisely all costs savings.

2.0 Prior Successes in Changing Administrative Activities and Processes

The University over the past fifteen years has demonstrated success in changing administrative activities and processes. These examples of transformative change reflect positively on prospects for the University to achieve synergy in line with outlined Project objectives.

Examples of Change

When achieving change in administrative structures and activities, the University has benefited from several examples of success:
• Establishing the Centralized Investment Program (currently the Systemwide Investment Fund Trust) which manages and maximizes returns from investments of funds held in University trust accounts
• Forming the California State University Risk Management Authority, Joint Powers Authority; which manages and oversees the self insuring of the University and its auxiliary organizations
• Organizing the Infrastructure Terminal Resources Project; which provides a standardized baseline for electronic components and security resources, meeting information technology standards within the CSU
• Creating the CSU Tax-Exempt Commercial Paper/Equipment Financing Program which provides a lower cost, lower risk financing alternative to campuses and Chancellor’s Office
• Establishing the Systemwide Revenue Bond Program which facilitates and consolidates bond financing for construction

Drivers of Change

The current budget crisis presents an opportunity to implement changes in administrative functions and activities that would not have been considered in the past when resources were more plentiful. Two significant factors drove past changes; money (revenue or cost savings) and mandate (internal or external). Past successes were driven by a mixture of both factors. The success of the Project likely will require the same combination of factors with significant pressure to generate cost savings.

3.0 Opportunities for Synergy in Administrative Activities and Processes

Opportunities for synergy in the University’s administrative activities and processes range from among the following categories:

Expert Advisory Services and Technical Specialists

The complex nature of certain administrative activities and the need to achieve high service levels, while ensuring compliance with a wide range of legal and other mandates, requires the University to maintain an array of technical specialists and expert advisors. The advice and services of these specialists and experts are essential to the day-to-day activities of many operational managers.

Synergy opportunities are clearly present where campus requirements are similar or complementary. Many believe creating centers of excellence (where best practices can be put into place) among campuses could build more knowledgeable specialists and experts as well as ensure continuity of service and necessary support for campuses.

Common Administrative Transactions

Synergies can be found where campuses are able to combine processing of common administrative transactions. A large portion of the University’s administrative activities fall within this category (i.e. when it is inconsequential where a transaction is completed or by whom). Most importantly transactions must be executed timely and accurately. Because these sorts of activities are commonly distributed among campuses, efforts related to oversight,
recording and reporting are duplicative. Ultimately, if there is no discernable difference to students, faculty, or staff, the benefits of combining efforts are clear.

Utility and Commoditized Services

Utility and commoditized administrative services are those generic activities that essentially all profit and non-profit organizations require. Because of this, these services often are commercially available and offered to any organization at fair prices (such as outsourcing of service centers or contracting for email services). Achieving synergy requires significant analyses where outsources of services are considered. Requiring less analysis, but a greater willingness to cooperate is finding value through coordinated and prudent procurement efforts.

4.0 Potential Cooperative Administrative Structures to Implement Synergy

In order for the Project to be successful, the manner in which campuses consolidate efforts or collaborate may vary from situation to situation. Nevertheless, the objective is to save costs. Campuses might share an employee’s expertise or technical skills, partner to meet a specific need, or reassign individuals to a functional team created to provide an essential service. Alternately, campuses could redeploy staff to regional or systemwide service centers, all in order to implement synergy and maximize the efficiency and effectiveness. Possible operational structures to achieve these sorts of outcomes range across the following:

Administrative Release Time

The simplest collaboration is administrative release time. This is where one campus enters into an agreement with another for the time and services of one or more specific employees. The shared individuals remain employees of the home campus. However, during the release time the employees work on the Project or activity under the supervision of the other campus. Currently, templates for necessary inter-campus agreements are being developed.

Campus Administrative Partnerships

In this structure, two or more campuses collaborate to accomplish a specific administrative project, activity or task. Once again, an inter-campus agreement would be required. In this instance, a partnership leader is assigned to oversee the staff assigned to the task or project. The partnership leader is responsible for accomplishing the specific outcomes (as determined by the participating campuses) related to the activity. All staff remain employees of their original campus.

Technical Administrative Function Associations

Multiple campuses join together to accomplish and fund a specific technical administrative function performed by an individual or group well-suited to perform a particular technical activity. Technical specialist/expert activities are not limited to a specific task or project; rather specialists/experts are responsible for a specific range of activities as agreed upon and prescribed by participating campus leadership. Oversight of these technical specialists/experts or teams of technical specialists/experts, again, would be the responsibility of participating campuses. If a technical administrative function association consists of a group of specialists/experts, an Association Manager is assigned to oversee the activities of staff (represented or non-represented). Staff remains employees of their home campus.
Administrative/Technical Service Centers

Activities are controlled by a more formal creation and governance process. Administrative service centers provide an administrative service for multiple campuses. A Center Director is selected and certain employees are specifically assigned to work for the center. Administrative Service Centers include campuses that share a common level of activity, have a similar need or share physical proximity. Governance would not necessarily include representatives from all participating campuses; rather participating campuses might select/elect a small oversight group to oversee the activities of the Center Director. Cost associated with the center is allocated in accordance with formation documents. The governance team may or may not include Chancellor’s Office representation as deemed appropriate. Staff may or may not remain employees of their original campus.

Systemwide Administrative Service Centers

Systemwide Administrative Service Centers are organized and operated in the same manner as Administrative Service Centers described above, except a majority of campuses participate and oversight includes Chancellor’s Office representation.

5.0 Synergy, Culture, and Constraints

The University recognizes the urgent need to control costs. Conceptually, administrators have expressed a genuine desire to create administrative synergy. Certain organizational and cultural factors exist which must be considered as the Project moves forward.

Identity and Loyalty

By design, the academic programs at campuses meet the high academic standards of the University in a manner consistent with the needs of community, faculty, and students. For this reason, each campus has developed a distinct identity. Faculty and staff alike may be motivated by a loyalty for their institution, which is core to campus success. If this is the case, only secondarily does this loyalty exist to the University. This limits support of systemwide efforts.

Silos

The means to achieving administrative activities is very different within and among campuses. In some instances, processes are developed to meet the unique administrative structures required to meet distinct academic programs. For this reason, administrative functions and activities, in many instances, are siloed to meet specific campus requirements. Breaking down these silos to create synergy is the fundamental goal of the Project, but may be perceived as detrimental to the uniqueness of a campus.

Consensus

University administrators and business leaders highly value consensus among their colleagues. This ideal is deeply embedded into the culture and serves the University well though, at times, has proven to be inefficient and ineffective. Knowing where the benefits of consensus break from sound business practice is difficult to determine. Understanding that this value can work counter to the urgency for material change is essential to the success of the Project.
Implications for University Staff

In the current economic environment, a desire for some sense of job security is clear. Asking administrators, subject matter experts, etc. (who often are personally invested in the mission of their campus as discussed earlier) to identify process changes that could potentially impact responsibilities and organizational structure, in many instances, conflicts with their personal needs. Failure to address this concern and communicate the University’s preference to reduce staffing costs—through attrition; to reassign rather than lay off—will limit the Project’s results.

Cultural Caveats and Consideration for Change

Because these factors represent strengths, they were considered during preliminary evaluations of opportunities to create synergy in many instances. Unfortunately, these caveats also work against change or limit potential gains, regardless of the urgency created by budget shortfalls and the University’s desire to enable more resources for academic programs. Noting the University’s culture, campus administrators have recommended the following caveats:

- Initially encourage a “coalition of the willing” to participate in a synergy opportunity, limiting centrally imposed initiatives to a small number of major transformational projects
- Centralizing control of administrative activities at the Chancellor’s Office is appropriate in only a limited number of circumstances
- Inflexible canned solutions, more often than not, fail to meet campus needs
- Real or perceived compliance and control requirements enforced by culture, regulators, and University management must be reevaluated during the change process
- Core service providers like Information Technology and Human Resources should act in a support rather than a lead role in synergy projects
- Synergy initiative should be adjusted and modified to assure alignment with objectives and outcomes, including willingness to stop an initiative, where appropriate
- Fully consider the impact of a process change on educational and academic outcomes

6.0 Preliminary Opportunities for Synergy

CSU presidents, CFOs, CIOs and special task forces have identified various opportunities for synergy. Examples below illustrate the breadth of the opportunity. And, while full implementation has not been attained for some of the opportunities identified, each is presented to assist the University’s analysis, review, and prioritization.

Possible synergy outcomes:

- Collaborative processing of transactions
- More efficient and effective operating frameworks
- Simplified reporting and improved compliance
- Augmented essential and elimination of non-essential services
- Improved operating and financial metrics/data
- Consolidation of program and project administration activities

Potential synergy benefits:
6.1 Information Technology

University leadership has stated its intent to reduce information technology expenditures and consolidate information technology services. Information technology synergy efforts guided by the CIOs have, comparatively, made the most progress among ongoing initiatives.

Specific synergy opportunities for consideration:

**Shared Hosting of Commonly Utilized Academic and Administrative Applications;** Establishing an *Administrative Service Center* to host learning management systems for multiple campuses, consolidating efforts to control and manage the application

**Shared Hosting of Network Based Virtual Meeting Tools;** Establishing *Administrative Service Centers* or a *Systemwide Administrative Service Center* to coordinate operation of web based application services
Collaborative Design, Build, Delivery and Maintenance of Secure Web Services;
Forming Campus Administrative Partnerships, Technical Administrative Function
Associations or Administrative Service Centers to enable better control over unauthorized
access, disclosure of configuration vulnerabilities, etc. at a lower cost.

Implementation of Virtual Academic Laboratory Experiences; Creating Administrative
Service Centers to virtually serve students needs from multiple campuses saving utility
and facilities, academic and technical staffing, and other costs

Consolidation of Network Management and Monitoring; Establishing Administrative
Service Centers or a Systemwide Administrative Service Center to improve quality levels
as well as reduce the costs of network services

Consolidation of Delivery and Administration of Telecommunication and Related
Services; Forming Administrative Service Centers to improve service levels as well as
reduce the costs of telecom services

Consolidation of Administration of Commonly Used Information System Utilities;
Establishing Campus based Technical Administrative Function Associations, or
Administrative Service Centers to lower unit cost of the administration and delivery of
commonly used systems control applications

Consolidation of Data Centers; Supporting a move of Administrative Service Centers;
or Systemwide Administrative Service Centers to reduce the number of physical data
processing sites necessary to serve campuses

6.2 Information Security
Campus chief financial officers and chief information officers have identified opportunities
for synergy related to the implementation of information security across the University. The
opportunities listed below will assist campuses in their implementation of requirements that
have been increasingly placed on campuses. While synergy efforts related to information
security will not significantly reduce current costs in the current year, implementation of
initiatives will enable campuses to better meet requirements through coordinated efforts
which, if duplicated in the future, would represent a significant future cost.

Specific synergy opportunities for consideration:

Shared or Regional Information Security Offices; Regional Campus Administrative
Partnerships or Administrative Service Centers could be created among campuses
leveraging limited availability of skilled individuals and resources across several campuses
while reducing costs

Establish Information Security Technical Service Centers, Technical Administrative
Function Associations or Administrative Service Centers, could be created sharing
technical experts knowledgeable regarding intrusion and forensics specialties
6.3 Financial Accounting and Reporting

Campus chief financial officers recognized various significant opportunities for synergy within the University’s financial accounting and reporting operations. Broadly implementing many of these opportunities would be and have been challenging as altering and/or consolidating long held practices require a high level of coordination between campuses at a level not previously required.

Specific synergy opportunities for consideration:

**Complete Simplification of the Common Financial System;** Administrative Service Centers, or Systemwide Administrative Service Centers could be established to support of completion of the Common Financial System, including tactical teams for period closing, accounting allocations, etc. and technical teams supporting application upgrades, file maintenance, etc.

**Consolidate and/or Regionalize Payroll Processing;** Administrative Service Centers, or Systemwide Administrative Service Centers could be established to administer payroll across the University or within regions

**Consolidate and Regionalize Accounts Payable and Disbursement Processing;** Administrative Service Centers could be established to administer campus payable and disbursement process across the University or within regions

**Consolidate and Regionalize Accounts Receivable Processing/Collection of Student Fees;** Administrative Service Centers could be established to administer campus and system-wide receivable collections

6.4 Facilities Management and Construction

Campus administrators recognized that certain facilities management and construction activities present excellent opportunities for administrative synergy. The best opportunities materialize where a project has been clearly scoped or where duties clearly have been defined.

Specific synergy opportunities for consideration:

**Shared Facilities Maintenance and Repair Staff;** Administrative Release Time, Campus Administrative Partnerships; or Technical Administrative Function Associations could be created between campuses limiting the need for contracting external experts with special skills such as roofing or plumbing.

**Coordinated Inspection Services;** Administrative Release Time, Campus Administrative Partnerships, or Technical Administrative Function Associations could be created sharing inspection experts knowledgeable regarding plan check or other engineering specialties

**Construction Project Management;** Administrative Service Centers, Systemwide Administrative Service Centers could be established among campuses leveraging limited availability of skilled individuals and resources across several campuses
Utilization and Project Analysis Reporting: Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers might be established to regionalize energy utilization reporting responsibilities as well as energy contract management and energy/plant project analysis.

6.5 Budgeting

Campus budget processes must respond to the unique requirements and needs of each campus. Financial administrators indicated, however, that collecting, distributing, and reporting budget information through common tools and applications would be beneficial. Specific synergy opportunities for consideration:

- **Shared or Regional Budget Offices;** Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be created among campuses leveraging limited availability of skilled individuals and resources across several campuses while reducing costs.

- **Shared Budget Analysts;** Administrative Release Time; or Campus Administrative Partnerships could be created reducing the need to replace employee attrition.

6.6 Risk Management

The range and complexity of risks impacting the University demands a strong process to manage risks. Regionally sharing the efforts and knowledge of experts, risk managers believe, would improve the efficiency and effectiveness of the risk management process. Specific opportunities for synergy for consideration:

- **Regional or Shared Risk Management Office;** Campus Administrative Partnerships, Administrative Service Centers, Systemwide Administrative Service Centers might be established among campuses leveraging limited availability of skilled individuals and resources across several campuses while reducing costs.

- **Coordinated Insurance Riders and Indemnification Technical Service Centers;** Technical Administrative Function Associations could be established to verify coverage across the University or within regions.

- **Shared Occupational, Health, and Safety Office;** Campus Administrative Partnerships, Administrative Service Centers, Systemwide Administrative Service Centers could be created reducing the need to replace employee attrition.

- **Shared Hazardous Investigation and Inspection Services;** Administrative Release Time, Campus Administrative Partnerships, or Technical Administrative Function Associations could be formed sharing inspection experts knowledgeable regarding hazardous materials.

- **Workers Compensation Case Management;** Campus Administrative Partnerships,
Administrative Service Centers, or Systemwide Administrative Service Centers could be established to sharing workers compensation technical experts across campus regions

Workers Compensation Case Inspection Services; Administrative Release Time, Campus Administrative Partnerships, or Technical Administrative Function Associations could be created sharing inspection experts and specialists

6.7 Public Safety and Parking Services

Systemwide, public safety chiefs have considered opportunities for synergy. The guiding objective of such efforts is to improve the delivery of services and not simply to reduce costs in the current year. Implementation of initiatives will enable campuses to better meet needs. Opportunities exist in the management of parking services and additional coordination of citation processing. Broader implementation of prior successes could significantly benefit the University.

Specific synergy opportunities for consideration:

Regional or Shared Public Safety Leadership/Management; Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers might be established among campuses leveraging limited availability of skilled individuals and resources across several campuses

Consolidated or Shared Public Safety Dispatch Services; Campus Administrative Partnerships, or Administrative Service Centers could be utilized to consolidated dispatch facilities regionally

Broader Utilization of Regional Parking Ticket Administration; Campus Administrative Partnerships, or Administrative Service Centers could be established to expand cooperative ticket processing regionally across the University

6.8 Emergency Preparedness and Continuity of Service

Campus chief financial officers and chief information officers indicated that the importance of disaster and emergency preparedness and business continuity planning activities could not be overstated. Expanding the coordination of these critical administrative activities better serves the University and ensures the efficient and effective use of resources allocated.

Specific synergy opportunities for consideration:

Expanded Business Continuity Services Coordination; Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be established to expand coordinated recovery services regionally across the University

Broader Implementation of Coordinated Disaster and Emergency Preparedness; Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be established to better coordinate preparedness
6.9 **Contracting and Procurement Services**

The belief that cost savings can be realized through expanded coordination of procurement efforts was universally held by University administrators. Efforts to seek savings opportunities through coordinated purchasing are a synergy effort that predates the Project. Presently, a synergy effort is underway to perform a coordinated systemwide spend analysis in an effort to identify ways to further leverage the buying power of the University.

Specific synergy opportunities for consideration:

- **Shared or Regional Contracting and Procurement Services Offices;** Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be created among campuses leveraging limited availability of skilled individuals and resources across several campuses.

- **Specialty Contracting and Procurement Services Centers;** Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be established to administrate administration of formal bid processes across multiple campuses or within University regions.

- **Expanded Systemwide Procurement and Contracting/Spend Analysis;** Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be established to oversee regional and University spending patterns.

- **Expanded Purchasing Consortia Contracting;** Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be utilized to regionally coordinate specialty product purchasing.

- **Expanded Commodity Contracting;** Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be established to eliminate inefficient procurement of common products like computer software.

- **Coordinated Vendor Management;** Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be created to better manage vendor data reducing multiple vendor contacts by campuses for like information.

- **Contracting and Procurement Policy Simplification;** Campus Administrative Partnerships or Systemwide Administrative Service Centers could be developed to evaluate local and University administrative policies regarding procurement practices.

6.10 ** Financing and Treasury Operations**

Over the past few years, collaborative efforts within financing and treasury operations have continued to expand. Synergy opportunities support the strategic direction (to date) within this area.
Specific synergy opportunities for consideration:

**Consolidated Implementation of Campus Payment Card System;** Administrative Service Centers could be established to administer a shared or common student “one card program” systems/applications

**Regional or Shared Cashiering Services;** Administrative Service Centers could be established to coordinate control of cashiering application management across multiple campuses or within University regions

**Regional or Shared Event/Ticket Sales;** Administrative Service Centers could be established to share administration of athletic event ticketing systems among multiple campuses or across the University

### 6.11 Sponsored Programs

Synergy opportunities within sponsored programs administration present opportunities to save costs as well as offering opportunities to increase revenues. Knowledgeable administrators believed that potential benefits realized through the coordination of administrative activities would not only save costs, but would achieve more programmatic opportunities.

Specific synergy opportunities for consideration:

**Regional or Shared Sponsored Program Financial Management;** Administrative Release Time, Campus Administrative Partnerships, or Technical Administrative Function Associations could be created among campuses leveraging limited availability of knowledgeable individuals and resources across several campuses

**Shared Contracts and Grants Analysts;** Administrative Release Time or Campus Administrative Partnerships could be created sharing experts knowledgeable regarding grant administration

**Coordinated Post Award;** Administrative Release Time, Campus Administrative Partnerships, or Technical Administrative Function Associations could be created sharing experts knowledgeable regarding post award requirements

**Common Overhead and Cost Accounting Protocols and Procedures;** Administrative Release Time, Campus Administrative Partnerships, or Technical Administrative Function Associations could be created sharing experts knowledgeable about creation of cost allocation plans and rates

**Shared Grant Writing Expertise;** Administrative Release Time, Campus Administrative Partnerships, or Technical Administrative Function Associations could be created sharing grant writing expertise among multiple campuses

**Share Intellectual Property Experts;** Administrative Release Time or Technical Administrative Function Associations could be created sharing intellectual property expertise among multiple campuses
6.12 Student Services

Campus fiscal managers have recognized that the majority of student services are highly localized to individual campuses; though certain student related transactions fall within the scope of administrative operations that would benefit from implementing synergy.

Specific synergy opportunities for consideration:

- **Processing Student Aid Payments**: Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be established to administer processing of student aid payments across the University or within regions.

- **Student Records and Registration**: Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be created expanding coordinated administration of student records and registration activities across the University or within regions.

6.13 Mandated Training and Professional Development

University administrators have indicated that success in managing the business of the University through challenging fiscal times requires a skilled and knowledgeable staff. Several synergy opportunities near implementation have been identified related to mandated training and professional development.

Specific synergy opportunities for consideration:

- **Coordinated Mandated Employee Training**: Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be built to coordinate defensive driver training across the University.

- **Coordinated Employee Skills Development and Retraining Programs**: Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers could be established to support employee retraining regionally or across the University.

- **Systemwide Employee Learning Management System**: A Systemwide Administrative Service Center could be established to support and administer training and continuing professional education efforts i.e. a systemwide leadership academy.

6.14 Auxiliary Enterprise, Auxiliary Organization, and Ancillary Services

A wide range of opportunities for synergy exists within the sphere of the auxiliary enterprise, auxiliary organization, and ancillary service administrative activities. Presently, synergy efforts have yet to be initiated in these areas. However, University administrators foresee tremendous synergy opportunity for such operations and organizations.

Specific synergy opportunities for consideration:

- **Shared Auxiliary Business Services Administration**: Campus Administrative Partnerships
could be created among campuses leveraging limited availability of skilled individuals and resources across multiple campuses while reducing costs

*Coordinated Health Services Administration; Technical Administrative Function Associations* could be established to administrate delivery of health services across the University or within regions

*Shared Campus Internal Audit or Audit Management Office; Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers* could be created among campuses leveraging limited availability of skilled individuals and resources across several campuses while reducing costs

*Shared Administration of Leasing/Licensing of Property and University Interests; Campus Administrative Partnerships, Administrative Service Centers, or Systemwide Administrative Service Centers* could be established in support of leasing/licensing activities across the University or among several campuses

### 6.15 Additional Opportunities for Synergy

Additional opportunities for synergy identified by University administrators are presented for further consideration below.

**Human Resources Activities:**
- Benefits Management
- Placement and Career Services
- Employee Assistance Programs
- Retired Annuitant Consulting

**University Advancement Activities:**
- Fund-Raising Development Expertise
- Endowment Management
- Coordinated Alumni Support Office

**Other Systemwide Efforts:**
- Textbook Affordability
- Revenue Enhancement

### 7.0 Implementing Synergy - Next Steps

As stated previously, the principle objective for the Project is to identify and capitalize on specific opportunities to leverage administrative resources. Presently, the Project has progressed from its “blue sky” phase to its present state. Potential synergy opportunities have been identified and are being evaluated. In a limited number of instances, feasibility is being evaluated or detailed project planning has begun. Next, the University will consider the following “Next Steps” to ensure successful implementation of the objective to leverage administrative resources so that overall systemwide administrative costs can be lowered, while maintaining and improving the University’s operations.
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a. Governance of the Synergy Process

A clear oversight and governance process needs to be established over the Project. The purpose would be to set systemwide priorities, and evaluate and coordinate implementation of initiatives at a high level. The purpose would not necessarily be to oversee the operational aspects of the change in administrative methods. Presently, the Technology Steering Committee—comprised of a number of campus presidents—is overseeing technology synergy initiatives. This presents a good model of governance for the Project.

b. Prioritization of Opportunities

As individual synergy initiatives progress, opportunities need to be prioritized based upon cost/benefit. Methods of determining costs/benefits initially must be simple and uncomplicated so that more time is spent creatively solving problems over determining exact costs. Additionally, metrics/data to identify opportunities for cost savings and increased efficiency should be collected.

c. Alignment and Integration of Synergy Initiatives

While cost/benefit is important, alignment with strategic initiatives such as Access to Excellence must be a primary consideration when considering and evaluating potential initiatives. Demonstrating alignment and integration should be required for each synergy initiative that moves forward toward potential implementation.

d. Consensus, Culture, and Commitment

Each synergy Project needs specific commitment from the Chancellor’s Office and campus presidents via specific permission, authorization, or mandate. Without such a commitment, resources to implement an initiative will not materialize.

e. Enabling Administrative Constructs

The Chancellor’s Office must maintain model operating agreements, cost sharing and transferring protocols and clear guidance as to external and internal compliance considerations, i.e. legal, regulatory, human resources, audit, etc.

f. Synergy Project Roles and Responsibilities

Synergy initiatives should be broken down into controllable and achievable segments. Project leadership should be placed or delegated in a simple and straightforward manner. The objectives project leaders must attain should be unambiguous. Finally, the ability for such leaders to act in that role must be unfettered. Project leaders must be free to act in the best interest of the University, limiting campus centric control of such initiatives when appropriate. Other project team roles and responsibilities should be clearly defined as well as time resources required to participate.
g. Communication

Transparency is pivotal to the success of the Project. Various stakeholders have an interest in what projects are under consideration or are in the process of implementation. Proper coordination of efforts is required. With the understanding that not all needs and requirements will be met, everyone should participate and contribute as is possible and practicable.

8.0 A New Direction

Reductions in state funding mandate the need for the California State University to identify new opportunities to increase the efficiency and effectiveness of administrative functions systemwide. The University’s management and staff will meet that circumstance, consistent with its history and mission to provide high-quality, affordable education to meet the ever-changing needs of the people of California. As the largest system of senior higher education in the country, with 23 campuses, approximately 433,000 students and 44,000 faculty and staff, this represents a huge challenge. The Synergy Project is intended to set a new direction for the University. Management and staff driven by a belief in the tenants of Access to Excellence and a commitment to excellence, diversity and innovation will meet that challenge.