Educational Policies Committee Minutes
November 28, 2011
IMU Distinguished Alumni Room, 11:00AM – 12:30PM

Executive Vice President Applegate began his remarks by noting that Student Services Initiative fell to him because University Student Services and Systems (USSS) fell under his portfolio. By way of background he cited the benchmarking initiative by CFO Neil Theobald which included student services, the Office of Enrollment Management and financial aid. The initiative included work done by the Hackett Group and Accenture who were tasked with examining these operations and to come up with recommendations about a shared service model. Originally, the goal was to compare progress with the University of Michigan, but IU was outpacing them and so by a comparison with what industry had done a figure of $21 million dollars in potential savings was identified by switching to the shared services model. Personnel costs were put at $120 million with 1,572 FTE employees (2,693 individuals) performing these services (https://usss.iu.edu/sites/StudentServicesInitiative/default.aspx)

The model from Accenture, he explained, works from basic processes to how they would be organized. IU is currently in the process of attempting to define its existing practices and looking to centralize and automatized. Working groups have been formed with representation from all campuses and are in the first phase of looking at those processes. The desire is to get close to the goal of $21 million in savings without loss of services, and this is part of the mission to look at every possibility for non-academic cost savings.

Deferring to James Kennedy, Associate Vice President and Director, University Financial Aid, Vice President Kennedy noted there were three phases to the project beginning with an examination of business practices and asking what services could be shared and which could remain local. Using the example of processing a Pell grant and he noted that currently seven people were engaged in that across the campuses and asked if it were possible to automatize or reduce the number of individuals who did this. The working groups were designed to ensure both a level of service, but also compliance. The final implementation phase would result in not only savings and better service, but also one-stop shopping for students.

At this time Chairman Kenney, inquired as to what rethinking was necessary for the project seeing as since the University of Michigan was out of sync with IU there really was no one to benchmark against. Vice President Applegate that there was no rethinking of the project and that the focus had always been on back office administrative services and that IU was not "utterly" different from other enterprises. He also mentioned that they were looking at private enterprises such as Cummins and Eli Lilly to hear about their experiences with this sort of thing. He added that he expected them to not furnish models so much as information on the process of centralization.

Committee member Ted Miller from SPEA asked if they could speak to the topic of admissions. Vice President Applegate indicated that they were looking at a wide spectrum of activities such as transcripts, but stated that admissions differ between campuses and that it was not about doing

admissions but rather supporting admissions. Committee member Miller followed up by asking what would be different at the end of the process then, to which Vice President Applegate responded that it would not be the experience of the students but the processing. Associate Vice President Kennedy responded that it was a question of how the university could use technology as opposed to a paper process and how the university could automatize.

Chairman Kenney noted that the "common application" was a frequent topic of conversation at the university level and asked whether this didn't remove faculty from the process. Associate Vice President Kennedy said that the common application was "doable," but that each campus and school would be able to tailor the application to their needs. Committee member Eric Isaacson responded with his own question as to whether it wouldn't then be harder for schools to get their needs addressed at the university level. Vice President Applegate replied that they were trying to construct a "governance structure" which could react to these needs. Committee member Isaacson countered that if everyone was in the same pool and the pool was shrinking, did that mean it becomes harder to bring leverage to bear? Chairman Kenney seconded this concern explaining that this meant a second level of processes, i.e. IUB vs. IUK as opposed to the School of Music vs. IUB. Vice President Applegate sought to assure the committee that these requests could be accommodated by the system, and that IUB had many champions such as the provost, while Associate Vice President Kennedy pointed out that the needs of the School of Music had been met.

Chairman Kenney raised a semantics issue expressing his disappointment in the vocabulary of the discussion where there was a great deal of talk about "accommodating" or "meeting" needs, but this language did not indicate "partnership" and that "partnership" was what was needed on the IUB campus and this might be lost as the result of the initiative. Vice President Applegate explained that he hadn't been parsing this, and that there was a large software system which could do a lot, but it was wasteful to tailor seven separate systems and that there needed to be a balance.

Committee member Isaacson asked who will be most troubled by this five years from now? Vice President Applegate responded that hopefully nobody would be troubled and that the aim was to have a one-stop shop for students and faculty should have better services and better data. Committee member Miller inquired just what was meant by a "one-stop shop." Is it geographic? Or more scattered? To which Vice President replied, "Both." Associate Vice President Kennedy elaborated by saying that in his previous employment experience at the University of Minnesota that services were originally consolidated in one building but that later it became virtual. Vice President Applegate emphasized that student-facing services, complicated services should be made simpler, more convenient, prompt and "authoritative." Committee member Miller asked whether this would be at the university level to which Associate Vice President Kennedy replied that it would not.   Vice President Applegate stated that the point was to be as proximal to the student as possible.

Committee member Bender then asked whether the problem driving the centralization of services wasn't simply one of improving the dissemination of information. Vice President Applegate acknowledged that this was part of the problem, but again insisted that the goal of the endeavor was to

find efficiencies, apply leverage and make things better. Committee member Bender countered that perhaps it would help to change the goal of the process and just look at what people wanted most. Vice President Applegate impressed that the model was of business intelligence, institutional organization and access, while conceding that it might be possible to think differently about this, they were looking at efficiencies.

Committee member Reiter mentioned that the current process reminded him of the earlier implementation of PeopleSoft and that a lot of functionality was lost in that adoption on the rationale that 'other campuses don't need that,' and asked if it were going to be that way again. Associate Vice President Kennedy answered that it depended what you wanted to do. He conceded that financial aid did not work well, but maintained that PeopleSoft was used by the Big Ten and most of the AAU schools and that IU needed to keep working with them as they made their own developments. Chairman Kenney redirected saying that it was not a question of PeopleSoft and asked if an emphasis on the system would lead to the system becoming an excuse. Vice President Applegate said that this was not the case since this was not to be a rollout of a complete new system, and if this were to happen then this would not be a success.

Chairman Kenney then said that it appeared that there were two types of questions: 1) what can we anticipate between now and the rollout and 2) what happens after the rollout when the faculty might ask to try "X," then what happens? Vice President Applegate responded that these decisions happen all the time and that the best hedge against this uncertainty was to have "good governance systems." Chairman Kenney went on to illustrate his point with two examples: 1) academic advising where there was a general agreement that it needed to be more robust, but where "the regionals don't do that," was used as an argument against it even though it dealt with a campus situation and 2) the Extended-X policy where the history is that IUB went its own way. He asked whether in the future if IUB wanted to look for support for a change to that policy that would require an applicability assessment from all campuses before a change could be made. Vice President Applegate cautioned not to underestimate technology, but was countered by committee member Isaacson who hypothesized that if you only have one person with a long work queue then it isn't technology which would cause this to fall off. Vice President Applegate said that it already was if you're talking about technology, to which Chairman Kenney responded that they were not talking about technology. Vice President Applegate reiterated that it would then be a question of the governance mechanisms which were being worked out now. Chairman Kenney observed that the document/charter did not mention "governance process," and expressed that he had thought that it meant faculty governance, but now it seemed to mean something different. Vice President Applegate clarified that he meant it in the broadest sense. Chairman Kenney if what was being talked about was a degradation of service to which Associate Vice President Kennedy replied that it depended on the level of service agreement.

Committee member Miller asked whether ultimately there would be a list of business processes which they planned to evaluate, to which Associate Vice President Kennedy replied that there would be such a list by the end of the year.

Chairman Kenney brought up two final points: 1) how will the information needs of IUB be met, stating that a central dispensary would not work and 2) as some point there would have to be talk about saving and dollars and people losing jobs. Vice President Applegate concluded by saying that they were a long way away from that point, and that was the reason that they did not start with the numbers.