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**OPEN SESSION**

**FOR INFORMATION ONLY**

(No formal action is requested at this time)

1. Carolina Excellence Initiative  
*Rick Wernoski, Senior Vice Provost for Business Operations*  
*Felicia Washington, Vice Chancellor for Workforce Strategy, Equity,  
& Engagement*  
*Steve Regan, Assistant Dean of Human Resources, Gillings School  
of Public Health*  
*Beau Jimmerson, Chief Procurement Officer & Executive Director,  
Payroll Services*  
*Karla-Maria Santiago, Business Officer – Clinical Affairs, Adams  
School of Dentistry*

**COMMITTEE MEMBERS**

**Julia Grumbles, Chair**  
**Kelly Hopkins, Vice Chair**  
**Jeff Brown**  
**Lowry Caudill**  
**Allie Ray McCullen**  
**Hari Nath**

***Administrative Liaison:***

***Bob Blouin, Executive Vice Chancellor and Provost***  
***Judith Cone, Vice Chancellor for Innovation, Entrepreneurship, & Economic Development***

# Operational Excellence

Strategic Framework Committee  
UNC Board of Trustees

April 3, 2019



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

# Agenda

- **Operational Excellence overview**
- Early Impact Work - Hiring
- Early Impact Work - Procurement
- Next Wave of Projects







## The “Case For Change”

- Our operations are holding us back, and fixing the problem is our top priority
- In talking with the community, it is clear that our administrative operations – HR, Finance, Research Administration, IT and Facilities – are a barrier to achieving our aspirations creating:
  - Faculty, staff and student frustration
  - Wasted time on lower value activities
  - Delayed and lower quality research proposal submissions
  - Inability to resource current activities and future projects
- This is a top priority for the university

## Vision for Operational Excellence

- Our aspiration is to become the “gold standard” of university operations in the country which allow us to:
  - Operate more effectively and flexibly which will unlock our potential to innovate
  - Create an environment where every individual can accelerate their own development
  - Expand the reach and impact of our university research and teaching
  - Become a top talent “destination” for mission-driven work and deep societal impact
- We will do this by identifying efficiencies, cost avoidances, and potential revenue sources to help fund Carolina’s strategic investments
- We will start by achieving competence in Carolina’s operations and rapidly build towards excellence

Since September, we have engaged the Carolina community to transform the university



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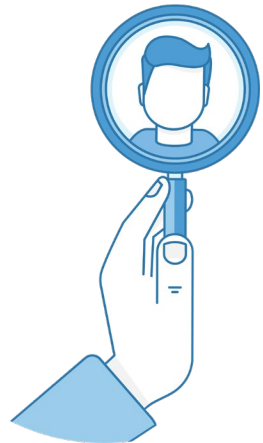


~50

Listening Tours  
across campus

400+

Staff and faculty  
engaged



100+

Pain points  
identified across HR,  
Finance, IT, Facilities  
and Research  
Administration

2

Early impact teams piloting  
solutions to increase hiring  
speed and improve the  
efficiency of making purchases  
less than \$250



4

Pilot areas testing early  
impact solutions in the  
Gillings School of Global  
Public Health, School  
of Dentistry, Vice Chancellor  
for Research, and Athletics



3

Functional teams  
charged with redesigning  
Human Resources,  
Finance, Research  
Administration including  
90+ staff



# The listening tour ultimately led to 12 bold initiatives to transform Carolina over the course of the next two –three years



In process Early Impact work



Scope for Wave 1 (next 6-9 months)

## Process initiatives



**HR: Streamline the hiring process**



**Finance: Standardize purchasing in small-dollar procurement**



**Research: Streamline the research project life cycle**



**HR: Streamline employee performance evaluation**



**Research: Create a new research project management process**



**Finance: Capture savings in external procurement spend**

## Cross-cutting initiatives



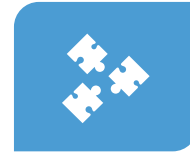
**Define roles and responsibilities and explore organizational alignment**



**Develop and apply a risk framework**



**Create a lean management / continuous improvement program**



**Build reporting and analytics capabilities**



**Create skills and competencies, craft learning journeys and define career paths**



**Establish an automation center of excellence**

# Agenda

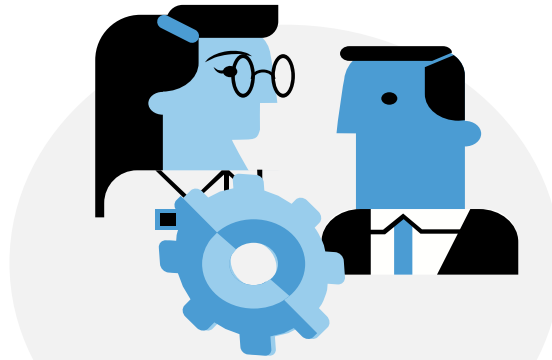
- Operational Excellence overview
- **Early Impact Work - Hiring**
- Early Impact Work - Procurement
- Next Wave of Projects



The starting point for the Early Impact work in HR was shaped and informed by our future state vision



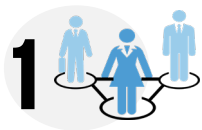
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# HUMAN RESOURCES

## FUTURE STATE VISION

We are the model for exceptional HR operations  
in a university context



**1**  
**Attract and develop  
the best and most  
diverse workforce**  
(e.g., lead North  
Carolina in workplace  
satisfaction)



**2**  
**Make it easier to  
conduct business at  
Carolina**  
(e.g., establish clear  
responsibility over  
administrative tasks in  
the hiring process)



**3**  
**Create a delightful  
user experience**  
(e.g., streamline and  
digitally enable the  
process for managing  
benefits)



**4**  
**Respond nimbly to  
changing demands  
within and beyond the  
university**  
(e.g., provide competitive  
compensation within the  
bounds of state policy)



**5**  
**Strategic partner to  
students, faculty,  
and staff**  
(e.g., update position  
descriptions to reflect  
evolving objectives)



# Our first initiative focuses on rapidly improving the process and speed of hiring non-faculty positions



## Context



### Objective:

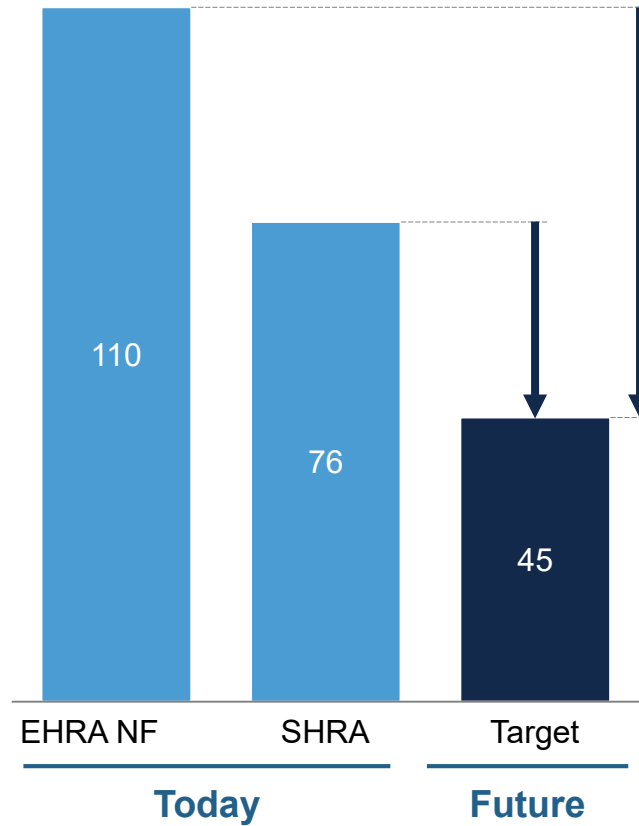
Dramatically improve the efficiency and effectiveness of non-faculty hiring through an iterative and collaborative design process<sup>1</sup>



**Phase 1:** Our target is to operate in the top quartile of public and private sector peers by completing the hiring process from posting to offer accepted in 45 days for permanent non-faculty positions<sup>2</sup>

## Goal: Reduction in hiring time

Average days from posting to offer accepted



## Early impact

Progress seen in pilot units

24

Completed hiring events in pilot units since January 1<sup>st</sup>

34

Average number of days to complete 22 SHRA hiring events, nearly a 50% reduction from the baseline

## Pilot units



<sup>1</sup> Scope includes permanent SHRA & EHRA-NF positions.

<sup>2</sup> Peer group includes a nationally-representative sample of the professional services sector including institutions of higher education.

# The Early Impact schools and units have experienced early successes



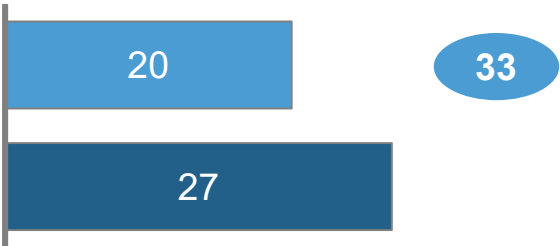
# Average hiring time in days    Completed hiring events    Current active hiring events

## Office of Vice Chancellor for Research

Lead Hiring Officer

- Jo Ann Gustafson - Director of Operations

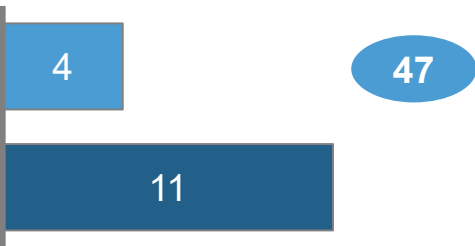
Performance to date



**51%** improvement in hiring time from baseline

## School of Public Health

- Stephen Regan - Assistant Dean for HR



**37%** improvement in hiring time from baseline

Early wins

- 17** days to hire two Colony Management Specialists
- 21** days to hire two Cage Processing Technicians
- 21** days to hire two Research Technicians

- 41** days to hire Online e-Learning Specialist
- 41** days to hire Social/Clinical Research Assistant

# Three interventions have been designed, tested, and launched in the pilot divisions to help ensure success



## Hiring Playbook



- Guides hiring managers and HR representatives through the end-to-end hiring process in 45 days
- Provides new guidance to eliminates unnecessary steps and reduce pain points
- Shares best practices from across the campus community

## Dashboard with KPIs

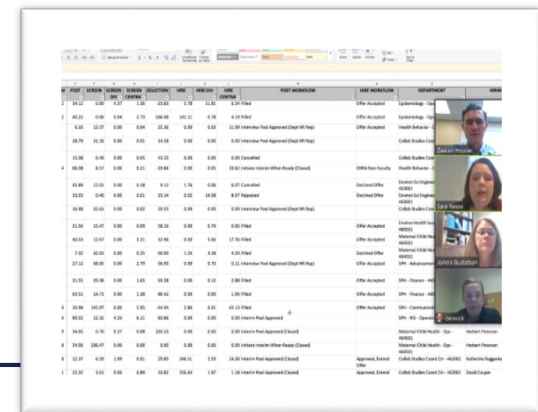
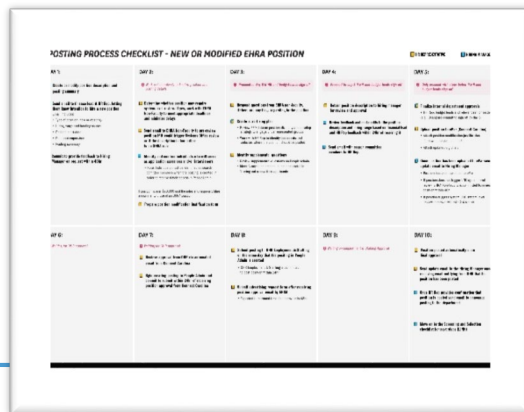


- Tracks active hiring events and presents them in an actionable format for HR teams
- Enables senior leaders to see the status of hiring events within their unit and identify where additional support may be needed

## War Room



- Identify potential obstacles quickly before they lead to delays in a hiring process
- Provide assistance to hiring managers by proactively engaging to solve those challenges as they are identified



# Agenda

- Operational Excellence overview
- Early Impact Work - Hiring
- **Early Impact Work - Procurement**
- Next Wave of Projects





The starting point for the Early Impact work in Procurement was shaped and informed by our future state vision for Finance



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## PROCUREMENT

### FUTURE STATE VISION

— Serve UNC Chapel Hill community as a strategic partner, providing innovative solutions that support the University's goals and objectives. —



#### **An engaged end user experience**

(e.g., effective navigation and understanding of appropriate purchasing method, efficiently submit information necessary to assign right funding source)



**Strong unit manager experience,** who is confident in the accuracy and compliance of transactions, knowledgeable about policy, and takes full ownership over driving proactive changes in unit spend activities



#### **Central procurement collaborative experience**

To allow campus effective procurement of non strategic items and partnering with procurement for strategic planning and negotiation, empowered by data

# Our first initiative focuses on improving the process and speed of processing small dollar purchases (<\$250)



## Context



### Objective:

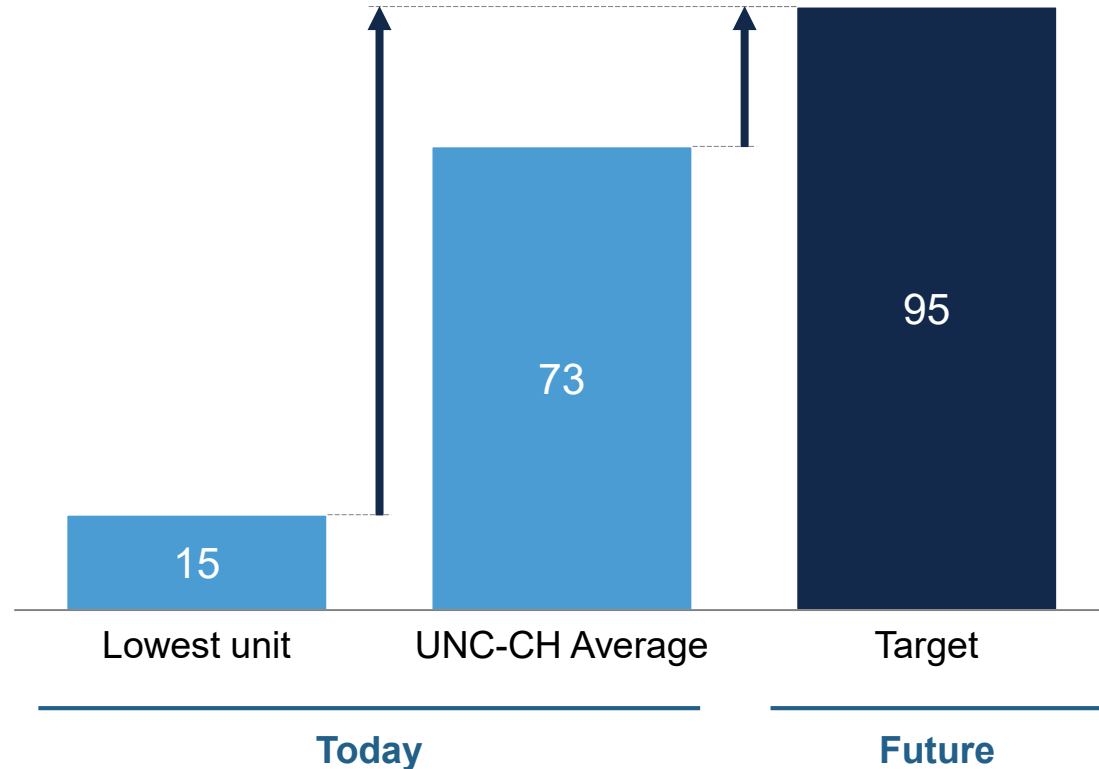
Dramatically improve the simplicity and efficiency of the small dollar purchasing process through an iterative and collaborative design process



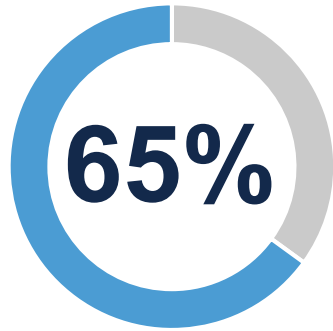
**Phase 1:** Target is for 95% of transactions less than \$250 to be completed on an efficient, preferred purchasing method

## Goal: Improve purchasing decisions

% of transactions on preferred method (<\$250)<sup>1</sup>



<sup>1</sup> Baseline based on Apr-Jun 2018



**\$0-\$250 Transactions:**  
Percentage overall in  
Pilot and Cohort 1

12

Schools/Units in Cohort 1  
*Academic and Central*



20

Trainings

150+

Personnel

That have been  
trained on proper  
procurement  
methods

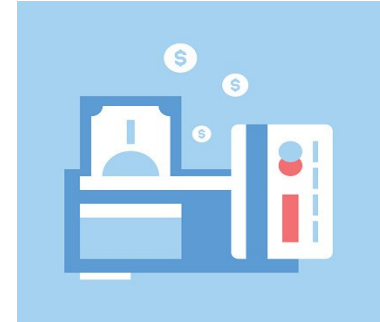


Average baseline  
improvement of all groups  
in the program

8%

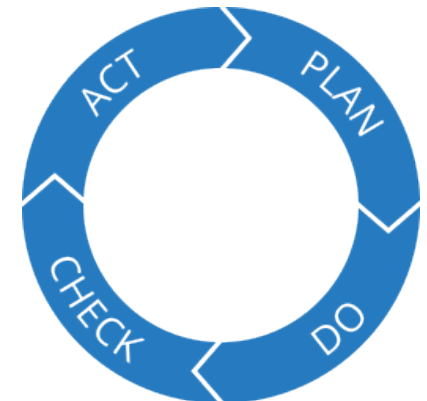
4

Various purchasing methods:  
P-Card, E-Pro, Campus Voucher,  
PO Voucher  
*One method does not fit all*



17- 32%

Percent increase from  
baseline of groups in the  
program 2+ months



# Three interventions have been designed, tested, and launched in the pilot and Cohort 1 schools/units



## Purchasing tools and trainings



- Tools guide purchasers through selecting the most appropriate purchasing method for each purchase they make
- Provides clarity to eliminate unnecessary steps in the P-Card purchasing process
- Trainings improve familiarity with existing and new resources

## Dashboard with KPIs



- Tracks purchasing decisions and presents them in an actionable format for procurement and purchasing teams
- Enables senior leaders to track progress within their unit and provide support

## War Room

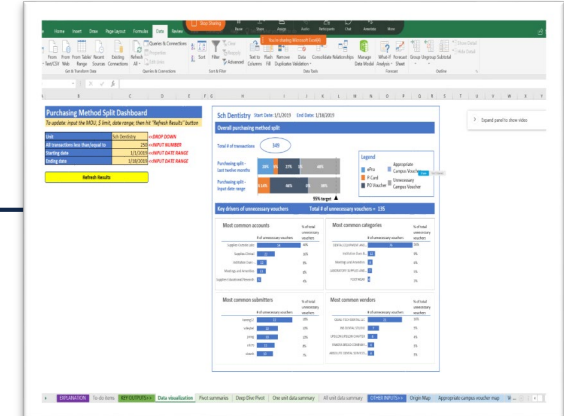
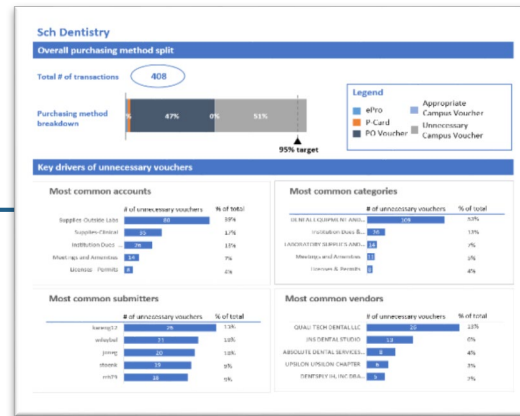


- Identify progress and obstacles quickly and take advantage of opportunities for improving spend efficiency
- Provide support to unit procurement leaders by proactively engaging with information and suggestions for ways to improve

**P-Card process checklist for each transaction**

Before purchase Request	Day card is charged Access & Purchase	Day 1-5 after posting Reconciliation in Works	Day 1-3 after reconciliation Approval in Works
<ul style="list-style-type: none"> <li>Does the decision tree recommend using a P-Card for this purchase?</li> <li>Confirm item is not available in inventory and there is a legitimate business purpose (and is appropriate for grant contract, if applicable)</li> <li>Is there budget available and has the budgetary authority provided an email or other documentation of approval?</li> <li>Request a purchase to make the purchase (if you are not a purchaser), providing the business purpose and funding information</li> </ul>	<ul style="list-style-type: none"> <li>Make purchase using P-Card online, in-person, or over the phone</li> <li>Immediately scan and upload the itemized receipt or itemized invoice to be stored in Works until transaction is posted or email it to your proxy reconciler (include budget approval documentation or email if needed)</li> </ul>	<ul style="list-style-type: none"> <li>Submit info required to reconcile each transaction in Works                             <ul style="list-style-type: none"> <li>Attach itemized receipt or itemized invoice (not a quote or packing list)</li> <li>Input the full chart field string and click to select the chart field in the drop down</li> <li>Confirm the purchase description (i.e., what you bought)</li> </ul> </li> <li>Reconciler signoff in Works by selecting the transaction and clicking the <b>Reconcile</b> button                             <ul style="list-style-type: none"> <li>Input clear business justification (i.e., why you bought it) in the comments pop-up (for meals, attach an entertainment memo)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Review the transaction, including business justification and accuracy of chart field string</li> <li>Approver signoff in Works by selecting the transaction and clicking the <b>Approve</b> button by the approval deadline</li> </ul>

*Posting on Works (<5 days after the card is charged)*





# Agenda

- Operational Excellence overview
- Early Impact Work - Hiring
- Early Impact Work - Procurement
- **Next Wave of Projects**



**Context:** The university's decentralized structure has led to variation and overlap in the work performed across the university. This variation creates unnecessary complexity and redundancy for faculty, staff, and students.

**Description:** Clearly define roles and responsibilities and explore organizational alignment needed to achieve desired performance

Cross-  
functional

## Key activities

- Identify the set of services and core processes conducted in each functional area
- Prioritize processes with most significant pain points for focus of effort
- Understand root causes for pain points and size their negative impact on operations
- Design future-state org alignment options
- Align on preferred option for each future-state design proposal
- Identify steps needed to fully realize the desired future state

## What success looks like

- Administrative support services provide a high level of service across the university
- Transparency in responsibilities produces an improved understanding of roles, consistency across campus, and a clear connection to our mission
- Reduction in task duplication

## How success is measured

- Faculty/ Staff satisfaction
- Decrease in time to complete core processes within each functional area
- Decrease in cost associated with excess effort to complete core processes
- % employees who feel their daily work aligns with their role description

## Accountable

*i.e., initiative leaders*



- Core Team (8 members)

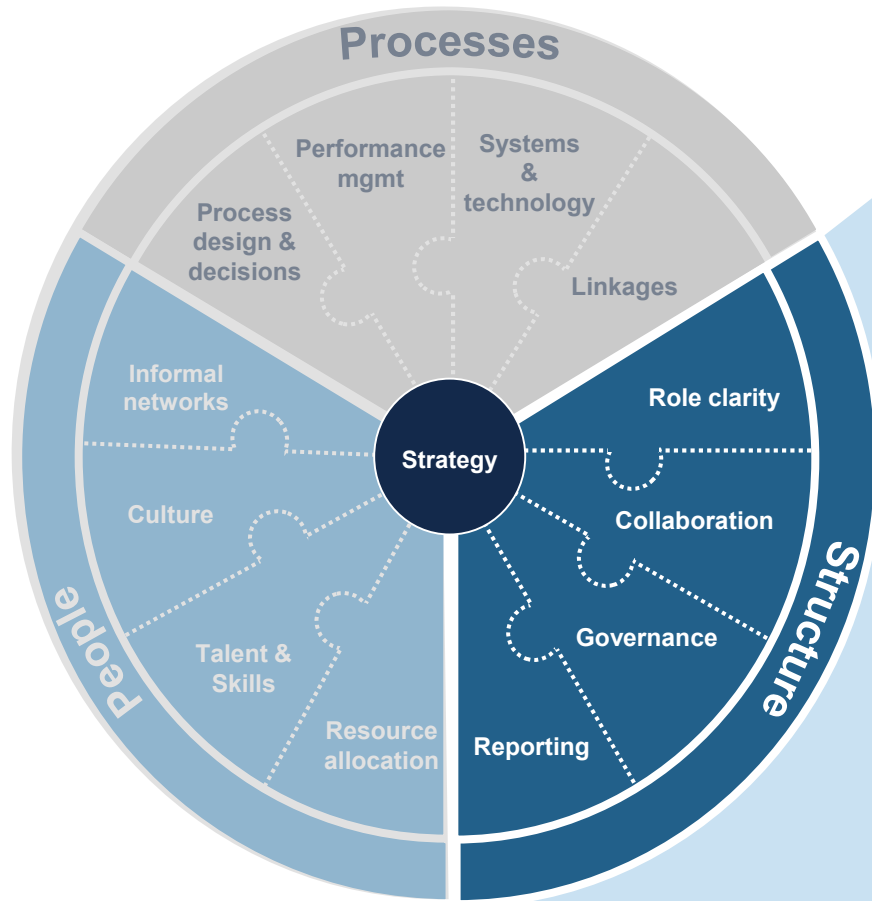
## Responsible

*i.e., function teams*



- Finance sub-team (19 members)
- Research sub-team (14 members)
- HR sub-team (13 members)

## Components of successful alignment



## Structural levers

- **Role clarity**
  - Clarification of which responsibilities are owned by central vs. each unit
  - Elimination of overlapping / duplicative work
- **Collaboration**
  - Stronger incentives for cross-cutting interaction when required (e.g., co-location)
  - Standardization to best practices
- **Governance**
  - Setting scope, authority, and membership of groups that monitor processes and promote continuous improvement
- **Reporting**
  - Addition / realignment of solid- and dotted-line reporting structures to ensure roles report up to those most able to advise their work and guide their development

**Context:** The current overall life cycle for pre/award and post award has multiple handoffs and unclear responsibilities. In addition, this exercise can help identify best practices for risk management that can be utilized across the university, and increase the number of submitted proposals.

**Description:** Streamline the research project life cycle process to eliminate duplication, improve faculty experience, and increase the number of submitted proposals

## RA Process Initiative

( ) number of representatives

### Key activities

- Map the research project life cycle and identify pain points and risk decision points
- Create a framework / thresholds to address the identified risks
- Align on key performance indicators and measurement approaches
- Develop additional tools (e.g. checklists, streamlined processes) that address identified pain points
- Deploy and iterate on tools to reduce duplication of effort and improve faculty experience

### What success looks like

- Increased faculty / employee satisfaction
- Overall increase of submitted proposals
- Increased quality and greater efficiency of compliance review

### How success is measured

- Faculty / employee satisfaction
- Number of submitted proposals
- Fewer late/incorrect submissions to OSR

### Accountable

*i.e., initiative leader*



- Sr. Associate Vice Chancellor for Research

### Responsible

*i.e., design team*



- Central office representatives (OSR, SPO, OCT) (6)
- Department and research center representatives (11)
- Faculty (1)



# The Research Project Life Cycle team has selected three goals, but is focusing initial energy on reducing award setup time



Current priority

## Top goals rank by order priority

- 1 Reduce the award set up time of grants (include processes that involve IRB, COI, Export Control, IACUC and Privacy)
- 2 Increase transparency and communication to departments on award (e.g. project status, timeline expectations, and points of contact throughout the award lifecycle)
- 3 Enable active management of awards (e.g., by providing financial tools and reports)
- 4 Streamline the process of obtaining institutional approval across activity type
- 5 Improve the initial response time from research administration (include central office and departments)
- 6 Reduce the turnaround time on agreements (e.g., by increasing the number of available agreement templates)
- 7 Reduce the number of incorrect/ incomplete/ non-compliant proposals submitted to OSR and SPO
- 8 Reduce the number of proposals submitted late to OSR or SPO
- 9 Increase the number of proposal submissions



- **The process design and pilot methodology works**, campus and central leaders are able to work quickly and collaboratively to design and pilot improvements
- **Design teams should always include a mix of central campus and school / unit participation** to facilitate best practice sharing and broader cohesiveness
- **Regular (weekly) touch points with Vice Chancellors are vital** to problem solve and discuss content, which improves the overall answer and helps get ahead of potential issues
- **The Steering Committee is primarily a change management vehicle** and future engagement with the Steering Committee should be focused on building each member as “champion” for the effort
- **The university has a set amount of capacity** to pursue a transformation (due to current workload and unique challenges facing UNC-CH) and an overly aggressive implementation cadence could threaten the success of Operational Excellence
- **Frequent, consistent and clear communication is critical** to ensure the university knows and feels the progress happening across campus



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