University of New Hampshire
Financial Review and Resource Assessment

Kickoff Discussion

September 18, 2019

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Discussion Topics

Huron is pleased to partner with UNH on this important resource assessment initiative and proposes the following goals for today's conversation:

1. Introduce UNH Steering Committee and Huron team

2. Discuss Huron's approach to financial review and resource assessment

3. Address stakeholder engagement

4. Open discussion

5. Concluding thoughts

6. Determine next steps

Huron Project Team

Huron's core team includes eight team members, though we plan to leverage additional team members and subject matter experts as needed.

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UNH Steering Committee

Huron is pleased to partner with UNH Steering Committee under the executive sponsorship of President James Dean and Provost Wayne Jones:

Executive Team

- Wayne Jones, Provost
- Chris Clement, COO
- Cathy Provencher, Interim CFO
- P. Vasudevan, Senior Vice Provost
- Bill Poirier, CIO
- Debbie Dutton, VP for Advancement
- Scott Olinger, Faculty Senate, COLSA

Data Support Team

- Kerry Scala
- Jackie Snow

Revenue and Expenses Team

- Deborah Merrill-Sands, Paul
- Louise Griffin, Research
- Amy Wack, BSC
- David May, OBA
- Betty Schmid, OS Representative
- Alexandra Padilla, Graduate Student

Academic Program Costs Team

- Michelle Dillon, COLA
- Sarah Connor, Provost Office
- David Matta, BSC
- Anne Broussard, HHS and ASAC
- Karen Graham, CEPS
- Ethan McClanahan, Undergraduate Student

Understanding of Your Needs

Huron understands UNH recently announced *The Future of UNH* strategic initiatives which together position the University to reach the top 25 universities among a set of the most important measures of academic performance.

- Support UNH in achieving the **four strategic priorities** of UNH: student success, academic excellence, and embracing New Hampshire, with a focus on building financial strength

- Identify a **menu of opportunities** to provide revenue enhancement and cost reductions across the institution to improve efficiency and effectiveness

- Conduct an evaluation and **quantification of the benefits**, implementation cost, timelines, and resources required

- **Provide recommendations** that are implementable and closely aligned to the institutional mission

About Huron

Huron understands the culture of higher education and the need for customized solutions to meet the needs of UNH in this important financial review and resource assessment.

- Worked with more than **500 institutions,** including all **top 100 research universities**

- Conducted over **7,000 successful engagements**

- Professionals dedicated to providing professional services and solutions for the industry for more than **25 years**

- Work that spans the gamut of higher education operations; we understand the **dynamics and interrelations**

- Understanding of the participative nature of higher education and the need to **engage stakeholders** throughout the process

Project Timeline Overview

The project will follow a four-task, twelve-week engagement with checkpoints for deliverables and Steering Committee feedback.
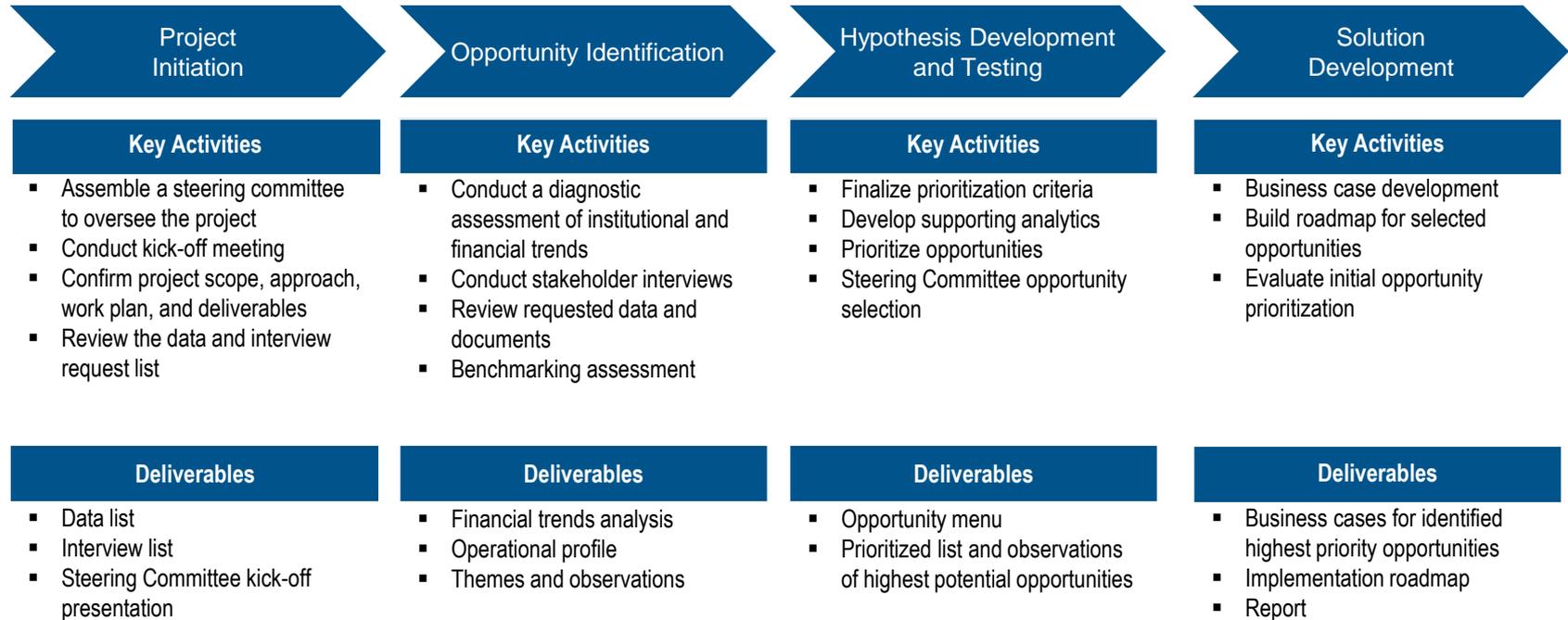
Project Tasks / Dates →	9-2	9-9	9-16	9-23	9-30	10-7	10-14	10-21	10-28	11-4	11-11	11-18	11-25
Task 1 - Project Initiation			★										
Task 2 - Opportunity Identification				▲	●■ ✚								
Task 3 - Hypothesis Development and Testing								●■ ▲	●	●▲			
Task 4 - Solution Development													●■ ●▲

Other stakeholder groups to participate in project meetings include the Deans' Council, Cabinet, Academic Standards Advising Committee, Faculty Senate, Budgeting and Financial Planning Group.

Legend:
★ All (ET, RET, APC)
● Executive Team (ET)
■ Revenue/Expense Team (RET)
▲ Academic Program (APC)
✚ Advisory Board (AB)

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Approach to Resource Assessment

Huron structures our administrative resource assessment projects to fit the unique needs of each client; however, our extensive experience with performance improvement is informed and guided by a similar phased format.

Project Initiation	Opportunity Identification	Hypothesis Development and Testing	Solution Development
Key Activities	**Key Activities**	**Key Activities**	**Key Activities**
▪ Assemble a steering committee to oversee the project ▪ Conduct kick-off meeting ▪ Confirm project scope, approach, work plan, and deliverables ▪ Review the data and interview request list	▪ Conduct a diagnostic assessment of institutional and financial trends ▪ Conduct stakeholder interviews ▪ Review requested data and documents ▪ Benchmarking assessment	▪ Finalize prioritization criteria ▪ Develop supporting analytics ▪ Prioritize opportunities ▪ Steering Committee opportunity selection	▪ Business case development ▪ Build roadmap for selected opportunities ▪ Evaluate initial opportunity prioritization
Deliverables	**Deliverables**	**Deliverables**	**Deliverables**
▪ Data list ▪ Interview list ▪ Steering Committee kick-off presentation	▪ Financial trends analysis ▪ Operational profile ▪ Themes and observations	▪ Opportunity menu ▪ Prioritized list and observations of highest potential opportunities	▪ Business cases for identified highest priority opportunities ▪ Implementation roadmap ▪ Report

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Initial Project Scope

Based on initial discussions with UNH and Huron's experience conducting similar reviews at other institutions, we have recommended the following eighteen (18) focus areas for our initial phase of work.
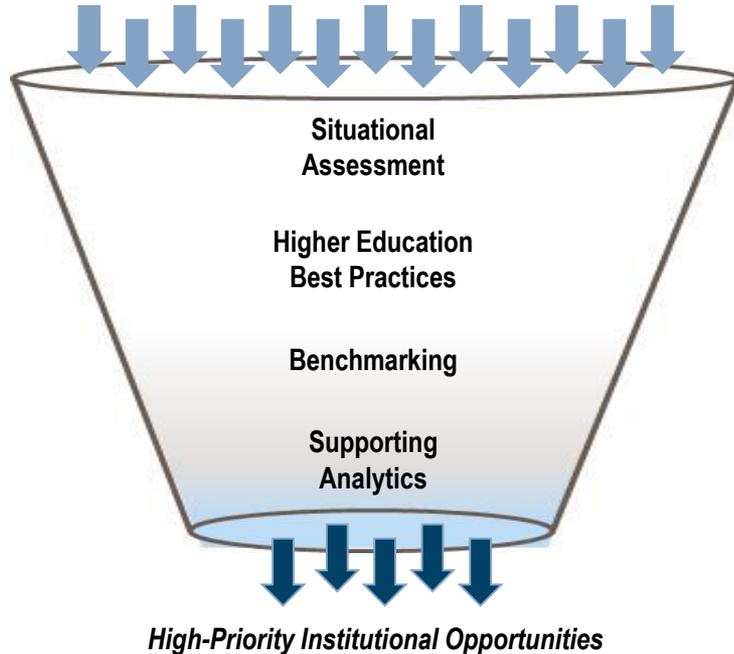
Project Focus Areas	
▪ Academic Auxiliaries	▪ Human Resources Services
▪ Academic Structure	▪ Information Technology Systems
▪ Administrative Service Delivery	▪ Leadership Structure
▪ Advancement & Development	▪ Procurement & Strategic Sourcing
▪ Auxiliaries	▪ Research Business Model
▪ Campus Capacity	▪ Retention
▪ Enrollment	▪ Strategic Partnerships
▪ Facilities Management	▪ Tuition & Financial Aid
▪ Financial Assets	▪ Workforce Planning

In addition to the above focus areas, Huron will partner with the Academic Program Costs Team to review UNH's academic portfolio, providing a platform for greater insights into the distribution of academic resources.

Opportunity Funnel

Huron utilizes client interviews, benchmarking, data analytics, and knowledge of industry best practices to quickly identify the most promising opportunities available to the institution.

Situational Assessment

Higher Education Best Practices

Benchmarking

Supporting Analytics

High-Priority Institutional Opportunities

Example criteria utilized in prior operational review engagements

- Service impact
- Estimated financial impact
- Productivity impact
- Legal compliance enhancement
- Internal stakeholder reaction impact
- Public relations / External stakeholder impact
- Reputational impact
- Implementation effort
- Implementation complexity
- Implementation costs
- Timeframe until benefits recognition

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Opportunity Prioritization

A framework utilizing a standard set of evaluation criteria will allow the institution to prioritize opportunities of various types across the gamut of functional areas.

Example Prioritization Approach

		Annual Financial Impact	Efficiencies Gained	Risk Exposure	Implementation Complexity	Timeframe (Months)
1	Strategic Tuition Pricing	$ 3.5M – $ 5.6M	Negligible			12 – 24
2	Strategic Sourcing	$ 1.4M – $ 2.5M	Moderate			0 – 3
3	Space Management	$ 5.0M – $ 10.0M	Very High			6 – 12
4	Summer Academic Offerings	$ 2.1M – $ 3.8M	High			6 – 12
5	Tuition Remission	$ 0.9M – $ 1.6M	Moderate			0 – 6
6	Faculty Workload	$ 3.0M – $ 9.3M	Moderate			6 – 12
7	Early Retirement	Material	Very High			6 – 12
8	Satellite Campuses	$ 1.3M – $ 1.8M	High			12 – 24
9	Health Plans: Mail Order & Co-Pays	$ 1.1M – $ 2.4M	Low			12 – 24
10	ACH & Prompt Pay Discounts	$ 0.3M – $ 0.6M	Moderate			0 – 6
11	Parking	$ 0.3 – $ 1.0M	Moderate			0 – 3

Risk / Complexity Key: Substantial Material Minor Moderate Negligible

1 High level menu groups opportunities by functional area or theme
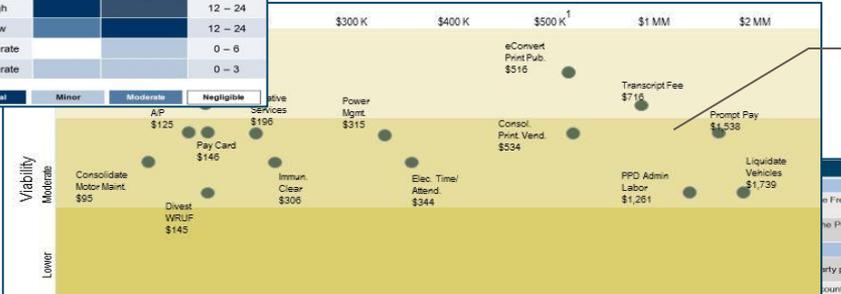
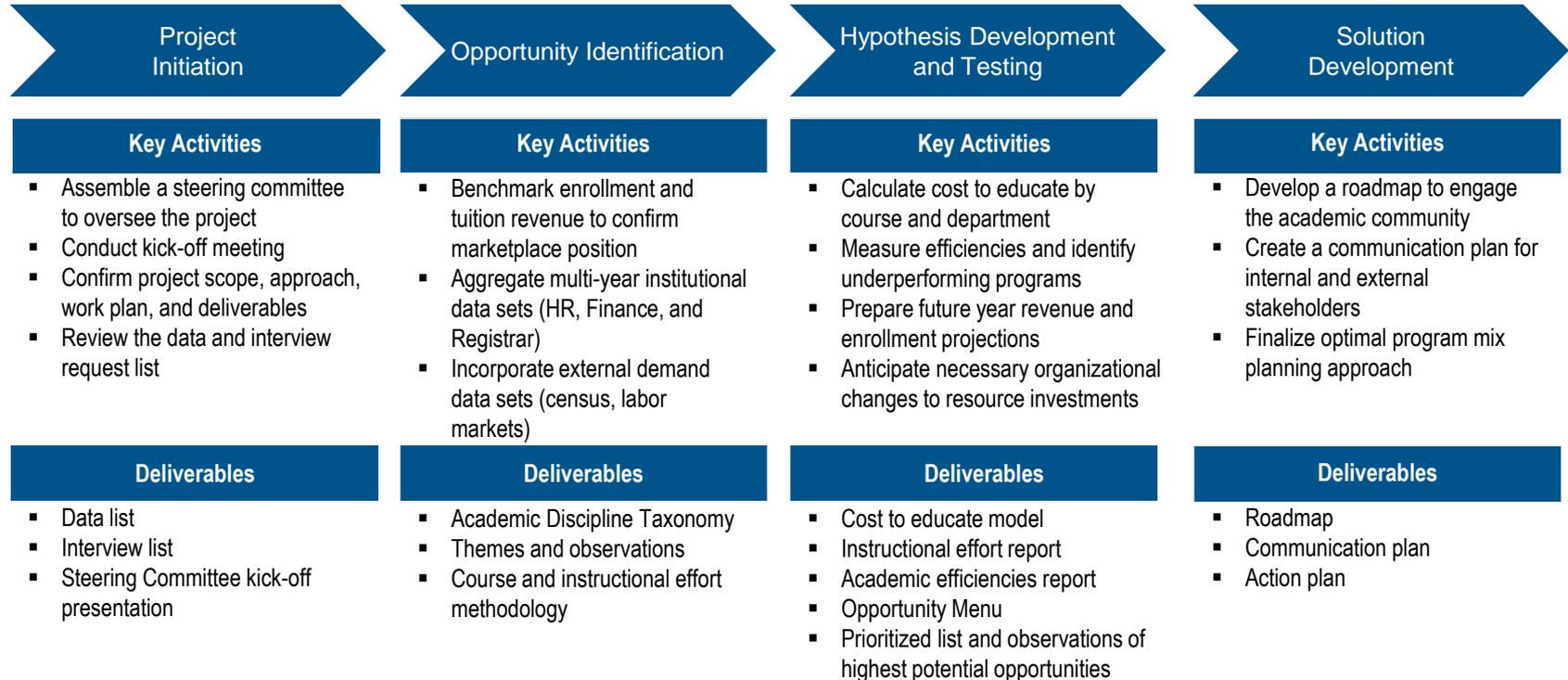**2** Matrix maps impact v. required effort

3 Detailed menu catalogs and assesses more tactical improvements, including "quick wins"

Approach to Academic Resource Assessment

While portfolio assessment and design should be customized to institutional needs, generally, a phased approach focused on mission, data collection, data analysis, change management, and planning is ideal.

Project Initiation	Opportunity Identification	Hypothesis Development and Testing	Solution Development

Key Activities

▪ Assemble a steering committee to oversee the project ▪ Conduct kick-off meeting ▪ Confirm project scope, approach, work plan, and deliverables ▪ Review the data and interview request list	▪ Benchmark enrollment and tuition revenue to confirm marketplace position ▪ Aggregate multi-year institutional data sets (HR, Finance, and Registrar) ▪ Incorporate external demand data sets (census, labor markets)	▪ Calculate cost to educate by course and department ▪ Measure efficiencies and identify underperforming programs ▪ Prepare future year revenue and enrollment projections ▪ Anticipate necessary organizational changes to resource investments	▪ Develop a roadmap to engage the academic community ▪ Create a communication plan for internal and external stakeholders ▪ Finalize optimal program mix planning approach

Deliverables

▪ Data list ▪ Interview list ▪ Steering Committee kick-off presentation	▪ Academic Discipline Taxonomy ▪ Themes and observations ▪ Course and instructional effort methodology	▪ Cost to educate model ▪ Instructional effort report ▪ Academic efficiencies report ▪ Opportunity Menu ▪ Prioritized list and observations of highest potential opportunities	▪ Roadmap ▪ Communication plan ▪ Action plan

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Keys to Effective Stakeholder Engagement

It is critical that the approach to assessing resource allocation patterns at UNH produces specific, actionable recommendations that can result in substantive changes and improvements where possible.

Developing Stakeholder Buy-In

- Clearly **articulate** campus and leadership initiative objectives and desired end-goals at the start of any effort
- **Engage f**aculty, business process owners, and key campus stakeholders in opportunity identification and solution development
- Utilize **data-driven business cases** and **objective measures** to depersonalize and depoliticize change

Prioritizing Change

- **Prioritize opportunities** for implementation based on objective goals and realistic fortitude for change
- **Pursue opportunities** for enhanced enterprise-wide resource stewardship to provide institutional benefits

Managing Change

- Clearly understand the University's appetite for change and ability to effectuate **change leadership**
- Ensure opportunity selection and implementation is driven and **supported by leadership**
- Ensure the planning process realistically considers the required timeframe and assesses **potential project risks and mitigation measures**

Making Change Sustainable

- Establish methods to continually measure savings achieved and **track progress** following implementation
- Systematically **update campus stakeholders** on progress achieved to ensure continued commitment

Discussion Questions

While Huron is scheduled to visit individually with each member of the UNH Provost's Council, we welcome any initial feedback or perspectives members would like to share in today's group setting.

- What do you consider to be the most significant actions the University has taken in recent years to identify administrative efficiencies? What material opportunities do you believe still exist?

- What successes/barriers has the University encountered in its past change initiatives?

- How have University stakeholders reacted in the past to efficiency or effectiveness change efforts?

- In addition to the groups that we are already planning on engaging, what other key stakeholder groups should we engage?

- What peer institutions do you recommend Huron look to for institutional comparisons?

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Concluding Thoughts

Huron's experience has taught us that there are no "ready-made" solutions for an impactful resource assessment, instead, initiatives need to be rebuilt on an understanding of institutional needs, cultures, strategies, and goals.

Huron will provide UNH with:

- Unmatched focus, commitment, and experience in higher education administrative improvement initiatives

- Data-rich lenses through which to view and understand the complex aspects of administrative service delivery and organizational design

- Insightful ideas about improving the effectiveness and efficiency of all areas of the university

- Solutions that can be effectively implemented to achieve stated goals and objectives

Next Steps

Huron looks forward to working with the university community to complete the following activities during the first half of the engagement.

Over the next five weeks, Huron will:

- Schedule Committee and Team meetings

- Conduct interviews and develop common themes

- Collect, organize, and analyze institutional data provided by the UNH and USNH community

- Identify and organize policy documents and institutional norms

- Present initial diagnostic assessment and solicit feedback for final solution development and implementation planning

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THANK YOU

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