New Mexico State University

Staffing Study

Opportunities for Cost Reduction Report

September 14, 2015

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Executive Summary

Purpose of Document

The points outlined below provide important context for reading this document.

- This document "Opportunities for Cost Reduction Report" is a deliverable output of Phase I of NMSU's Staffing Study project developed by Deloitte Consulting in close consultation with University leadership and the NMSU Support Team.
- This document is one of three outputs from this 10-week study. The other two deliverables include: 1. NMSU and Peer Benchmarking Report, 2. Business Cases and Recommendations Report.
- The goal of the Staffing Study was to analyze staffing for administrative functions at NMSU's Las Cruces campus to identify opportunities for operational expenditure reductions and resource reallocations.
- The scope of this initial assessment included 14 Administrative Functions – General Administration, Operational Management, Advancement, Finance, Human Resources, Information Technology, Procurement, Facility Services, Auxiliary Services, Communications, Student Administrative Services, Research Administration, Research, Public Service and Scholarly and Creative Activities, and Educational Programs. These areas were selected in collaboration with University leadership and the NMSU Support Team.
- Contents include an Executive Summary with information on Project Overview and Scope, the University's current state operating model, a summary analysis of staffing levels within core administrative functions, a summary of key findings and observations, and a list of identified opportunities to improve operational effectiveness and efficiency.
- In addition to the Executive Summary, there is more detailed analysis on staffing levels, labor costs, operating models, and management coverage for each of the in-scope functions that follows in the body of this document.
- Inputs for this initial assessment include– data from a detailed activity analysis (as reported by managers) to determine how employees spend their time supporting the in-scope functions; university-wide organizational charts; and financial and human resources data generated from NMSU systems. In certain cases where possible, benchmarks were also used to assess University performance against standards.
- This is intended to provide directional input to understand and identify potential opportunities to further explore in more detail in the remaining Phase I deliverables.
- Decisions about opportunities to implement should be made after careful consideration of this deliverable and future Phase I deliverables which will include more detailed business cases for selected opportunities. These business cases will contain additional information on the associated complexities, risks, costs and implementation timeframes for the opportunities selected for this additional analysis.

Project Scope and Approach

The NMSU Staffing Study was a 10-week project focused on analyzing key staffing metrics internally and in relation to peers

Project Goals & Objectives

- Analyze staffing for administrative support functions on the Las Cruces campus to identify opportunities for operational expenditure reductions and resource reallocations.
- Support the best alignment of non-faculty staffing with the core mission of the University and Vision 2020 Strategic Plan within the available financial structure.
- Survey 3 peer institutions (Montana State University, Utah State University, University of New Mexico) to understand Staffing levels (at the FTE level) and budget data for in-scope process and to document key demographic, operational, and technology information to normalize data for comparison. Use other, comparable national benchmark data sources for additional comparison where needed.

Project Scope

Step 1 – Assess Current Organization

- Gather and review as-is organizational data (e.g. employee HR/Fin data by function, key transactional data by function).
- Conduct detailed analysis of employee-level engagement for core activities within a function.
- Compare current state assessment to peer institutions and national Higher Education Benchmarks.
- Document service delivery model and identify opportunity areas for consideration.

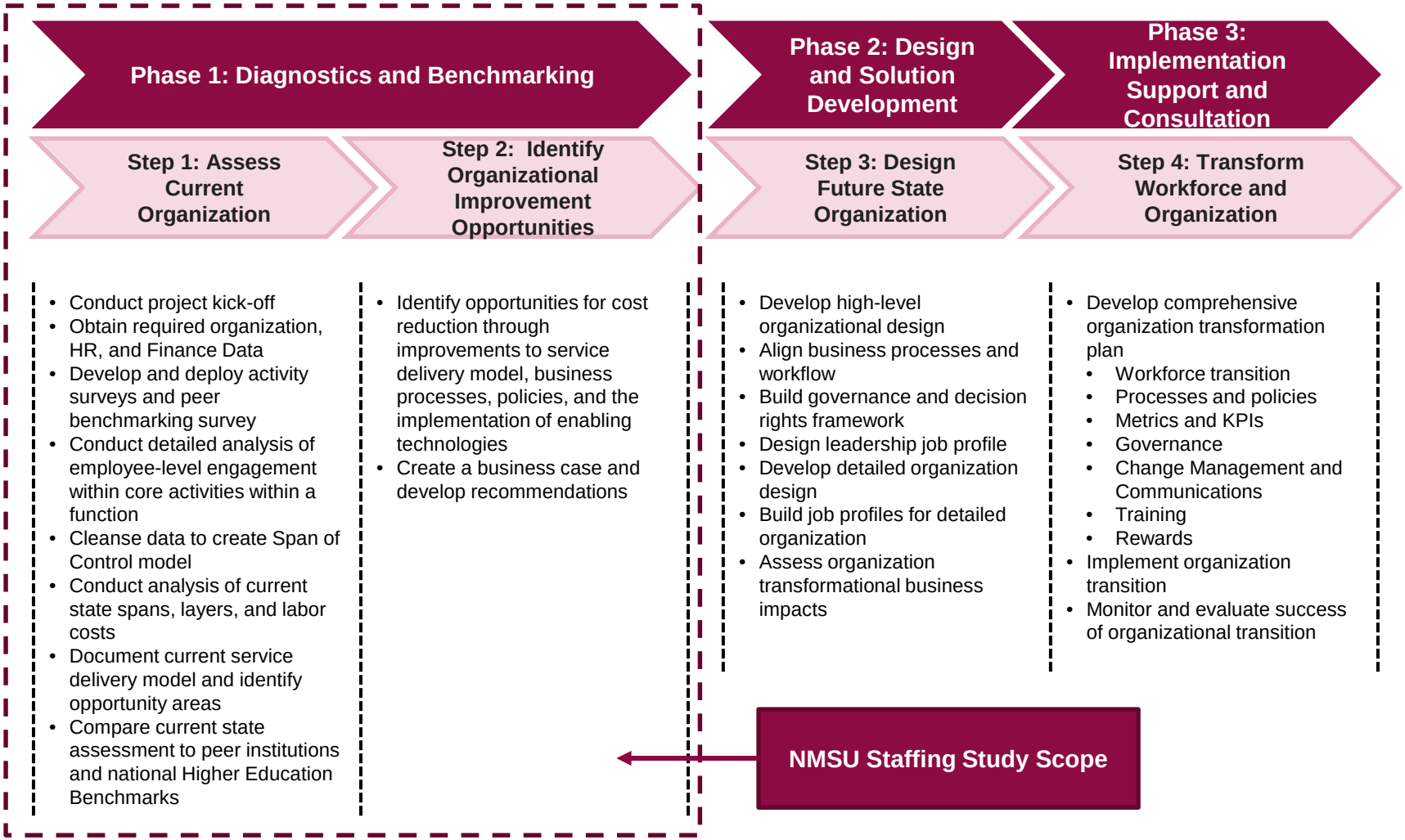
Step 2 – Identify Organizational Improvement Opportunities

- Identify opportunities for cost reduction through improvements to service delivery model, business processes, policies, and the implementation of enabling technologies.
- Create a business case and develop recommendations

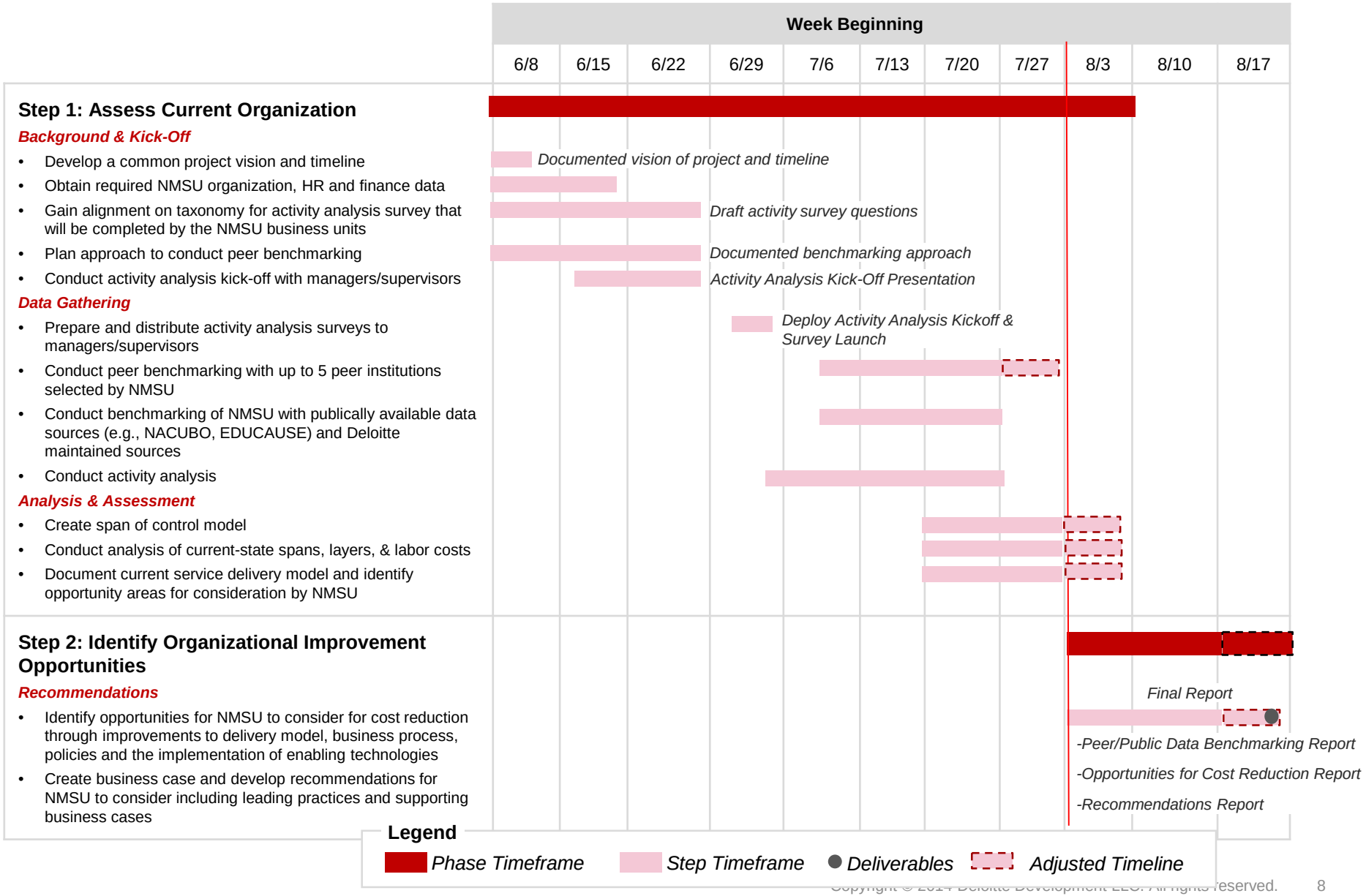
Project Outputs

- A final report containing analysis and findings related to non-faculty staffing levels at NMSU to document the Current State Operating Model and Improvement Opportunities.
- A summary Benchmarking report of findings to compare NMSU to each of the peer institutions and to comparable, national benchmarking data.
- Business Cases for Select Improvement Opportunities.

The approach identifies opportunities with the greatest value for NMSU, setting the foundation for implementation success



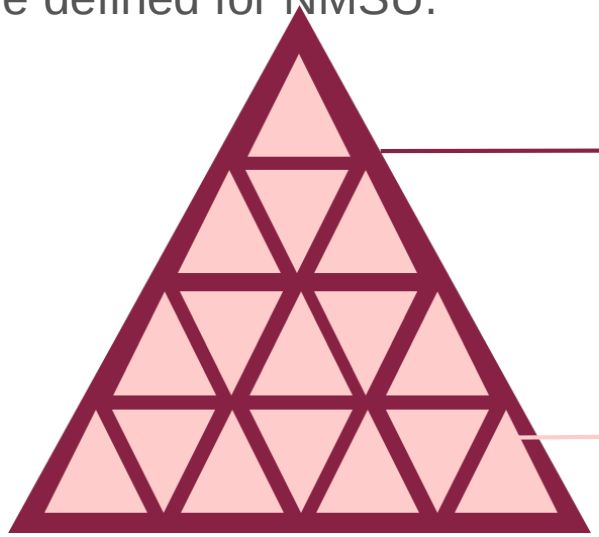
The project included engagement with key stakeholders to collect and validate data, followed by data analysis and opportunity identification



Current State Overview

NMSU developed an administrative taxonomy that establishes a common set of functions and processes that allow comparison of standard staffing metrics within the university and across peers.

A taxonomy breaks work performed within an organization into Functions and Processes to facilitate analysis and comparison. 14 Functions and 169 Processes were defined for NMSU.



Function

A series of logically-related processes performed together to produce a defined set of results

Organizations typically have 5-10 functions
e.g., Finance

Process

A collection of related actions that accomplishes a significant portion or stage of a function's end goals

Each function typically has 5-15 processes
e.g., Conduct Travel Expense Processing

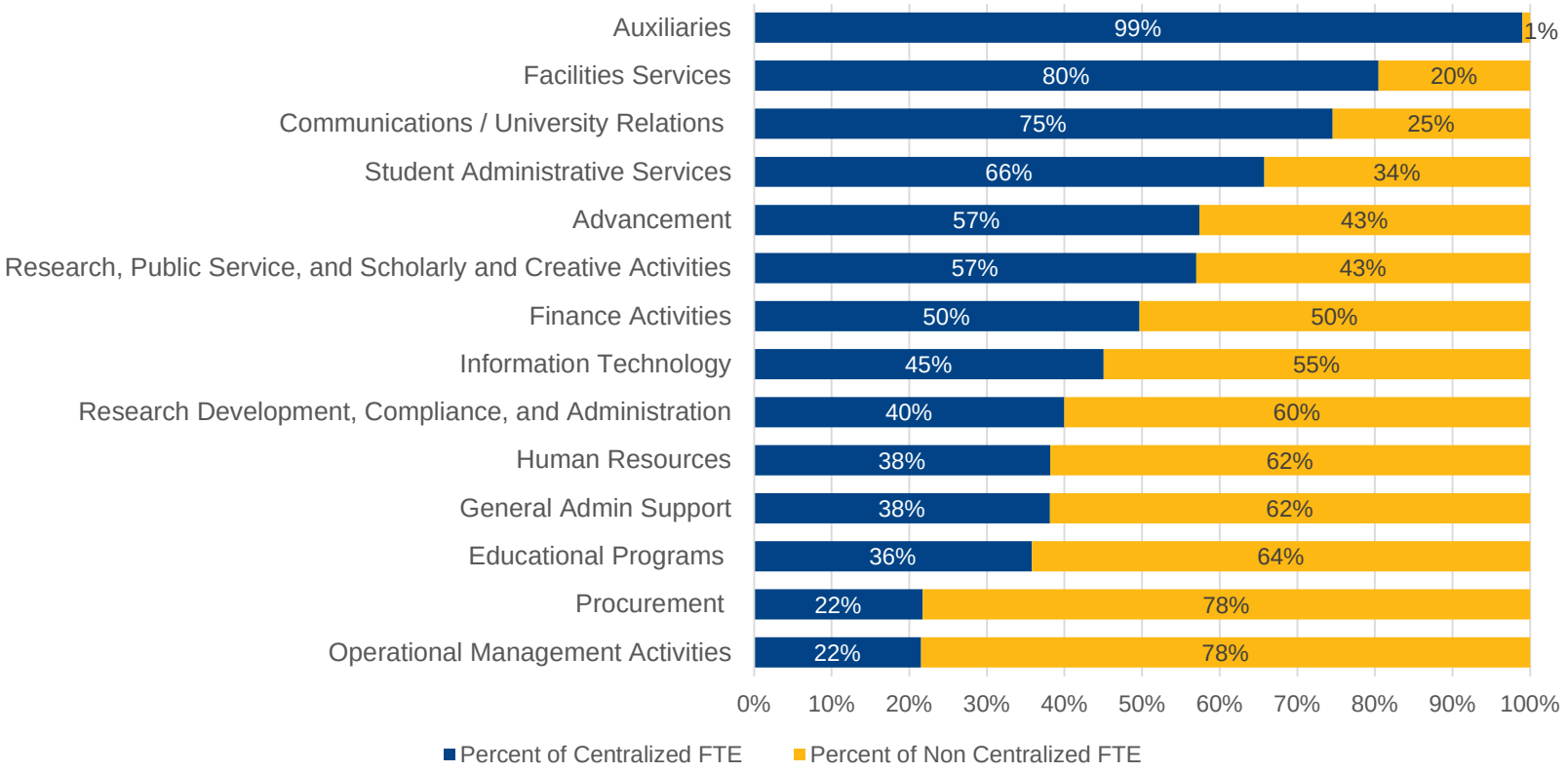
NMSU Administrative Taxonomy - Functions

- General Admin Support
- Operational Management Activities
- Advancement
- Facilities
- Auxiliaries
- Finance
- Human Resources
- Procurement
- Student Administrative Services
- Award Development, Compliance & Admin
- Information Technology
- Research, Public Service & Scholarly/ Creative Activities
- Communications
- Educational Programs

See Appendix for depiction of the complete NMSU Administrative Taxonomy.

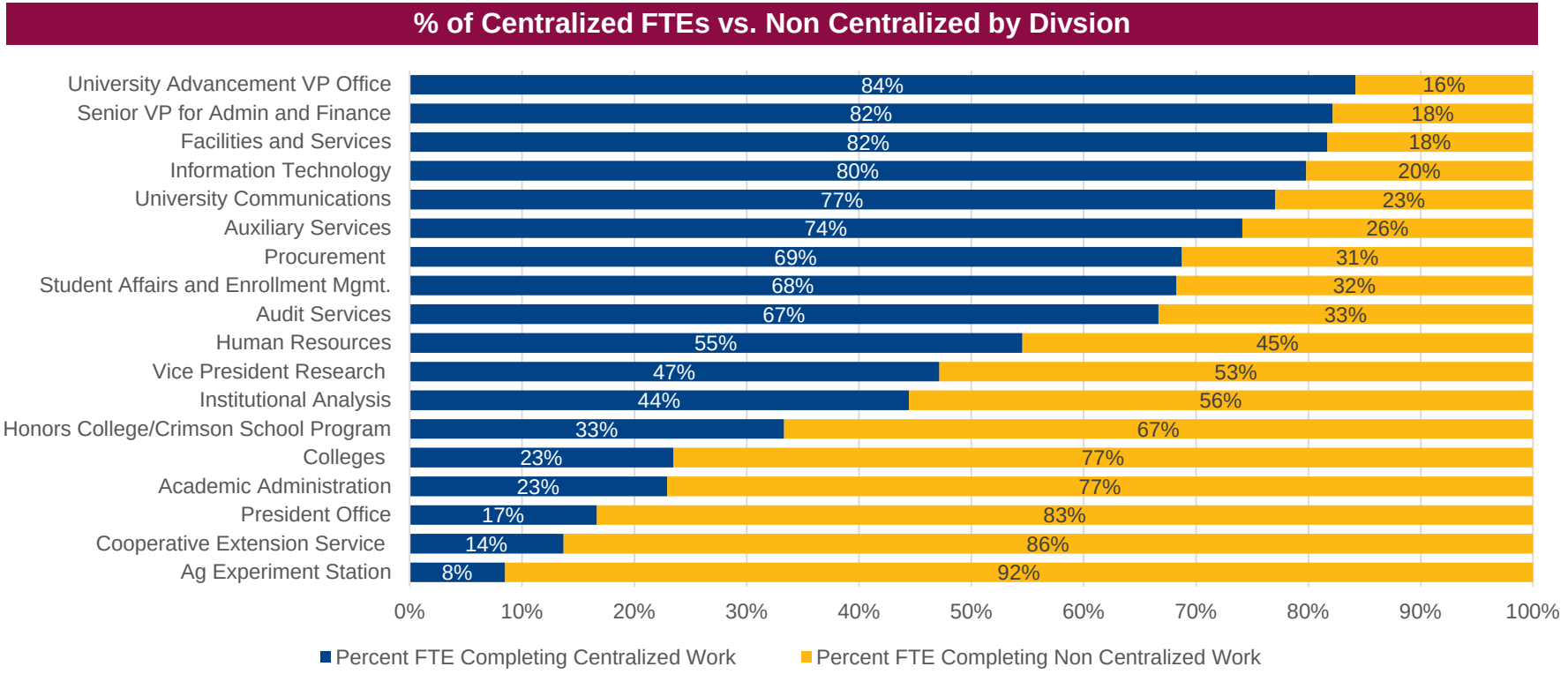
In half of the functions a majority of the work is performed by the centralized Division. However, there is also considerable “fragmentation”* of work across many core functions which means that these functions are also being performed decentrally throughout many divisions.

% of Centralized FTEs vs. Non Centralized by Function



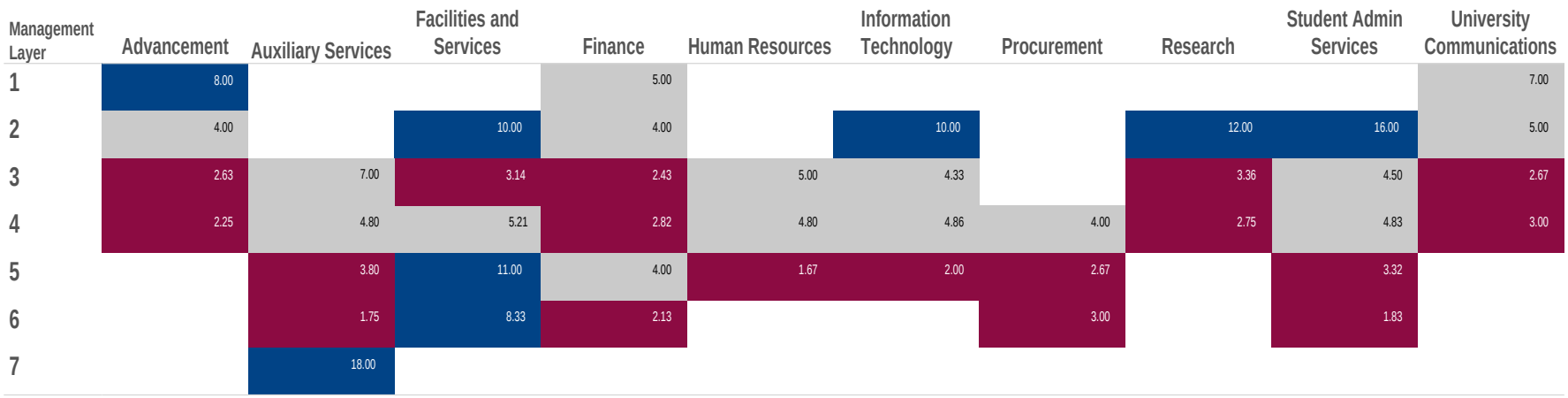
*For some functions, such as Operational Management, fragmentation is an expected model for providing service. In other functions, it may indicate potential opportunities for new operating models that support greater efficiency. Each function must be analyzed separately to make this determination.

Another outcome of this fragmentation is that staff divisions spend time supporting work across both centralized and decentralized functions. This can create an environment of many “generalists” without specialized skills or training which can result in efficiency and compliance issues.



In many divisions, a significant percentage of FTE time is spent supporting work outside of the core mission of the division

NMSU has a total of eight layers of management and there up to six layers of management within individual functions across NMSU. The average Spans of Control within these layers is often inefficient, with high spans of control at the top management layers and low spans at lower layers. The NMSU average Spans of Control is 1:5.5 compared to a leading class range of 1:8-1:12*.



In organizations that are efficiently structured, Spans of Control are lower at the top management layers and higher at the bottom. Many of the spans across NMSU functions show the opposite structure, which can lead to sub-optimal performance.

*Range is determined based on Deloitte's Global Benchmarking Center's cross-industry benchmarks

Key Observations and Opportunities

The Staffing Study yielded key observations within four major categories where NMSU could improve efficiency and reduce costs.

Organization

- Staff performing work to support Functions are distributed broadly across the University. This can lead to overlap of work, the potential for siloes and communication breakdowns
- Most divisions display inefficient spans of control. Managers at the highest levels of the organization are commonly supervising the highest number of direct reports. A majority of managers across all Divisions manage 3 employees or fewer.
- Decentralized Divisions perform a large portion of the work in Centralized Functions but often do so without a formal reporting relationship to the Central Divisions aligned to those Functions
- Certain Divisions (i.e., Procurement) lack leadership positions in the top levels of NMSU's Org Structure which prevents the executive sponsorship needed to drive University-wide compliance and consistency

Process

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- There is a high degree of fragmentation across the university, with staff from across the University reporting time spent supporting various functions and myriad processes This leads to the potential for duplication of effort by employees lacking the right training and skills.
- High volume transactional tasks are often among the most fragmented, occurring in various areas throughout NMSU.
- The average labor cost/FTE to support processes varies considerably based on the Division providing the service. At NMSU, the Central Division's labor cost/FTE is lower than the decentralized Division's labor cost to support the same work.

Policy

- Procurement processes are highly fractionalized. While procurement policies are in place, many are paper-based which can lead to policy compliance and enforcement issues.

Technology

- Certain processes (e.g. Budgeting, Vendor Management) lack the enabling technology required to support their tasks and rely on paper and Excel-based models
- A majority of functions lack automated workflow, sophisticated reporting capabilities, and self-service capability to create efficiencies within functions

*More detailed observations can be found in the "Strategic Assessment" Section

The Staffing Study identified several major opportunity areas for NMSU to operate more efficiently and to reduce costs

Opportunity Area	Description
1 **Refine Operating Model**	• *NMSU can significantly redesign their operating model for core Functions to increase efficiency and effectiveness by better alignment of transactional and strategic work* • *NMSU can identify high-volume processes with high degrees of fragmentation to identify ways to eliminate duplication of effort and process tasks more efficiently*
2 **Reduce Management Layers and Optimize Spans of Control**	*NMSU can reduce Management Layers and realign Spans of Control within Divisions to leading practices to identify inefficiencies, potentially reduce the number of managers, and look for ways to increase the number of employees supervised at lower levels of the organization*
3 **Strengthen Sourcing and Procurement**	*NMSU can adjust and/or expand existing contracts to introduce new, cost-saving measures into their operations outside of staff modifications*
4 **Better Utilize Technology**	• *NMSU can deploy new technology in process areas such as Budgeting and Vendor Management, to improve operational efficiency and provide strategic management direction* • *NMSU can implement workflow and more self-service to enable efficient processing*

*More details on the opportunity areas and recommendations can be found in the “Recommendations” section

Through estimation of potential value and implementation timeline, the following key opportunities were identified

	Opportunity
1	Leverage more support staff versus professional staff across key functions to reduce total operating costs
2	Consolidate management responsibilities university-wide by reducing the number of management layers from six to four
3	Establish a university-wide span of control policy that eliminates all span of control relationships that are less than 3:1 (staff: manager)
4	Assess labor cost per FTE to further validate if the results from the benchmarking effort are accurate
5	Standardize coverage ratios of administrative support staff
6	Restructure IT service delivery model for greater efficiency and effectiveness
7	Outsource the Tier-1 help desk
8	Redesign the Finance Operating Model
9	Streamline the HR Operating Model for greater efficiency and effectiveness
10	Centralize Procurement authority and direct control to manage more of NMSU's total expenditures
11	Source Spend Categories Strategically

Functional Analysis

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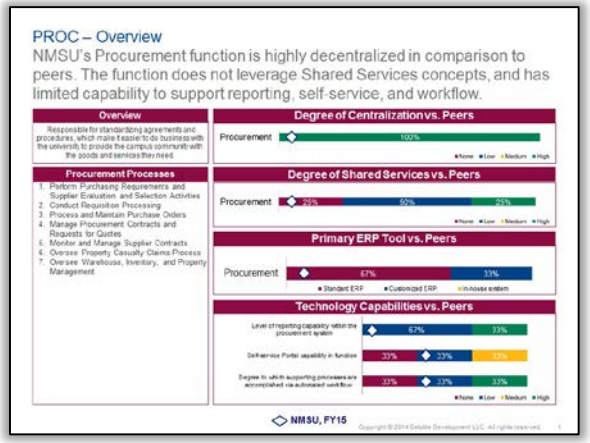
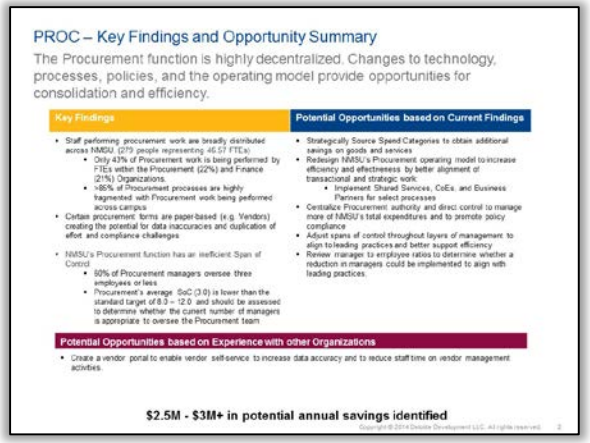
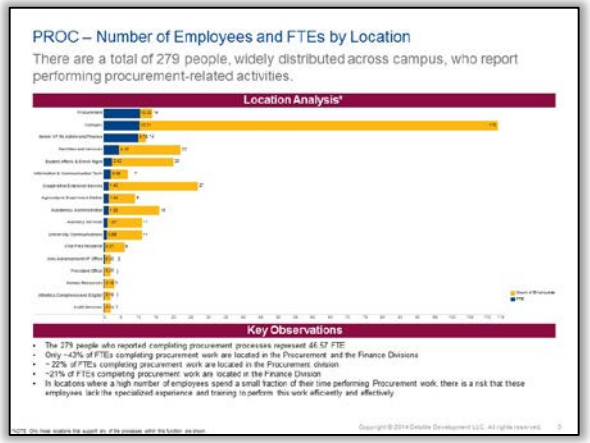


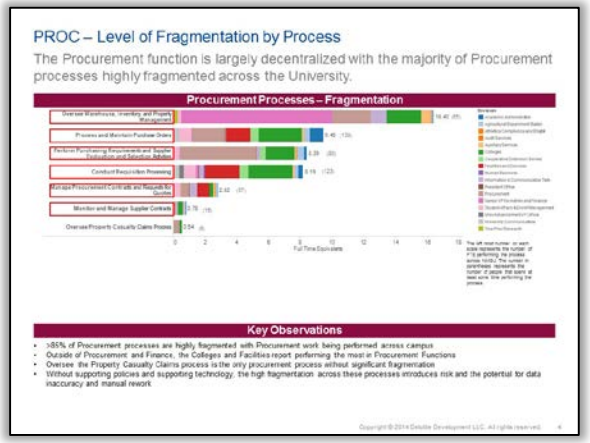
Presents overview of the function as well as the degree of centralization. There are also technology enablers compared to NMSU Peers.



Presents key findings as well as opportunities from both findings at NMSU and other experiences. Potential savings are also shown, which correlate to the findings.



Presents divisional breakdown of where employees account for completing function. It gives the raw number of employees along with the FTE correlation.



Presents fragmentation of function processes across the Division. Red boxes indicate the highest fragmented areas.

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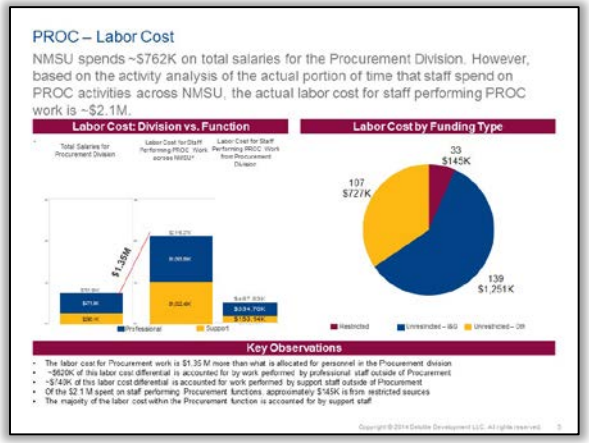
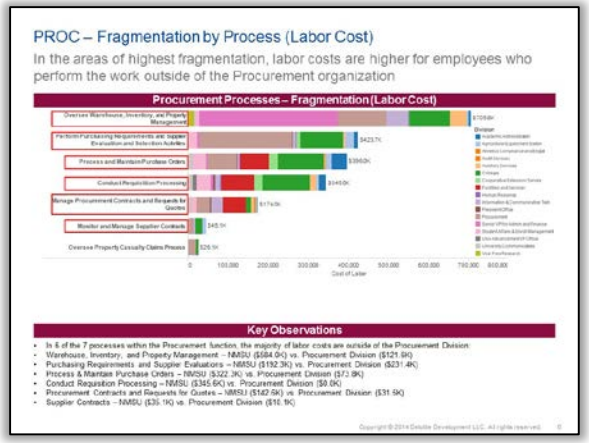
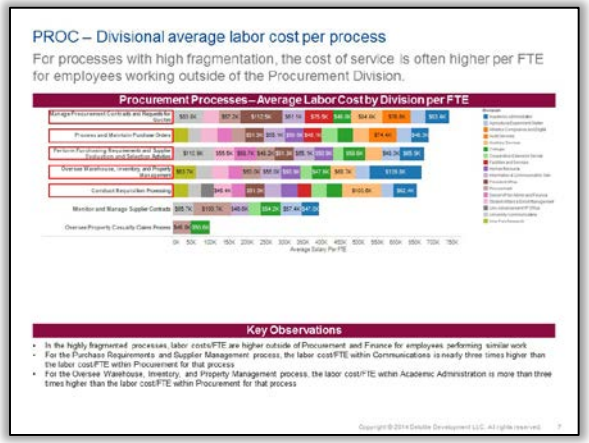


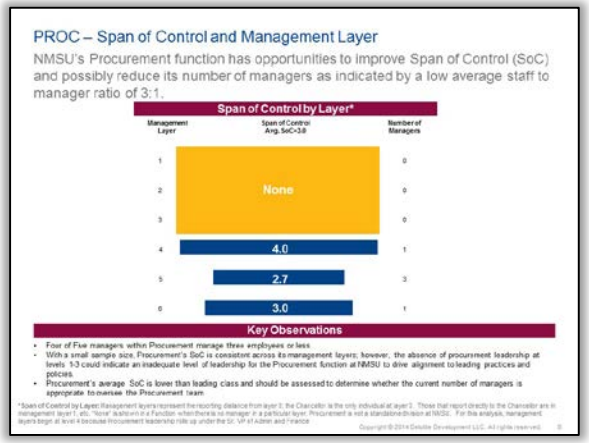
Present labor costs: Bar charts: (1) total salaries of division, (2) labor costs for functional work across campus, (3) labor cost of functional work occurring in division. Pie Chart: labor cost by funding type



Presents fragmentation of function processes according to labor costs.



Presents average cost per FTE by division for each function.



Presents average Span of Control for each management layer in the Division. The Chancellor is layer 0; those that report directly to the Chancellor are layer 1; etc.

Key Definitions

Term	Definition
Span of Control (SoC)	• Refers to the number of people reporting directly to one individual. It is the ratio of management to staff in an organization • Example: A manager who directly manages 5 employees has a SoC ratio of 5:1
Management Layer	• Refers to the number of organizational levels having supervisory responsibilities • We will also be referring to layers as “management levels” • Example: This organization has 3 layers 
Activity Analysis	• Survey of the level of effort expended by staff within NMSU for each taxonomy process • % of effort captured at an employee level and aggregated to calculate estimated FTEs for each taxonomy process • Analysis supported by review of key NMSU operational data and metrics
Fragmentation Analysis	• Taxonomy process where 50% or less of the FTEs are not centrally located. • Fragmentation can be advantageous when local support is required, but problematic when it leads to duplication of effort

Human Resources (HR)

HR – Overview

In comparison to peers, NMSU's HR function does not leverage leading principles found in a Shared Services model and has limited capability to support reporting, self-service, and workflow.

Overview

Responsible for personnel sourcing and hiring, applicant tracking, skills development and tracking, benefits administration and compliance with associated government regulations

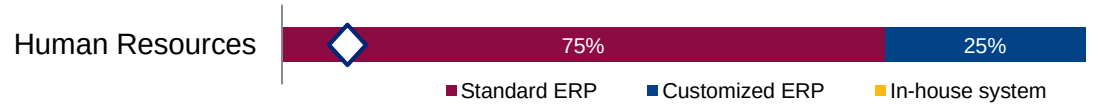
Human Resources Processes*

1. Manage Applicant Recruiting
2. Manage Compensation Planning
3. HR, Benefit and Payroll Data Administration
4. Perform I-9 Processing
5. Perform Visa Processing
6. Conduct On Boarding/Out Processing
7. Manage/Execute Leave Administration
8. Perform Benefits Administration
9. Conduct Employee Relations
10. Conduct Labor Relations
11. Conduct Performance Management
12. Manage Learning and Development
13. Oversee Workers' Compensation
14. Administer Employee Health & Wellness Programs
15. EEO
16. Conduct Position Management, Succession Management, and Workforce Planning

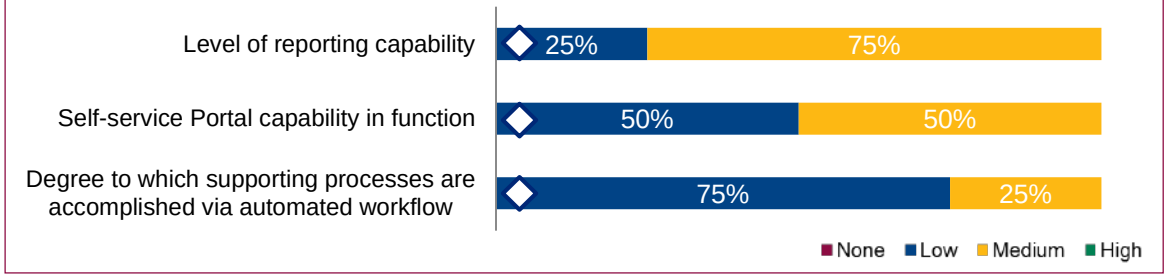
Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers



Technology Capabilities vs. Peers



NMSU, FY15

HR – Key Findings and Opportunity Summary

The HR function is mostly centralized; however, changes to technology, processes, policies, and the operating model provide opportunities for consolidation and efficiency.

Key Findings

- Staff performing HR work are distributed broadly across NMSU (266 people representing 54.92 FTEs)
  - ~55% of HR work is being performed by FTEs outside of the HR Organization.
  - The most broadly fragmented HR processes include: Applicant Recruiting, Performance Management, Learning and Development, Leave Management, On Boarding/Out Processing, and I-9 processing
  - There is likely overlap and duplication in duties in fragmented processes. Staff performing HR duties without a reporting relationship to Central HR might lack the right skills, training and repetition to perform their HR duties
- NMSU's HR function has an inefficient Span of Control
  - HR's average SoC (3.0) is lower than the leading class benchmark of 8:1 – 12:1 and should be assessed to determine whether the current number of managers is appropriate to oversee the HR function
  - 50% of the managers in the HR Function manage 3 or fewer
  - There is a higher Span of Control at the top levels of the HR Organization which leaves senior leaders managing too many employees
  - Span of Control at the bottom level of the HR Organization is 50% lower than the Function's average which leaves too few employees to manage

Potential Opportunities based on Current Findings

- Streamline the HR Operating Model for greater efficiency and effectiveness:
  - Implement Shared Services, CoEs, and Business Partners for select processes
- Centralize the university onboarding/orientation process
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency

Potential Opportunities based on Experience with other Organizations

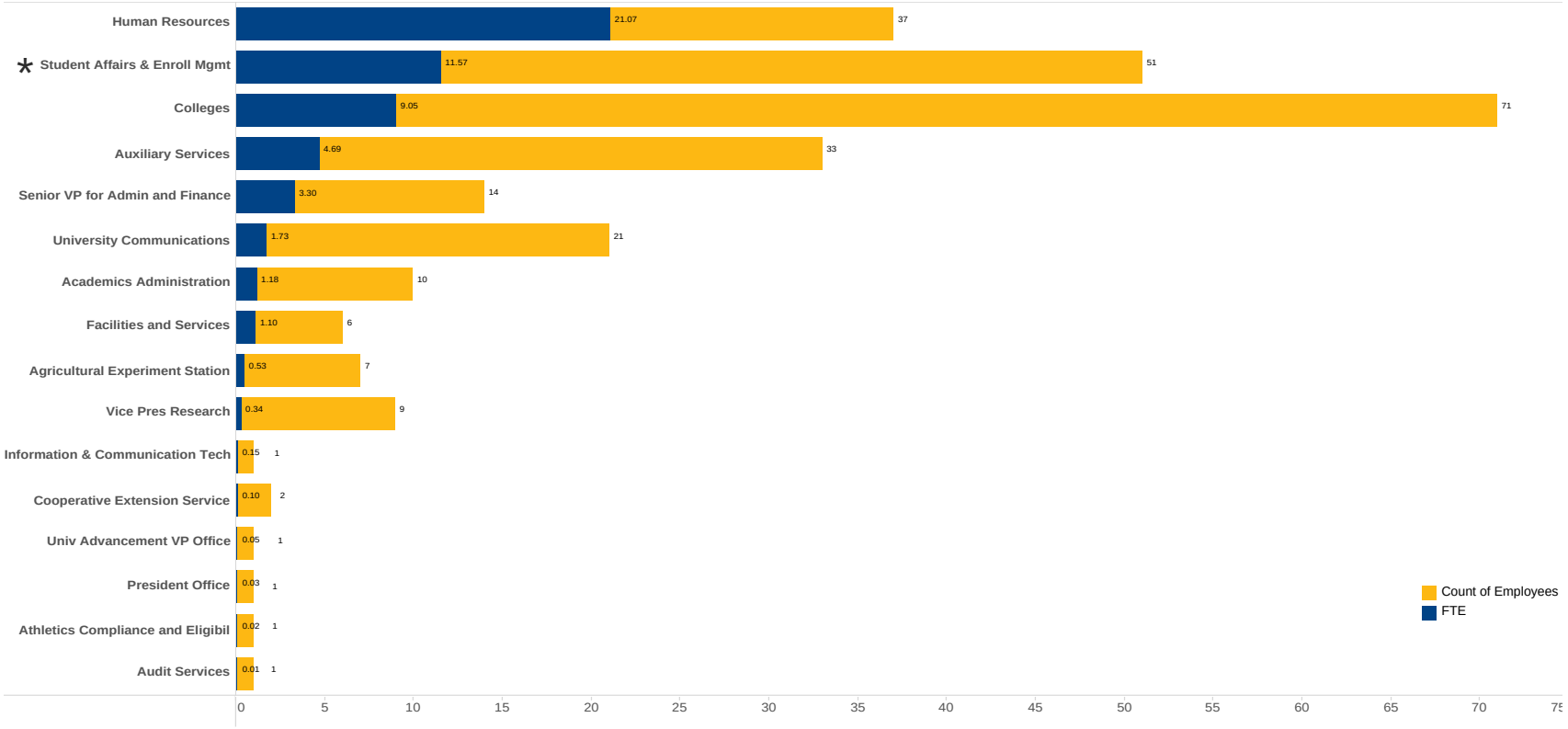
- Work to integrate and increase operability between different systems (Fin, Student) and eliminate manual processes and shadow systems (e.g., Excel databases).
- Standardize Job Advertisement Process
- Revise Payroll Processes and Manual Payroll Controls

$1.5M - $3M+ in potential annual savings identified

HR – Number of Employees and FTEs by Location

There are a total of 266 people, widely distributed across campus, who report performing HR related activities.

Location Analysis*



Key Observations

- The 266 people who reported completing HR processes represent 54.92 FTE. Outside of ~9 FTEs in Student Affairs & Enrollment Management*,~ 45% of FTEs completing HR work are located in the HR division. The second highest number of FTEs are reported within Student Affairs (21%). The remainder are distributed broadly across the university.
- In locations where a high number of employees spend a small fraction of their time performing HR, there is a risk that these employees lack the specialized experience and training to perform this work efficiently and effectively

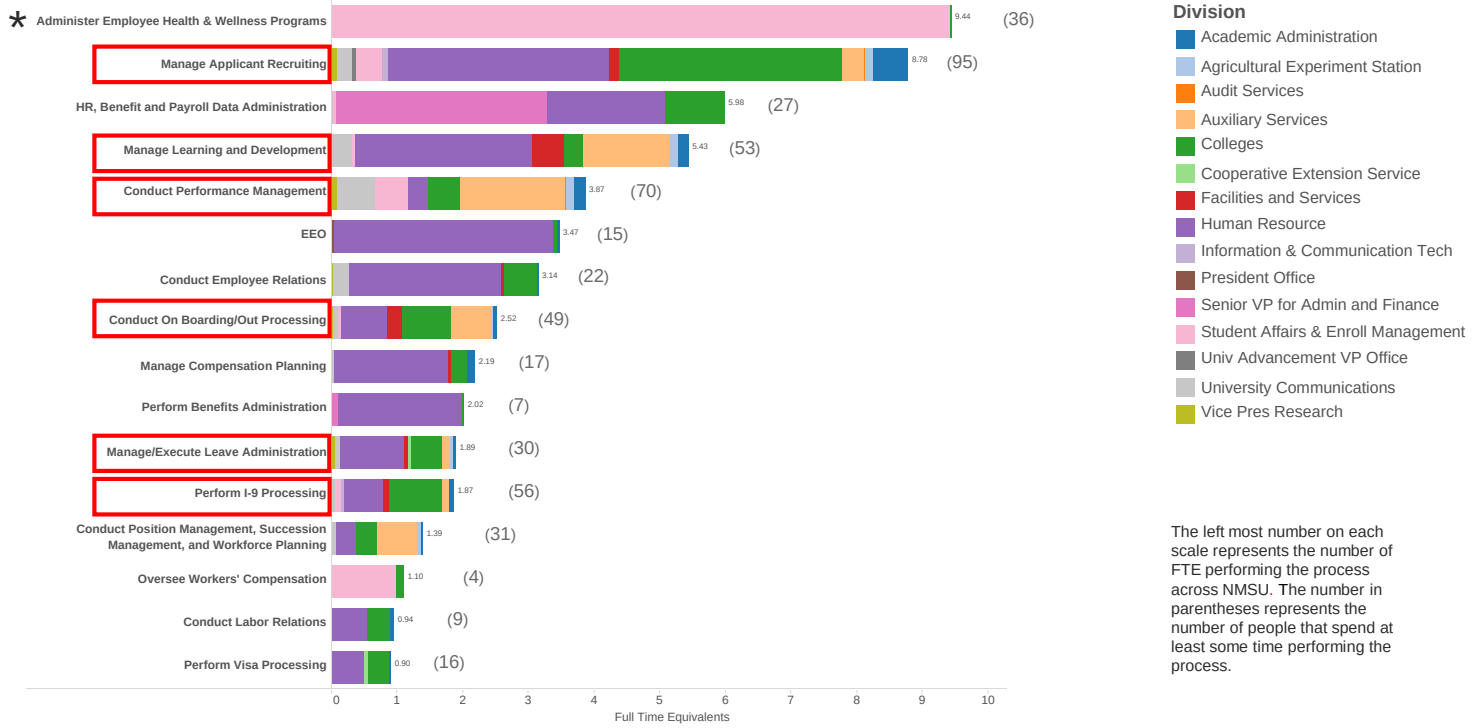
*Note: The majority (~9) of Student Affairs' 11.57 FTEs are health providers who reported their time against the "Administer Employee Health and Wellness Programs" taxonomy process in the HR Function.

*NOTE: Only those locations that support any of the processes within this function are shown.

HR – Level of Fragmentation by Process

While the HR function is largely centralized, six processes are highly fragmented across the university.

Human Resources Processes – Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

Key Observations

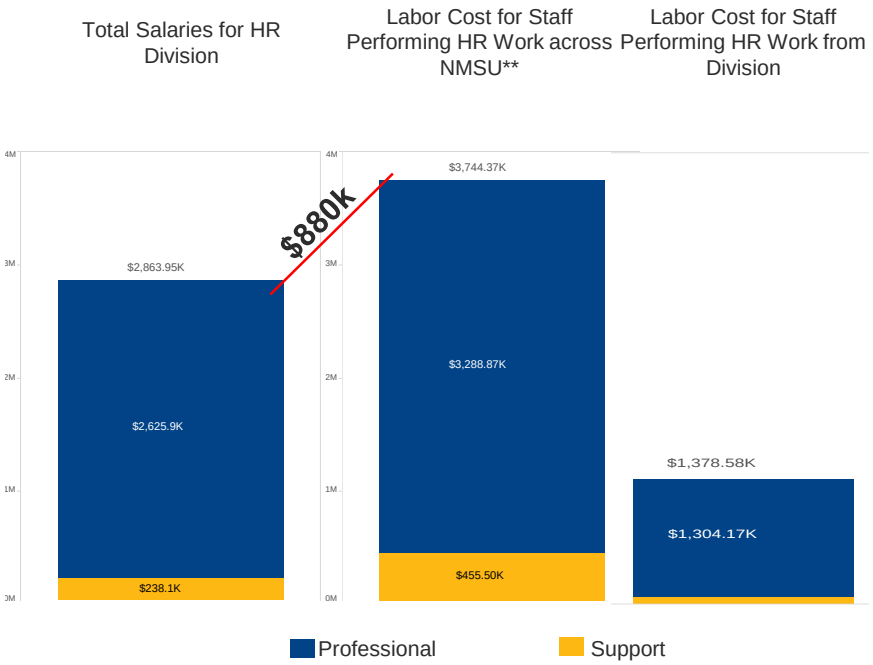
- Applicant Recruiting, Learning and Development, Performance Management, On Boarding/Out Processing, Leave Administration, and I-9 processing are the most fragmented processes within HR across the university
- In fragmented processes requiring a high degree of specific knowledge around HR laws and policies (e.g. Manage/Execute Leave Administration, Conduct Performance Management), there is a risk that employees may not have the policy background required to accurately advise employees. It is assumed that decentralized employees logging time in these processes did so to represent the time they spend as managers providing direction rather than as providing central support
- Outside of HR, Finance and the Academic Colleges report performing the most time in the HR Function

*The ~9 FTEs within the "Administer Employee Health and Wellness Programs" taxonomy process represent health-care providers within the Student Affairs Division

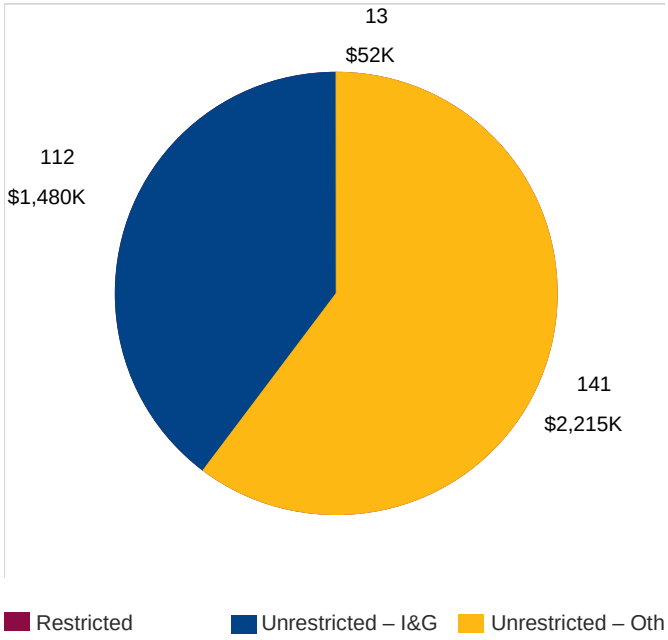
HR – Labor Cost

NMSU spends ~$2.9.1M on total salaries for the HR Division. However, based on the activity analysis of the actual portion of time that staff spend on HR activities across NMSU, the actual labor cost for staff performing HR work is ~$3.7M.*

Labor Cost: Division vs. Function



Labor Cost by Funding Type



Key Observations

- The labor cost for HR work is $880K more than what is allocated for personnel in the HR division
- ~$660K of this labor cost differential is accounted for by work performed by professional staff outside of HR
- ~$220K of this labor cost differential is accounted for work performed by support staff outside of HR
- Of the $3.7 M spent on staff performing HR functions, approximately $50K is from restricted sources
- The majority of labor cost within the HR function is accounted for by professional staff

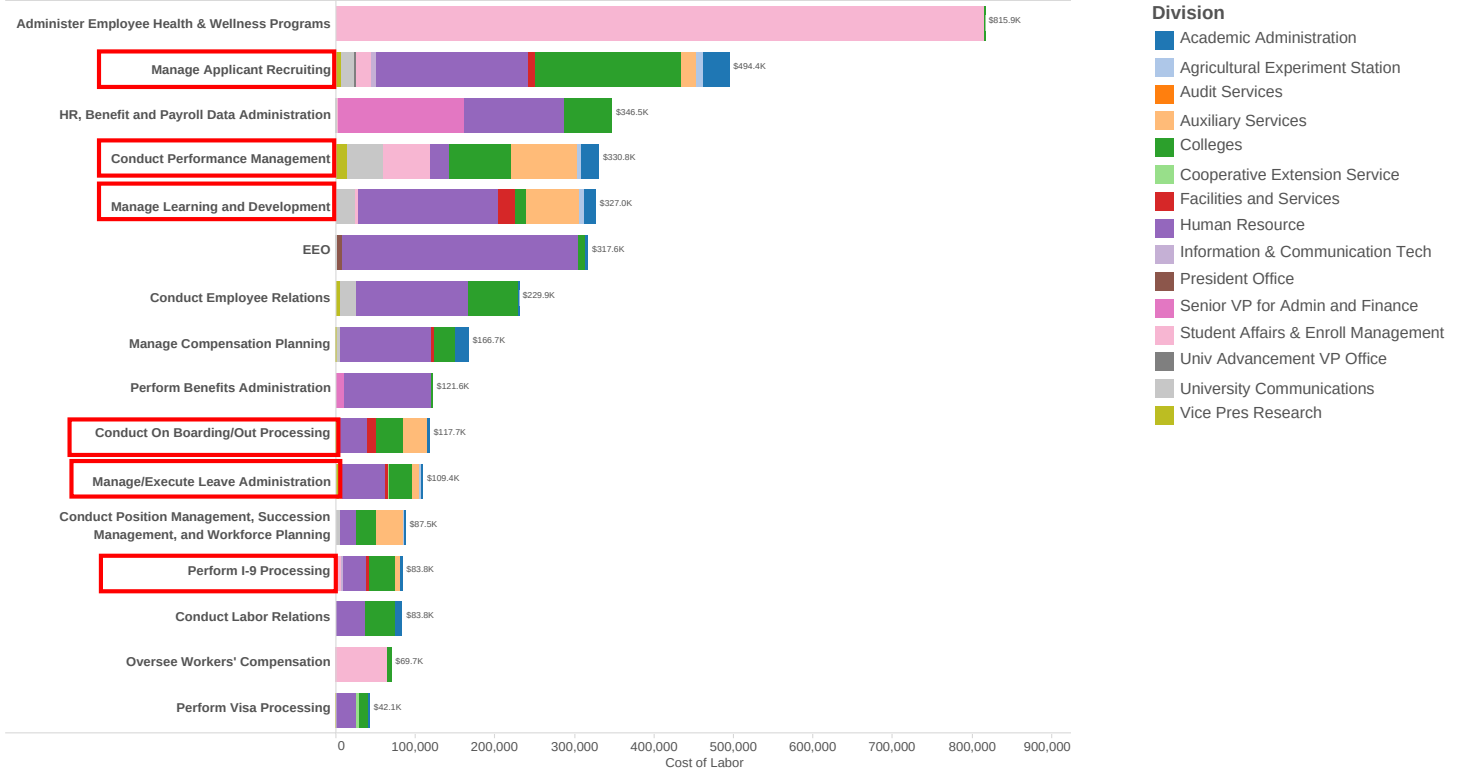
*~$800K of this cost comes from 9 FTEs performing the Health and Wellness process mapped to HR in the Functional Taxonomy

** This calculation includes the Salary of staff multiplied by the FTE allocation of time spent on HR.

HR – Fragmentation by Process (Labor Cost)

In the areas of highest fragmentation, labor costs are higher for employees who perform the work outside of the HR organization

Human Resources – Fragmentation (Labor Cost)



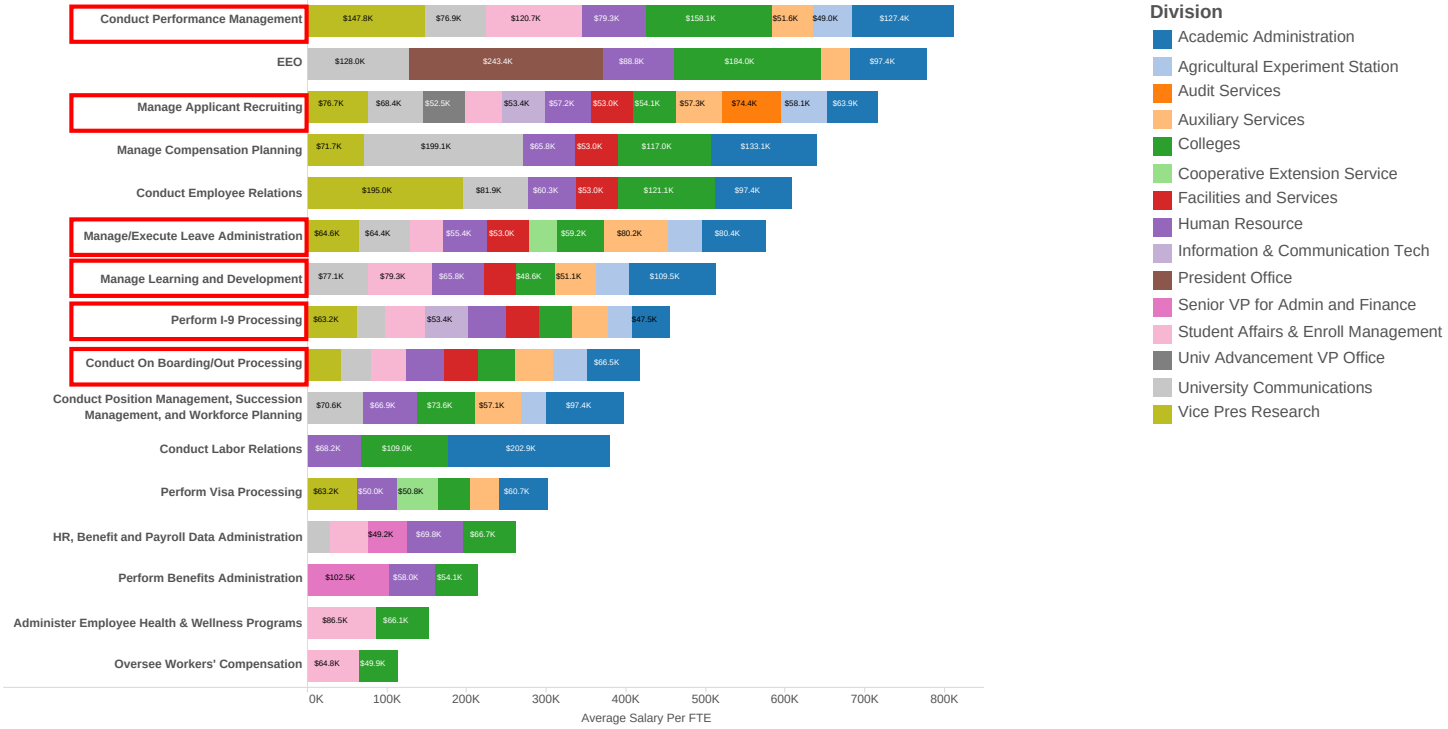
Key Observations

- Excluding "Administer Employee Health and Wellness Programs, there are five highly-fragmented processes within the HR function where the majority of labor costs are outside of the HR Division:
- Applicant Recruiting – NMSU ($302.2K) vs. HR Division ($192.1K)
- Performance Management – NMSU ($307K) vs. HR Division ($23.8K)
- On Boarding/Out Processing – NMSU ($83.4K) vs. HR Division ($34.3K)
- Leave Administration – NMSU ($55.2K) vs. HR Division ($54.2K)
- I-9 Processing – NMSU ($55.3K) vs. HR Division ($28.5K)

HR – Divisional average labor cost per process

For processes with high fragmentation, the cost of service is often higher per FTE for employees working outside of the HR Division.

Human Resources Processes – Average Labor Cost by Division per FTE

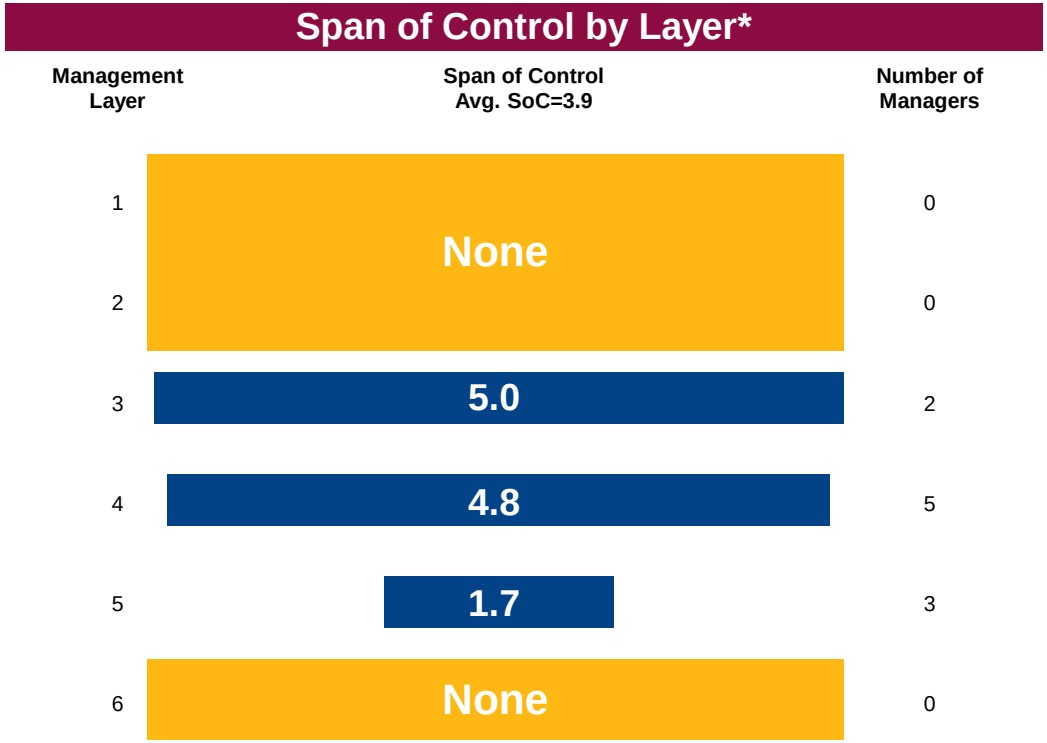


Key Observations

- In the processes with the highest fragmentation (Applicant Recruiting, Performance Management, Leave Administration, Learning/Development, I-9 Processing, On Boarding/Out Processing), the average labor cost/FTE is higher in most divisions than the HR division's labor cost/FTE.
- Where standard processes are being performed at differing labor rates across NMSU, there is a potential opportunity to deliver the same services at a lower-cost

HR – Span of Control and Management Layers

NMSU's HR function has opportunities to improve Span of Control (SoC) and possibly reduce its number of managers as indicated by an average staff to manager ratio of 3.9:1, which is below the leading class benchmark range of 8:1-12:1



Key Observations

- HR's SoC is an inverted pyramid instead of leading class pyramid which has increasing SoC at lower levels of the organization
- HR's vertical structure, with higher SoC at the top level could indicate inefficiencies related to roles and responsibilities and organizational communications
- 50% of the HR managers in the HR function manage 3 employees or less

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer. HR is not a standalone division at NMSU. For this analysis, HR management layers begin at level 3 because HR leadership rolls up under the Office of the EVP/Provost.

HR – Process

Alternative operating models for the processes within the HR function could promote consistency, enhance controls, and increase efficiency.

As-Is HR Operating Model by Process

Centralized	1. Administer Employee Health and Wellness Programs 2. HR, Benefit and Payroll Data Administration 3. EEO 4. Conduct Employee Relations 5. Manage Compensation Planning 6. Perform Benefits Administration 7. Oversee Workers' Compensation 8. Perform Visa Processing
Hybrid	1. Manage Learning and Development 2. Conduct Position Management, Succession Management 3. Perform I-9 Processing 4. Conduct Labor Relations
Decentralized	1. Manage Applicant Recruiting 2. Conduct Performance Management 3. Manage Learning and Development 4. Conduct On Boarding/Out Processing 5. Manage/Execute Leave Administration

Future-State HR Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support**	**Business Partner** • Conduct Position Management, Succession Management • Conduct Labor Relations • Manage/Execute Leave Administration • Conduct Performance Management
Generic/University Wide	**Shared Services** • Perform I-9 Processing • Conduct On Boarding/Out Processing • Manage/Execute Leave Administration • Perform Visa Processing • HR, Benefit and Payroll Data Administration	**Center of Excellence/Centralized** • Administer Employee Health and Wellness Programs • Manage Applicant Recruiting • EEO • Conduct Employee Relations • Manage Compensation Planning • Perform Benefits Administration • Oversee Workers' Compensation • Manage Learning and Development

Illustrative- for discussion purposes

HR – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
HR01	Streamline the HR Operating Model for greater efficiency and effectiveness	Evaluate the potential to revise the HR service delivery model and consolidate transactions within a Shared Services model to improve service quality, reduce handoffs and exemptions, and improve accountability. The new model should provide standardized, consistent levels of service for transactional processes such as personnel actions and basic customer inquiries. Revise existing HR Business Partner roles to be more strategic and consultative in nature (e.g. assist with training and development and succession planning) by partnering with the departments they support as well as Central HR. Outline clear roles and responsibilities between Unit HR and Central HR. Unit HR roles may include more college and department specific functions like employee and labor relations, case management, and training and development. Evaluate appropriate level of staffing support for HR Reps at each unit.	Organization	Medium	High
HR02	Centralize the university onboarding /orientation process	Centralize the university onboarding/orientation process to provide a baseline level of training and set the tone for performance management. This orientation will also include electronic versions of onboarding packages sent by Central HR and common new hire orientation sessions (e.g., benefits orientation) conducted by Central HR. Proactively create an employee's profile in advance of his/her start date to ensure access to university systems and facilities.	Process	Medium	Low

HR – Key Opportunities, cont'd

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in HR:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
HR03	Standardize Job Advertisement Process	Develop a standard and consistent process, managed by Central HR, for developing and placing job advertisements	Process	Short	Low
HR04	Implement HR System Improvements	Work to integrate and increase operability between different systems (Fin, Student) and eliminate manual processes and shadow systems (e.g., Excel databases). Enable electronic workflow to greatly reduce paper processing. Develop greater capability for user self-service to improve access to information and reduce costs.	Technology	Long	Medium

Procurement (PROC)

PROC – Overview

NMSU's Procurement function is highly decentralized in comparison to peers. The function does not leverage Shared Services concepts, and has limited capability to support reporting, self-service, and workflow.

Overview

Responsible for standardizing agreements and procedures, which make it easier to do business with the university to provide the campus community with the goods and services they need.

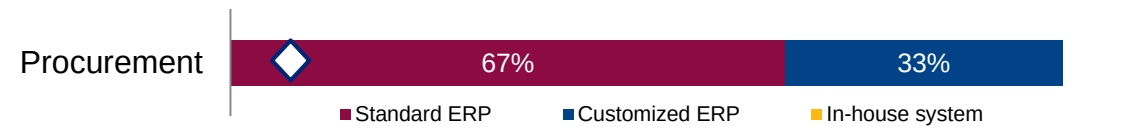
Procurement Processes

1. Perform Purchasing Requirements and Supplier Evaluation and Selection Activities
2. Conduct Requisition Processing
3. Process and Maintain Purchase Orders
4. Manage Procurement Contracts and Requests for Quotes
5. Monitor and Manage Supplier Contracts
6. Oversee Property Casualty Claims Process
7. Oversee Warehouse, Inventory, and Property Management

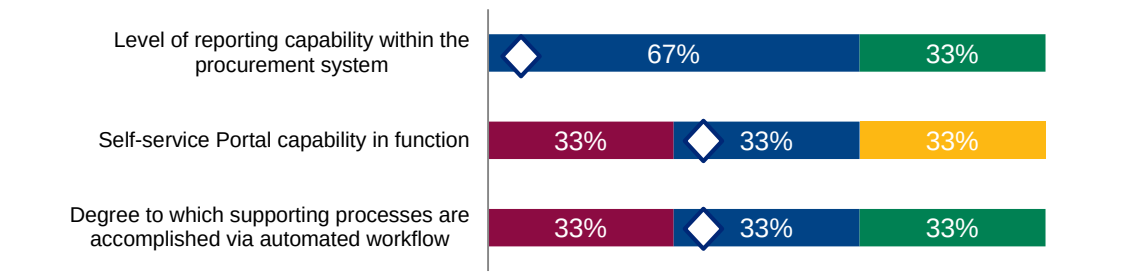
Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers



Technology Capabilities vs. Peers



PROC – Key Findings and Opportunity Summary

The Procurement function is highly decentralized. Changes to technology, processes, policies, and the operating model provide opportunities for consolidation and efficiency.

Key Findings

- Staff performing procurement work are broadly distributed across NMSU. (279 people representing 46.57 FTEs)
  - Only 43% of Procurement work is being performed by FTEs within the Procurement (22%) and Finance (21%) Organizations.
  - >85% of Procurement processes are highly fragmented with Procurement work being performed across campus
- Certain procurement forms are paper-based (e.g. Vendors) creating the potential for data inaccuracies and duplication of effort and compliance challenges
- NMSU's Procurement function has an inefficient Span of Control
  - 60% of Procurement managers oversee three employees or less
  - Procurement's average SoC (3.0) is lower than the standard target of 8.0 – 12.0 and should be assessed to determine whether the current number of managers is appropriate to oversee the Procurement team

Potential Opportunities based on Current Findings

- Strategically Source Spend Categories to obtain additional savings on goods and services
- Redesign NMSU's Procurement operating model to increase efficiency and effectiveness by better alignment of transactional and strategic work:
  - Implement Shared Services, CoEs, and Business Partners for select processes
- Centralize Procurement authority and direct control to manage more of NMSU's total expenditures and to promote policy compliance
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency
- Review manager to employee ratios to determine whether a reduction in managers could be implemented to align with leading practices.

Potential Opportunities based on Experience with other Organizations

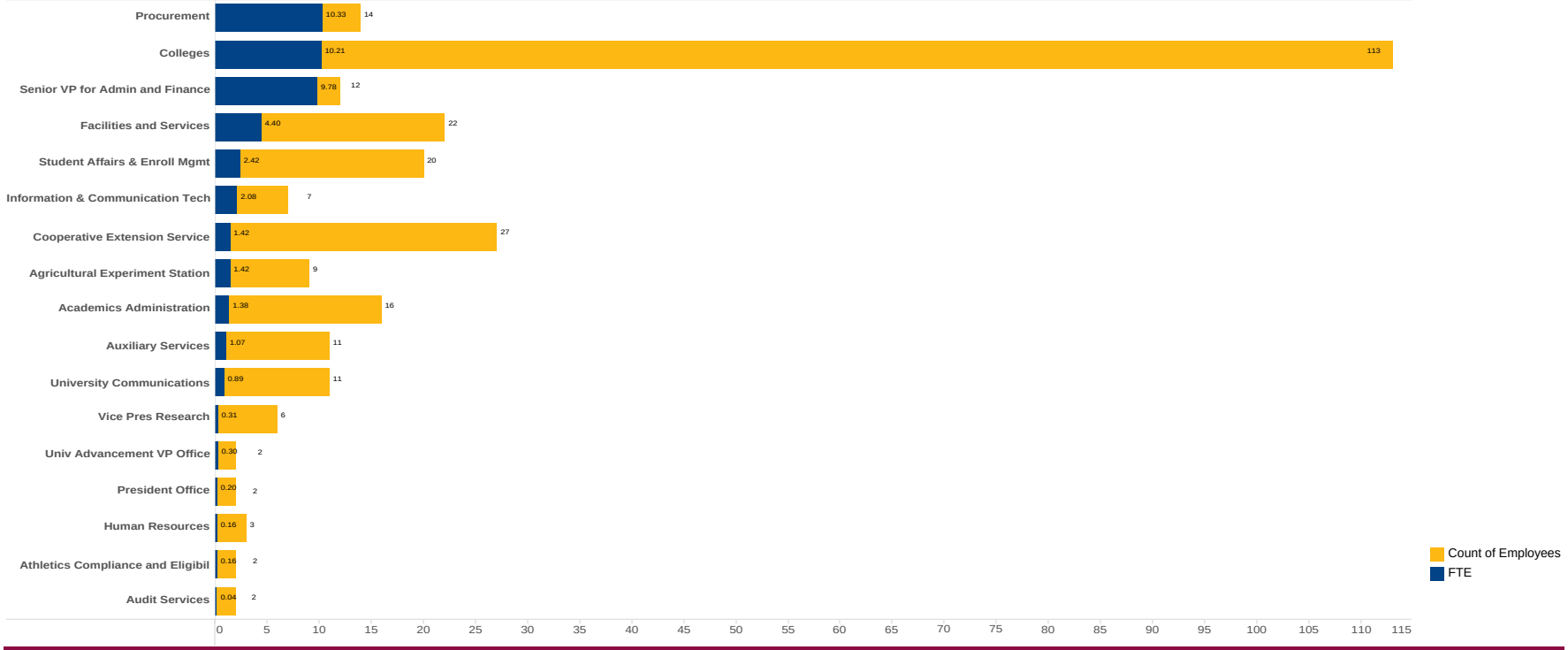
- Create a vendor portal to enable vendor self-service to increase data accuracy and to reduce staff time on vendor management activities.

$2.5M - $3M+ in potential annual savings identified

PROC – Number of Employees and FTEs by Location

There are a total of 279 people, widely distributed across campus, who report performing procurement-related activities.

Location Analysis*



Key Observations

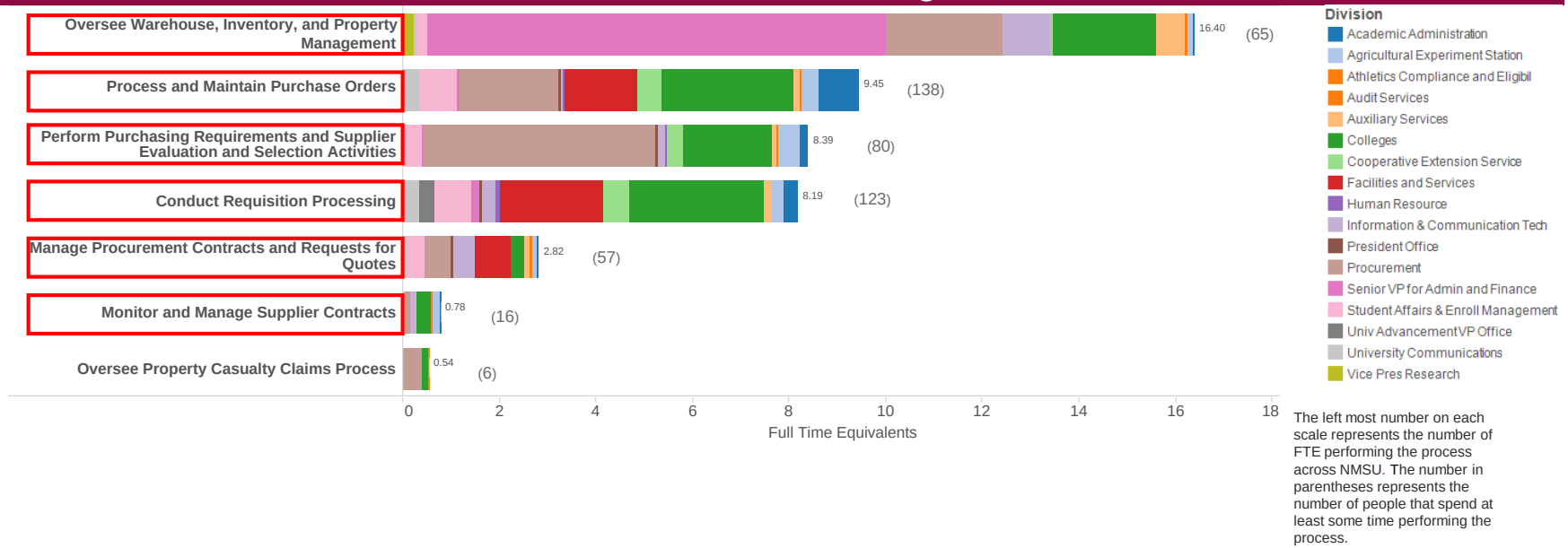
- The 279 people who reported completing procurement processes represent 46.57 FTE
- Only ~43% of FTEs completing procurement work are located in the Procurement and the Finance Divisions
- ~ 22% of FTEs completing procurement work are located in the Procurement division
- ~21% of FTEs completing procurement work are located in the Finance Division
- In locations where a high number of employees spend a small fraction of their time performing Procurement work, there is a risk that these employees lack the specialized experience and training to perform this work efficiently and effectively

*NOTE: Only those locations that support any of the processes within this function are shown.

PROC – Level of Fragmentation by Process

The Procurement function is largely decentralized with the majority of Procurement processes highly fragmented across the University.

Procurement Processes – Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

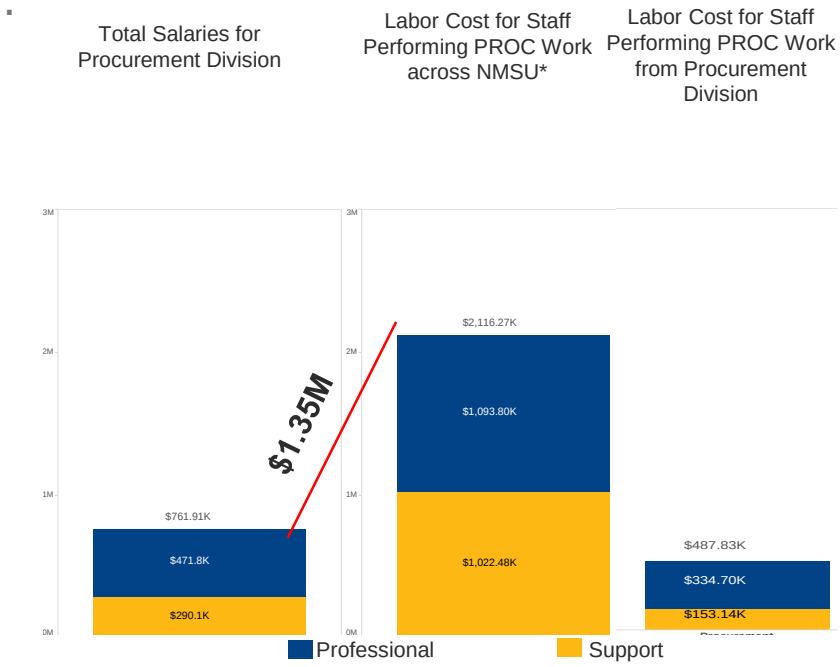
Key Observations

- >85% of Procurement processes are highly fragmented with Procurement work being performed across campus
- Outside of Procurement and Finance, the Colleges and Facilities report performing the most in Procurement Functions
- Oversee the Property Casualty Claims process is the only procurement process without significant fragmentation
- Without supporting policies and supporting technology, the high fragmentation across these processes introduces risk and the potential for data inaccuracy and manual rework

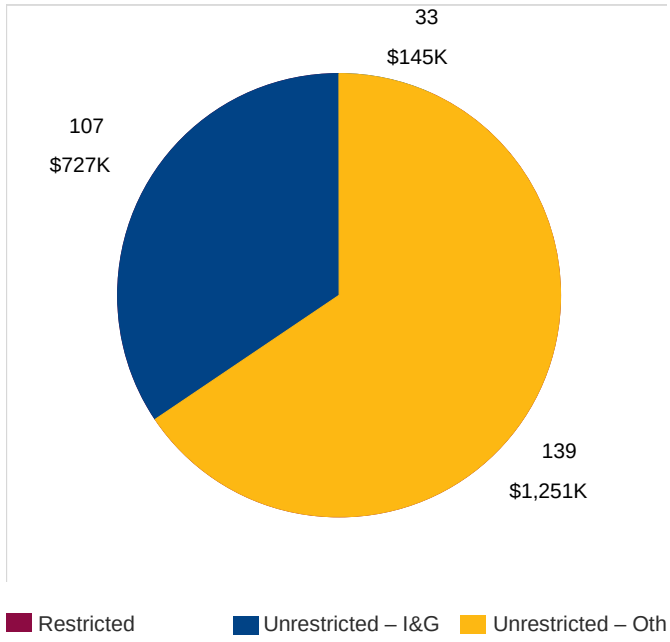
PROC – Labor Cost

NMSU spends ~$762K on total salaries for the Procurement Division. However, based on the activity analysis of the actual portion of time that staff spend on PROC activities across NMSU, the actual labor cost for staff performing PROC work is ~$2.1M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



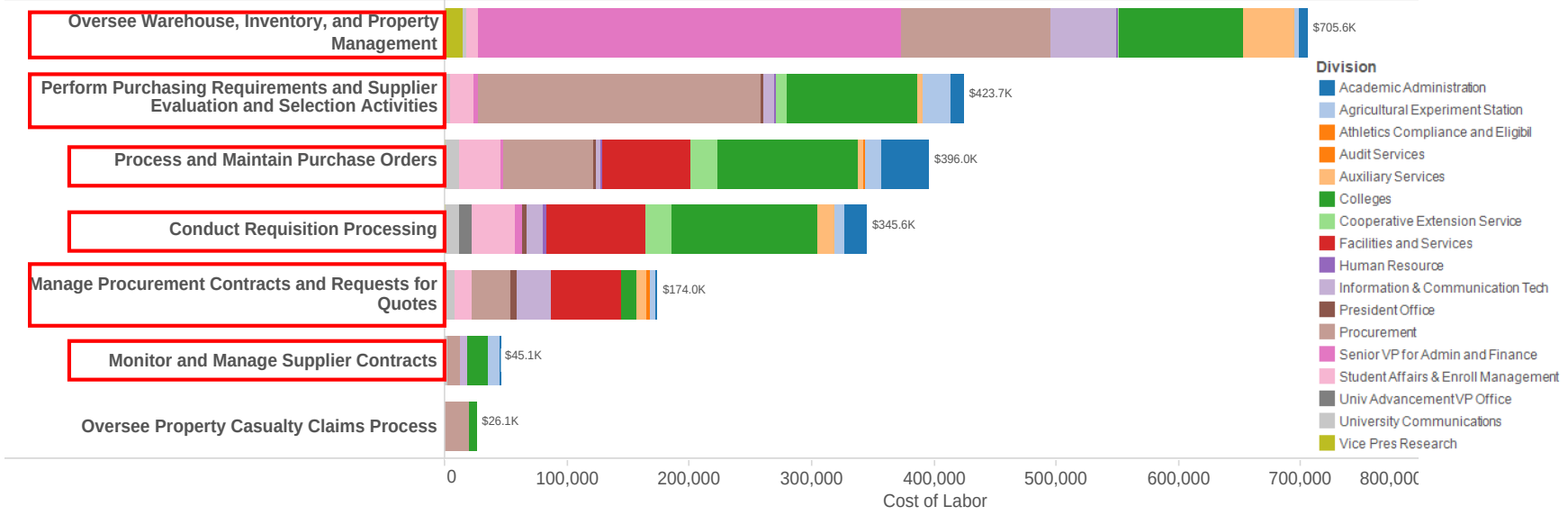
Key Observations

- The labor cost for Procurement work is $1.35 M more than what is allocated for personnel in the Procurement division
- ~$620K of this labor cost differential is accounted for by work performed by professional staff outside of Procurement
- ~$740K of this labor cost differential is accounted for work performed by support staff outside of Procurement
- Of the $2.1 M spent on staff performing Procurement functions, approximately $145K is from restricted sources
- The majority of the labor cost within the Procurement function is accounted for by support staff

PROC – Fragmentation by Process (Labor Cost)

In the areas of highest fragmentation, labor costs are higher for employees who perform the work outside of the Procurement organization

Procurement Processes – Fragmentation (Labor Cost)



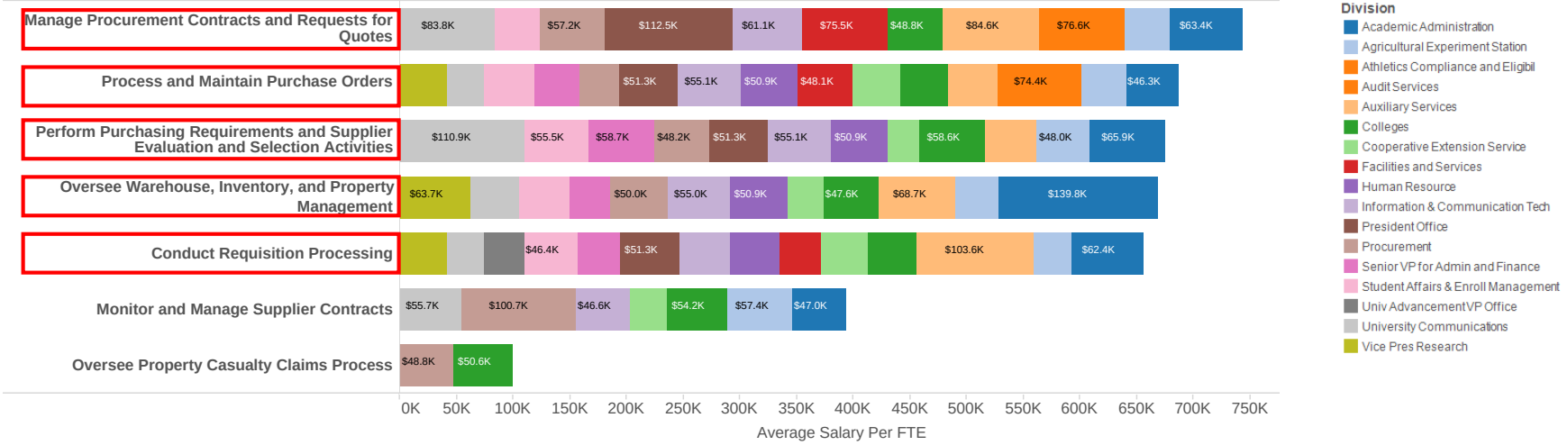
Key Observations

- In 6 of the 7 processes within the Procurement function, the majority of labor costs are outside of the Procurement Division:
- Warehouse, Inventory, and Property Management – NMSU ($584.0K) vs. Procurement Division ($121.6K)
- Purchasing Requirements and Supplier Evaluations – NMSU ($192.3K) vs. Procurement Division ($231.4K)
- Process & Maintain Purchase Orders – NMSU ($322.3K) vs. Procurement Division ($73.8K)
- Conduct Requisition Processing – NMSU ($345.6K) vs. Procurement Division ($0.0K)
- Procurement Contracts and Requests for Quotes – NMSU ($142.6K) vs. Procurement Division ($31.5K)
- Supplier Contracts – NMSU ($35.1K) vs. Procurement Division ($10.1K)

PROC – Divisional average labor cost per process

For processes with high fragmentation, the cost of service is often higher per FTE for employees working outside of the Procurement Division.

Procurement Processes – Average Labor Cost by Division per FTE



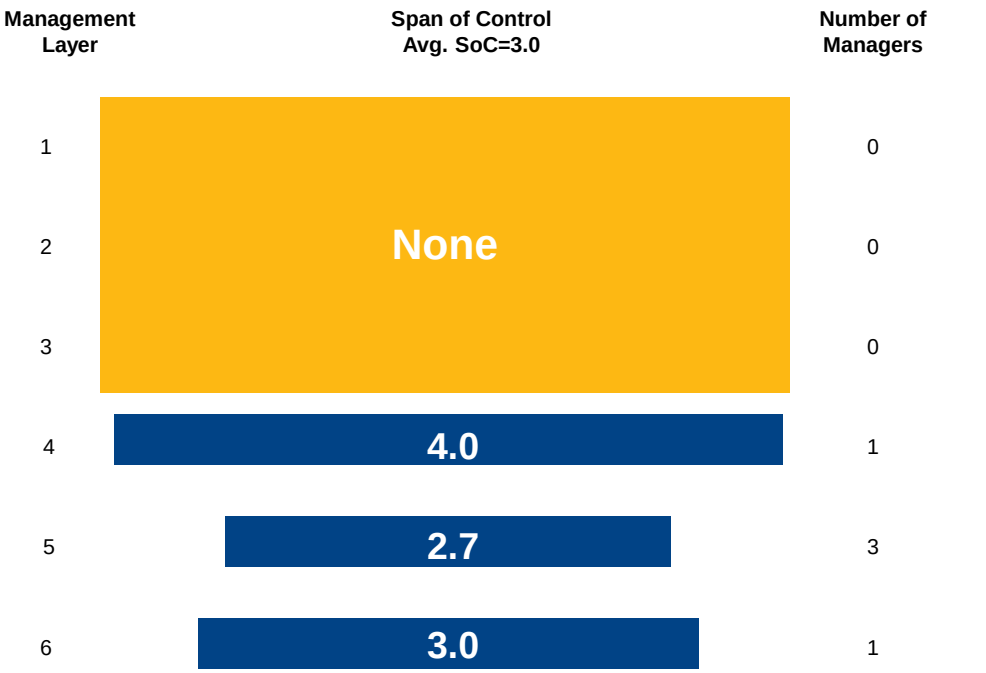
Key Observations

- In the highly fragmented processes, labor costs/FTE are higher outside of Procurement and Finance for employees performing similar work
- For the Purchase Requirements and Supplier Management process, the labor cost/FTE within Communications is nearly three times higher than the labor cost/FTE within Procurement for that process
- For the Oversee Warehouse, Inventory, and Property Management process, the labor cost/FTE within Academic Administration is more than three times higher than the labor cost/FTE within Procurement for that process

PROC – Span of Control and Management Layer

NMSU's Procurement function has opportunities to improve Span of Control (SoC) and possibly reduce its number of managers as indicated by a low average staff to manager ratio of 3:1.

Span of Control by Layer*



Key Observations

- Four of Five managers within Procurement manage three employees or less
- With a small sample size, Procurement's SoC is consistent across its management layers; however, the absence of procurement leadership at levels 1-3 could indicate an inadequate level of leadership for the Procurement function at NMSU to drive alignment to leading practices and policies.
- Procurement's average SoC is lower than leading class and should be assessed to determine whether the current number of managers is appropriate to oversee the Procurement team

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer. Procurement is not a standalone division at NMSU. For this analysis, management layers begin at level 4 because Procurement leadership rolls up under the Sr. VP of Admin and Finance

PROC – Process

Alternative operating models for the processes within the Procurement function could promote consistency, enhance controls, and increase efficiency.

As-Is PROC Operating Model by Process

Centralized	1. Oversee Property Casualty Claims Process
Hybrid	1. Perform Purchasing Requirements and Supplier Evaluation and Selection Activities
Decentralized	1. Conduct Requisition Processing 2. Process and Maintain Purchase Orders 3. Manage Procurement Contracts and Requests for Quotes 4. Monitor and Manage Supplier Contracts 5. Oversee Warehouse, Inventory, and Property Management

Future-State PROC Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support**	**Business Partner**
Generic/University Wide	**Shared Services** • Conduct Requisition Processing • Process and Maintain Purchase Orders • Manage Procurement Contracts and Requests for Quotes • Monitor and Manage Supplier Contracts	**Center of Excellence/Centralized** • Oversee Property Casualty Claims Process • Perform Purchasing Requirements and Supplier Evaluation and Selection Activities • Manage Procurement Contracts and Requests for Quotes • Oversee Warehouse, Inventory, and Property Management

Illustrative- for discussion purposes

PROC– Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
Proc01	Centralize Procurement authority and direct control to manage more of NMSU's total expenditures	Strengthen the central Procurement function by investing in the resources needed to lead strategic sourcing, contract management, and supplier relationship management for categories of spend (e.g. office supplies) across the university. Work with vendors to renegotiate pricing and contracts and establish clear and enforceable purchasing policies across the university and actively manage spending and track savings.	Organization	Medium	High
Proc02	Strategically source spend categories	Conduct a Spend Analysis to better determine purchasing patterns and levels of expenditure throughout the university. Organize procurement spend into logical, market-facing groupings (Categories) and strategically source via these groupings. Assign accountability for broader categories to individuals within the Procurement organization.	Process	Short	High

PROC – Key Opportunities, cont'd

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in Procurement:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
Proc03	Create Vendor Portal	Create a vendor portal to enable vendor self-service to increase data accuracy and to reduce staff time on vendor management activities.	Technology	Medium	Medium

Information Technology (IT)

IT – Overview

IT's degree of centralization is comparable with peers but it does not leverage Shared Services concepts, and has mid-range capability to support self-service and workflow.

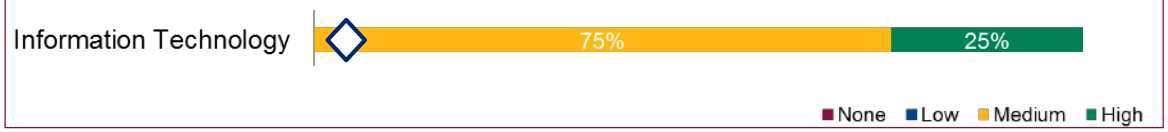
Overview

Responsible for development, maintenance and end user support for all administrative and academic computing needs as well as related infrastructure.

Information Technology Processes*

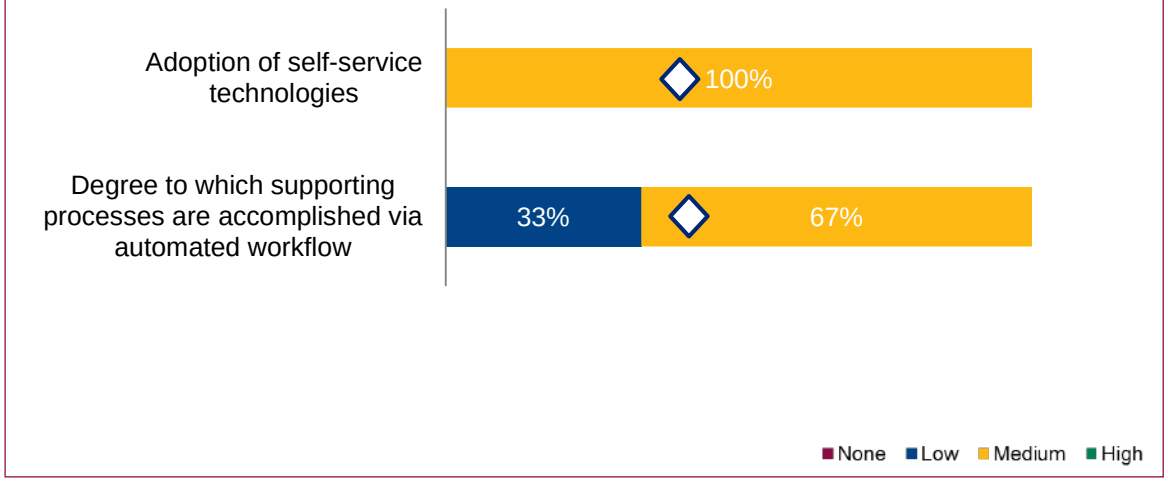
1. Administer and Manage University-wide Information Technology
2. Program, Project, and/or Service Management
3. Conduct Application Support and Maintenance
4. Manage/Execute Application Development & Implementation
5. Support Data Centers
6. Provide End-user Support
7. Manage/Execute Hardware and Software Acquisition
8. Support Research Computing
9. Manage Telecommunications
10. Manage IT Vendors
11. Design, Implement and Maintain Networks
12. Support IT Life Safety Systems
13. Maintain Information Security
14. Oversee Document Management
15. Perform Computer and Operating System Administration
16. Oversee Disaster Recovery/Business Continuity
17. Oversee Identity and Authentication Management Services
18. Perform Database Administration
19. Administer and Maintain Data Warehouse
20. Oversee Decision Support and Data Model Development
21. Facilitate Business Process Automation and Operational Support
22. Execute Operational and Longitudinal Report Development
23. Provide Web Services
24. Provide Research Technology Support
25. Provide Classroom Technology Management and Academic Consulting
26. Provide Technology Support for Grants, Contracts or Other Sponsored Projects

Degree of Centralization vs. Peers



Degree of Shared Services vs. Peers

Technology Capabilities vs. Peers



IT – Key Findings and Opportunity Summary

The IT function is mostly centralized; however, changes to technology, processes, and the operating model provide opportunities for further consolidation and efficiency.

Key Findings

- Staff performing IT work are distributed broadly across NMSU (344 people representing 148.18 FTEs)
  - 45% of IT work is being performed by FTEs outside of the IT Organization.
  - Half of IT's processes are highly fragmented, both in terms of FTEs performing the work and labor costs spent outside of the IT division performing IT work
- NMSU's IT function has an inefficient Span of Control
  - IT'S average SoC (3.0) is lower than leading class of 8 - 12 and should be assessed to determine whether the current number of managers is appropriate to oversee the IT team
  - ~43% of the managers in the IT Function manage 3 people or fewer
  - There is a higher Span of Control at the top levels of the IT Organization which leaves senior leaders managing too many employees. There is a lower Span of Control at the bottom levels of the IT Organization which leaves too few employees to manage

Potential Opportunities based on Current Findings

- Redesign NMSU's IT operating model to increase efficiency and effectiveness by better alignment of transactional and strategic work:
  - Implement Shared Services, Centers of Excellence, and Business Partners for select processes
- Streamline and centralize fragmented IT processes to address duplication of effort and overlap in duties
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency

Potential Opportunities based on Experience with other Organizations

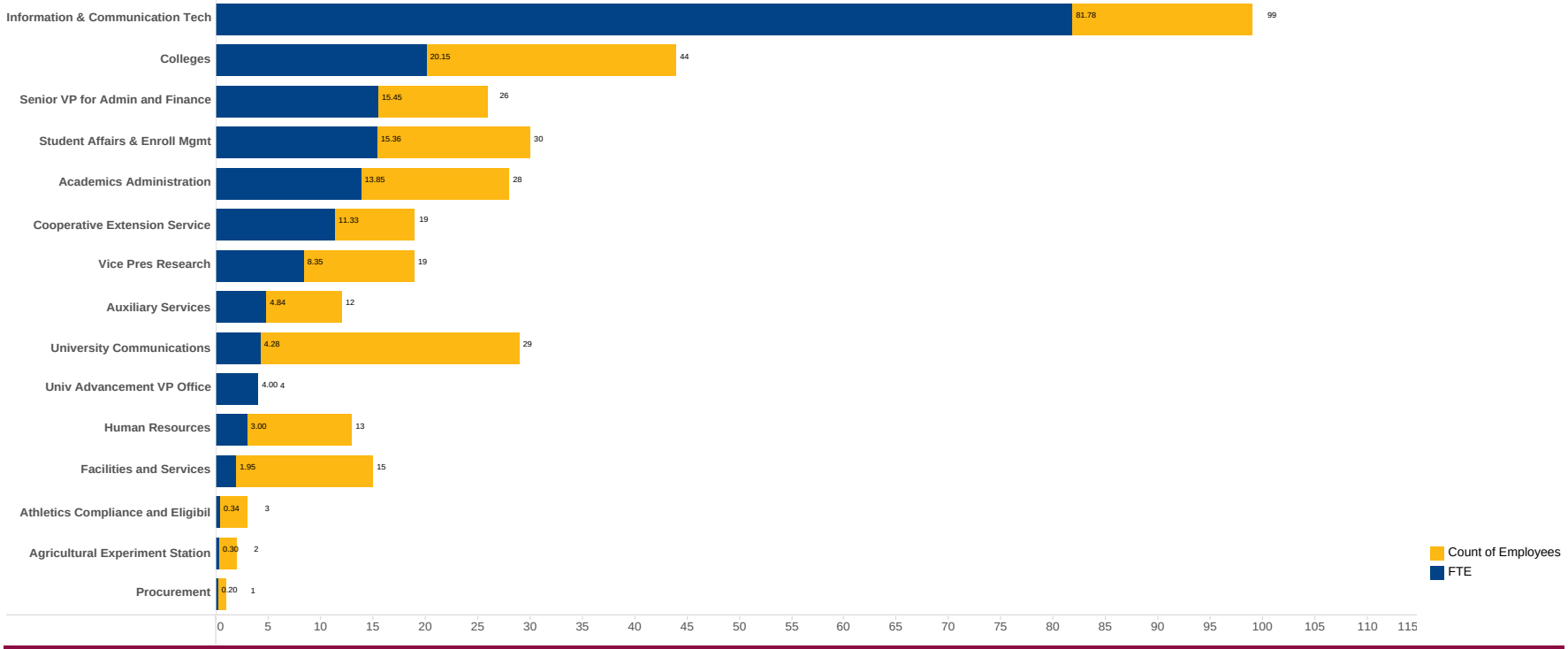
- Outsource the Tier-1 help desk function across the university
- Evaluate storage management processes and duplication.
- Implement desktop virtualization to reduce service burden, increase energy efficiency and reduce costs on computers

$3.5M - $5.5M+ in potential annual savings identified

IT – Number of Employees and FTEs by Location

There are a total of 344 people, widely distributed across campus, who report performing IT-related activities.

Location Analysis*



Key Observations

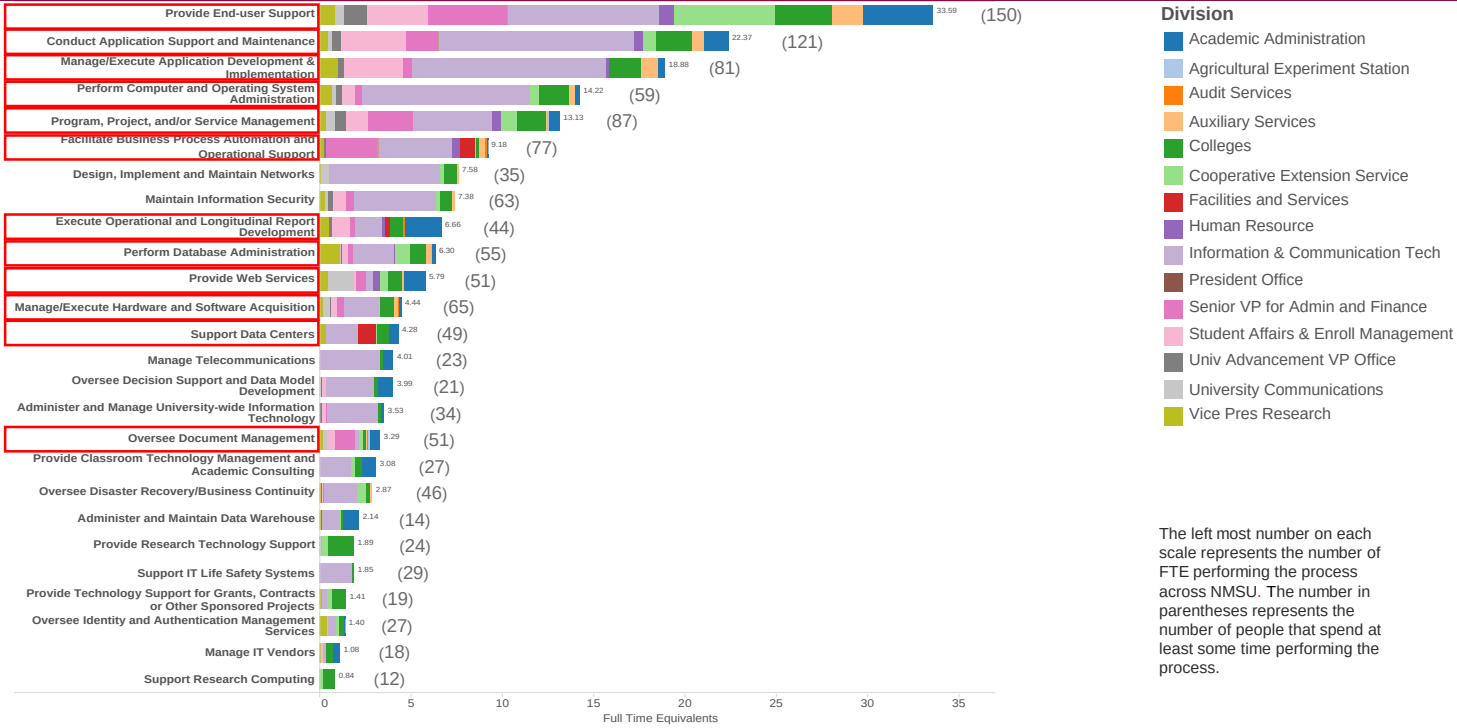
- The 344 people who reported completing IT processes represent 184.84 FTE
- ~ 55% of FTEs completing IT work are located in the IT division.
- Combined with Finance's 15 IT FTEs and Student Affairs' 15 FTEs, ~75% of the FTEs completing IT work are located within three centralized divisions
- HR and Facilities Services are two locations where a high number of employees spend a small fraction of their time performing IT work. There is a risk that these employees spending time providing services that could be performed centrally rather than performing more specialized duties in support of their unit

*NOTE: Only those locations that support any of the processes within this function are shown.

IT – Level of Fragmentation by Process

The IT function is a hybrid between centralized and decentralized; half of its processes are highly fragmented across the university.

Information Technology Processes – Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

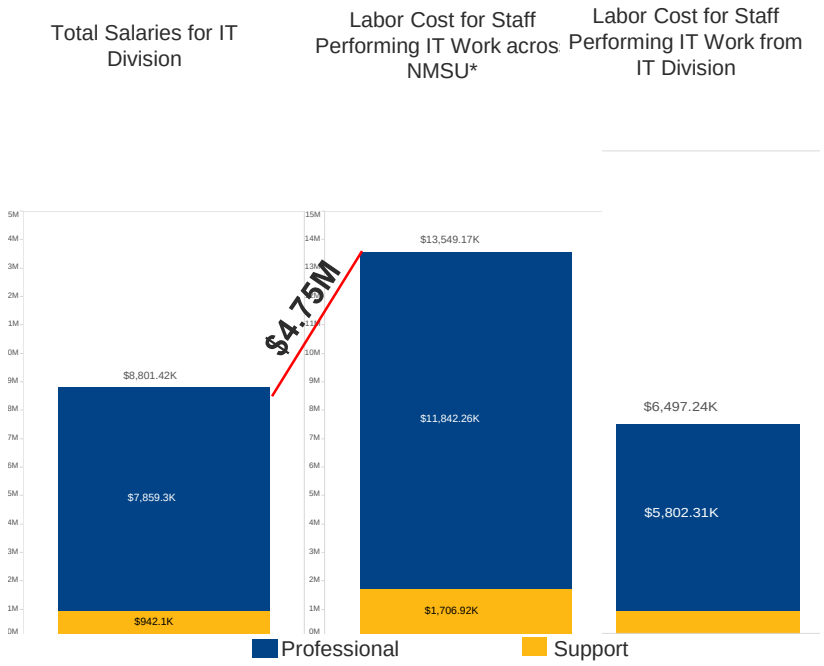
Key Observations

- 50% of IT processes are highly fragmented with IT work being performed across campus
- High fragmentation across processes indicates the likelihood and duplication of work that could be better delivered by skilled IT professionals working centrally
- Outside of IT, Finance and Student Affairs report performing the most in IT Functions
- Classroom Technology Management, IT Life Safety Systems, and Research Computing are the least fragmented IT functions

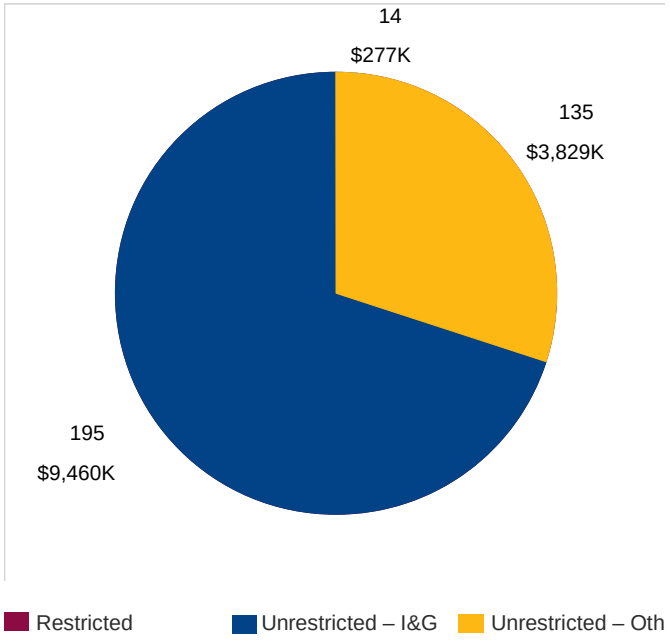
IT – Labor Cost

NMSU spends ~$8.8M on total salaries for the IT Division. However, based on the activity analysis of the actual portion of time that staff spend on IT activities across NMSU, the actual labor cost for staff performing IT work is ~$13.5M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



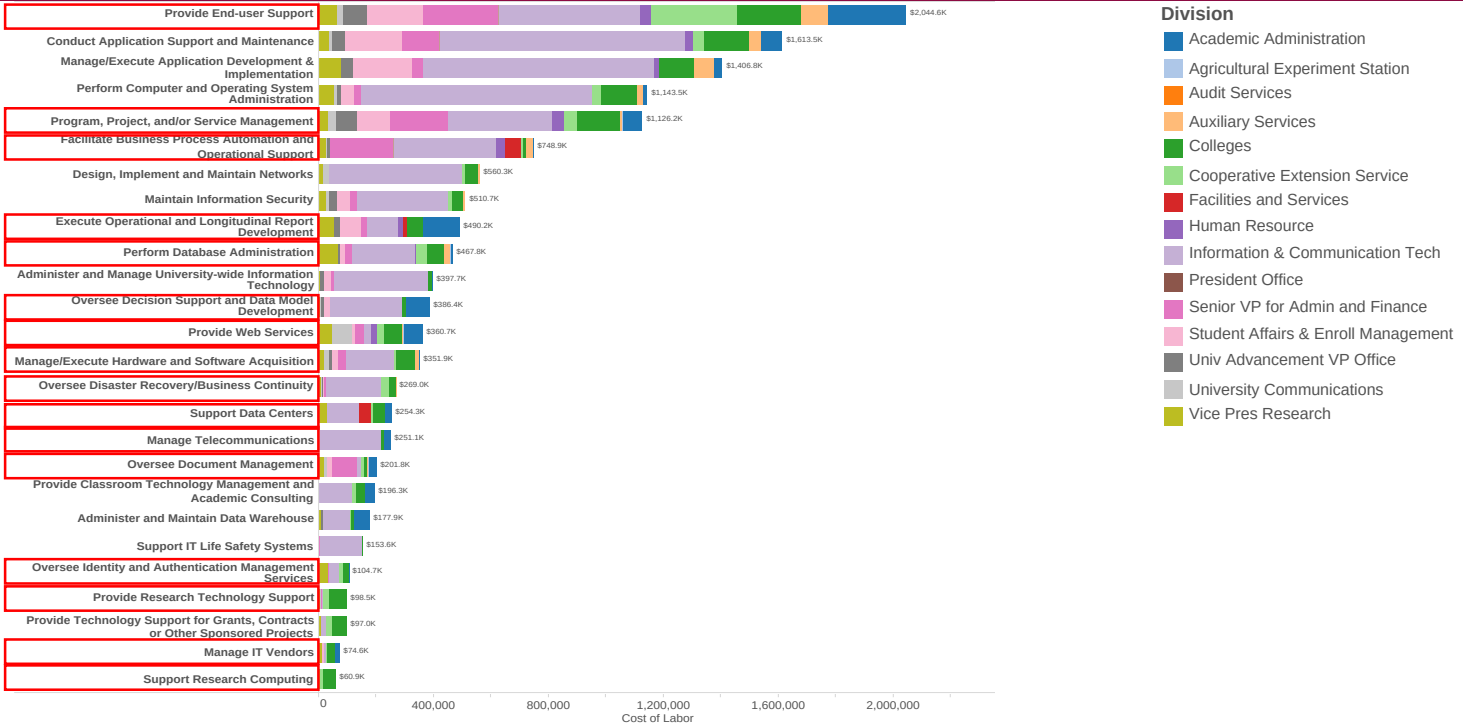
Key Observations

- The labor cost for IT work is $4.75M more than what is allocated for personnel in the IT division
- ~$4M of this labor cost differential is accounted for by work performed by professional staff outside of IT
- ~$750K of this labor cost differential is accounted for work performed by support staff outside of IT
- Of the $13.5 M spent on staff performing IT functions, approximately $275K is from restricted sources
- The majority of labor cost within the IT function is accounted for by professional staff

IT – Fragmentation by Process (Labor Cost)

In addition to a majority of processes being highly fragmented in terms of FTEs, labor costs are higher for employees who perform IT work outside of the IT division

Information Technology Processes – Fragmentation (Labor Cost)



Key Observations

- *Please see following slide for Key Observations

IT – Fragmentation by Process (Labor Cost) – cont'd.

There are 12 processes within the IT function where the majority of labor costs are outside of the IT Division.

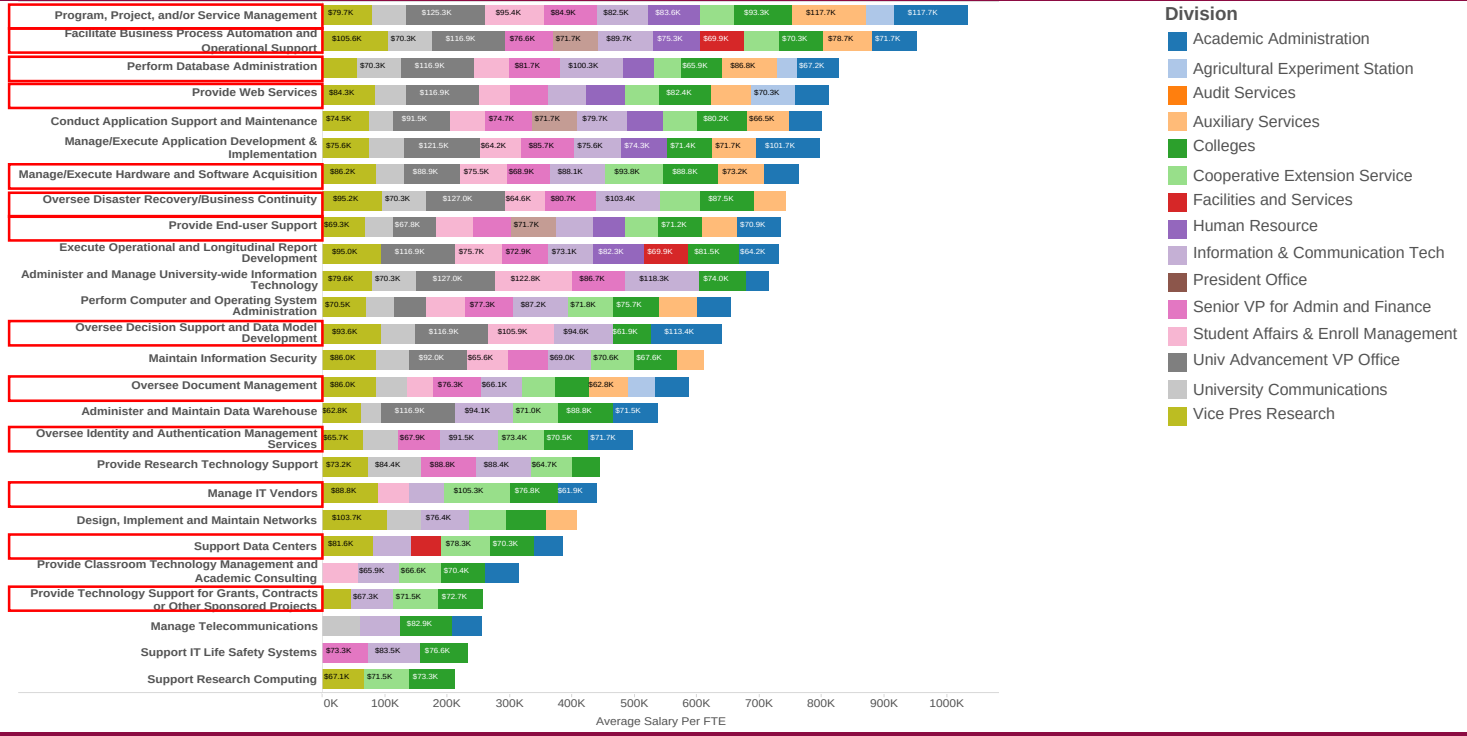
Key Observations

Process	NMSU $	IT Division $
Facilitate Business Process Automation & Operational Support	$391.7K	$357.2K
Operational & Longitudinal Report Development	$384.2K	$106.1K
Provide Web Services	$336.0K	$24.7K
Perform Database Administration	$247.2K	$220.6K
Oversee Document Management	$185.9K	$15.9K
Manage/Execute Hardware & Software Acquisition	$185.5K	$166.5K
Support Data Centers	$145.6K	$108.7K
Provide Research Technology Support	$94.1K	$4.4K
Technology Support for Grants, Contracts or other Sponsored Projects	$78.2K	$18.9K
Identity & Authentication Management Services	$68.1K	$36.7K
Manage IT Vendors	$65.7K	$9.0K
Support Research Computing	$60.9K	$0.0K

IT – Divisional average labor cost per process

For processes with high fragmentation, the cost of service is often higher per FTE by employees working outside of the IT Division.

Information Technology Processes – Average Labor Cost by Division per FTE

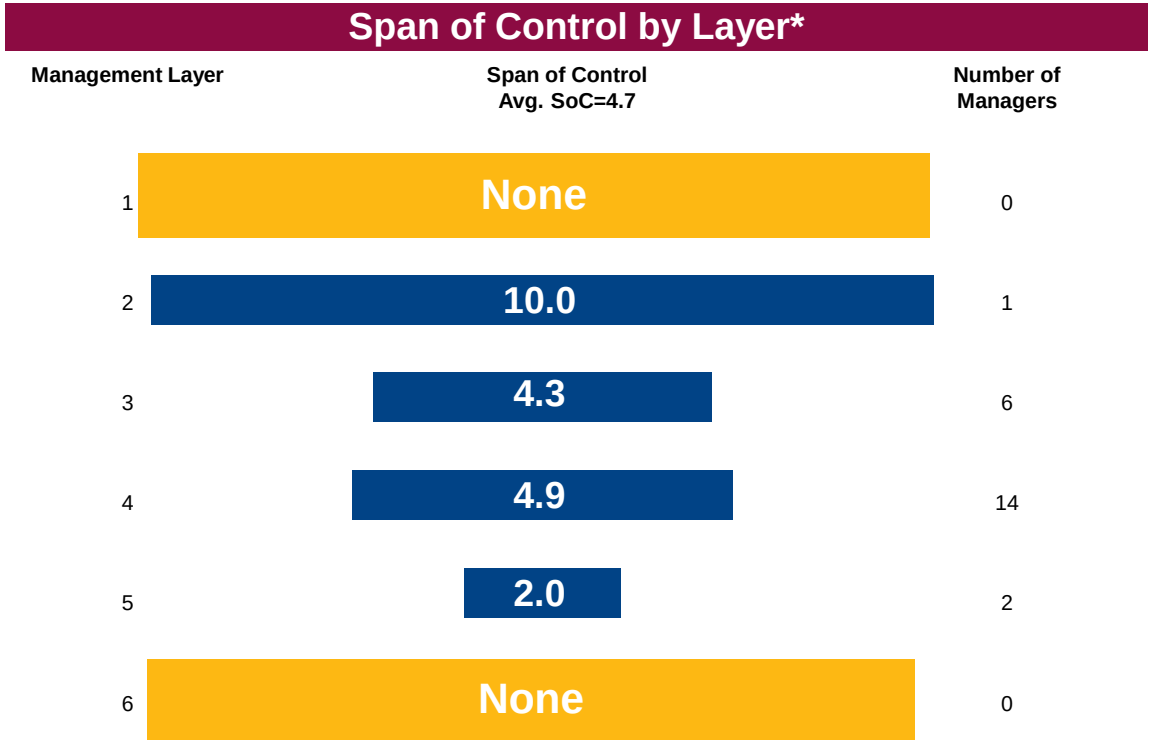


Key Observations

- In the majority of highly fragmented IT processes, the average labor cost/FTE is higher in most divisions than the IT division's labor cost/FTE
- High volume processes with the potential for standardization such as 'provide end-user support' are areas for considering a lower-cost service delivery model

IT – Span of Control and Management Layer

NMSU's IT function has opportunities to improve Span of Control (SoC) and possibly reduce its number of managers as indicated by a staff to manager ratio of 4.7:1



Key Observations

- IT'S average SoC (4.7) is lower than leading class of 8.0 to 12.0
- IT's SoC is an inverted pyramid instead of leading class pyramid which has increasing SoC at lower levels of the organization
- IT's vertical structure, with higher SoC at the top level could indicate inefficiencies related to roles and responsibilities and organizational communications
- Managers at the top level of the IT structure have an SoC more than double the IT Division's average

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

IT - Process

Alternative operating models for the processes within the IT function could promote consistency, enhance controls, and increase efficiency.

As-Is IT Operating Model by Process

Centralized	1. Manage Telecommunications 2. Support IT Life Safety Systems
Hybrid	1. Administer and Manage University-wide Information Technology 2. Manage IT Vendors 3. Oversee Identity and Authentication Management Services 4. Provide Research Technology Support 5. Provide Technology Support for Grants, Contracts or Other Sponsored Projects
Decentralized	1. Program, Project, and/or Service Management 2. Conduct Application Support and Maintenance 3. Manage/Execute Application Development & Implementation 4. Support Data Centers 5. Provide End-user Support 6. Manage/Execute Hardware and Software Acquisition 7. Support Research Computing 8. Design, Implement and Maintain Networks 9. Maintain Information Security 10. Oversee Document Management 11. Perform Computer and Operating System Administration 12. Oversee Disaster Recovery/Business Continuity 13. Perform Database Administration 14. Administer and Maintain Data Warehouse 15. Oversee Decision Support and Data Model Development 16. Facilitate Business Process Automation and Operational Support 17. Execute Operational and Longitudinal Report Development 18. Provide Web Services 19. Provide Classroom Technology Management and Academic Consulting

Future-State IT Operating Model by Process

Method of Adding Value

Relationship to the University	Low cost / Defined service levels	Knowledge transfer / Management involvement
Specific/Department	**Onsite Support**	**Business Partner** • Conduct Application Support and Maintenance • Provide Business Process Automation and Operational Support
Generic/University Wide	**Shared Services** •Support Data Centers •Provide End-user Support • Provide Classroom Technology Mgmt and Academic Consulting • Oversee Document Management • Provide Web Services • Manage Telecommunications • Provide Technology Support for Grants, Contracts or Other Sponsored Projects • Maintain Information Security • Perform Computer and OS Admin • Disaster Recovery and Business Continuity • Perform database administration • Administer and Manage University-wide Information Technology • Provide Research Tech Support • Support Research Computing • Design, Implement, and Maintain Networks	**Center of Excellence/Centralized** • Support IT Life Safety Systems • Manage IT Vendors • Oversee Identity and Authentication Management Services • Program, Project, and/or Service Management • Operational & Longitudinal Report Dev. • Decision Support and Data Model Dev • Administer/Maintain Data Warehouse • Manage/Execute Application Development & Implementation • Manage/Execute Hardware and Software Acquisition

Illustrative- for discussion purposes

IT – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
IT01	Restructure IT service delivery model for greater efficiency and effectiveness	Enhance the existing model for providing IT by moving to a centralized model that provides commodity services across campus. Unify staff that are providing similar functions and basic IT services. Incorporate a strong performance management function within central ICT to proactively report on service level performance to distributed entities and address key issues or concerns with responsiveness as more commodity services are centralized.	Organization	Long	H
IT02	Create an Analytics Center of Excellence (COE)	Develop an Analytics COE that serves NMSU and provides capabilities for regular reporting and more advanced analytics. Eliminate the need for users to access the data warehouse for common reports and enable more self-service capabilities Offer analytics as a shared service leveraging common tools and enabling analytics to support improved decision making.	Organization	Long	M

IT – Key Opportunities, cont'd

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in IT:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
IT03	Outsource the Tier-1 help desk	Assess outsourcing the Tier-1 help desk function to provide support for common and standard user inquiries and issues across NMSU to reduce costs while providing consistent service throughout the university	Organization	Medium	M
IT04	Evaluate storage management processes and duplication	Evaluate current storage management and duplication in detail identifying where information is stored in high availability storage but does not need to be, and where data may be duplicated and stored more than once and does not need to be. Once these are identified, reduce storage use by rationalizing information where appropriate. To prevent a future increase in demand, implement policies and procedures to guide the storage of information at the university and de-duplicate existing information where possible.	Technology	Medium	H
IT05	Control purchase of printers and multi-functional devices (MFDs)	Standardize MFD purchasing approach across the university through blanket contracting; Eliminate Personal MFDs to reduce costs and share resources more effectively.	Process	Short	L

IT – Key Opportunities, cont'd

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in IT:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
IT06	Rationalize application portfolio	Conduct an applications Portfolio TCO audit to identify which applications should be rationalized, virtualized or retired. Rationalize and consolidate applications and retire shadow systems. Design a federated application management approach that enables some local control over necessary unique applications, and central control over enterprise wide applications.	Technology	Long	M

General Admin (GA)

GA – Overview

In comparison to peers, the GA function is highly decentralized and the function does not leverage Shared Services concepts.

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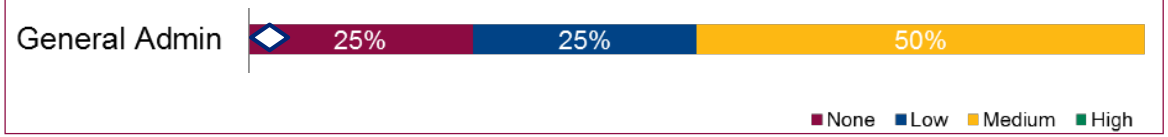
Overview

Provide general administrative support for a school/administrative unit, division or department

General Admin Processes

1. Provide Office and Operational Support
2. Processes HR Transactions
3. Processes Finance Transactions
4. Provides Student Support
5. Maintain Files and Provide General Reports
6. Provide Communication Support

Degree of Centralization vs. Peers



Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers

N/A

Technology Capabilities vs. Peers

N/A

GA – Key Findings and Opportunity Summary

GA is an area with considerable fragmentation and the potential for overlap and duplication of duties.

Key Findings

- Staff performing GA work are distributed broadly across NMSU (897 people representing 426.27 FTEs)
  - For GA processes where work is being performed by employees at a higher level of the organization, the average labor cost/FTE is significantly higher
- For the Divisions in scope for this study, NMSU employs ~400 Admin/Fiscal Assistants, including ~260 in Schools and ~140 in Administrative Units
  - Across NMSU's divisions, the Total Staff:Admin Assistant coverage ratios vary with an average of 8.89 in the schools(ranges 1.5:1 to 23:1) and 9.74 in the Administrative Units (ranges 2.29:1 to 41.63:1)
  - Across NMSU's divisions, the average coverage ratio of Faculty:Admin Assistants is 3.33 with 7 Divisions falling below the average
  - Across NMSU's divisions, the average coverage ratio of Exec Staff:Admin Assistants is 0.62 with 16 falling below the average
- In Divisions where employees performing GA work serve as managers, there is an inefficient Span of Control

Potential Opportunities based on Current Findings

- Review support model for processes in the GA function to confirm work is being performed by the right levels of the organization
- Balance coverage ratios based on the type, volume, and nature of work performed except in exceptional or special circumstances, such as geographic limitations (e.g., in multiple buildings, across campuses)

Potential Opportunities based on Experience with other Organizations

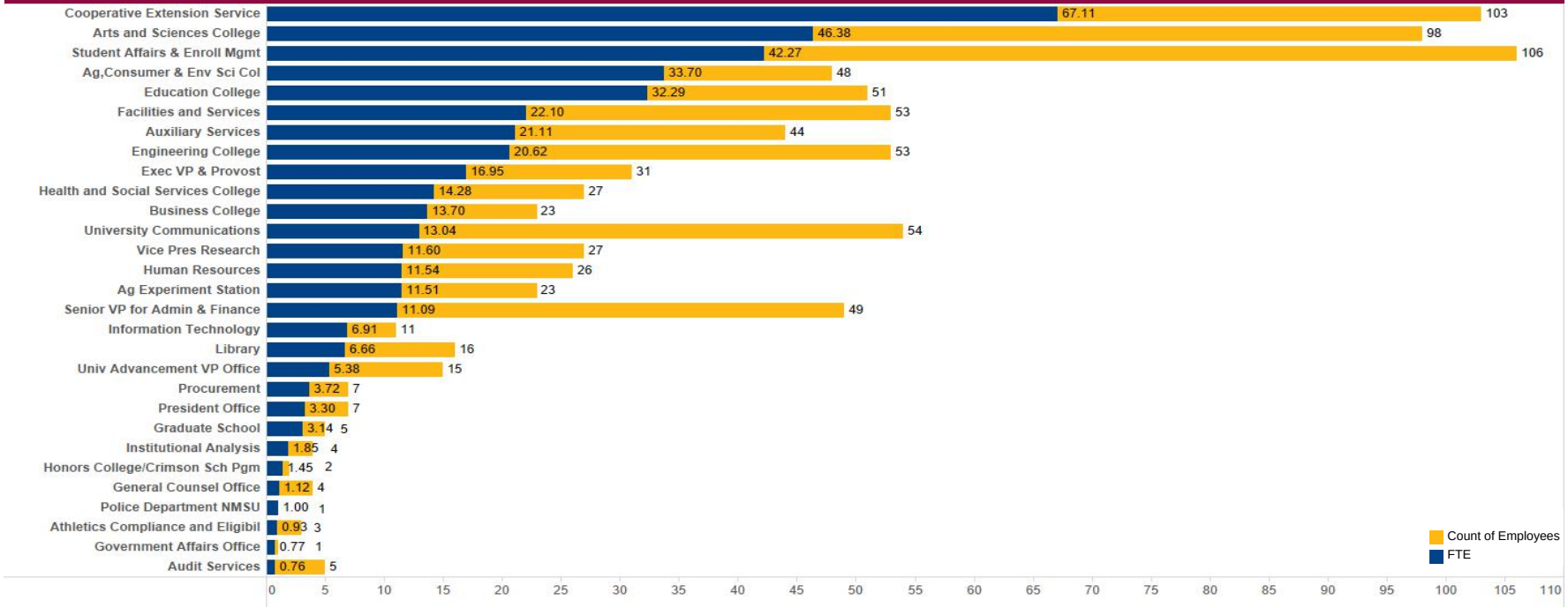
- Focus administrative staff on providing core administrative support; transition portions of Finance and HR processes into an alternative (e.g. shared service) operating model

$1M- $1M+ in potential annual savings identified

GA – Number of Employees and FTEs by Location

There are a total of 897 people, widely distributed across campus, who report performing General Admin related activities.

Location Analysis*



Key Observations

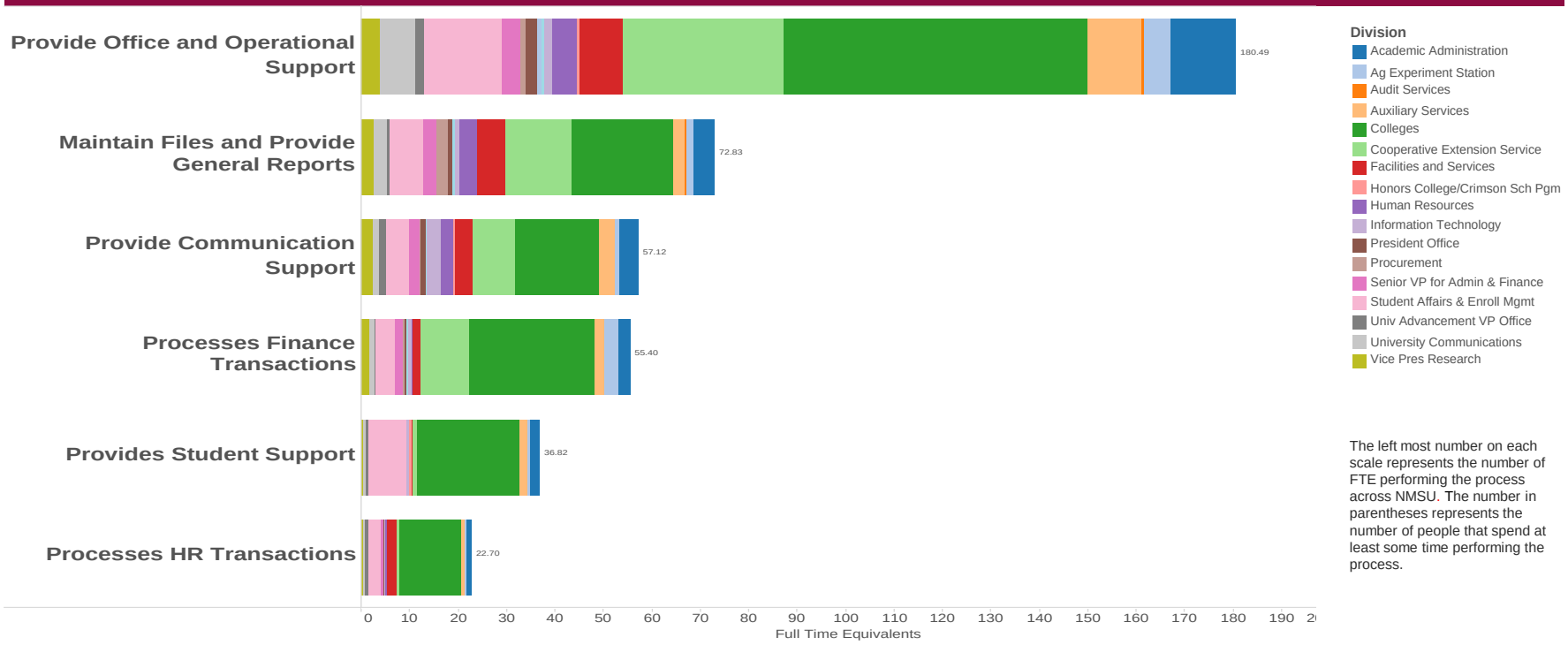
- The 897 people who reported completing GA processes represent 426.27 FTE
- For the purposes of this study ~400 staff members are classified as Administrative Assistants. The number of FTEs to this function (426.27) are higher than the number of staff who typically do this work. Other professional/support staff, potentially at a higher cost, are required to provide support.

*NOTE: Only those locations that support any of the processes within this function are shown.

GA – Level of Fragmentation by Process

Where decentralized units perform work to support centralized Functional areas (HR, Fin), there is an opportunity to transition portions of this work into a shared services model

General Admin Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

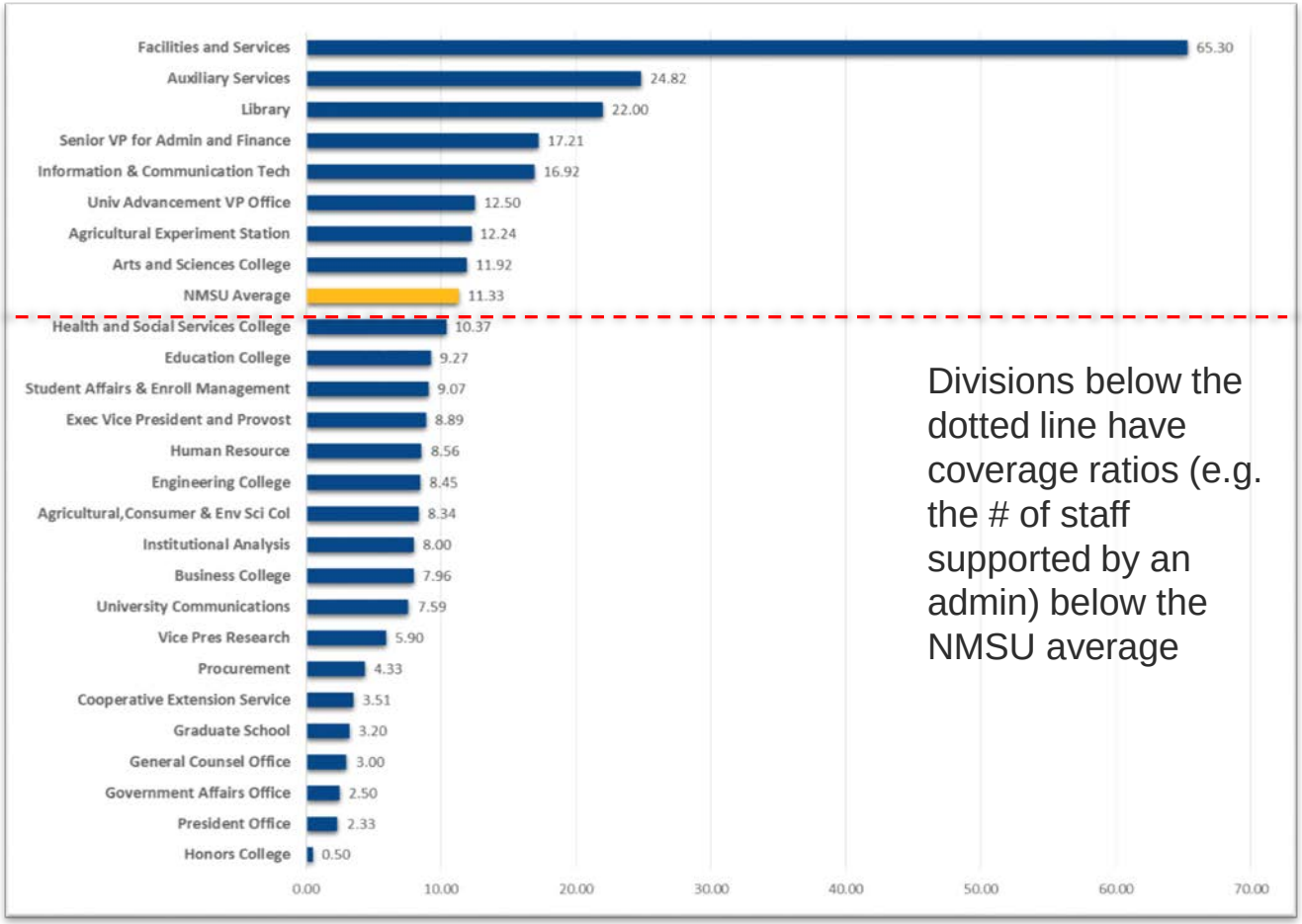
Key Observations

- The decentralized units reporting the largest % of FTEs in Gen Admin processes are the Colleges and Cooperative Extension Service. Their work in HR and Finance could be a candidate for Shared Services
- The centralized units reporting the largest % of FTEs in Gen Admin processes are Student Affairs and Facility Services

GA – Coverage Ratio

The average coverage ratio of Admin Assistants to total Division staff is 11.33:1. 18 of 26 Divisions fall below that average.

Coverage Ratio: All Division Staff: Admin Assistants



Divisions below the dotted line have coverage ratios (e.g. the # of staff supported by an admin) below the NMSU average

Divisional Breakdown

Division	All Staff	Admin Asst
Facilities and Services	326.50	5.00
Auxiliary Services	136.50	5.50
Library	66.00	3.00
Senior VP for Admin and Finance	120.50	7.00
Information & Communication Tech	101.50	6.00
Univ Advancement VP Office	50.00	4.00
Agricultural Experiment Station	128.50	10.50
Arts and Sciences College	494.50	41.50
NMSU Average	114.08	11.94
Health and Social Services College	98.50	9.50
Education College	222.50	24.00
Student Affairs & Enroll Management	204.00	22.50
Exec Vice President and Provost	80.00	9.00
Human Resource	38.50	4.50
Engineering College	169.00	20.00
Agricultural,Consumer & Env Sci Col	233.50	28.00
Institutional Analysis	8.00	1.00
Business College	95.50	12.00
University Communications	64.50	8.50
Vice Pres Research	62.00	10.50
Procurement	13.00	3.00
Cooperative Extension Service	231.50	66.00
Graduate School	8.00	2.50
General Counsel Office	3.00	1.00
Government Affairs Office	2.50	1.00
President Office	7.00	3.00
Honors College	1.00	2.00

- Note: NMSU's employment and position data was used to track coverage ratios for administrative support across the University. Admin Assistants were identified by the following job titles: Admin Assistant (General, Associate, Intermediate, Sr, Special/Executive: Fiscal Assistant (Intermediate, Assoc., Sr.) and a coverage ratio was calculated for Administrative Assistants: All Other Division Staff

GA – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Annual Savings H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
GA01	Standardize coverage ratios of administrative support staff	Develop and implement standard coverage ratios at NMSU based on the type, volume, and nature of the work performed	Organization	Long	H

Finance

Finance – Overview

The Finance Division's level of centralization is comparable to peers, but it does not leverage Shared Services concepts and has low capability to support financial reporting, self service, and workflow.

Overview

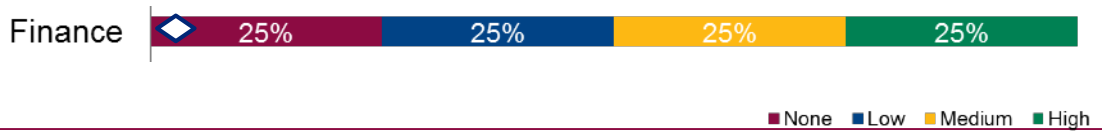
The Finance function is responsible for the overall integrity of the university's fiscal activities

Finance Processes

1. Execute Accounts Payable
2. Conduct Accounts Receivable
3. Manage/Execute University-Level Budgeting
4. Perform Department-Level Budgeting
5. Perform Debt Management Accounting
6. Perform Central Accounting
7. Perform General Accounting
8. Perform External Financial Reporting
9. Perform Rate Development and Review
10. Conduct Travel Expense Processing
11. Support External Audit
12. Conduct Internal Audit
13. Plan/Execute Tax Considerations
14. Perform Treasury Activities
15. Perform Bursar/Collection Activities
16. Perform Risk Management
17. Administer Research Accounting
18. Manage/Execute Payroll, Time, and Attendance Administration

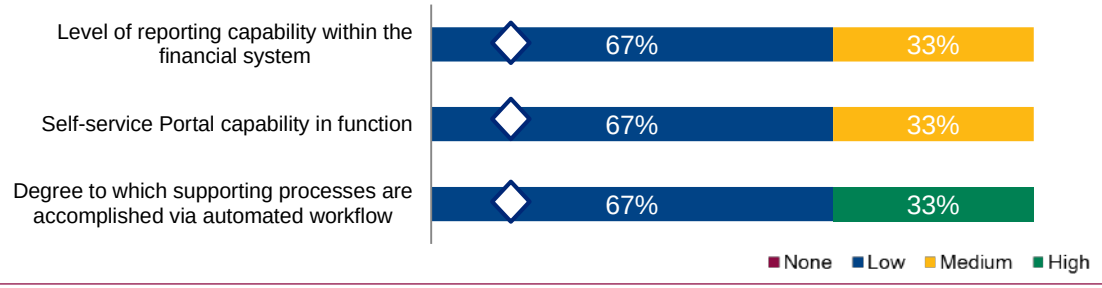
Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers



Primary ERP Tool vs. Peers

Technology Capabilities vs. Peers



Finance – Key Findings and Opportunity Summary

The Finance function operates under a centralized/decentralized hybrid model. Changes to technology, processes, and the operating model provide opportunities for further consolidation and efficiency.

Key Findings

- Staff performing Finance work are distributed broadly across NMSU. (422 people represent 149.67 FTEs)
  - 51% of Finance work is being performed by FTEs outside of the Finance Organization.
  - The most broadly distributed Finance processes include: General Accounting, Dept-Level Budgeting, Accounts Payable, T&E Processing, and Accounts Receivable
- NMSU's Finance function has an inefficient Span of Control
  - Finance's average SoC (3.1) is lower than standard ranges of 8:1 – 12:1
  - The 65% of the managers in the Finance Function manage 3 people or fewer
  - There is a higher Span of Control at the top levels of the Finance Organization which leaves senior leaders managing too many employees
  - There is a lower Span of Control at the bottom levels of the Finance Organization which leaves too few employees to manage
- NMSU has limited tools for budgeting, planning, and forecasting. Most units, including centrally, utilize Microsoft Excel

Potential Opportunities based on Current Findings

- Redesign NMSU's Finance operating model to increase efficiency and effectiveness by better alignment of transactional and strategic work:
  - Implement Shared Services, CoEs, and Business Partners for select processes
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency
- Implement planning, budgeting and forecasting software to streamline processes and to enhance data visibility and strategic planning
- Reduce siloed operations, and clarify roles and responsibilities.

Potential Opportunities based on Experience with other Organizations

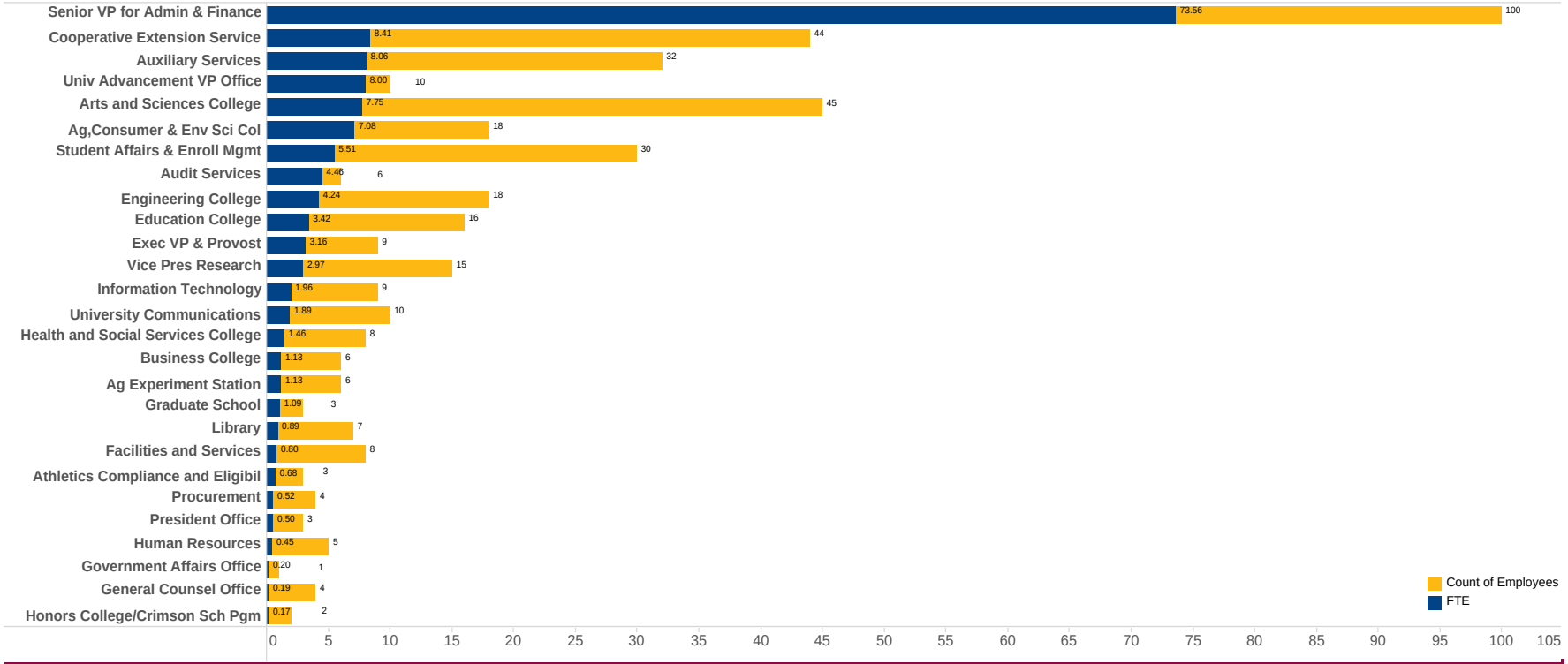
- Optimize use of technology and further integration of systems throughout core administrative functions (i.e. HR, IT, Finance and Procurement) to streamline workflow, reduce manual processing, and increase accuracy
- Develop and implement approach for utilizing data analytics to drive decision making through out the organization.

$2.5M - $3M in potential annual savings identified

Finance – Number of Employees and FTEs by Location

There are a total of 422 people, widely distributed across campus, who report performing Finance related activities.

Location Analysis



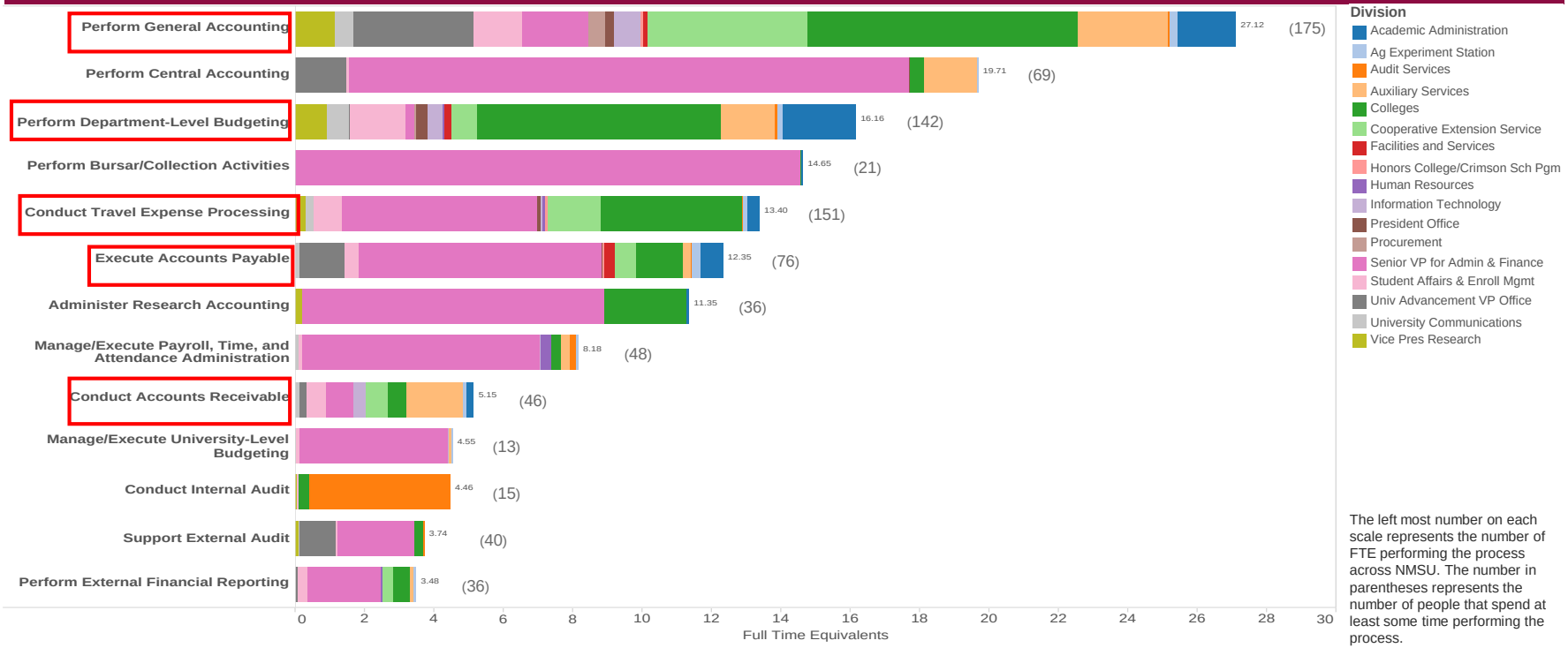
Key Observations

- The 422 people who reported completing Finance processes represent 149.67 FTE. 49% of FTEs completing finance work are located in the Finance division with the remainder distributed throughout the University.
- In addition to the Finance Division, there are 6 Divisions across NMSU that have more than 5 FTEs completing Finance activities
- In locations where a high number of employees spend a small fraction of their time performing Finance work, there is a risk that these employees lack the specialized experience and training to perform this work efficiently and effectively

Finance – Level of Fragmentation by Process

Within the Finance function, five processes are highly fragmented across the university.

Finance Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

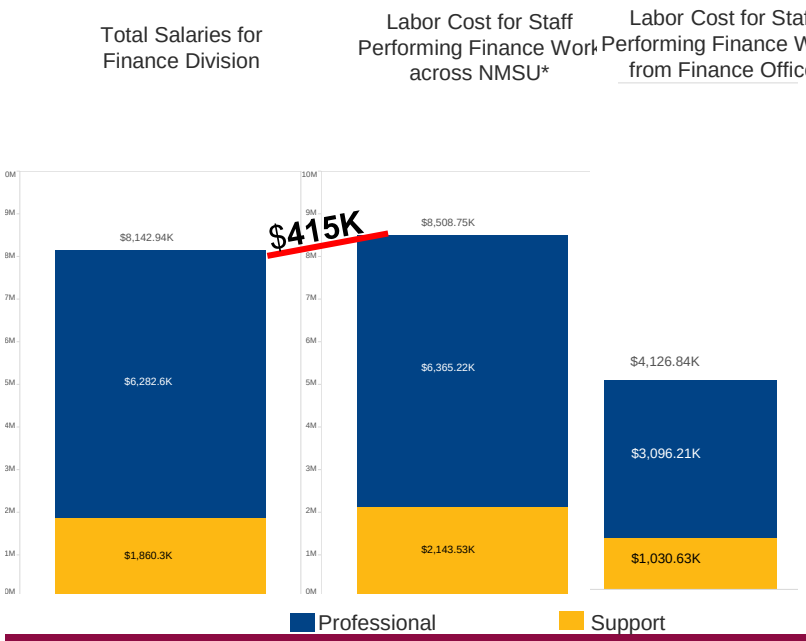
Key Observations

- General Accounting, Departmental level Budgeting, Accounts Receivable, Accounts Payable and Travel Expense Processing, while highly transactional, are the most fragmented processes across the university
- Outside of Finance, University Advancement and the Cooperative Extension Services report the highest level of effort spent in Finance Functions
- Note: Perform Treasury Activities, Perform Risk Management, Debt Management Accounting, Tax Considerations, and Rate Development are not displayed in this graphic given their highly centralized nature.

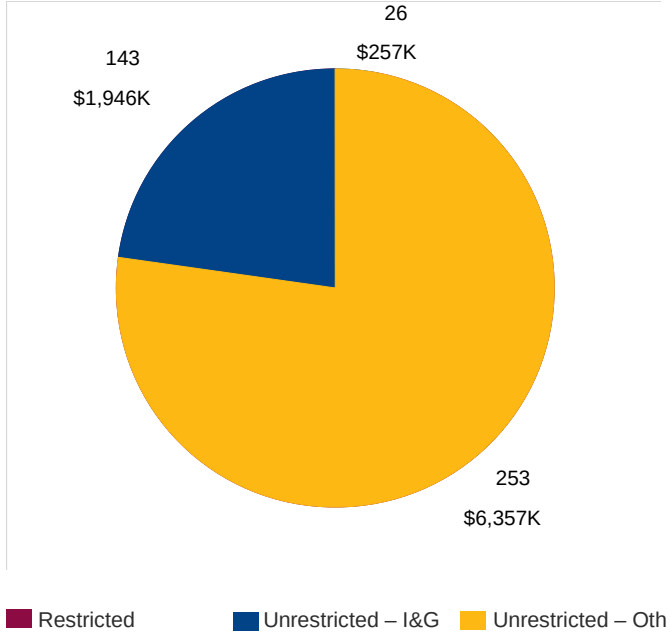
Finance – Labor Cost

NMSU spends $8.1M on total salaries for the Finance Division. However, based on the activity analysis of the actual portion of time that staff spend on Finance activities across NMSU, the actual labor cost for staff performing Finance work is ~$8.5M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



Key Observations

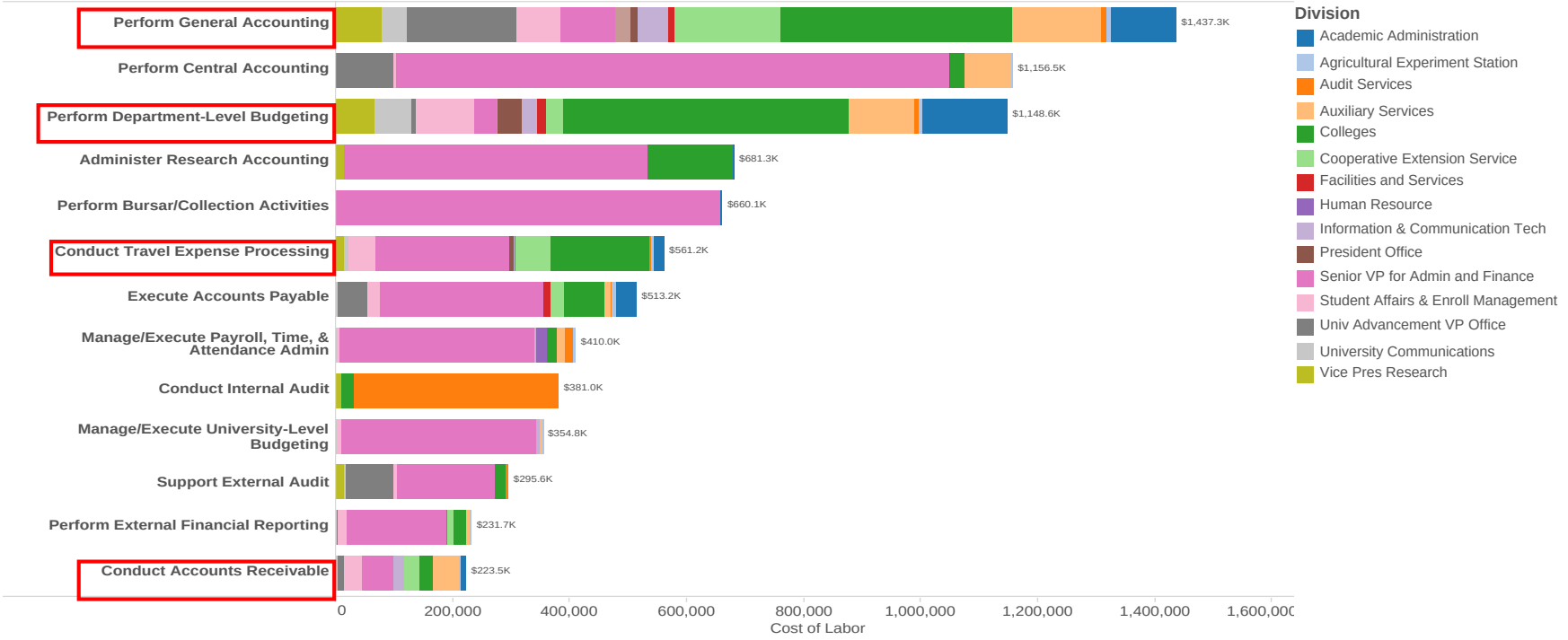
- The actual labor cost for Finance work is ~$415K more than what is allocated for personnel in the Finance division
- ~$285K of this labor cost differential is accounted for by work performed by support staff outside of Finance
- ~$130K of this labor cost differential is accounted for by work performed by Professional staff outside of Finance
- Of the $8.5M spent on staff performing Finance functions, approximately $260K is from restricted sources
- The majority of Finance function is being performed by professional staff

* This calculation includes the Salary of staff multiplied by the FTE allocation of time spent on finance.

Finance – Fragmentation by Process (Labor Cost)

In the areas of highest fragmentation, labor costs are higher for employees who perform the work outside of the Finance Division.

Finance Processes – Fragmentation (Labor Cost)



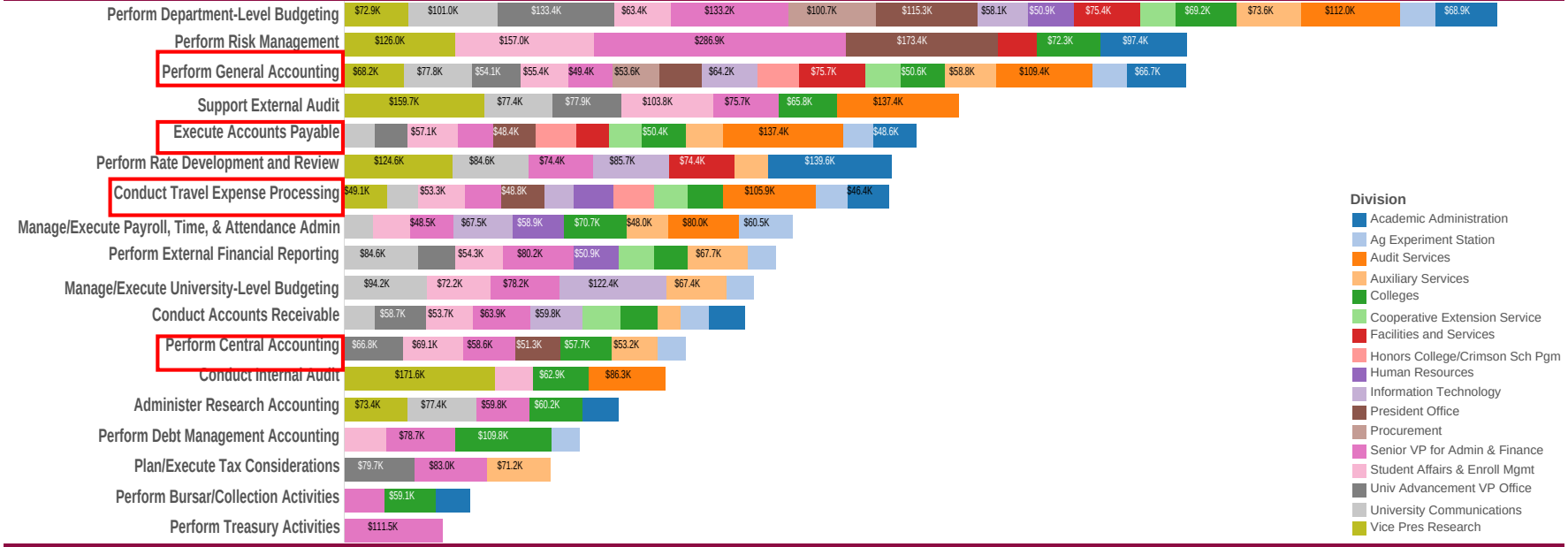
Key Observations

- There are four processes within the Finance function where the majority of labor costs are outside of the Finance Division.
- General Accounting – NMSU ($1M) vs. Finance Division ($90K)
- Department Level Budgeting – NMSU ($1M) vs. Finance Division ($35K)
- Travel Expense Processing – NMSU ($300K) vs. Finance Division ($230K)
- Accounts Receivable – NMSU ($175K) vs. Finance Division ($50K)

Finance – Divisional average labor cost per process

For processes with high fragmentation, the cost of service is often higher per FTE for employees working outside of the Finance Division.

Finance Processes – Average Labor Cost by Division per FTE



Key Observations

- In four of the processes with the highest fragmentation (Perform General Accounting, Execute Accounts Payable, Conduct Travel Expense Processing, Perform Central Accounting), the average labor cost/FTE is higher in most divisions than the Finance Division's labor cost/FTE.
- For each process, when represented, Audit Services typically reports the highest average labor cost/FTE
- Where standard processes are being performed at differing labor rates across NMSU, there is a potential opportunity to deliver the same services at a lower-cost

Finance - Span of Control and Management Layer

NMSU's Finance function has opportunities to improve Span of Control (SoC) and possibly reduce its number of managers as indicated by six levels of managers and staff to manager ratio of 3:1, which is below the standard range of 8:1 to 12:1.

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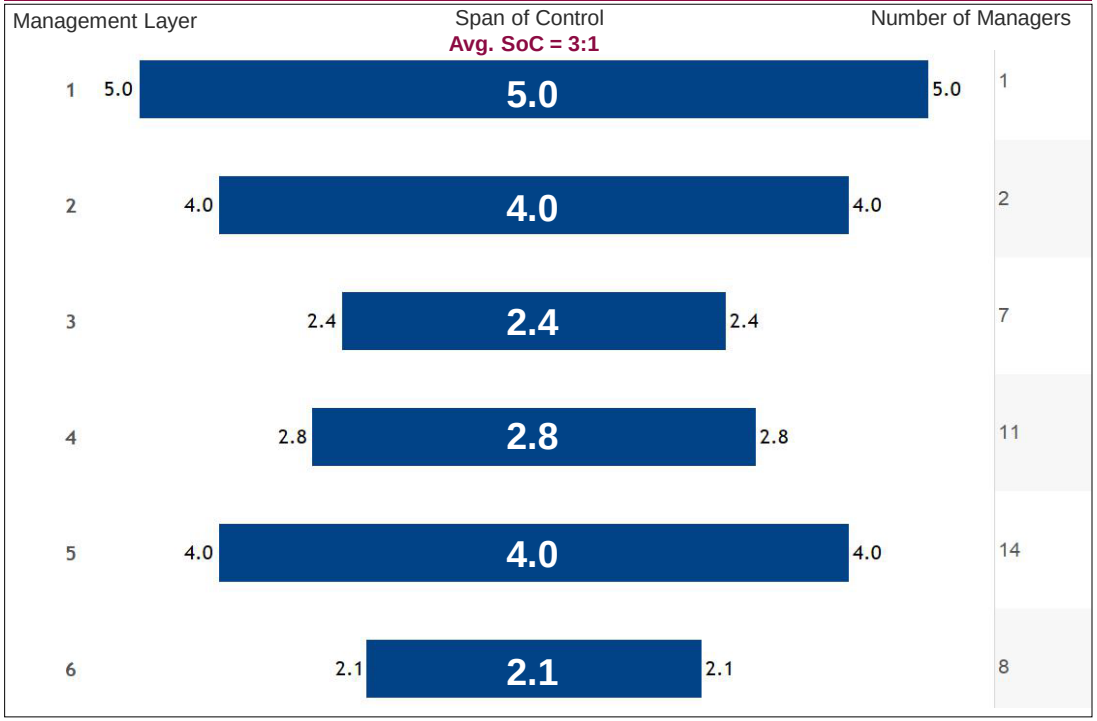
Span of Control by Layer*



Key Observations

- Finance's SoC is an inverted pyramid instead of leading class pyramid which has increasing SoC at lower levels of the organization
- Finance's vertical structure, with higher SoC at the top level could indicate inefficiencies related to roles and responsibilities and organizational communications
- 65% of the managers in the Finance Function manage 3 people or less,
- A culture of working supervisors is often a driver of low span of control

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

Finance – Process

Alternative operating models for the processes within the Finance function could promote consistency, enhance controls, and increase efficiency.

As-Is Fin Operating Model by Process

Centralized	1. Manage/Execute University-Level Budgeting 2. Perform Debt Management Accounting 3. Perform Central Accounting 4. Perform External Financial Reporting 5. Perform Rate Development and Review 6. Support External Audit 7. Conduct Internal Audit 8. Plan/Execute Tax Considerations 9. Perform Treasury Activities 10. Perform Bursar/Collection Activities 11. Perform Risk Management 12. Administer Research Accounting 13. Manage/Execute Payroll, Time, and Attendance Administration
Hybrid	1. Execute Accounts Payable 2. Conduct Accounts Receivable 3. Conduct Travel Expense Processing
Decentralized	1. Perform Department-Level Budgeting 2. Perform General Accounting

Future-State Fin Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support**	**Business Partner** •Perform Department-Level Budgeting •Administer Research Accounting
Generic/University Wide	**Shared Services** •Execute Accounts Payable •Conduct Accounts Receivable •Perform Central Accounting •Perform General Accounting •Conduct Travel Expense Processing •Manage/Execute Payroll, Time, and Attendance Administration	**Center of Excellence/Centralized** •Manage/Execute University-Level Budgeting •Perform Debt Management Accounting •Perform External Financial Reporting •Perform Rate Development and Review •Support External Audit •Conduct Internal Audit •Plan/Execute Tax Considerations •Perform Treasury Activities •Perform Bursar/Collection Activities •Perform Risk Management

Finance – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Implementation Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
FN01	Redesign the Finance Operating Model	Streamline and Centralize how finance transactional activities are delivered through the implementation of shared services. Additional centralization may also occur through the development of a Business Partner model.	Organization	Medium	M
FN02	Procure and Implement Budgeting System	Automate budget formulation to reduce manual reconciliations, develop outyear projections, and perform what-if scenarios.	Technology	Medium	H

Finance – Key Opportunities, cont'd

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in Finance:

#	Opportunity Name	Opportunity	Category	Implementation Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
FN03	Increase Accounts Payable Operations Efficiency	Evaluate ways to improve and streamline AP operations across the system. Given current benchmarks, certain portions of AP operations may be consolidated for more cost effective service delivery (e.g. invoice intake, data entry). Investments in technology will be necessary to improve efficiency (e.g., Vendor Self-service, Electronic Data Interchange, ACH/EFT Capability).	Process	Long	H
FN04	Use data analytics to drive decision making	Develop and implement approach for utilizing data analytics to drive decision making through out the organization.	Process	Long	M
FN05	Optimize technology	Optimize use of technology and further integration of systems throughout core administrative functions (i.e. HR, IT, Finance and Procurement) to streamline workflow, reduce manual processing, and increase accuracy	Technology	Long	H

Student Administrative Services (SAS)

SAS – Overview

The SAS Division's level of centralization is comparable to peers but it does not leverage Shared Services concepts and has limited capability to support self service and workflow.

Overview

The SAS function has overall responsibility for admissions, enhancing campus life and aiding students in their development beyond the classroom.

SAS Processes*

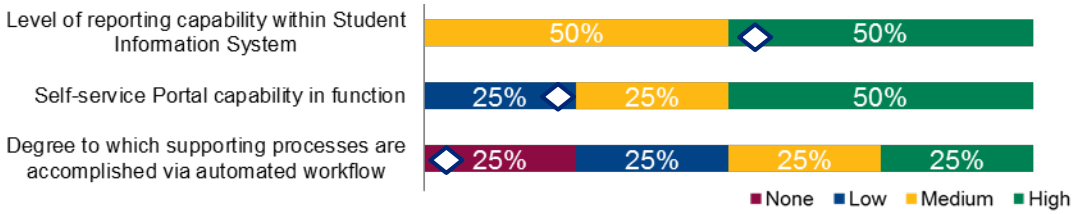
1. Conduct Student Recruitment
2. Manage/Execute Applications Processing and Admissions
3. Onboard Students
4. Advise Students
5. Enroll Students
6. Coordinate Student Employment
7. Plan/Maintain Academic Calendar
8. Plan/Execute Commencement
9. Manage/Maintain Student Records
10. Promote Financial Aid
11. Support Financial Aid, Grants, Loans, Work-Study, Scholarships
12. Process Financial Aid, Grants, Loans, Work-Study, Scholarships
13. Provide Career Services
14. Manage Student Health and Wellness Programs
15. Oversee Student Conduct
16. Coordinate Crisis Response and Behavioral Intervention
17. Manage Student Life Activities
18. Provide Academic Support
19. Develop and Maintain Course Catalogs
20. Manage Classroom Scheduling and Utilization
21. Support International Studies

Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers

Technology Capabilities vs. Peers



SAS – Key Findings and Opportunity Summary

The Student Administrative Services function is mostly centralized; however, changes to technology, processes, and the operating model provide opportunities for further consolidation and efficiency.

Key Findings

- Staff performing SAS work are distributed broadly across NMSU. (392 people represent 184.45 FTEs)
  - 66% of Student Administrative Services work is being performed by FTEs within the Student Administrative Services Organization.
  - The most broadly distributed SAS processes include: Advise Students, Coordinate Student Employment, Enroll Students, Coordinate Crisis Response and Behavioral Intervention, Oversee Student Conduct, Manage Classroom Scheduling Utilization, and Develop and Maintain Course Catalogs
- NMSU's SAS Division has an inefficient Span of Control
  - 61% of the managers in the SAS Division manage 3 people or fewer, compared to a leading class range of 1:8-1:12
  - There is a higher Span of Control at the top levels of the SAS Organization which leaves senior leaders managing too many employees
  - There is a lower Span of Control at the bottom levels of the SAS Organization which leaves too few employees to manage

Potential Opportunities based on Current Findings

- Redesign NMSU's SAS operating model to increase efficiency and effectiveness by better alignment of strategic work:
  - Centralize all SAS Processes
- Leverage existing Ad Astra classroom scheduling technology that will help manage classroom utilization and increase efficiency
- Consolidate Student Employment by centralizing and merging resources into one office to improve efficiency and compliance and minimize confusion for students and those seeking to hire students.
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency

Potential Opportunities based on Experience with other Organizations

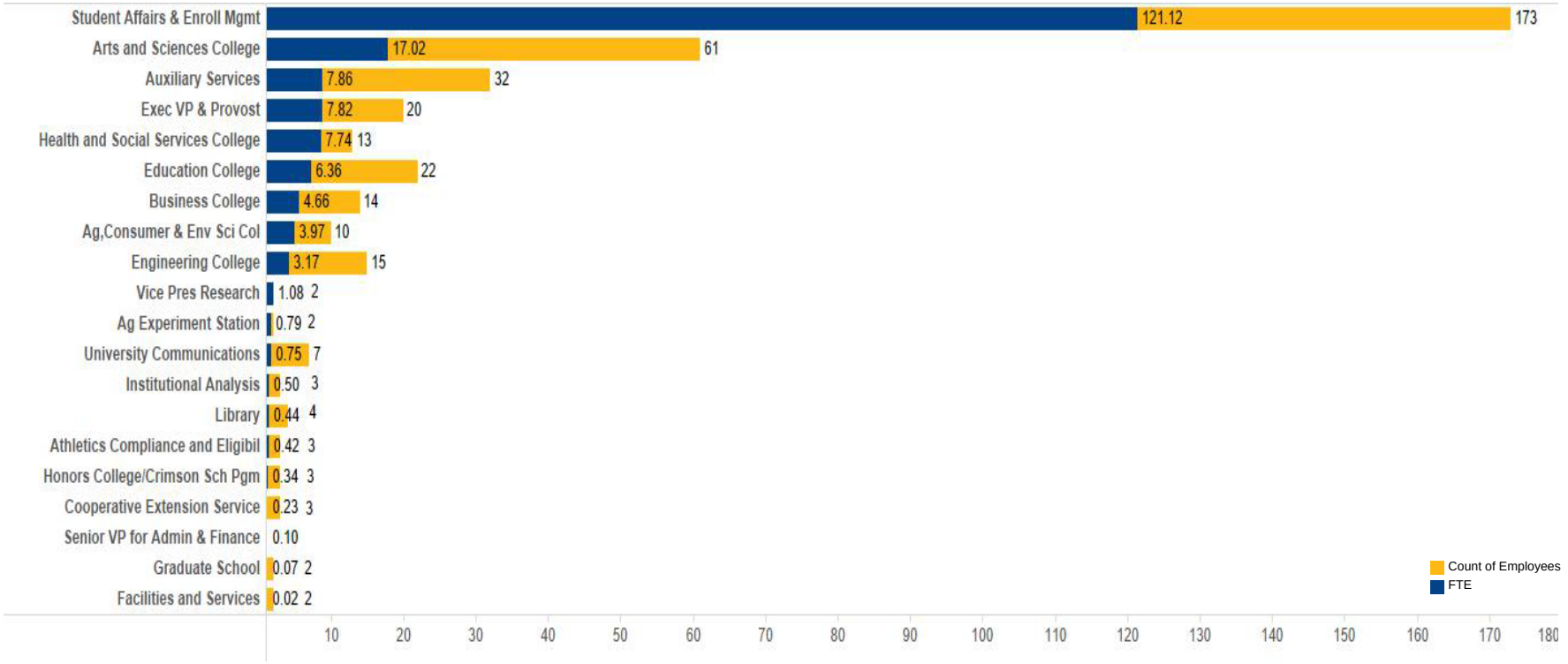
- Outsource Student Wellness Center by leveraging potential strength of local medical community to improve efficiency
- Implement a combined model of student billing, financial aid, and the registrar which will improve efficiency

$500K - $2.5M in potential annual savings identified

SAS – Number of Employees and FTEs by Location

There are a total of 392 people, widely distributed across campus, who report performing Student Administrative Services related activities.

Location Analysis*



Key Observations

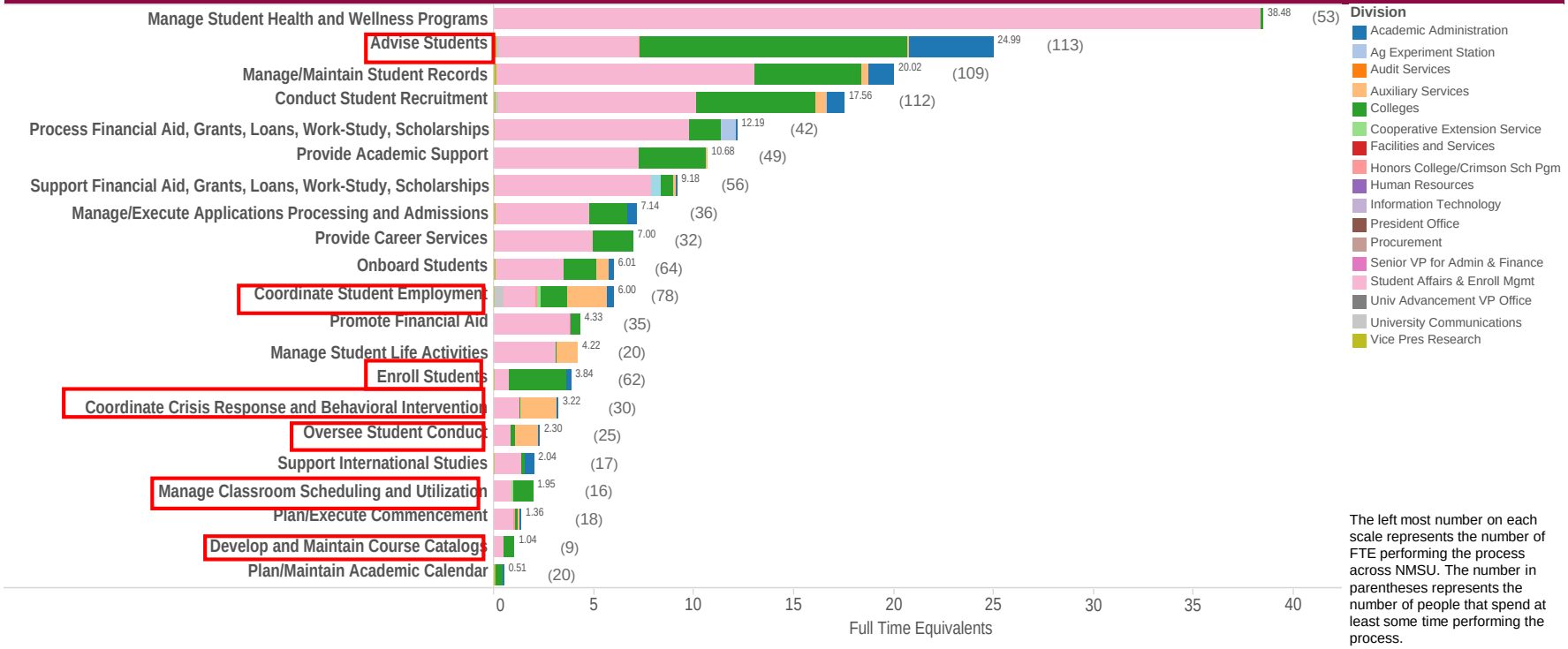
- The 392 people who reported completing Student Administrative Services processes represent 184.45 FTE. 66% of FTEs completing Student Administrative Services work are located in the Student Administrative Services Division
- Combined, the colleges account for 39.02 FTEs (21%) completing SAS processes
- In locations where a high number of employees spend a small fraction of their time performing SAS work, there is a risk that these employees lack the specialized experience and training to perform this work efficiently and effectively

*NOTE: Only those locations that support any of the processes within this function are shown.

SAS – Level of Fragmentation by Process

While the Student Administrative Services function is largely centralized, seven processes are highly fragmented across the university.

Student Administrative Services Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

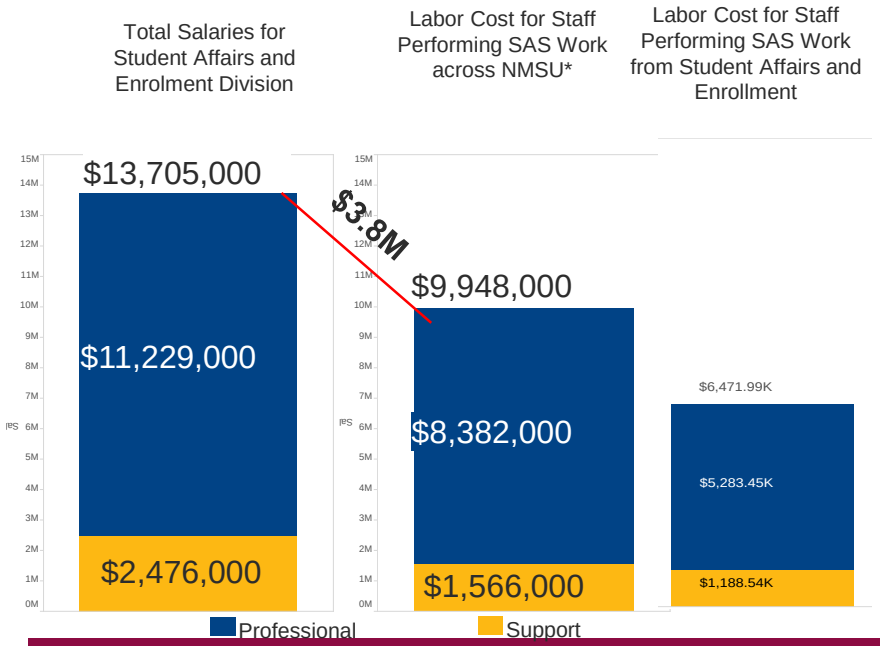
Key Observations

- Advise Students, Coordinate Student Employment, Enroll Students, Coordinate Crisis Response and Behavioral Intervention, Oversee Student Conduct, Manage Classroom Scheduling Utilization, and Develop and Maintain Course Catalogs are the most fragmented processes within SAS across the university
- Processes that are highly fragmented, like the eight highlighted, may minimize consistency across the processes and increases confusion. Many student administrative services processes require consistency and industry knowledge to ensure that students receive consistent and thorough resources.

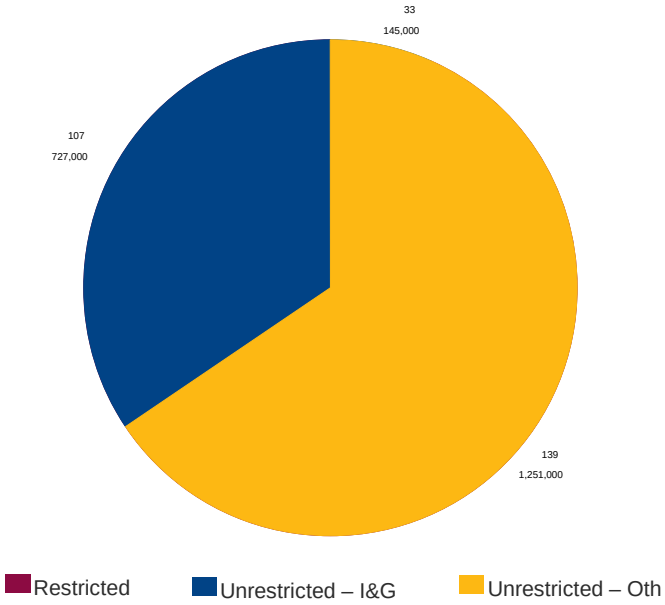
SAS – Labor Cost

NMSU spends ~$13.7M on total salaries for the Student Affairs and Enrollment Division. However, based on the activity analysis of the actual portion of time that staff spend on SAS activities across NMSU, the actual labor cost for staff performing SAS work is ~$9.9M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



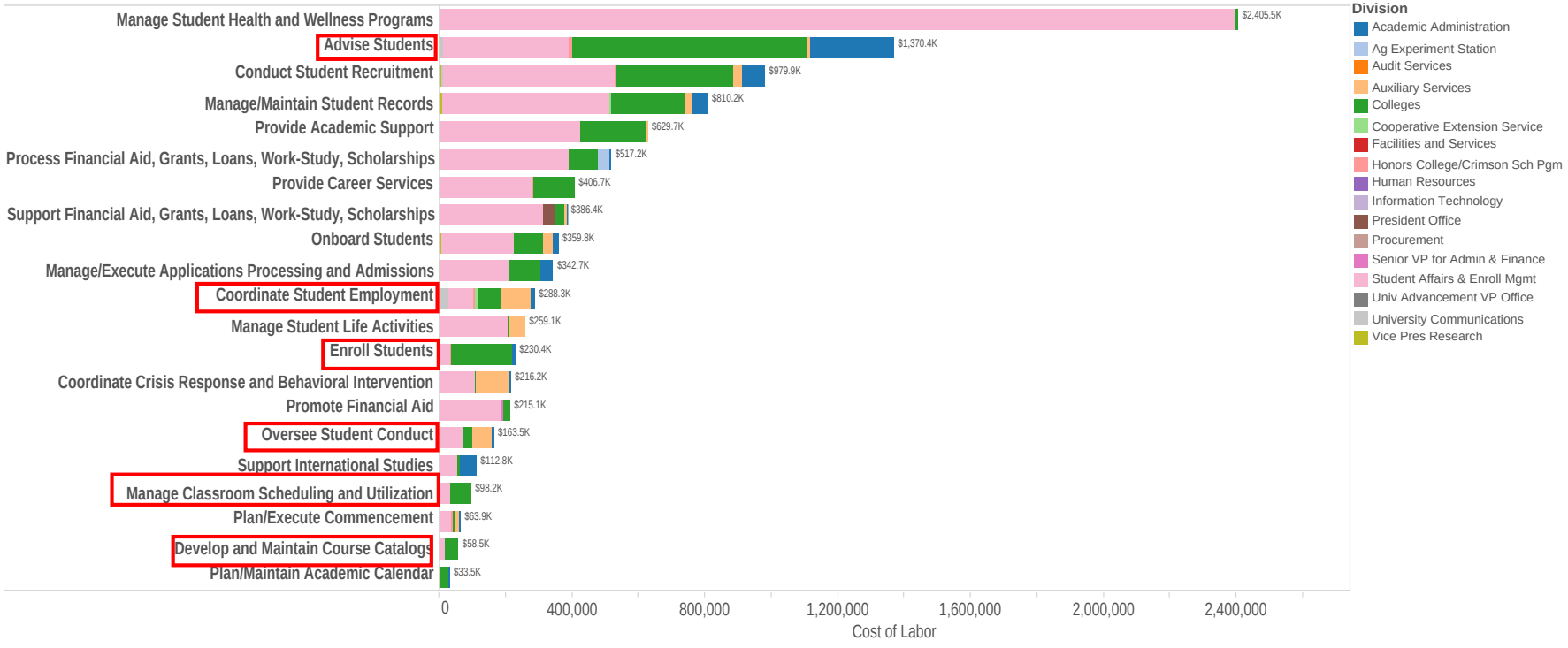
Key Observations

- The labor cost for Student Administrative Services work across campus is $3.8M less than the total salaries of the Student Affairs and Enrollment Division.
- ~$2.8M of this labor cost differential is accounted for by professional staff inside the Student Affairs and Enrollment Division Division not completing SAS work. Outside of SAS work, Student Affairs professional staff allocate their time mostly to Operational Management (21.81 FTEs) and General Admin (14.56 FTEs)
- ~$1M of this labor cost differential accounted for by support staff inside the SAS Division not completing SAS work
- Of the ~$10M spent on staff performing Student Services functions; $150K is from restricted sources,
- The majority of labor cost within the SAS function is accounted for by professional staff

SAS – Fragmentation by Process (Labor Cost)

In the areas of highest fragmentation, labor costs are higher for employees who perform the work outside of the SAS organization

Student Administrative Services Processes – Fragmentation (Labor Cost)



Key Observations

- There are six highly-fragmented processes within the SAS function where the majority of labor costs are outside of the SAS Division:
- Advise Students – NMSU ($992.7K) vs. Student Affairs Division ($377.6K)
- Coordinate Student Employment – NMSU ($214.4K) vs. Student Affairs Division ($73.9K)
- Enroll Students – NMSU ($194.6K) vs. Student Affairs Division ($35.7K)
- Oversee Student Conduct – NMSU ($90.9K) vs. Student Affairs Division ($72.7K)
- Manage Classroom Scheduling & Utilization – NMSU ($61.9K) vs. Student Affairs Division ($36.3K)
- Develop & Maintain Course Catalogs – NMSU ($40.4K) vs. Student Affairs Division ($18.2K)

SAS – Divisional average labor cost per process

For processes with high fragmentation, the cost of service is often higher per FTE for employees working outside of the SAS Division.

Student Administrative Services Processes – Average Labor Cost by Division per FTE*

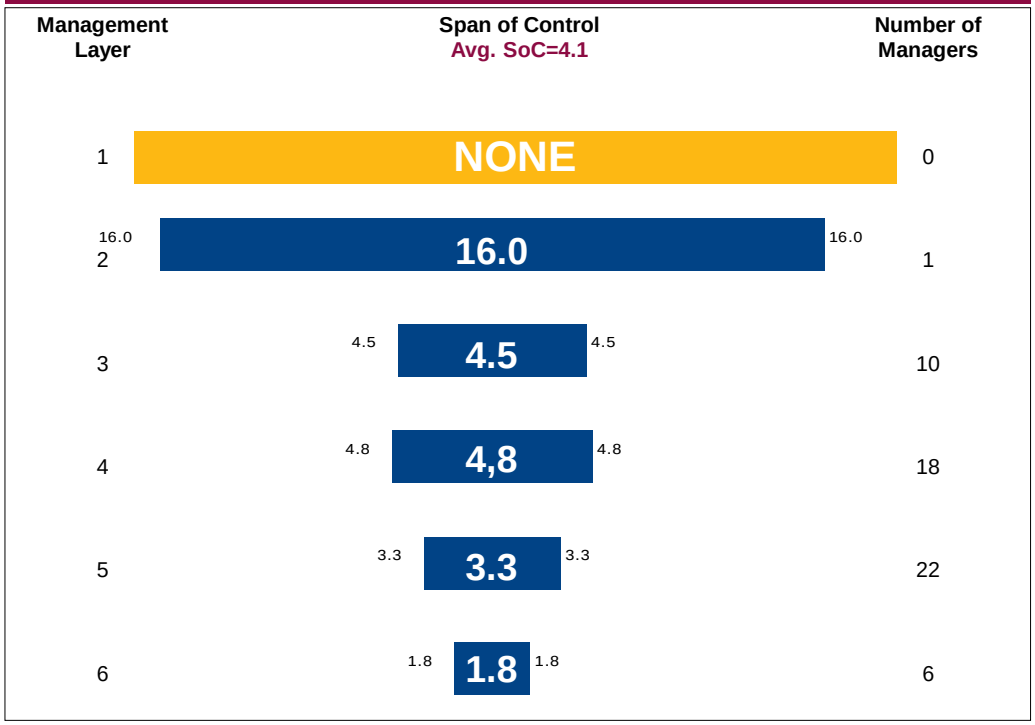
Key Observations

- In the processes with the highest fragmentation (Advise Students, Coordinate Student Employment, Enroll Students, Coordinate Crisis Response and Behavioral Intervention, Oversee Student Conduct, Manage Classroom Scheduling Utilization, and Develop and Maintain Course Catalogs), the average labor cost/FTE is higher in most divisions than the Student Administrative Services division's labor cost/FTE.
- Where standard processes are being performed at differing labor rates across NMSU, there is a potential opportunity to deliver the same services at a lower-cost, although these opportunities are likely limited because of the smaller differential in average labor costs for SAS work across divisions

SAS - Span of Control and Management Layers

NMSU's Student Affairs and Enrollment Division has opportunities to improve SoC and possibly reduce its number of managers as indicated by an average staff to manager ratio of 4.1:1, which is below the range of the standard range of 8:1-12:1.

Span of Control by Layer



Key Observations

- Student Affairs and Enrollment Management SoC is an inverted pyramid instead of leading class pyramid which has increasing SoC at lower levels of the organization
- Student Affairs and Enrollment Management's vertical structure, with higher SoC at the top level could indicate inefficiencies related to roles and responsibilities and organizational communication
- 61% of the Student Affairs and Enrollment Management managers in the SAS Division manage 3 employees or less, compared to leading class spans of 1:8-1:12

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

SAS – Process

NMSU should centralize the majority of its Student Administrative Services processes, which will improve efficiency and maximize the university's resources.

As-Is SAS Operating Model by Process

Centralized	1. Manage/Execute Applications Processing and Admissions 2. Onboard Students 3. Plan/Maintain Academic Calendar 4. Plan/Execute Commencement 5. Promote Financial Aid 6. Support Financial Aid, Grants, Loans, Work-Study, Scholarships 7. Process Financial Aid, Grants, Loans, Work-Study, Scholarships 8. Provide Career Services 9. Manage Student Health and Wellness Programs 10. Manage Student Life Activities 11. Provide Academic Support 12. Support International Studies
Hybrid	1. Manage/Maintain Student Records 2. Conduct Student Recruitment
Decentralized	1. Advise Students 2. Enroll Students 3. Oversee Student Conduct 4. Manage Classroom Scheduling and Utilization 5. Coordinate Student Employment 6. Develop and Maintain Course Catalogs 7. Coordinate Crisis Response and Behavioral Intervention

Future-State SAS Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Departmental/Onsite Support** •Onboard Students •Advise Students •Enroll Students •Conduct Student Recruitment	**Business Partner**
Generic/University Wide	**Shared Services**	**Center of Excellence/Centralized** •All SAS processes, except those listed in Onsite Support, should be centralized, but utilize liaisons where needed.

Illustrative- for discussion purposes

SAS – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Impact Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
SAS01	Consolidate Student Employment	Centralize and merge student employment into one office to improve consistency.	Organization	Short	L
SAS02	Implement Classroom Scheduling Tool	NMSU has purchased classroom scheduling software. Identify the responsible organizational unit and key staff members that should be trained to use the software to inform scheduling and obtain efficiencies including better utilization of existing classroom space and avoidance of new building costs.	Technology	Medium	M

SAS – Key Opportunities

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in SAS:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact (H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
SAS03	Outsource Student Health Center	Leverage potential strength of local medical community to improve efficiency of organization and reduce costs.	Organization	Medium	L
SAS04	Combine Financial Aid, Registrar, and University Accounts Receivable	Consolidate offices that students rely on for billing and processing. This one-stop-shop will minimize confusion for students, parents, improve efficiency through collaboration, and potentially reduce costs.	Organization	Medium	M

Facility Services (FS)

FS – Overview

The Facilities Services Division's level of centralization is comparable to peers but it does not leverage shared services concepts and has limited capability to support self-service.

Overview

Overall responsibility to operate, maintain and support the University's grounds, building maintenance, and waste management programs.

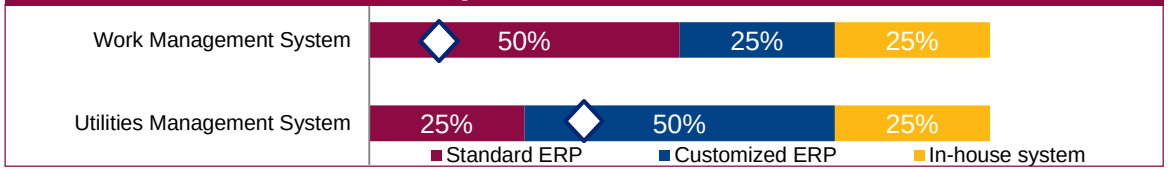
Facility Services Processes

1. Perform Facility Development and Renovation Administration
2. Perform Maintenance
3. Manage Grounds
4. Manage Environmental Services
5. Oversee Utilities
6. Confirm Regulatory Compliance
7. Oversee Management and Development of Real Estate

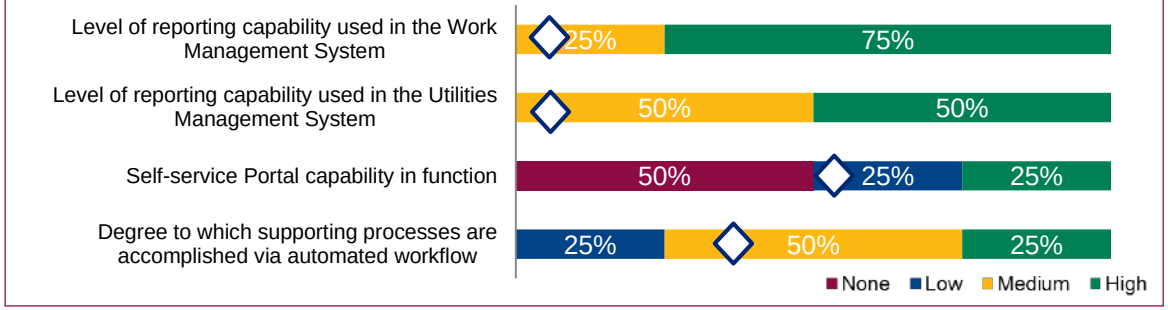
Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers



Technology Capabilities vs. Peers



NMSU, FY15

FS – Key Findings and Opportunity Summary

The Facility Services function is largely centralized; however, opportunities still exist to further enhance efficiency and provide potential cost savings.

Key Findings

- Staff performing Facility Services work are minimally distributed across NMSU. (412 people representing 327.95 FTE)
  - Only 20% of Facility Services work is being performed by FTEs outside of the Facility Services Organization, mainly in Auxiliaries.
  - There are 13 Divisions that have employees who perform Facility Services work, such as grounds keeping and maintenance
  - 8 of those locations utilize less than 1.5 FTE
- Professional Staff in FS allocate significant time to processes outside of FS, such as Operational Management Activities (37.3 FTE).
  - The total salaries for professional staff within the Facility Services Division ($6M) differs from Labor Cost Performing FS Work Across Campus (S2.5M)
- NMSU's FS function has an inefficient Span of Control (SoC)
  - The average SoC for Facility Services is 7.8 to 1 compared to leading class spans of 8 or 12 to 1**.** 46% of the managers in the FS Function manage 3 people or fewer
  - There is a higher Span of Control at the top levels of the FS Organization which leaves senior leaders managing too many employees
  - There is a lower Span of Control at the bottom levels of the FS Organization which leaves too few employees to manage

Potential Opportunities based on Current Findings

- Redesign NMSU's Facility Services operating model to increase efficiency
  - Restructure Facility Services function so that all staff performing Facility Services work across campus report to the Facilities and Services Division.
    - Explore potential of merging Auxiliary Division with Facilities and Services Division as many Auxiliary staff members (50.69FTEs) are completing Facility Services Work.
  - Realign FS organization so that staff are spending the majority of their time working on processes related to facilities and not other functions
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency

.

Potential Opportunities based on Experience with other Organizations

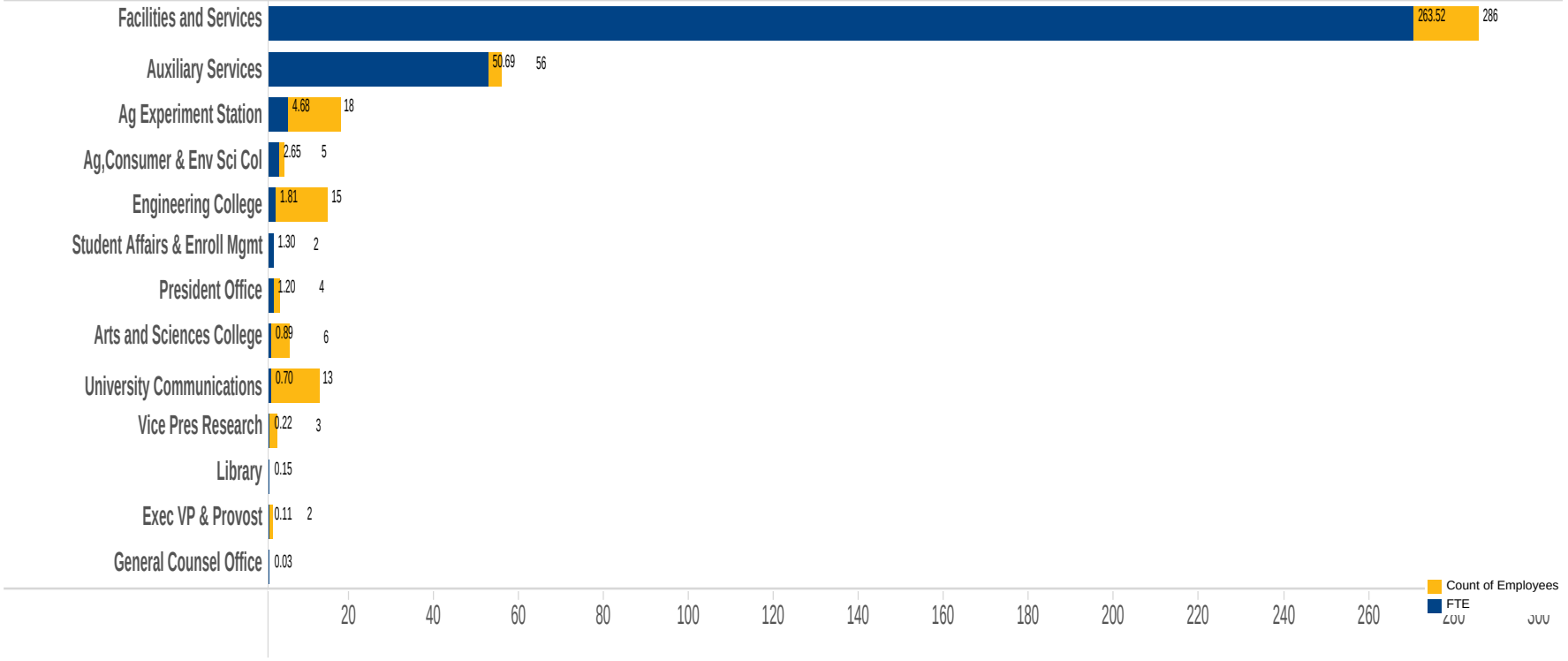
- Increase efforts to manage energy consumption by investing in energy management initiatives with short, under four-year payback periods. Implement additional energy saving functionality such as motion-sensor lights, building controls, and building automation.
- Reduce utilities and overall operating costs by closing and/or limiting the use of buildings during breaks, school closures and evenings.
- Explore the opportunity to use third-party vendors to perform maintenance, cleaning, and grounds keeping where cost efficient and where service quality can be maintained to NMSU standards

$1.5M - $3M+ in potential annual savings identified

FS – Number of Employees and FTEs by Location

There are a total of 412 people, mainly centralized and minimally distributed across campus, who report performing Facility Services related activities.

Location Analysis*



Key Observations

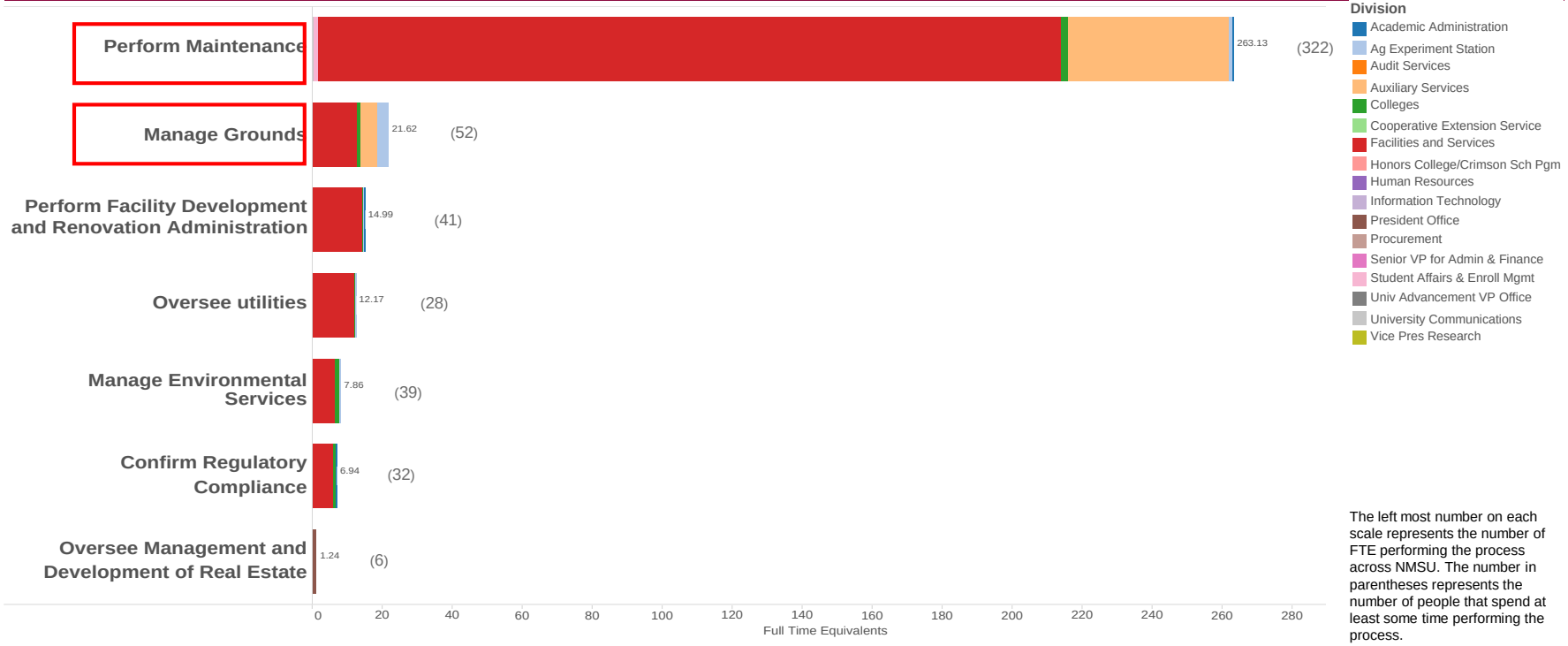
- The 412 people who reported completing Facility Services processes represent 327.95 FTEs. This function is largely centralized as 263.52 of 327.95 FTEs (80%) are located in the Facility Services Department.
- The second highest concentration of FTEs (15%) are reported within Auxiliary Services. Within Auxiliary Services, 38.05 of 50.69 FTEs (75%) are located in Residential Life and Housing.
- 8 of the 13 locations that have staff completing Facility Services processes only utilize less than 1.5 FTEs

*NOTE: Only those locations that support any of the processes within this function are shown.

FS – Level of Fragmentation by Process

The Facility Services function is mostly centralized and there is little fragmentation across the university.

Facility Services Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

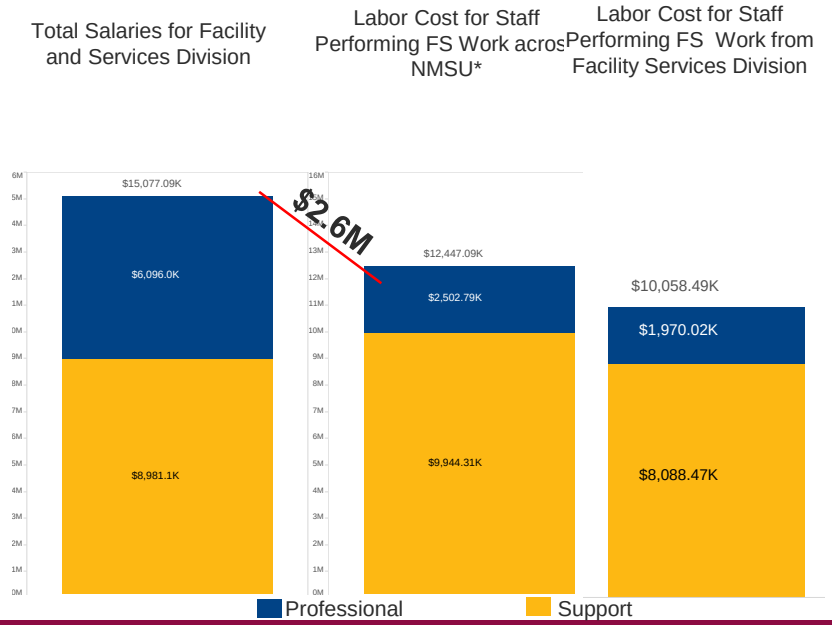
Key Observations

- Fragmentation is minimal within Facility Services; “Perform Maintenance” and “Manage Grounds” account for the largest distribution and fragmentation of staff performing Facility Services
- Auxiliary Services represents 50.64 FTEs of the 284.75 total FTEs (18%) completing “Perform Maintenance” and “Manage Grounds”, mainly for Residential Life and Housing
- Auxiliary Services has employees that complete grounds keeping, painting, building maintenance and automobile maintenance.
- “Oversee Management and Development of Real Estate” is a Facility Services process; however, there are no Facility Services Division employees represented within the process. 0.7 FTE of the 1.24 FTE is accounted for by the President’s Office, specifically the General Counsel’s office.

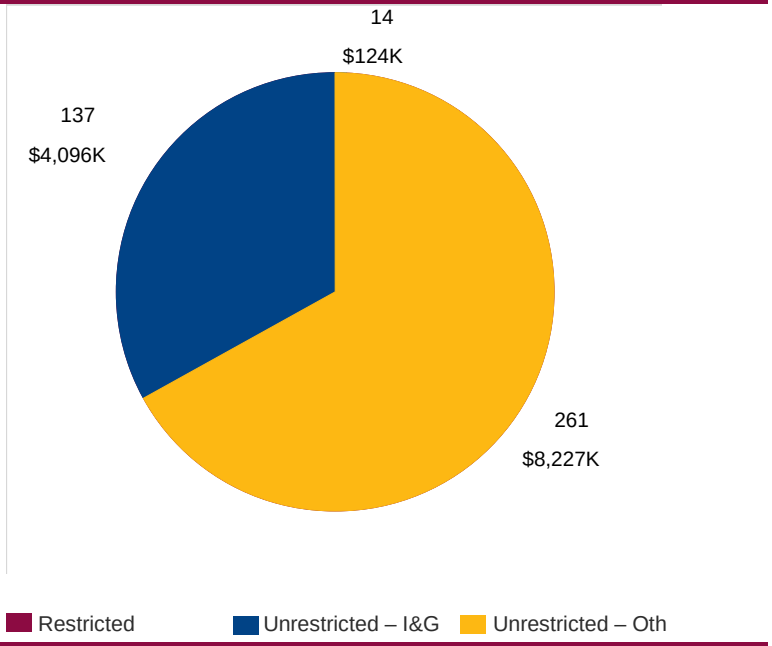
FS – Labor Cost

NMSU spends ~$15M on total salaries for the Facility and Services Division. However, based on the activity analysis of the actual portion of time that staff spend on FS activities across NMSU, the actual labor cost for staff performing FS work is ~$12.4M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



Key Observations

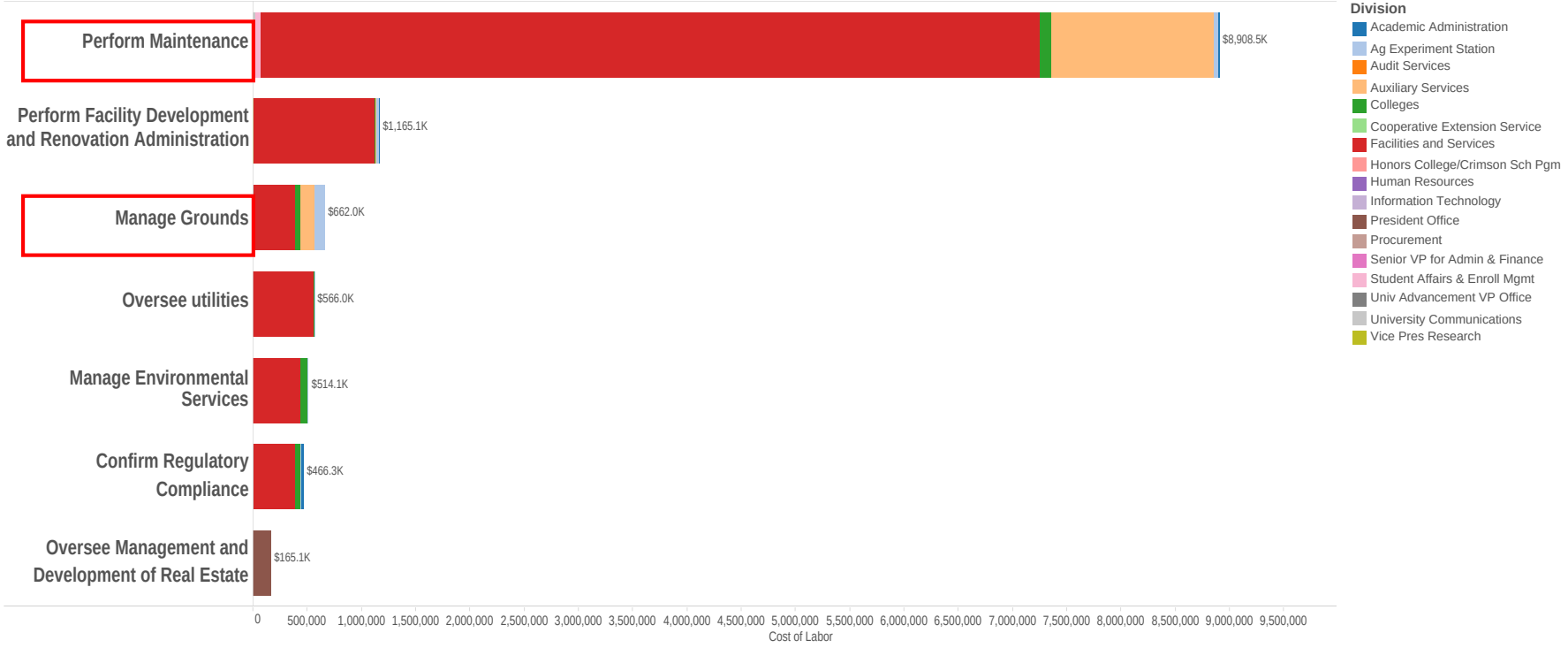
- ~$15M is spent on total salaries for the Facilities and Services Division; however, the actual labor cost for staff performing Facility Services work across campus is ~$12.4M.
- ~$3.6M of this labor cost differential is accounted for by professional staff. Professional staff within the Facility Services Division spend significant time on non Facility Services processes. Outside of FS process work, Facility Services professional staff allocate their time mostly to Operational Management (37.3 FTE)
- ~$1M of the labor costs differential is due to the increase in labor costs for support staff outside the FS Division.
- Of the $12.4M spent on staff performing Facility Services Function, approximately $125K is from restricted sources.

* This calculation includes the Salary of staff multiplied by the FTE allocation of time spent on Facility Services.

FS – Fragmentation by Process (Labor Cost)

The one process that has the most significant FTE count outside the Facility Services Division, Perform Maintenance, is also the most costly.

Facility Services Processes – Fragmentation (Labor Cost)



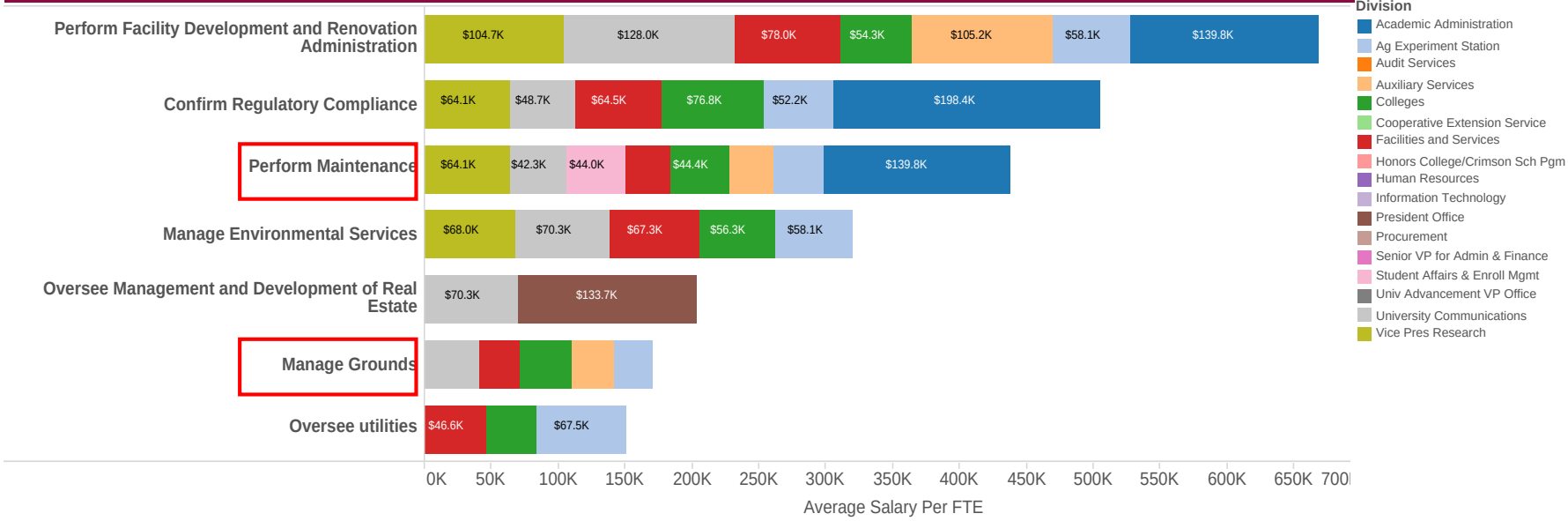
Key Observations

- Corresponding with the fragmentation by FTEs, “Perform Maintenance” is the highest cost of the Facility Services processes. The labor cost for this process represents 69% of all Facility Services labor costs.
- While “Perform Facility Development and Renovation Administration” accounts for the third most FTEs in a Facility Services Process, it has the second highest labor cost. This process captures the work of project managers and engineers. These staff (project managers and engineers) earn more than other facility workers.

FS – Divisional average labor cost per process

Although fragmentation across FS is very limited, for processes with the highest fragmentation, the cost of service is often higher per FTE for employees working outside of the Facility Services Division.

Facility Services Processes – Average Labor Cost by Division per FTE*

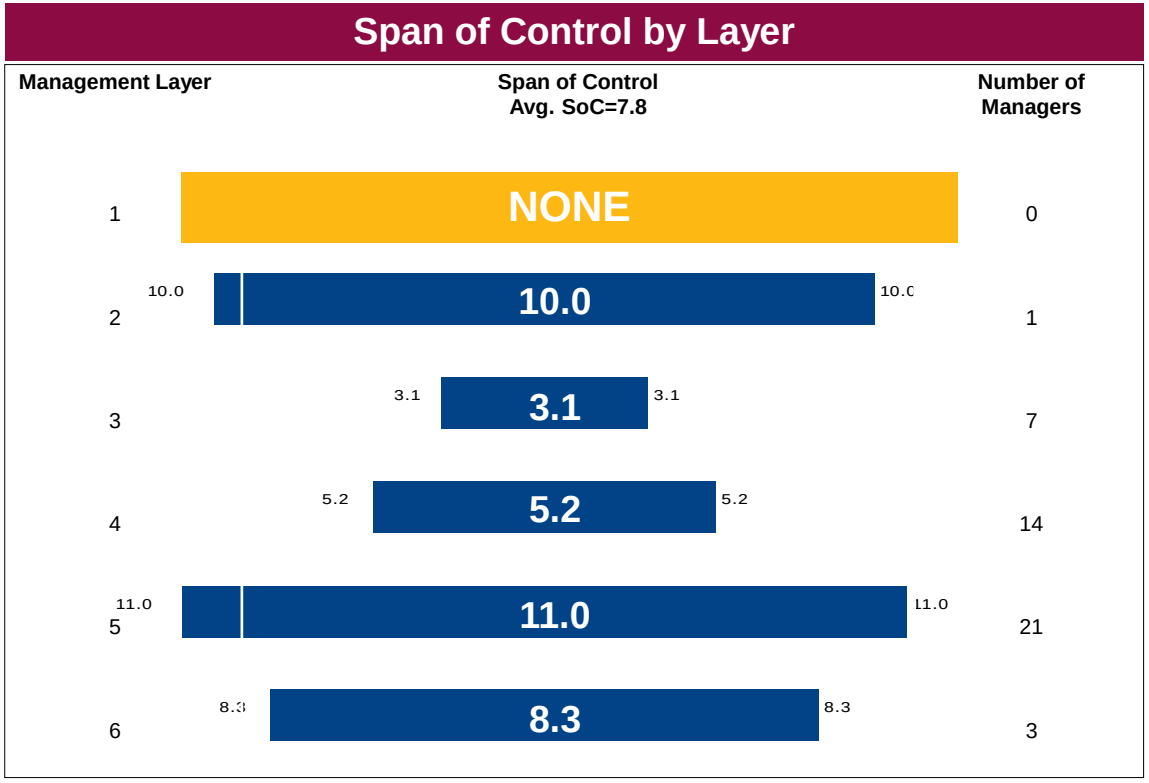


Key Observations

- In the processes with the highest fragmentation (Perform Maintenance and Manage Grounds), the average labor cost/FTE is higher in most divisions than the Facility Services Division's labor cost/FTE.
- Where standard processes are being performed at differing labor rates across NMSU, there is a potential opportunity to deliver the same services at a lower-cost

FS - Span of Control and Management Layer

NMSU's Facility Service Division has opportunities to improve Span of Control (SoC) as indicated by it's top level of management having 10 direct reports.



Key Observations

- Excluding the top layer of Facility Services management, the SoC is a pyramid that has increasing span of Control at lower levels of the organization.
- 46% of the Facility Service managers in the Facility Services function manage 4 people or less.

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

FS – Process

Alternative operating models for the processes within the FS function could promote consistency and increase efficiency.

As-Is FS Operating Model by Process

Centralized	1. Perform Facility Development and Renovation Administration 2. Manage Environmental Services 3. Oversee utilities 4. Confirm Regulatory Compliance
Hybrid	1. Perform Maintenance 2. Manage Grounds
Decentralized	1. Oversee Management and Development of Real Estate

Future-State FS Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support**	**Business Partner**
Generic/University Wide	**Shared Services**	**Center of Excellence/Centralized** •Perform Maintenance •Manage Grounds •Manage Environmental Services •Perform Facility Development and Renovation Administration •Oversee Utilities •Confirm Regulatory Compliance •Oversee Management and Development of Real Estate

Illustrative- for discussion purposes

FS – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Impact Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos; Long > 12 mos	Potential Impact (H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K)
FS01	Centralize Facilities Staff Across Campus	Centralize the reporting lines of all staff performing FS work into FS Division to increase efficiency and consistency.	People	Short	Low

FS – Key Opportunities, cont'd

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in FS.

#	Opportunity Name	Opportunity	Category	Impact Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos; Long > 12 mos	Potential Impact (H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K)
FS02	Reduce utilities and operational costs by limiting use of buildings during evenings and summer	Reduce utilities and operations costs by closing or limiting use of buildings at NMSU during summer breaks and evenings. The temporary closure can enable NMSU to save on cost of utilities, custodial and maintenance services, as well as provide opportunities for renovation or repairs, as required.	Process	Short	H
FS03	Reduce energy consumption by investing in energy management initiatives	Further increase efforts to manage consumption by investing in energy management initiatives with short, under four-year payback periods. Continue to develop and evaluate business cases for energy savings that have payback periods, such as: energy efficient light bulbs, motion sensor switches, building controls and building automation. To fund these initiatives, consider as one of the sources a rebate system that reinvests a percentage of savings each year from energy initiatives back into the energy management fund. Consider creating a Strategic Plan to give the energy management organizations direction.	Financial	Short	M
FS04	Consolidate or Outsource Labor Contracts	Analyze outsourcing and consolidation potential for Facility Services workers (i.e. Cleaning staff, groundskeepers, maintenance workers, etc.).	Organization	Long	Low

Advancement (ADV)

ADV – Overview

The Advancement Division's level of centralization is low compared to peers and it does not leverage Shared Services concepts. The function has Medium-to-High capabilities across Technology.

Overview

The Advancement Function is primarily to oversee fundraising and donor engagement.

Advancement Processes*

1. Manage Gift Accounting and Receiving
2. Conduct Prospect Research and Management Activities
3. Execute Donations and Stewardship Reporting
4. Execute Comprehensive and Capital Campaign Fundraising
5. Manage Corporate & Foundation Fundraising
6. Oversee Annual Giving
7. Manage Planned Giving
8. Manage Faculty, Staff, Student, Alumni Relations, donors and friends.
9. Manage Donor Relations/Stewardship
10. Manage Relations with External Organizations and/or Individuals
11. Coordinate Event Planning
12. Facilitate Marketing
13. Coordinate Communications
14. Manage Donor and Alumni Records
15. Manage University Scholarships Inventory
16. Manage University and Foundation Endowments
17. Manage Volunteerism

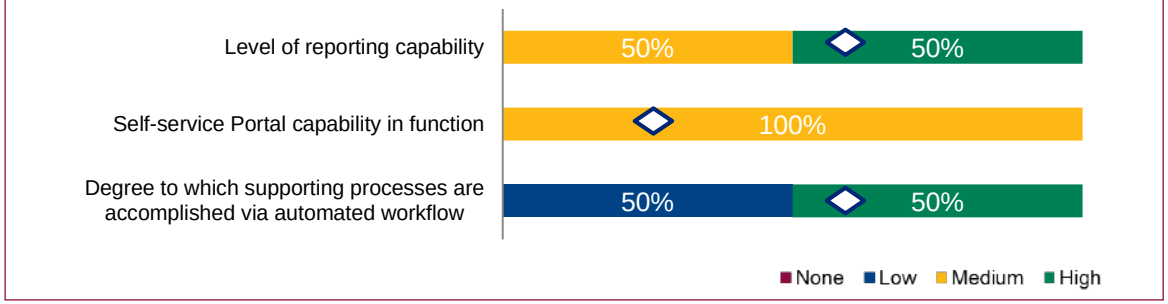
Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers

N/A

Technology Capabilities vs. Peers



ADV – Key Findings and Opportunity Summary

While the majority of Advancement work is centralized in the Advancement Division, improving the Span of Control within the division may help increase efficiency across the function.

Key Findings

- Staff performing Advancement work are distributed broadly across NMSU. (187 people representing 61.45 FTE)
  - 43% of Advancement work is being performed by FTEs outside of the Advancement Organization.
  - The most broadly distributed Advancement processes include: Coordinate Event Planning and Manage Relations with External Organizations and/or Individuals, Coordinate Communications, Manage Corporate & Foundation Fundraising, and Facilitate Marketing.
- NMSU's Advancement function has a slightly inefficient Span of Control
  - The average SoC for Advancement is 3.2:1 compared to the leading class range of 8:1 to 12:1
  - 41% of the managers in the Advancement Function manage 3 people or fewer
  - There is a higher Span of Control at the top levels of the Advancement Organization which leaves senior leaders managing too many employees. The top level of management manages 8 employees.

Potential Opportunities based on Current Findings

- Redesign NMSU's Advancement operating model to increase efficiency and effectiveness by better alignment of transactional and strategic work:
  - Centralize most Advancement processes that are not already centralized
  - Strengthen Departmental Onsite Support
  - Implement CoEs
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency

Potential Opportunities based on Experience with other Organizations

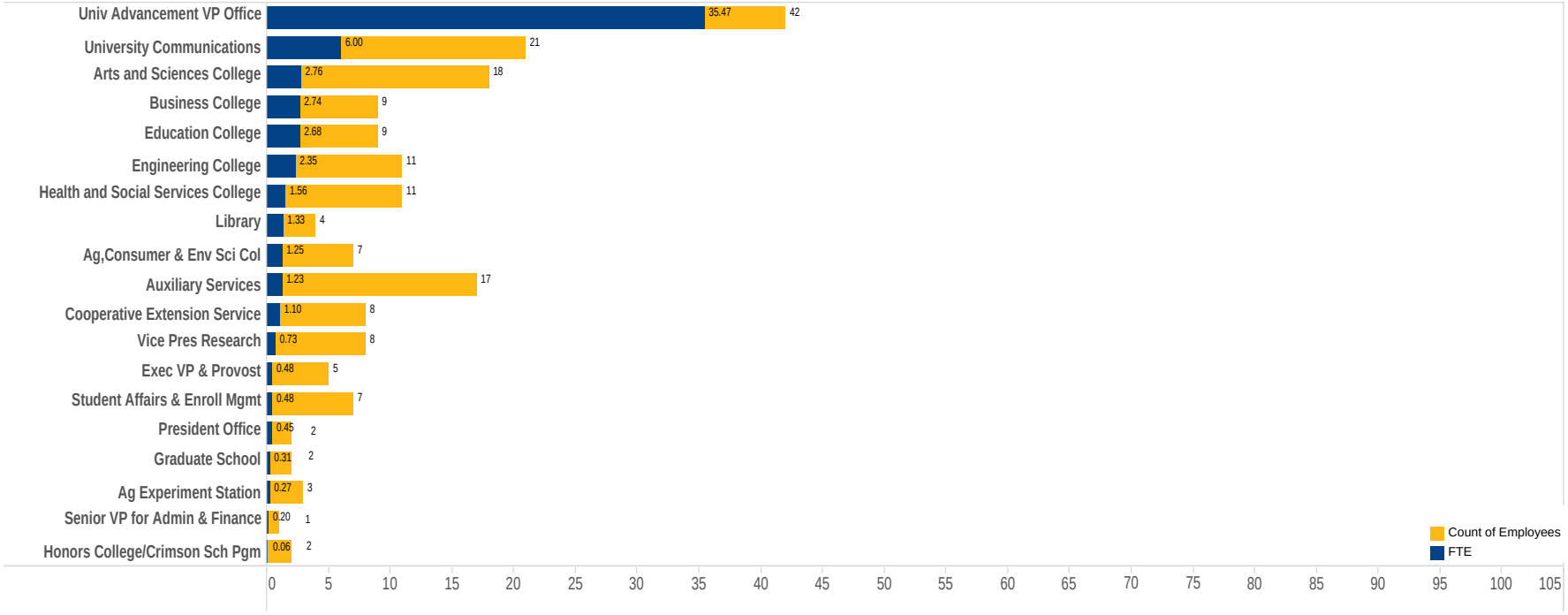
- Increase fundraising capacity by evaluating distribution of all front-line fundraisers (annual giving vs. major gift and unit-based vs. centrally-based).
- Explore ways to help focus fundraisers on fundraising rather than administrative processes.

$1M - $1.5M in potential annual savings identified

ADV – Number of Employees and FTEs by Location

There are a total of 187 people, broadly distributed across campus, who report performing Advancement related activities.

Location Analysis*



Key Observations

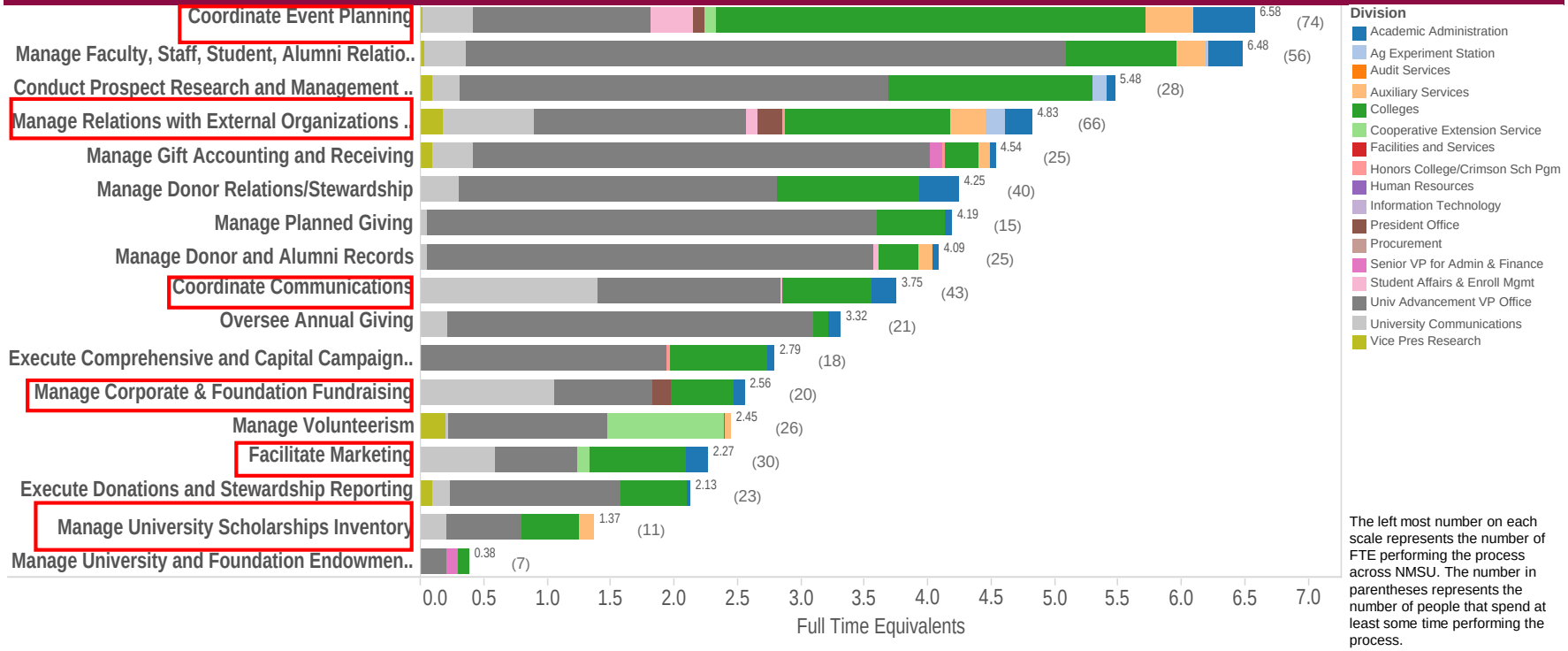
- The 187 people who report reported completing Advancement related activities account for 61.45 FTE
- 57% of the Advancement FTEs are centralized in the Advancement office
- 13 out of 19 of the locations/divisions that reported Advancement work utilize less than two FTEs for their advancement work, which generally indicates that there are a high number of people performing advancement work on a part time basis.

*NOTE: Only those locations that support any of the processes within this function are shown.

ADV – Level of Fragmentation by Process

Most Advancement processes are centralized in the Advancement division; however, there are processes that are highly fragmented across NMSU divisions.

Advancement Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

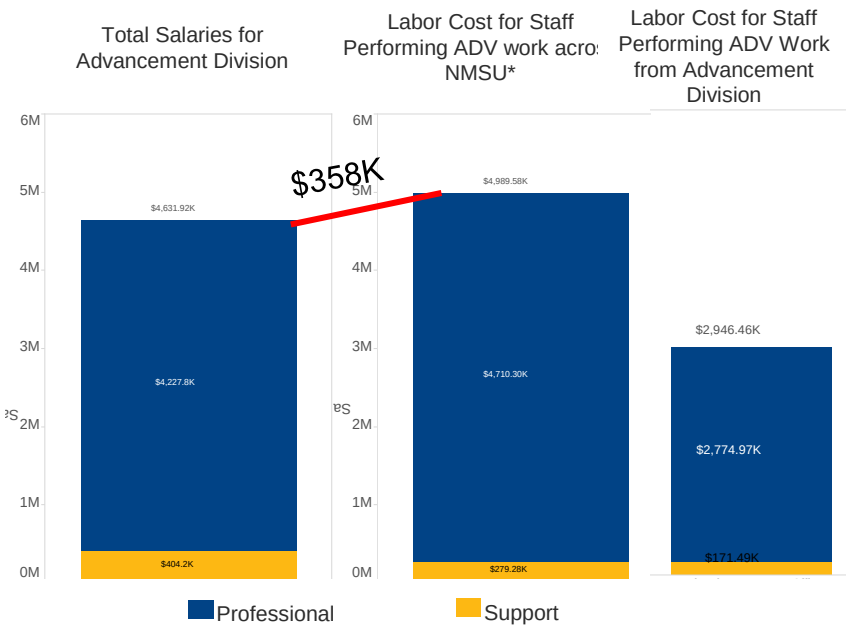
Key Observations

- There are five fragmented processes in the Advancement function: Coordinate Event Planning and Manage Relations with External Organizations and/or Individuals, Coordinate Communications, Manage Corporate & Foundation Fundraising, Facilitate Marketing, and Manage University Scholarships Inventory. This fragmentation may reduce NMSU's efficiency in its workforce and also hinder a cohesive, consistent approach to external engagement and how NMSU presents itself.
- Coordinating Event Planning not only represents the largest number of FTE (6.58 FTE) within the Advancement Function, but it is also the most fragmented with 74 staff performing this work across several NMSU divisions

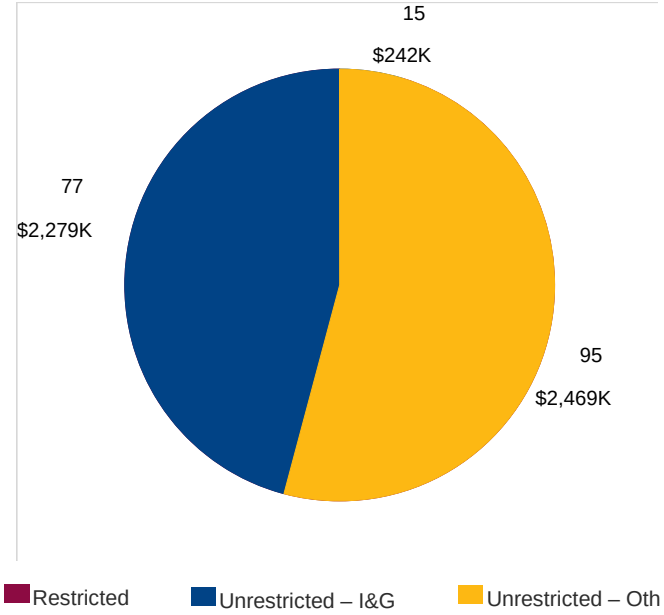
ADV – Labor Cost

NMSU spends ~$4.6M on total salaries for the Advancement Division. However, based on the activity analysis of the actual portion of time that staff spend on ADV activities across NMSU, the actual labor cost for staff performing ADV work is ~$4.9M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



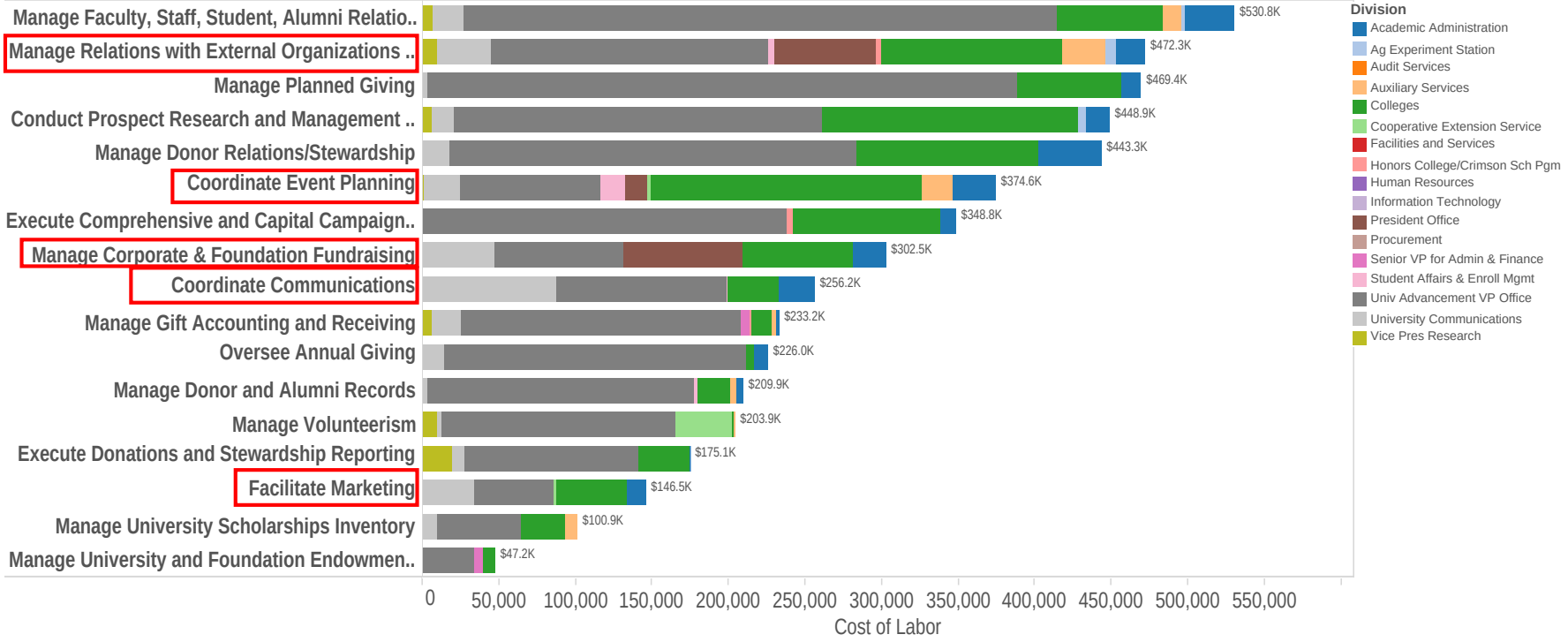
Key Observations

- NMSU spends ~$4.6M on total salaries for the Advancement Division. However, based on the activity analysis of the actual portion of time that staff spend on ADV activities across NMSU, the actual labor cost for staff performing ADV work is ~$4.9M.
- ~$482K of this labor cost differential is accounted for by work performed by professional staff outside of ADV.
- ~$125K in labor costs differential is accounted for the Support Staff in the ADV spending time on non ADV activities.
- Of the $4.9M spent on performing Advancement functions, approximately $240K is from restricted sources

ADV – Fragmentation by Process (Labor Cost)

In the areas of highest fragmentation, labor costs are higher for employees who perform the work outside of the Advancement organization.

Advancement Processes – Fragmentation (Labor Cost)



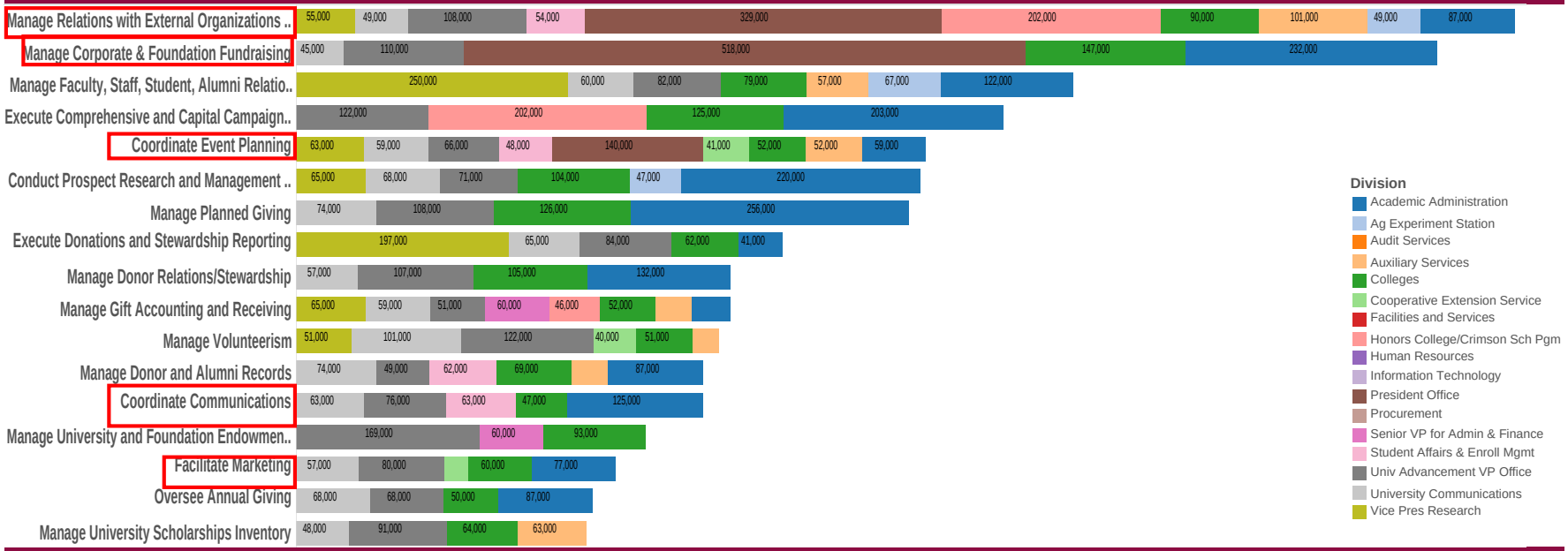
Key Observations

- In the areas of highest fragmentation, labor costs are higher for employees who perform the work outside of the Advancement organization
  - Manage Relations with External Organizations – NMSU ($291.7K) vs. ADV Division ($180.6K)
  - Coordinate Event Planning– NMSU ($282.8K) vs. ADV Division ($91.8K)
  - Manage Corporate & Foundation Fundraising – NMSU ($217.8K) vs. ADV Division ($84.7K)
  - Coordinate Communications– NMSU ($145.6K) vs. ADV Division ($110.6K)
  - Facilitate Marketing – NMSU ($94.2) vs. ADV Division ($52.1K)

ADV – Divisional average labor cost per process

The cost of service in certain Advancement processes is higher outside of the Advancement Division.

Advancement Processes – Average Labor Cost by Division per FTE*



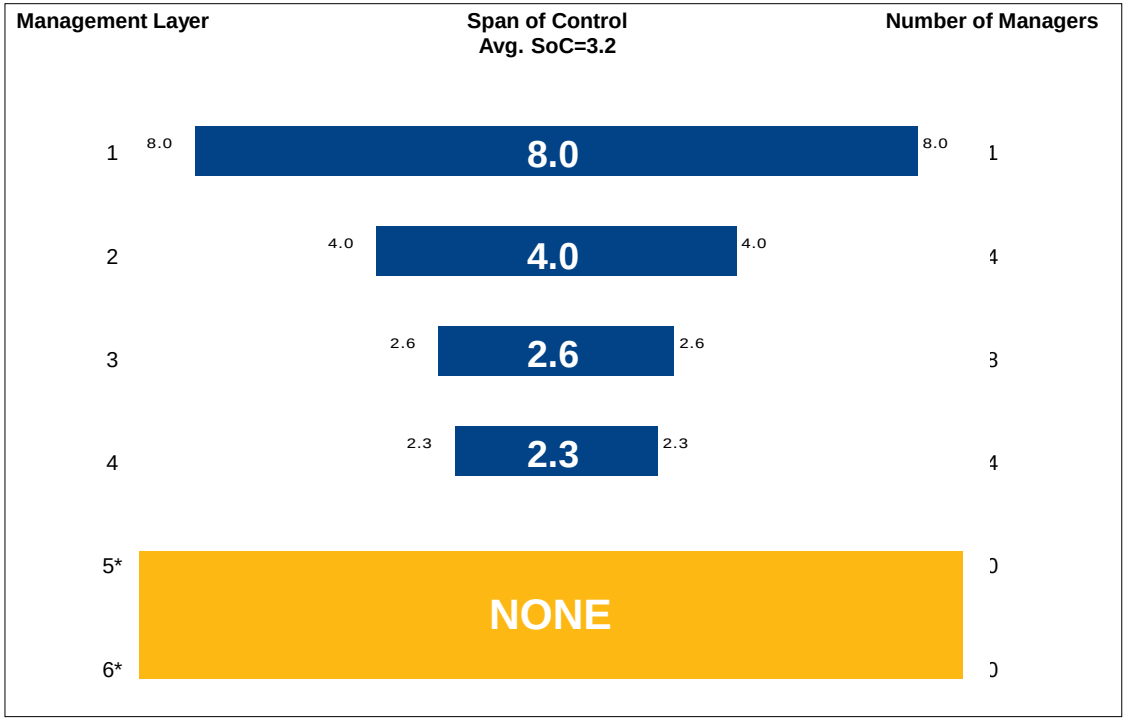
Key Observations

- Academic Administration, the President's Office and the Vice President for Research are the divisions with the highest average labor costs per process outside of Advancement.
- For the two processes related to communications—Coordinate Communications and Facilitate Marketing—University Communications performs these functions at a lower cost.

ADV - Span of Control and Management Layers

NMSU's Advancement Division has opportunities to improve SoC as indicated by an average staff to manager ratio of 3.2:1, which is below the leading class benchmark range of 8:1 to 12:1.

Span of Control by Layer



Key Observations

- NMSU's Advancement Division has opportunities to improve SoC as indicated by an average staff to manager ratio of 3.2:1, which is below the leading class benchmark range of 8:1 to 12:1. 41% of the managers in the Advancement Function manage 3 people or less.
- Advancement's SoC is an inverted pyramid instead of leading class pyramid which has increasing SoC at lower levels of the organization
- Advancement vertical structure, with higher SoC at the top level could indicate inefficiencies related to roles and responsibilities

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

ADV – Process

NMSU should centralize many of its Advancement processes to improve efficiency.

As-Is ADV Operating Model by Process

Centralized	1. Manage Gift Accounting and Receiving 2. Conduct Prospect Research and Management Activities 3. Execute Donations and Stewardship Reporting 4. Execute Comprehensive and Capital Campaign Fundraising 5. Oversee Annual Giving 6. Manage Planned Giving 7. Manage Faculty, Staff, Student, Alumni Relations, donors and friends. 8. Manage Donor Relations/Stewardship 9. Manage Donor and Alumni Records 10. Manage University Scholarships Inventory 11. Manage University and Foundation Endowments 12. Manage Volunteerism
Hybrid	1. Facilitate Marketing 2. Coordinate Communications 3. Manage Corporate & Foundation Fundraising
Decentralized	1. Coordinate Event Planning 2. Manage Relations with External Organizations and/or Individuals

Future-State ADV Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support** •Manage Gift Accounting and Receiving •Execute Donations and Stewardship Reporting •Manage Donor and Alumni Records •Manage University Scholarships Inventory	**Business Partner** •Manage Donor Relations/Stewardship
Generic/University Wide	**Shared Services**	**Center of Excellence/ Centralized** •Conduct Prospect Research and Management Activities •Oversee Annual Giving •Manage Planned Giving •Coordinate Event Planning •Facilitate Marketing •Coordinate Communications Manage Relations with External Organizations and/or Individuals •Execute Comprehensive and Capital Campaign Fundraising •Manage Corporate & Foundation Fundraising •Manage Faculty, Staff, Student, Alumni Relations, donors and friends. •Manage Volunteerism •Manage University and Foundation Endowments

Illustrative- for discussion purposes

ADV – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Implementation Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
OM01	Centralize most Advancement Processes	NMSU should centralize most Advancement processes. This will streamline the overall function and improve efficiency.	Organization	Medium	L

ADV – Key Opportunities

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in Advancement.

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
ADV02	Increase Fundraising Capacity	Evaluate distribution of all front-line fundraisers (annual giving vs. major gift and unit-based vs. centrally-based) and reassign according to affiliation and capacity of prospect base if needed. Explore ways to help focus fundraisers on fundraising rather than clerical or support staff processes.	Organization	Long	H

Communications / University Relations (CUR)

CUR – Overview

CUR's level of centralization is comparable to peers, but it does not leverage Shared Services concepts.

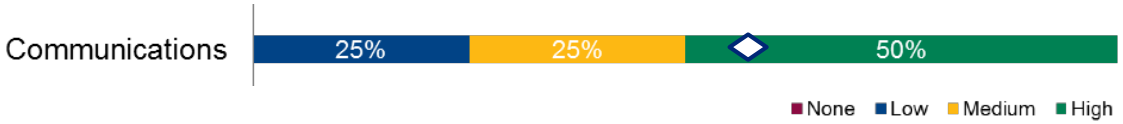
Overview

The CUR function is responsible for promoting the college and its faculty, students, programs, and policies to a variety of internal and external constituents.

CUR Processes*

1. Plan & Execute Communications
2. Plan & Execute Marketing
3. Plan & Execute Cooperative Extension Services (CES) and Agricultural Experiment Station (AES) Publications
4. Produce Broadcast Television Programs
5. Manage Public TV and Radio Stations
6. Develop News Stories and Conduct Media Relations
7. Handle Sports Information Duties
8. Provide Strategic Direction for the University Website

Degree of Centralization vs. Peers



Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers

N/A

Technology Capabilities vs. Peers

N/A

CUR – Key Findings and Opportunity Summary

The CUR function is largely centralized, but opportunities exist to further centralize its processes to improve efficiency.

Key Findings

- Staff performing Communications work are mostly centralized. However, some Communications staff are also located in divisions across NMSU.
  - 74% of Communications work is being performed by FTEs inside of the Communications Organization.
  - The most fragmented Communications process is Plan and Execute Communications.
- NMSU's Communications Division has an inefficient Span of Control
  - The Communications average SoC is 3.7:1, compared to leading class ranges of 8:1 to 12:1
  - 60% of the managers in the Communications Function manage 3 people or fewer
  - There is a higher Span of Control at the top levels of the Communications Organization which leaves senior leaders managing too many employees
  - There is a lower Span of Control at the bottom levels of the Communications Organization which leaves too few employees to manage

Potential Opportunities based on Current Findings

- Redesign NMSU's Communications operating model to increase efficiency and effectiveness by better aligning communications work.
- Centralize all Communications, particularly the Plan and Execute Communications process.
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency

Potential Opportunities based on Experience with other Organizations

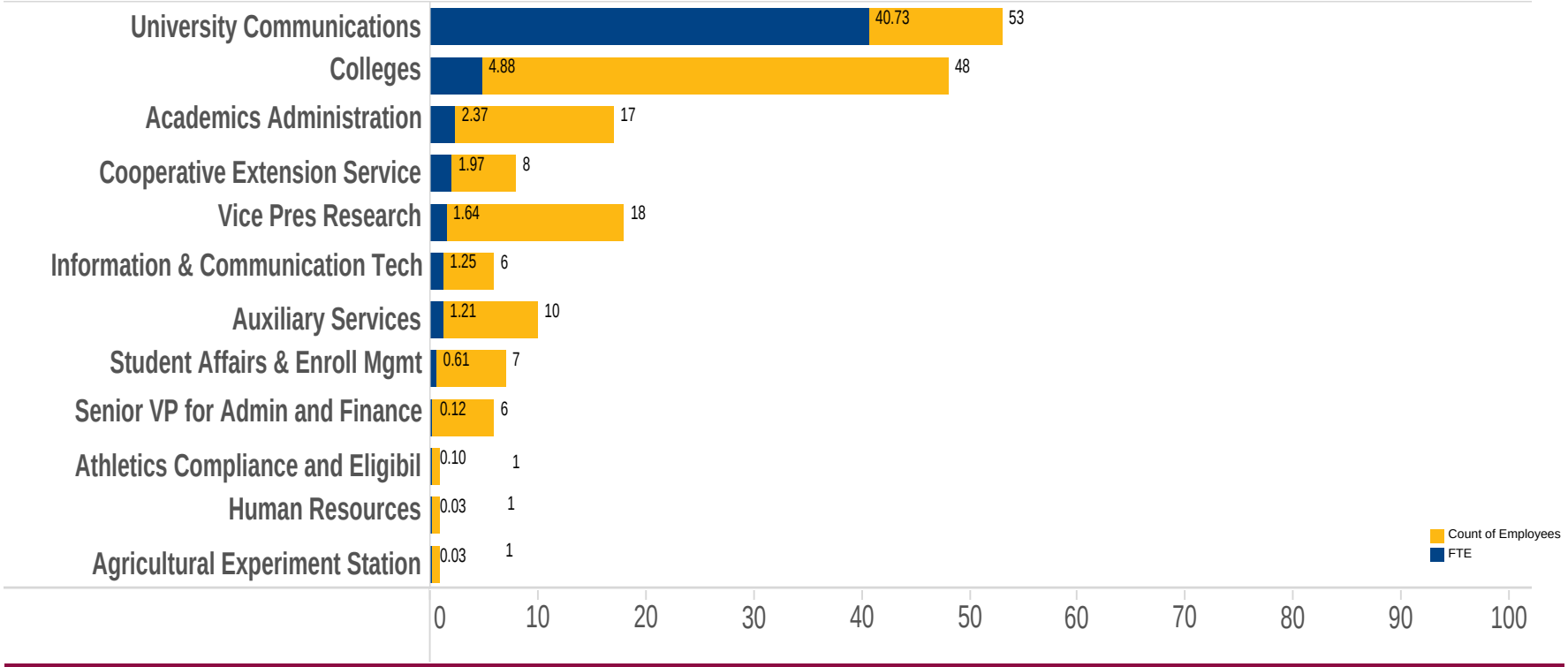
- Reduce printing and mailing costs by phasing out a portion of the physical printing and distribution of magazines, newspapers and other marketing/communication products. Continue effort to migrate magazines and publications onto online and mobile platforms, with limited print runs to support strategic communication objectives (e.g., advancement, alumni relations, student marketing, on-campus branding, etc.).

Up to $1M in potential annual savings identified

CUR – Number of Employees and FTEs by Location

There are a total of 176 people, mainly centralized and broadly distributed across campus, who report performing Communications and University Relations Services related activities.

Location Analysis*



Key Observations

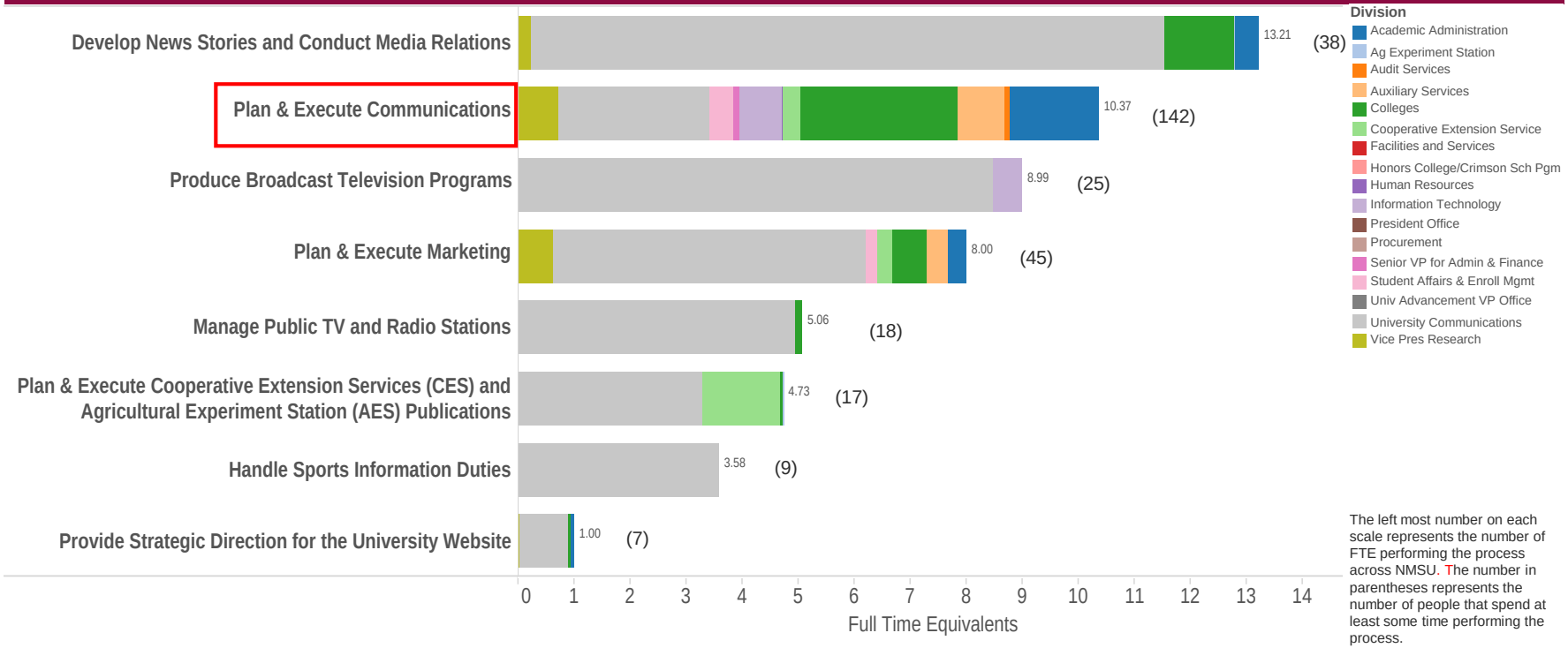
- The 176 people who reported completing CUR processes represent 54.94 FTEs
- ~ 74% of FTEs completing CUR work are located in the CUR division.
- There are several locations—the Colleges, Academics Administration, and Vice President for Research—where a high number of employees spend a small fraction of their time performing CUR work. For example, the Colleges have approximately the same number of people who perform some CUR work as University Communications; however, the colleges' FTE count only represent 11% of the University Communications Count.
- There is a risk that these employees spend time providing services that could be performed centrally rather than performing more specialized duties in support of their unit

*NOTE: Only those locations that support any of the processes within this function are shown.

CUR – Level of Fragmentation by Process

While the majority of CUR processes are mainly conducted centrally, one process is highly fragmented across the university.

Communications/University Relations Processes - Fragmentation



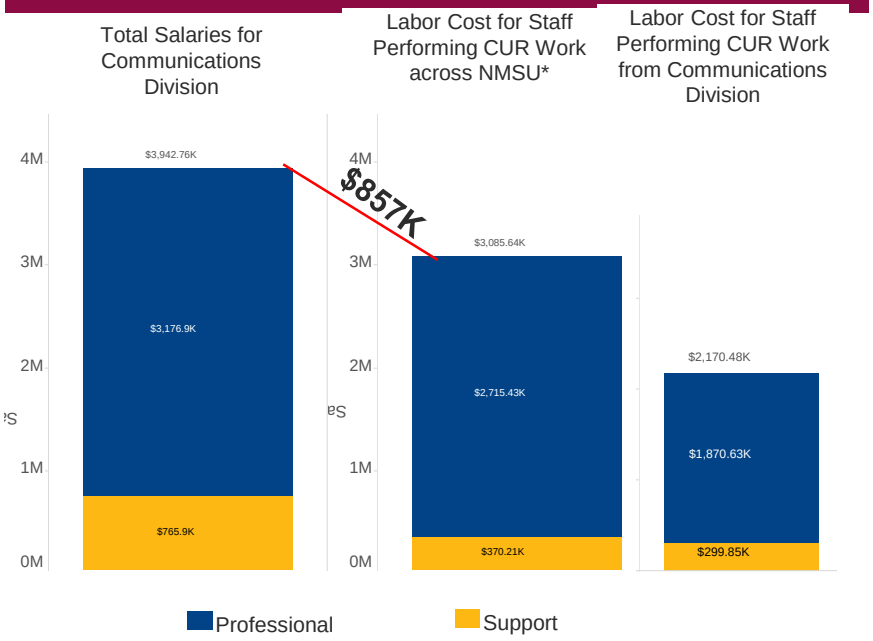
Key Observations

- Plan and Execute Communications is highly fragmented across the university.
- Only 26% (2.7) of the FTEs performing this process across the university are located centrally within University Communications.
- The Plan and Execute Communications process is spread over 11 Divisions with the Colleges having the most FTEs (2.82) completing this process.
- Though Plan and Execute Marketing is not fragmented there are still a large number of divisions (7 divisions) completing this work.

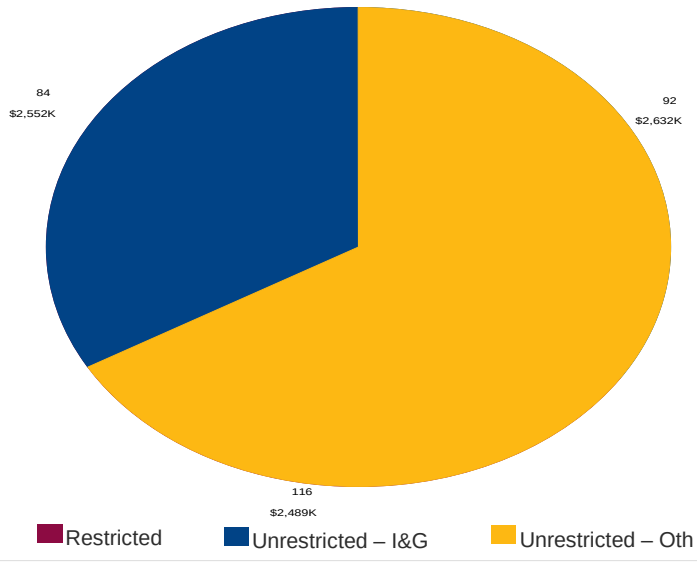
CUR – Labor Cost

NMSU spends ~$3.9M on total salaries for the University Communications Division. However, based on the activity analysis of the actual portion of time that staff spend on CUR activities across NMSU, the actual labor cost for staff performing CUR work is ~$3M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



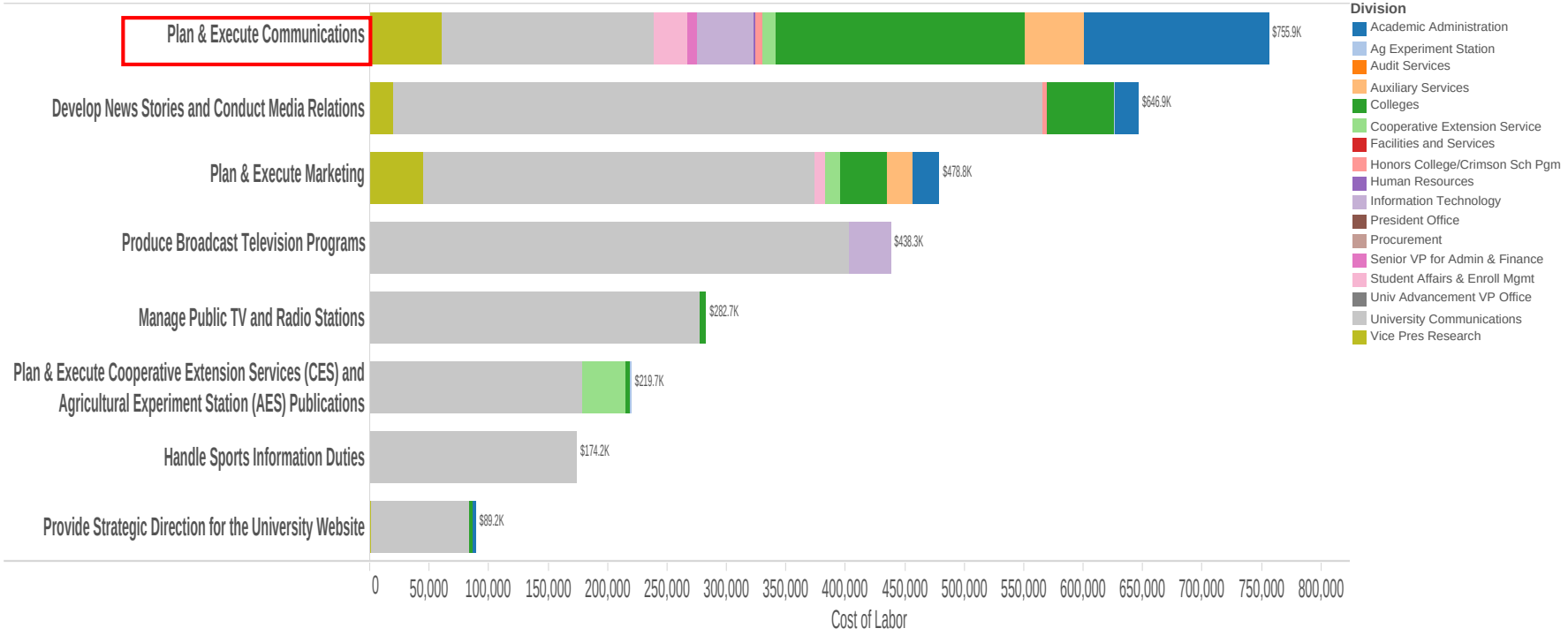
Key Observations

- ~$3.9M is spent on total salaries for the University Communications Division; however, the actual labor cost for staff performing Communications work across campus is ~$3M.
- ~$461K of this labor cost differential is accounted for by University Communication's professional staff spending their time on non Communications work. ~$395K of the labor costs differential is accounted for by support staff spending their time on non Communications work. Outside of Communications processes, the University Communications staff spend most of their time on General Admin Support (13.04 FTEs), University Advancement (6.00FTEs), and Information Technology (4.28 FTEs).
- Of the ~$3M spent on staff performing CUR work, approximately ~$2.6M is from restricted sources

CUR – Fragmentation by Process (Labor Cost)

The most fragmented Communications process, Plan and Execute Communications, is the most costly for NMSU.

Communications/University Relations – Fragmentation (Labor Cost)



Key Observations

- Plan and Execute Communications is the most costly of all Communications processes at NMSU. The $755.9K spent on this process represents 24% of the entire labor costs spent on Communications work.
- Most of the costs for Plan and Execute Communications are from outside of the University Communications Division. The University Communications Division spent $178.2K on this process versus. $577.7K spent by the rest of the University.
- The three processes with the most FTEs distributed across the university also represent the three most costly for the university. Cumulatively these three processes represent 61% of the entire labor costs spent on Communications work.

CUR – Divisional average labor cost per process

For Communications processes with the highest fragmentation and most staff distributed across NMSU, the cost of service is often higher per FTE for employees working outside of the University Communications Division.

Communications/University Relations – Average Labor Cost by Division per FTE

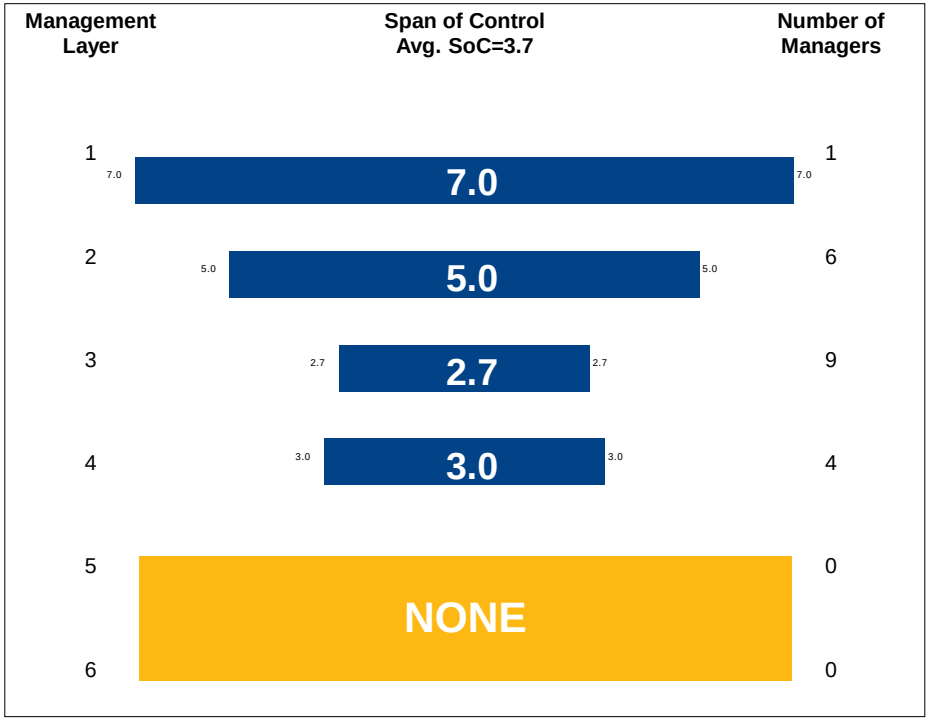
Key Observations

- In the processes with the highest fragmentation and staff across the University (Plan and Execute Communications, Plan and Executed Marketing, and Develop News Stories and Conduct Media Relations), the average labor cost/FTE is higher in most divisions than the University Communications Division's labor cost/FTE.
- Where standard processes are being performed at differing labor rates across NMSU, there is a potential opportunity to deliver the same services at a lower-cost.

CUR - Span of Control and Management Layer

NMSU's Communications Division has opportunities to improve Span of Control (SoC) as indicated by a low average staff to manager ratio of 3.7:1, compared to leading class SoC of 8:1 to 12:1.

Span of Control by Layer



Key Observations

- The Communications Division SoC is an inverted pyramid instead of leading class pyramid which has increasing SoC at lower levels of the organization
- University Communication's vertical structure, with higher SoC at the top level could indicate inefficiencies related to roles and responsibilities
- The Communications Division has a low SoC (staff to manager ratio) of 3.7:1, compared to the range of leading class SoC that is 8:1 to 12:1. Additionally, 60% of the managers in the Communications Division manage 3 employees or less.

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

CUR – Process

NMSU should centralize all of its Communication processes, which will improve efficiency and consistency and maximize the university's resources. Within this centralized structure, CUR personnel may be aligned to various schools to meet specialized communications needs.

As-Is CUR Operating Model by Process

Centralized	1. Plan & Execute Cooperative Extension Services (CES) and Agricultural Experiment Station (AES) Publications 2. Produce Broadcast Television Programs 3. Manage Public TV and Radio Stations 4. Handle Sports Information Duties 5. Provide Strategic Direction for the University Website
Hybrid	1. Plan & Execute Marketing 2. Develop News Stories and Conduct Media Relations
Decentralized	1. Plan & Execute Communications

Future-State CUR Operating Model by Process

CUR – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
CUR01	Consolidate and Streamline planning and execution of Communications	Many departments and divisions produce their own communications. All communications, particularly external communications, should be centralized to improve efficiency as well as consistency.	Organization	Short	L

CUR – Key Opportunities, cont'd

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in CUR:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
CUR02	Reduce physical printing of magazines and publications	Many universities spend significant financial resources on physical, paper printing and publications. Reduce printing and mailing costs by phasing out a portion of the physical printing and distribution of magazines, newspapers and other marketing/communication products. Continue effort to migrate magazines and publications onto online and mobile platforms, with limited print runs to support strategic communication objectives (e.g., advancement, alumni relations, student marketing, on-campus branding, etc.).	Process	Medium	L

Operational Management (OM)

OM – Overview

Operational Management is a functional description that NMSU developed to capture the total amount of management support occurring across the University. Due to this, peer comparisons do not apply in this area.

Overview

The Operational Management Function primary responsibility is to provide direction for and oversee departments and/or divisions.

OM Processes*

1. Direct Departments or Division
2. Manage Functions or Operations
3. Oversee Legal Operations
4. Perform Strategic Planning
5. Oversee Government Relations
6. Support Accreditation and/or Assessment Activities

Degree of Centralization vs. Peers

N/A

Degree of Shared Services vs. Peers

N/A

Primary ERP Tool vs. Peers

N/A

Technology Capabilities vs. Peers

N/A

OM – Key Findings and Opportunity Summary

As expected, processes within the Operational Management function are decentralized and occur across the entire university. However, changes to the University's operating model may provide opportunities to reduce the number of management layers.

Key Findings

- Staff performing OM work are distributed broadly across NMSU. (474 people represent 184.56 FTEs)
  - 21% of NMSU staff report completing some OM duties, The top 4 divisions with the largest number of FTEs performing OM activities account for 59% of all FTEs performing OM activities.
  - The most fragmented OM processes include: Manage Functions or Operations, Direct Departments or Division, Perform Strategic Planning, and Support Accreditation and/or Assessment
- NMSU spends significant resources on employees performing OM Activities
  - ~$21M is spent on labor costs for employees completing OM activities.

Potential Opportunities based on Current Findings

- Redesign NMSU's OM operating model to increase efficiency and effectiveness by better alignment of strategic work:
  - Reduce the total number of management layers across NMSU to four or fewer. This will also help to increase Spans of Control. This should be done particularly in key areas like Facilities and Services as they have the highest number of employees accounting OM FTES.
- Reduce NMSU management layers to 4 where possible.

Potential Opportunities based on Experience with other Organizations

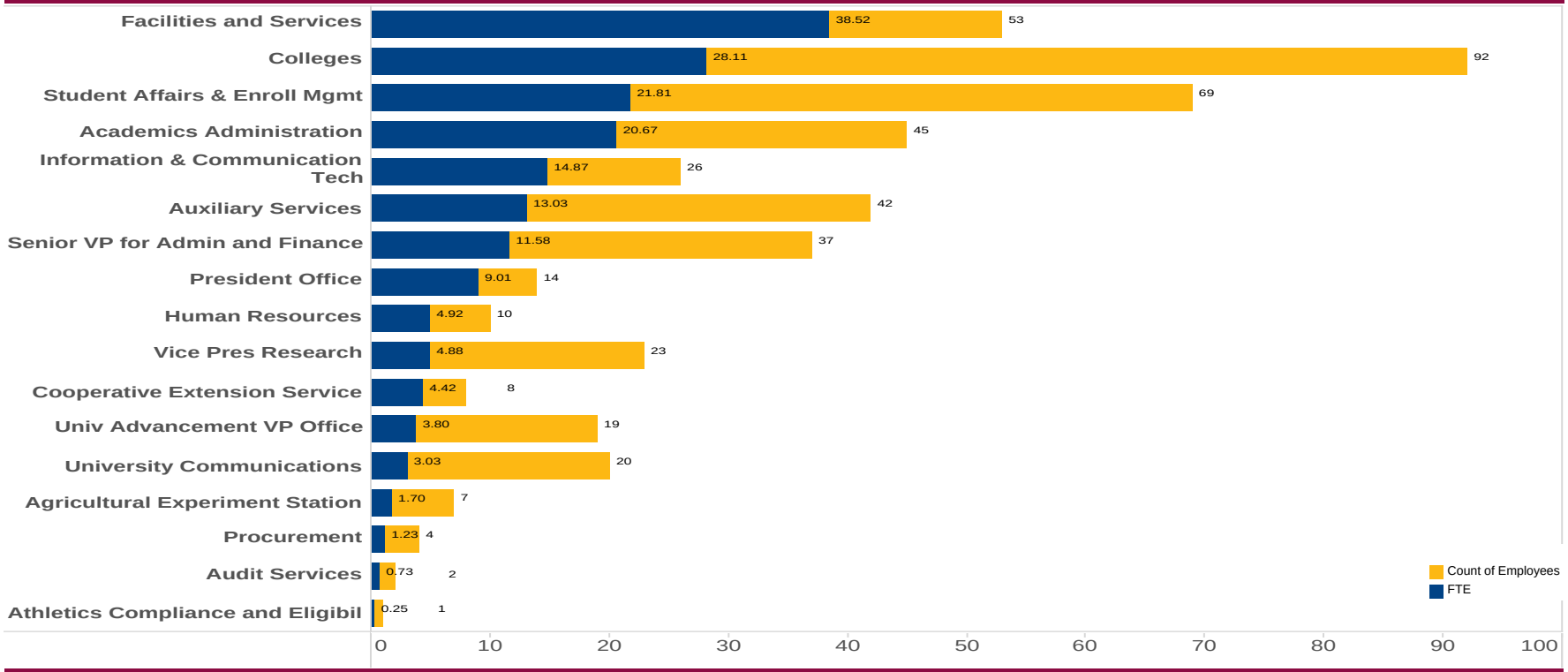
- Institute hiring freeze until institutional leadership can review, which management positions are key and must be filled. NMSU should also address whether key opening can be filled via other means.

$1.5 – $2M+ potential annual savings identified

OM – Number of Employees and FTEs by Location

There are a total of 474 people, widely distributed across campus, who report performing OM related activities.

Location Analysis*



Key Observations

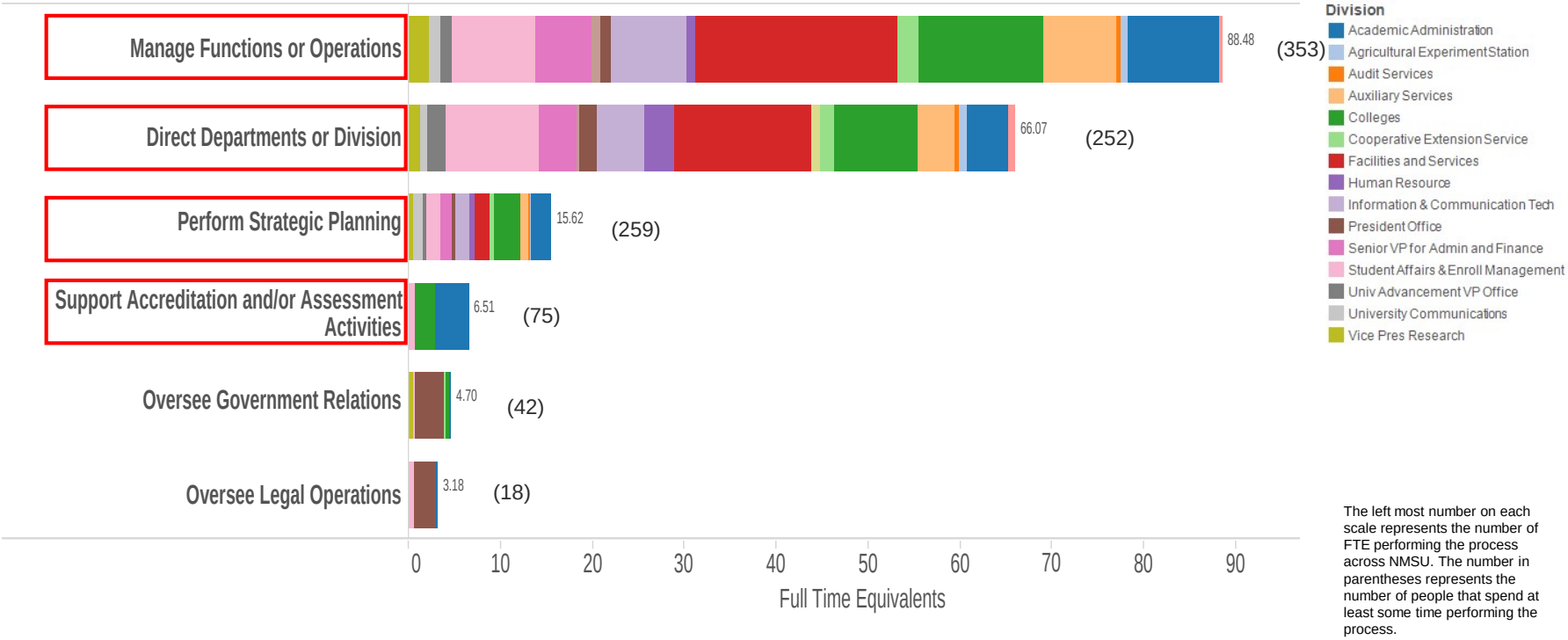
- The 474 people who report completing Operation Management activities account for 184.56 FTE total. The 474 people completing some OM processes represents 21% of the entire workforce. (2227 NMSU staff members completed the activity analysis.)
- The top 4 divisions with the largest number of FTEs performing OM activities account for 59% of all FTEs performing OM activities.
- Facilities and Services has the highest percentage of FTEs to count of employees who report completing OM activities with 67%. The next highest is the President's Office with 64%

*NOTE: Only those locations that support any of the processes within this function are shown.

OM – Level of Fragmentation by Process

Excluding Oversee Government Relations and Oversee Legal Operations, which are primarily completed by the President's Office, all of OM processes are highly fragmented.

OM Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

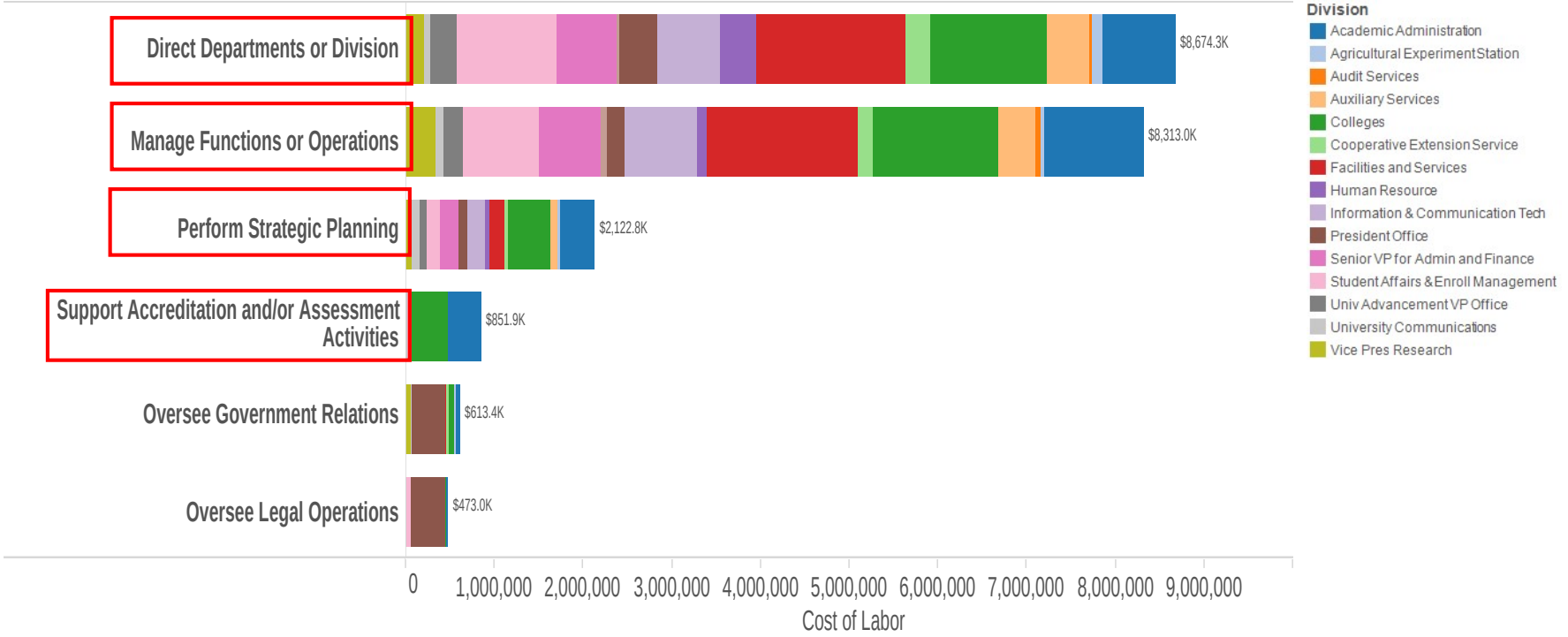
Key Observations

- 4 of the 6 Operations Management Processes—Manage Functions or Operations, Direct Departments or Division, Perform Strategic Planning, and Support Accreditation and/or Assessment—are highly fragmented, which is expected as this function allocates time managers and management duties.
- In each of 4 fragmented areas, no division accounts for more than 40% of the work being done in that particular process.
- For the three processes with the most FTEs—Manage Functions or Operations, Direct Departments or Division, and Perform Strategic Planning—the distribution of FTEs is over at least 17 Divisions.
- The FTEs performing the process Manage Functions or Operations account for 48% of all FTEs completing OM work.

OM – Fragmentation by Process (Labor Cost)

Cumulatively, the total spent on labor costs for Operational Management Activities is ~$21M with the four most fragmented processes being the most costly.

OM Processes – Fragmentation (Labor Cost)



Key Observations

- The four highest fragmented processes are the most costly for NMSU. This should be expected as these processes account for managers across the institution and related responsibilities
- While the process Manage Functions or Operations accounts for the most FTEs in the OM function (88.48 FTE) , the function with second highest FTE count Direct Departments or Division (66.07 FTE) is the most costly process for the OM function.
- ~$21M is spent on labor costs for employees completing OM activities.
- The top two most costly functions represent 81% of the total labor costs for the OM functions.
- Of the ~$17M spent on labor costs for Direct Departments or Division and Manage Functions or Operations, $3,374.67K (20% is spent on labor costs for employees in the Facilities and Services Departments.

OM – Divisional average labor cost per process

There is a wide range of average labor cost by Division per FTE for the processes with the highest fragmentation.

OM Processes – Average Labor Cost by Division per FTE*

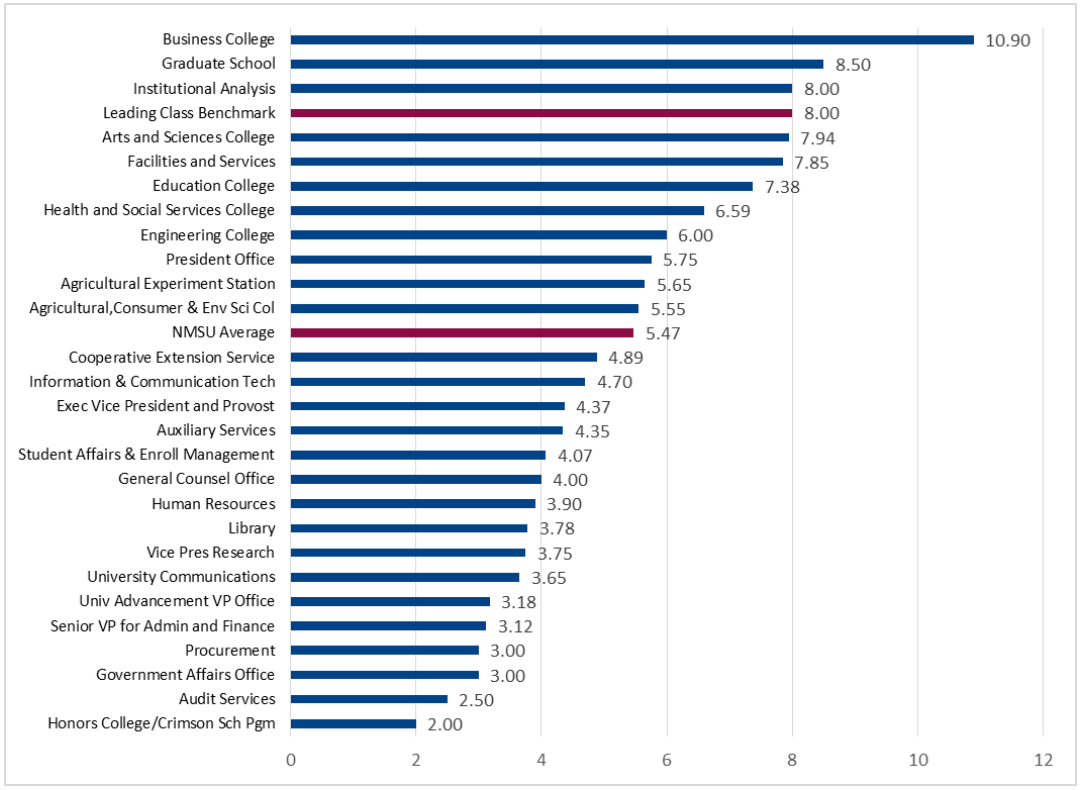
Key Observations

- There is a wide range of average labor cost by Division per FTE for the processes with the highest fragmentation, often exceeding $100K.
  - Perform Strategic Planning – Lowest Cost ($81.3K – Human Resources) vs. Highest Cost ($395.7K – President's Office)
  - Direct Departments or Divisions – Lowest Cost ($90.6K – University Communications) vs. Highest Cost ($215.6K – President's Office)
  - Manage Functions or Operations – Lowest Cost ($59.3K – Agr. Experiment Station) vs. Highest Cost ($163.1K – University Advancement)
  - Support Accreditation – Lowest Cost ($43.8K – Human Resources) vs. Highest Cost ($180.0K – the Colleges)

OM – Institutional SoC and Management Layers

NMSU should improve it's SoC from the institutional average of 5.47:1 to a leading class range of 8:1 to 12:1. Additionally, the University should strive to reach a maximum of 4 layers for each unit.

Average Span of Control for NMSU Units



Unit Management Layers

Senior VP for Admin and Finance	6
Student Affairs & Enroll Management	5
Auxiliary Services	5
Agricultural,Consumer & Env Sci Col	5
Facilities and Services	5
Univ Advancement VP Office	4
University Communications	4
Information & Communication Tech	4
Cooperative Extension Service	4
Agricultural Experiment Station	4
Engineering College	4
Health and Social Services College	4
Arts and Sciences College	4
Procurement	3
Vice Pres Research	3
Library	3
Human Resources	3
Exec Vice President and Provost	3
President Office	3
Education College	3
Graduate School	3
Business College	3
Audit Services	2
Honors College/Crimson Sch Pgm	1
Government Affairs Office	1
General Counsel Office	1
Institutional Analysis	1

OM – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Implementation Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
OM01	Increase manager spans of control	Increase the average span of control among managers with direct reports in those department with low spans of control. Will support alignment of coverage ratio of managers, staff, faculty and students.	Organization	Medium	High

OM – Key Opportunities

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in Operations Management.

#	Opportunity Name	Opportunity	Category	Implementation Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
OM03	Review all open roles and determine if they can remain unfilled	Institute hiring freeze until institutional leadership can review which management positions are key and must be filled. This will provide the institution with time to help meet a goal of establishing a maximum of 4 management layers throughout the university. NMSU should also address whether key opening can be filled via other means.	Organization	Short	M

Research Development, Compliance, and Administration (RCA)

RCA – Overview

RCA's level of centralization is comparable to peers, but it does not apply leading principles of Shared Services. RCA's level of Technology support is on the High end of the range across capabilities.

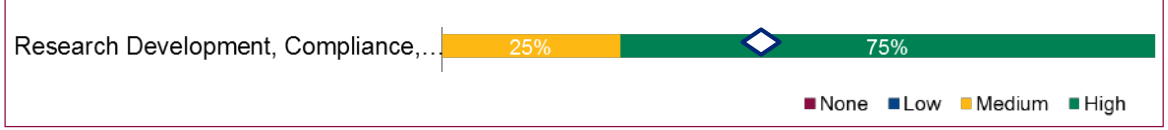
Overview

The overall responsibility for the RCA function is to support the development of proposals, administer awards, and ensure compliance.

RCA Processes*

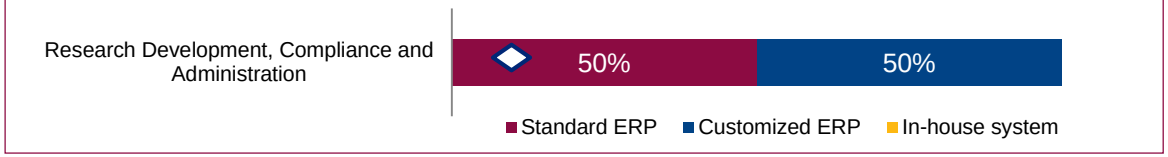
1. Identify Grant Funding and Manage Limited Submissions
2. Provide Proposal Development Support
3. Support Grant Proposal Preparation, Review and Submission
4. Manage Award Negotiation and Acceptance
5. Support Financial Regulatory Management
6. Process Awards
7. Perform Award Project Management
8. Manage Licensing, Commercialization, and Technology Transfer
9. Manage Conflicts of Interest (COI) Related to Sponsored Activities
10. Manage Research Compliance
11. Conduct Subcontractor Procurement

Degree of Centralization vs. Peers

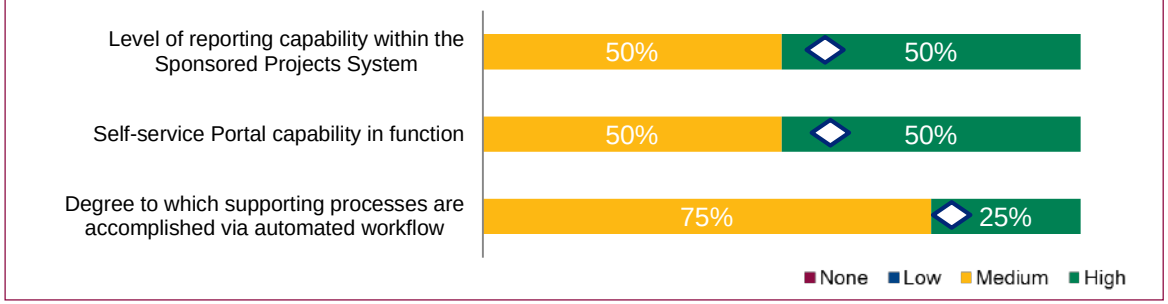


Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers



Technology Capabilities vs. Peers



NMSU, FY15

RCA – Key Findings and Opportunity Summary

The RCA function is mostly a hybrid being performed centrally between the VP of Research and the Colleges; however, changes to technology, processes, and the operating model provide opportunities for further consolidation and efficiency.

Key Findings

- Staff performing RCA work are distributed across NMSU in two main areas, the VP for Research and the Colleges. (147 people representing 44.99 FTE)
  - The two main areas (VP for Research and the Colleges) represent 82% of all the FTEs in the RCA function.
  - 7 of the 9 locations have 4 or fewer FTEs.
- The VP of Research staff allocate significant time to processes outside of RCA
  - Outside of RCA activities the VP of Research staff spend their time on Research, Public Services, and Scholarly and Creative Services (19.02 FTEs), General Admin Support (11.60FTEs), and Information Technology (8.35 FTEs).
- NMSU's RCA function has an inefficient Span of Control (SoC)
  - The average SoC for RCA is 3.75 to 1 compared to leading class spans ranging from 8:1 to 12:1. Additionally, 63% of the managers in the RCA Function manage 3 people or fewer
  - There is a higher Span of Control at the top levels of the RCA Organization which leaves senior leaders managing too many employees
  - There is a lower Span of Control at the bottom levels of the RCA Organization which leaves too few employees to manage

Potential Opportunities based on Current Findings

- Redesign NMSU's RCA operating model to increase efficiency
  - Restructure RCA function so that all staff performing RCA work across campus report to the VP of Research.
  - Realign RCA organization so that staff are spending the majority of their time working on processes related to RCA function and not other functions
  - Build on lessons learned from previous attempt at Shared Services and implement a new pilot of shared services with revamped organizational structure, processes, and policies that will support successful implementation.
- Adjust spans to align to leading practices and better support efficiency

Potential Opportunities based on Experience with other Organizations

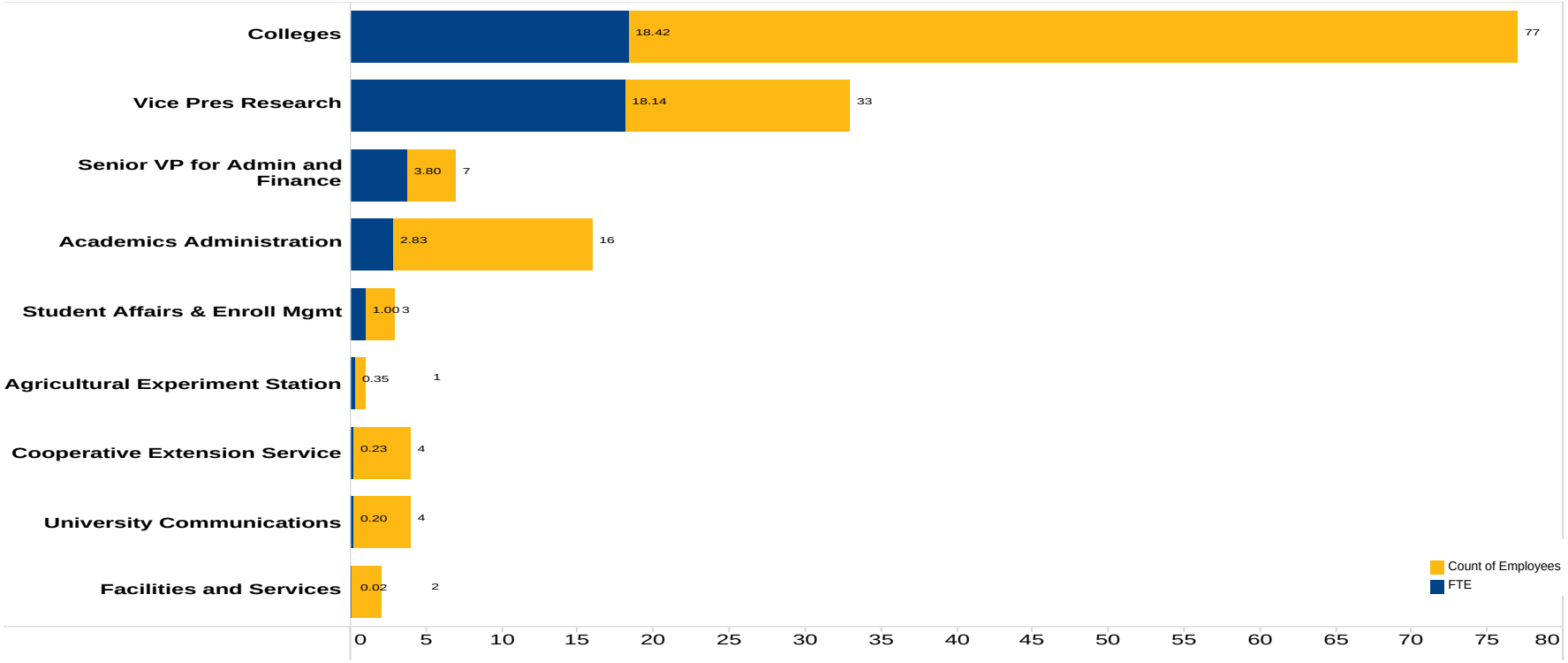
- Create a repository of "boiler-plate" information that faculty, researchers, and grant writers can access.
- Develop a cost/benefit mechanism that can measure quantitative and qualitative costs and benefits of potential awards.

$2M+ in potential annual savings identified

RCA – Number of Employees and FTEs by Location

There are a total of 147 people, widely distributed across campus, who report performing RCA related activities.

Location Analysis*



Key Observations

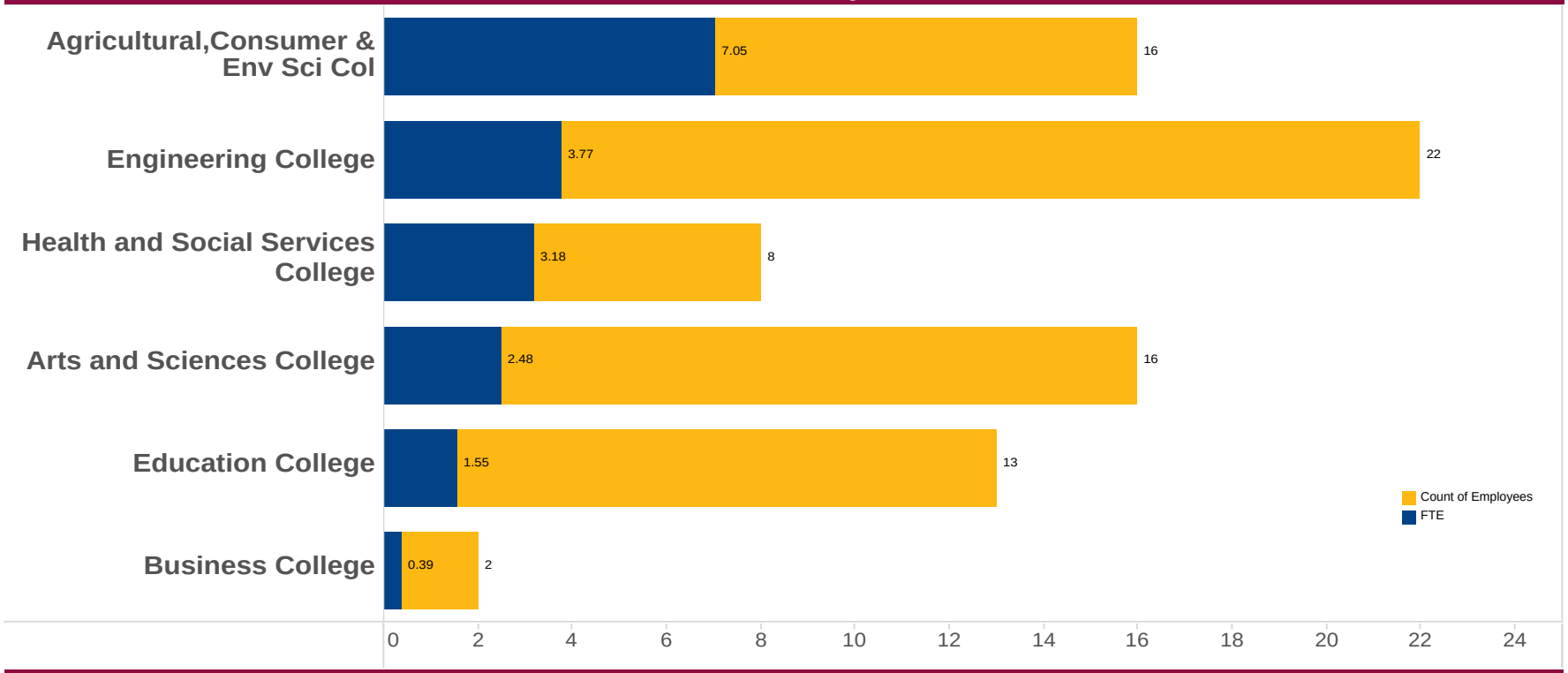
- The 147 people who report performing Research Development, Compliance, and Administration activities account for 44.99 FTEs.
- While there is a substantial differential between the Colleges and Vice President for Research regarding the count of employees who complete RCA work (33 vs. 77), the number of FTEs is very similar with both having approximately 18 FTEs.
- The two main areas (Colleges and VP for Research) represent 82% of all the FTEs in the RCA function.
- 7 of the 9 locations have 4 or less FTEs.
- Both the colleges and Academics Administration have a high number of people doing RCA work in small quantities, as they both have relatively low FTEs given the amount of people doing the work.

*NOTE: Only those locations that support any of the processes within this function are shown.

RCA – Number of Employees and FTEs by Location (Colleges)

There are a total of 77 people, widely distributed across the colleges, who report performing RCA related activities.

Location Analysis*



Key Observations

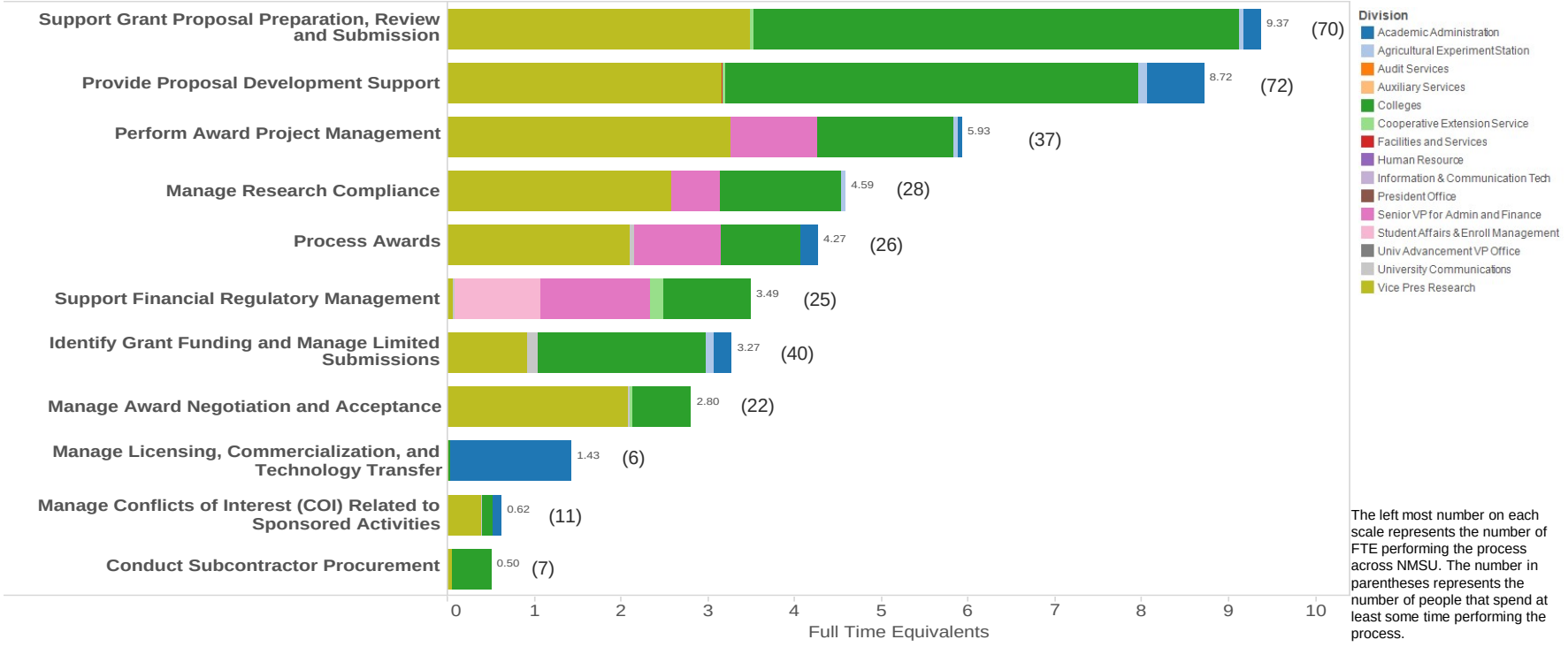
- The 77 people who report performing Research Development, Compliance, and Administration activities account for 18.42 FTEs.
- The 7.05 FTEs located within the Agriculture, Consumer and Environmental Science College represent 38% of all the Colleges' FTEs completing RCA work
- There are three colleges—Engineering, Arts and Sciences, and Education—that have high employee counts completing some RCA work, but the FTE count is relatively low. In locations where a high number of employees spend a small fraction of their time performing RCA, there is a risk that these employees lack the specialized experience and training to perform this work efficiently and effectively

*NOTE: Only those locations that support any of the processes within this function are shown.

RCA – Level of Fragmentation by Process

The RCA function is mainly performed by the Colleges or the Office of VP for Research.

RCA Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

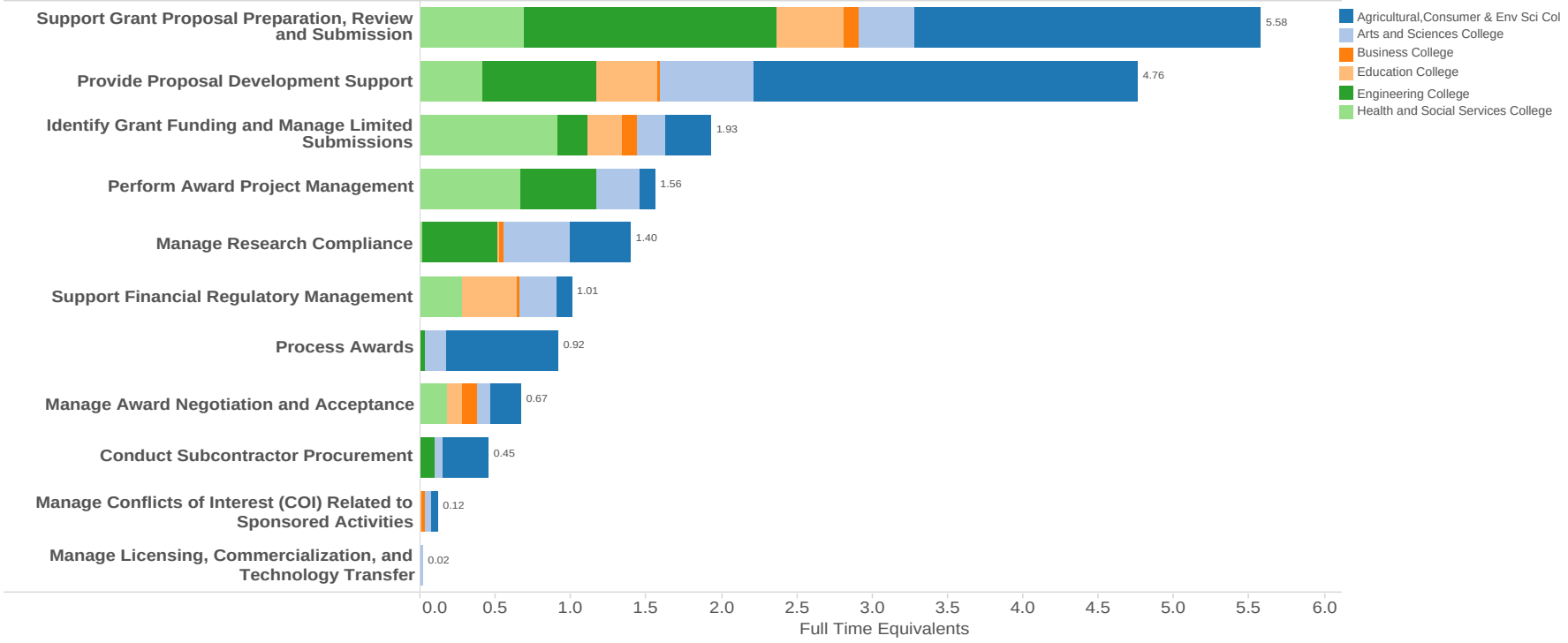
Key Observations

- Excluding two processes, Support Financial Regulatory Management and Manage Licensing, Commercialization and Technology Transfer, all of the RCA processes are predominantly done by the Colleges or the Office of the Vice President for Research.
- The two processes with the highest FTE counts are predominantly done by the Colleges. The FTEs located in the College represent 57% of all FTEs for the two processes.
- Manage Licensing, Commercialization, and Technology Transfer is the only RCA process predominantly completed by the Academic Administration.

RCA – Level of Fragmentation by Process (Colleges)

The RCA function is hybrid of being performed centrally between two large areas, the Colleges and the Office of the Vice President for Research.

RCA Processes - Fragmentation



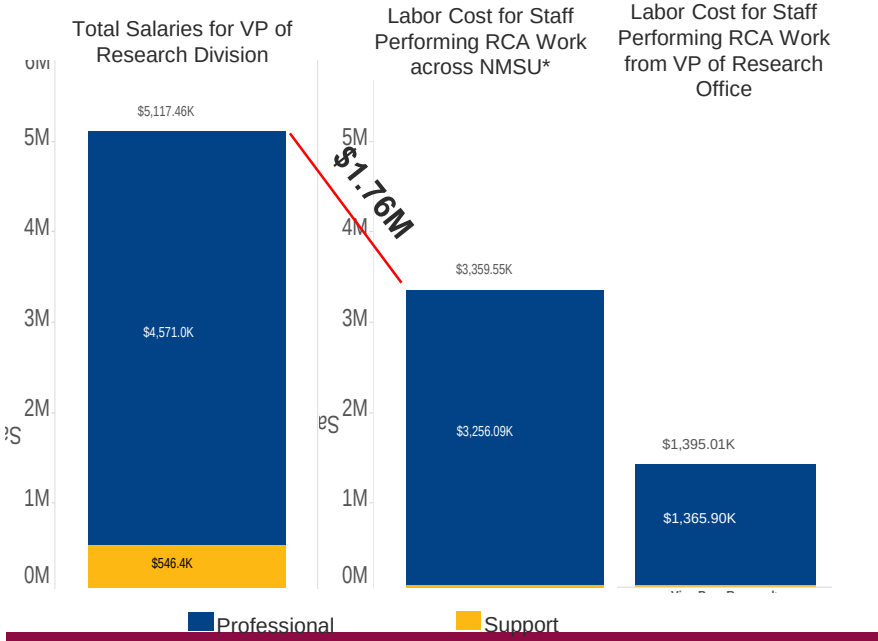
Key Observations

- In 5 of 10 RCA processes, the Agricultural, Consumer and Environmental Sciences College accounts for the most FTEs.
- Cumulatively, the Agricultural, Consumer and Environmental Sciences College represents 7.05 FTEs within the RCA function, which is 38% of all the Colleges FTEs completing RCA work.
- Outside of the first two processes, the Colleges account for less than 2 FTEs for all other processes. Given that these processes, in most cases, are distributed across 3 or more colleges, they are highly fragmented across the Colleges.

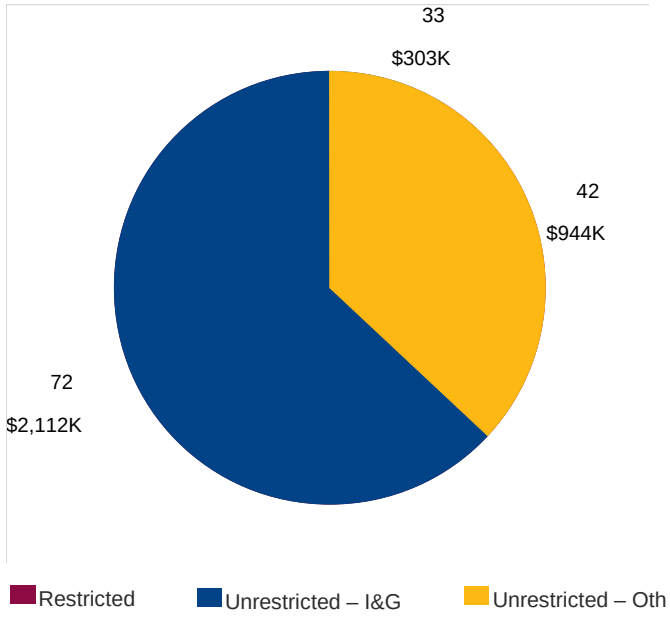
RCA – Labor Cost

NMSU spends ~$5.1M on total salaries for the VP of Research Division. However, based on the activity analysis of the actual portion of time that staff spend on RCA activities across NMSU, the actual labor cost for staff performing RCA work is ~$3.4M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



Key Observations

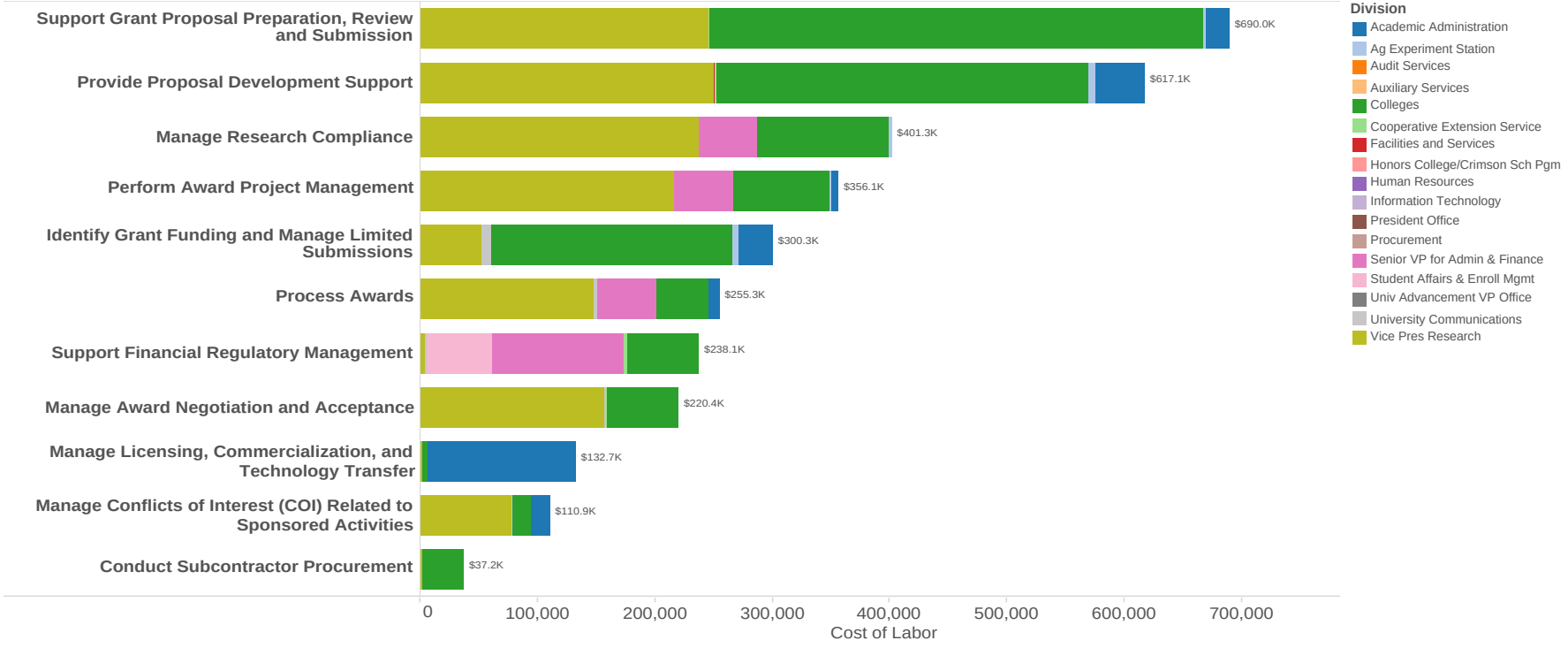
- NMSU spends ~$5.1M on total salaries for the VP of Research Division. However, based on the activity analysis of the actual portion of time that staff spend on RCA activities across NMSU, the actual labor cost for staff performing RCA work is ~$3.4M.
- ~$1.32M of this labor cost differential is accounted for by VP of Research professional staff spending their time on non RCA work. ~$440K of the labor costs differential is accounted for by support staff spending their time on non RCA work. Outside of RCA processes, the University VP for Research staff spend most of their time on Research, Public Services, and Scholarly and Creative Services (19.02 FTEs), General Admin Support (11.60FTEs), and Information Technology (8.35 FTEs).
- Of the ~$3M spent on staff performing RCA work, approximately ~$303K is from restricted sources

* This calculation includes the salary of staff multiplied by the FTE allocation of time spent on RCA

RCA – Fragmentation by Process (Labor Cost)

The two processes with the most FTEs are also the most costly for NMSU.

RCA Processes – Fragmentation (Labor Cost)



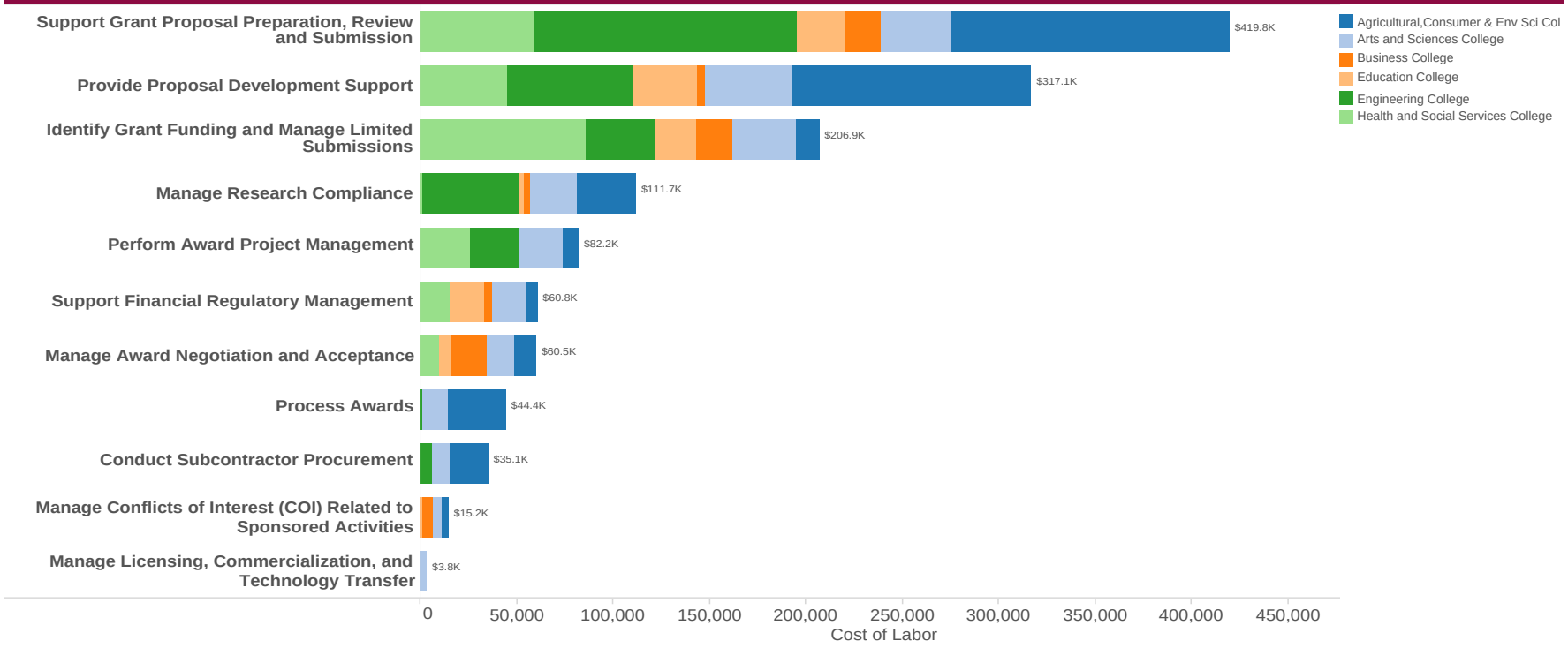
Key Observations

- Corresponding to the highest FTEs, the top two most costly RCA processes are Support Grant Proposal Preparation, Review and Submission and Provide Proposal Development Support.
- Combined, the top two most costly processes represent 39% of all the labor cost for employees performing RCA work.
- The two Divisions that contribute the most cost to RCA functions, which correspond to the FTE counts, are the Office of the VP for Research($1,395.0K) and the Colleges ($1,357.3K). These two divisions represent 82% of the total labor cost for RCA work being performed across NMSU.

RCA – Fragmentation by Process (Labor Cost for the Colleges)

Cumulatively, the Colleges represent $1.4M of the labor costs for the RCA function.

RCA Processes – Fragmentation (Labor Cost)



Key Observations

- In 4 of 10 RCA processes, the Agricultural, Consumer and Environmental Sciences College accounts for the highest costs.
- Cumulatively, the Agricultural, Consumer and Environmental Sciences College represents ~$388K of the RCA function, which is 28% of all the Colleges' labor costs completing RCA work.
- Outside of the four most costly processes, the Colleges spend less than $100K on each process.

RCA – Divisional average labor cost per process

The two processes with the highest average labor cost per FTE also account for the two smallest FTE totals.

RCA Processes – Average Labor Cost by Division per FTE*

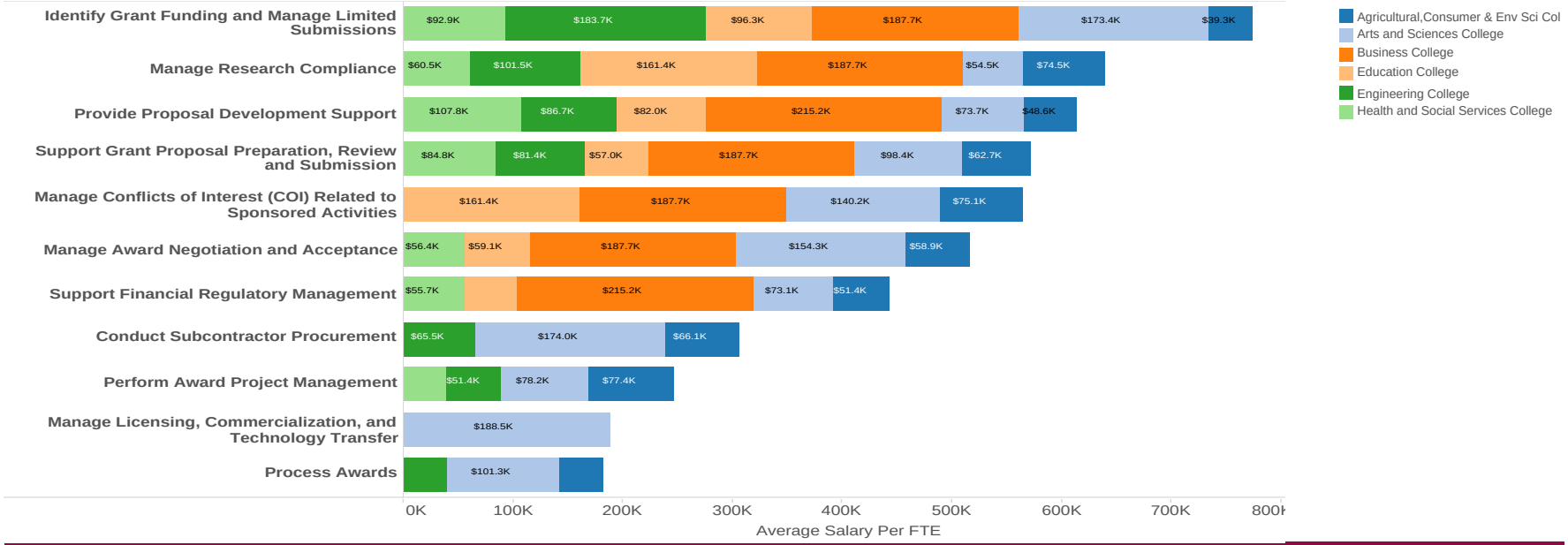
Key Observations

- The average labor costs by per FTE for the two processes Manage Conflicts of Interest Related to Sponsored Activities and Manage Licensing, Commercialization, and Technology Transfer are significantly higher than all of the other processes. These processes also account for 2 of the 3 lowest FTE counts. Manage Conflicts of Interest represents .62 FTEs and Manage Licensing represents 1.43 FTEs. This generally indicates that highly paid individuals are completing this work.
- When represented, the average labor cost per FTE for the Cooperative Extension Service Division is the lowest.

RCA – Divisional average labor cost per process

The Business College, generally, spends more average on average labor cost per FTE.

RCA Processes – Average Labor Cost by Division per FTE*



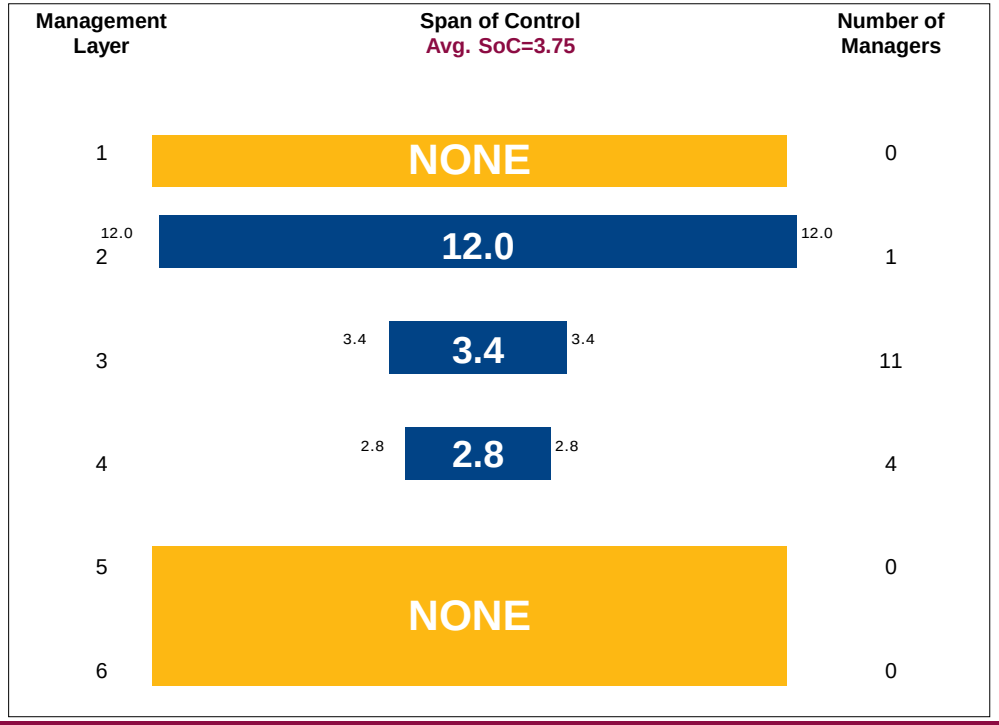
Key Observations

- When represented, the average labor cost per FTE for the Business College is the most expensive.
- When represented, the average labor cost per FTE for the Agricultural, Consume & Environmental Science College is most often least expensive.
- The process titled Manage Licensing, Commercialization, and Technology Transfer is completed by one school, Arts and Sciences. The function also accounts for .2 FTE.

RCA - Span of Control and Management Layers

NMSU's Vice President of Research Division has opportunities to improve SoC as indicated by an average staff to manager ratio of 3.75:1, which is below the leading class benchmark range of 8:1 to 12:1

Span of Control by Layer



Key Observations

- While the management layers for RCA is good with 3 layers, the SoC of control for the Division is 3.75:1, which is below the leading class benchmark range of 8:1 to 12:1
- The VP of Research Division SoC is an inverted pyramid instead of leading class pyramid which has increasing SoC at lower levels of the organization
- The VP of Research's vertical structure, with higher SoC at the top level could indicate inefficiencies related to roles and responsibilities.
- The top level of management may have too many direct reports with 12.
- 63% of the managers within the VP of Research office manage 3 people or less. 4 managers only manage 1 person.

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

RCA – Process

Currently, RCA functions are being performed largely by the VP of Research's Office or within the Colleges. Creating a revamped version of Shared Services and Centralizing these processes may provide an opportunity to improve efficiency.

As-Is RCA Operating Model by Process

Centralized	1. Manage Licensing, Commercialization, and Technology Transfer
Hybrid	1. Identify Grant Funding and Manage Limited Submissions 2. Provide Proposal Development Support 3. Support Grant Proposal Preparation, Review and Submission 4. Manage Award Negotiation and Acceptance 5. Support Financial Regulatory Management 6. Process Awards 7. Perform Award Project Management 8. Manage Conflicts of Interest (COI) Related to Sponsored Activities 9. Manage Research Compliance 10. Conduct Subcontractor Procurement
Decentralized	

Future-State RCA Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support**	**Business Partner**
Generic/University Wide	**Shared Services** •Identify Grant Funding and Manage Limited Submissions •Provide Proposal Development Support •Support Grant Proposal Preparation, Review and Submission •Manage Award Negotiation and Acceptance •Support Financial Regulatory Management •Process Awards •Perform Award Project Management •Manage Research Compliance •Conduct Subcontractor Procurement	**Center of Excellence/Centralized** •Manage Licensing, Commercialization, and Technology Transfer •Manage Conflicts of Interest (COI) Related to Sponsored Activities

Illustrative- for discussion purposes

RCA – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Impact Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact
RCA01	Establish Shared Grant and Contract Admin Support Across All Departments	Refine shared centers with grant and contract coordinators to provide support to schools and department and liaise with other NMSU key stakeholders.	People	Short	H

RCA – Key Opportunities

Based on practices observed at other universities, we would also recommend the following opportunities for consideration in RCA.

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact
RA01	Revise the Proposal Development and Grants Management Process	-Create a repository of "boiler-plate" information that faculty, researchers, and grant writers can access. -Develop a cost/benefit mechanism that can measure quantitative and qualitative costs and benefits.	Technology	Short	L

Educational Programs (EP)

EP – Overview

EP's level of centralization is comparable to peers, but it does not leverage Shared Services concepts.

Overview

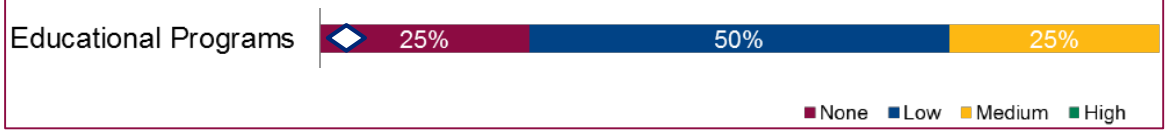
The Educational Programs function's primary responsibility is to develop, support and evaluate initiatives that will aid in teaching and learning.

EP Processes

1. Develop Educational Programs
2. Implement Educational Programs
3. Develop Outreach Programs
4. Evaluate Educational Programs
5. Provides Library Processes

Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers



Primary ERP Tool vs. Peers

N/A

Technology Capabilities vs. Peers

N/A

EP – Key Findings and Opportunity Summary

Changes to processes and the operating model provide opportunities for improved efficiency within Educational Program Function

Key Findings	Potential Opportunities based on Current Findings

▪ Staff performing EP work are distributed broadly across NMSU. (292 people represent 148.62 FTEs)
  ▪ The combined total for the top four locations with the highest FTE count equals 141.53 FTEs, which accounts for 95% of all FTEs performing Educational Programs work.
  ▪ 5 of the locations that have staff performing EP work account for less than 1 FTE.
▪ The EP processes are spread over many Divisions, predominantly the Colleges and Academic Administrative Units.
  ▪ Each of the processes, except Provide Library Services, is spread over at least 7 Divisions.
▪ Each of the processes, except Provide Library Services, has a high number of people completing a small amount of EP work, resulting in a low FTE equivalent.
▪ NMSU spends ~$7.7M on labor costs for employees performing Educational Program work
	▪ Streamline the Educational Programs Function into one office. This office will be an incubator of support that will help develop and implement educational programs. The office will also develop metrics that will be used to evaluate Educational Programs. Changes in the model could produce the following results:
	  ▪ Reduce the number of people reporting EP work and concentrate the work among staff who are further specializing in EP activities.
	  ▪ Limit the number of Divisions where EP work occurs
	  ▪ Minimize the labor cost for employees performing EP work

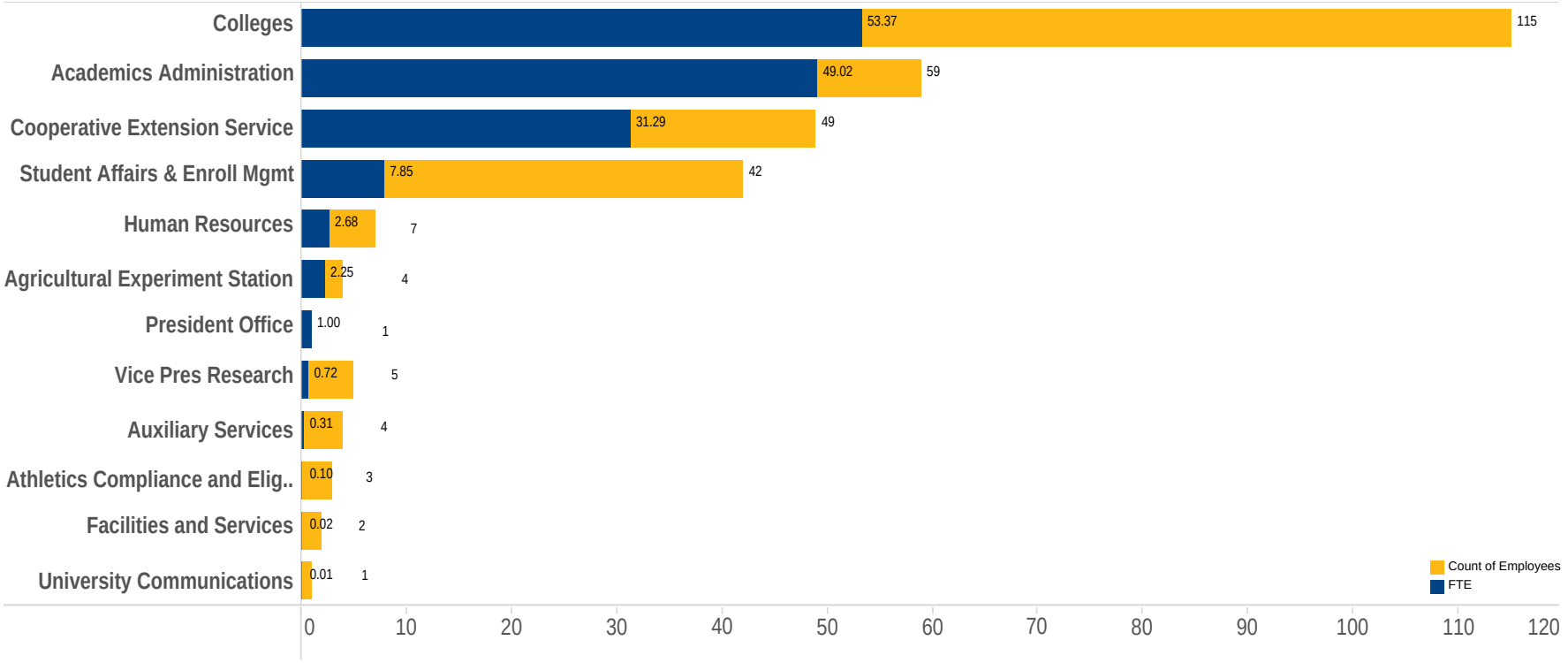
Span of Control nor Management Layers were not computed for this function.

Up to $500K in potential annual savings identified

EP – Number of Employees and FTEs by Location

There are a total of 292 people, widely distributed across campus, who report performing Educational Program related activities.

Location Analysis*



Key Observations

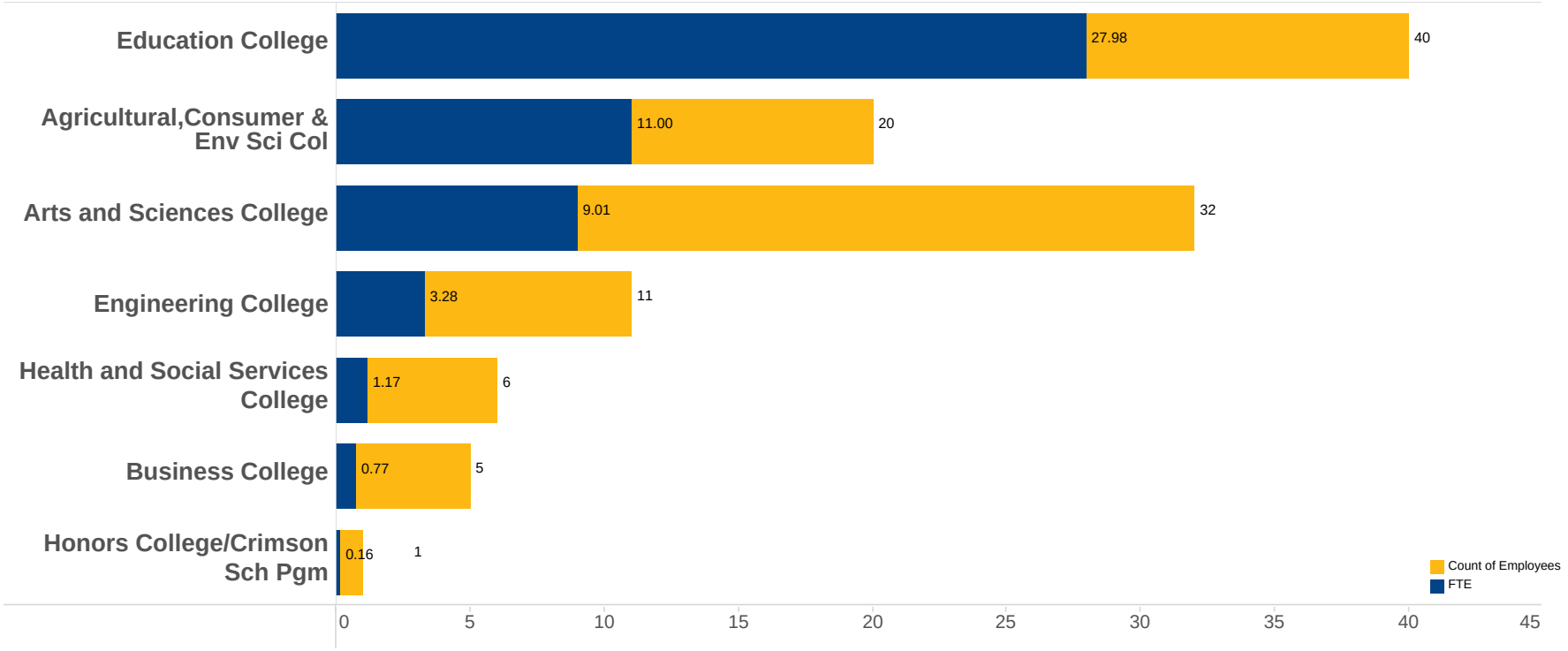
- The 292 employees who report completing Educational Programs work represent 148.62 FTE.
- The combined total for the top four locations with the highest FTE count equals 141.53 FTEs, which accounts for 95% of all FTEs performing Educational Programs work.
- Excluding the four locations with the highest FTE counts, no location has more than 3 FTEs represented. Five of those locations account for less than 1 FTE.

*NOTE: Only those locations that support any of the processes within this function are shown.

EP – Number of Employees and FTEs by Location

There are a total of 115 people, widely distributed across the colleges, who report performing EP related activities.

Location Analysis*



Key Observations

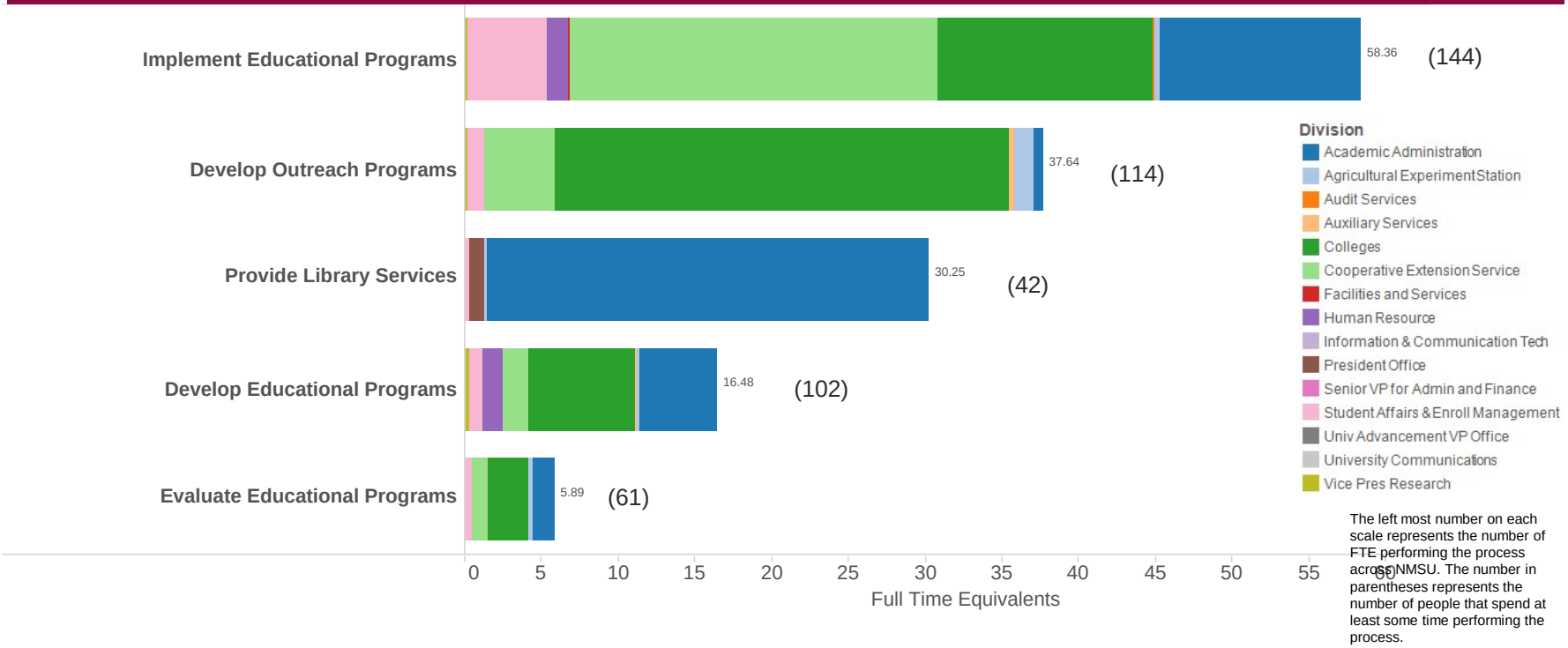
- The 115 employees who report completing Educational Programs within the Colleges represent 53.37 FTE.
- The Education College not only has the highest count of employees that complete some EP work, but the FTE count is more than all of the other Colleges combined.
- The Arts and Sciences College also has a relatively high number of people completing some EP work. Combined with the Education College (72 employees), the two schools account for 63% of all the employees within the Colleges that complete EP work.

*NOTE: Only those locations that support any of the processes within this function are shown.

EP – Level of Fragmentation by Process

All of the Educational Program Functions, except Provide Library Services, have a high number of people completing a small amount of EP work.

EP Processes - Fragmentation



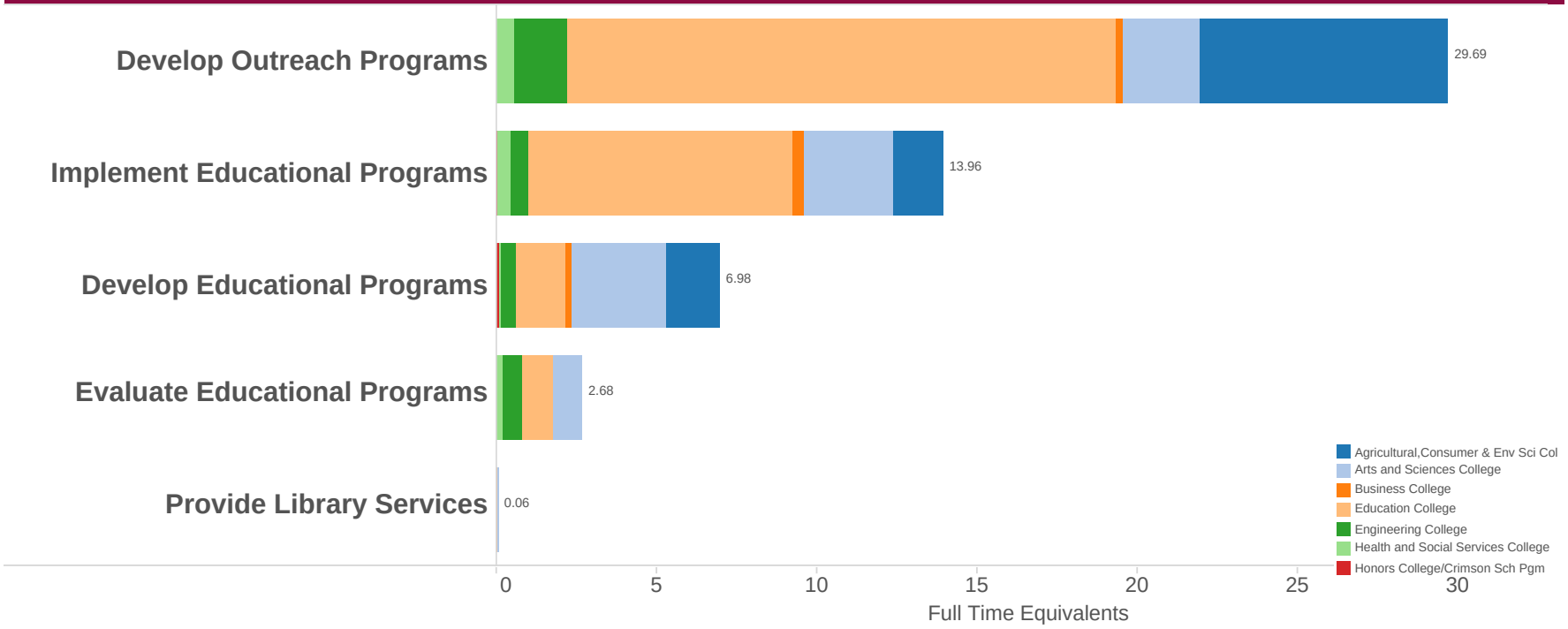
Key Observations

- Excluding Provide Library Services, each of the processes has a high number of people completing a small amount of EP work, resulting in a low FTE equivalent. None of processes have higher than 40% of the FTEs divided by the number of people who say they complete some EP work.
- Each of the processes, besides Provide Library Services, is spread over at least 7 Divisions. Implement Educational Programs is spread over 10 Divisions.
- Employees working in the library represent 28.79 FTEs of the Provide Library Services process
- 3 of the 5 Educational Program Processes are predominately done by the Colleges.

EP – Level of Fragmentation by Process

The majority of time spent for the Educational Programs function in the Colleges is on Developing Outreach Programs.

EP Processes - Fragmentation



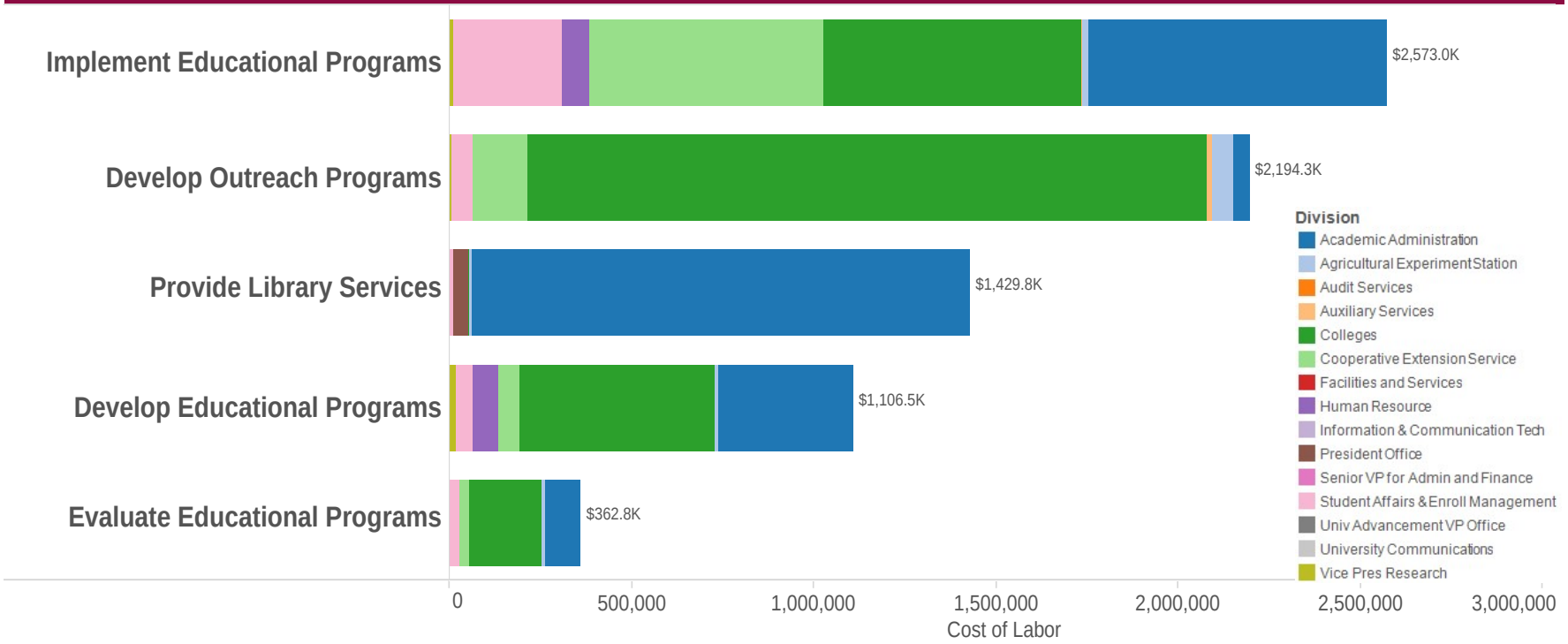
Key Observations

- Although Implement Educational Programs accounts for the most FTEs (53.36) across the University, Develop Outreach Programs accounts for the most FTEs (29.69) across the Colleges.
- In the two processes with the most FTEs (Develop Outreach Programs and Implement Educational Programs), the Education College accounts for the college with the most FTEs. In those two processes, the combined total for the Education College is 25.37 FTE, which accounts for 48% of all FTEs in the Colleges performing Educational Programs work.

EP – Fragmentation by Process (Labor Cost)

NMSU spends ~$7.7M on labor costs for employees performing Educational Program work.

EP Processes – Fragmentation (Labor Cost)



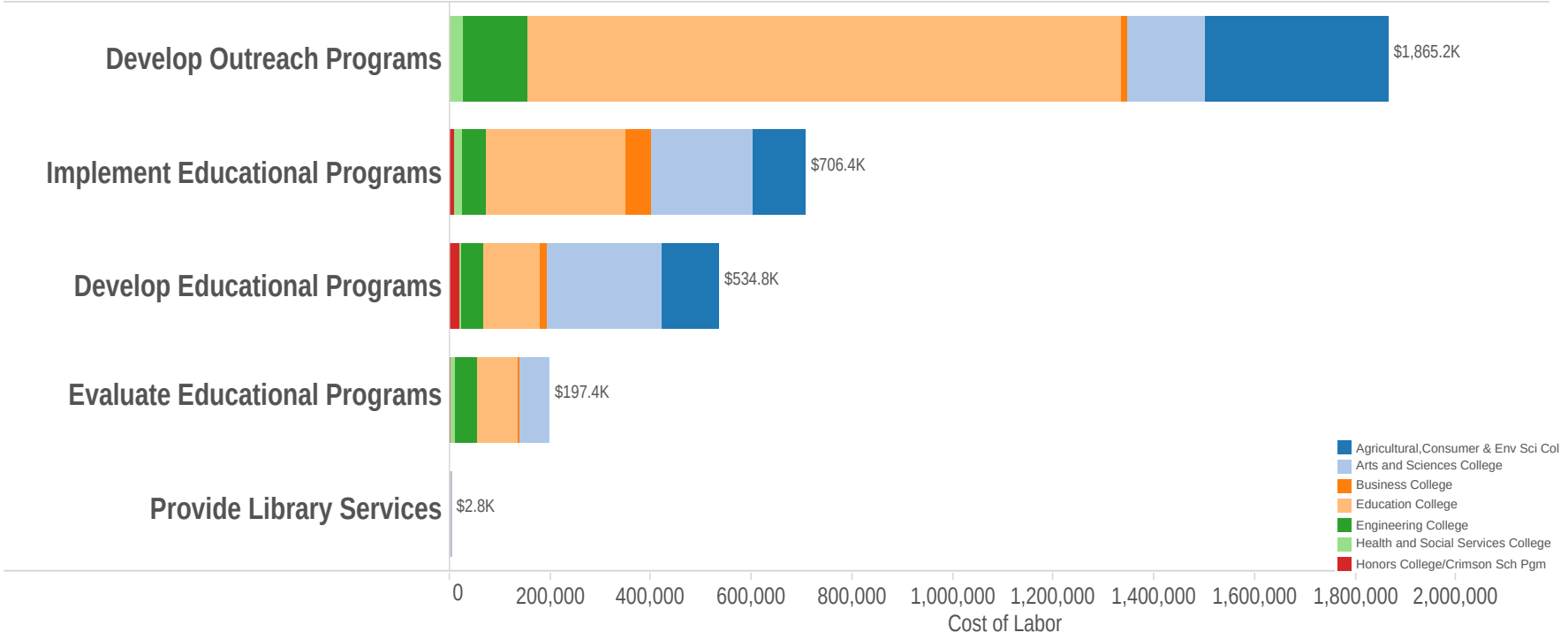
Key Observations

- Of the ~$7.7M spent on Educational Program labor costs, 62% of the costs are for the Implement Educational Programs and Develop Outreach Programs processes
- While Implement Educational Programs has more than 20 FTEs compared to Develop Outreach Programs, the labor cost for Implement Educational Programs is only $379K more than the labor costs for Develop Outreach Programs. This is primarily due to those employees in Develop Outreach Programs generally earning slightly higher wages.
- The labor costs for Evaluate Educational Programs is only 5% of the labor costs for the EP function.
- $2.6M of the ~$7.7M labor cost for EP work is funded thru restricted resources.

EP – Fragmentation by Process (Labor Cost)

The Colleges spends ~$3.3M on labor costs for employees performing Educational Program work.

EP Processes – Fragmentation (Labor Cost)



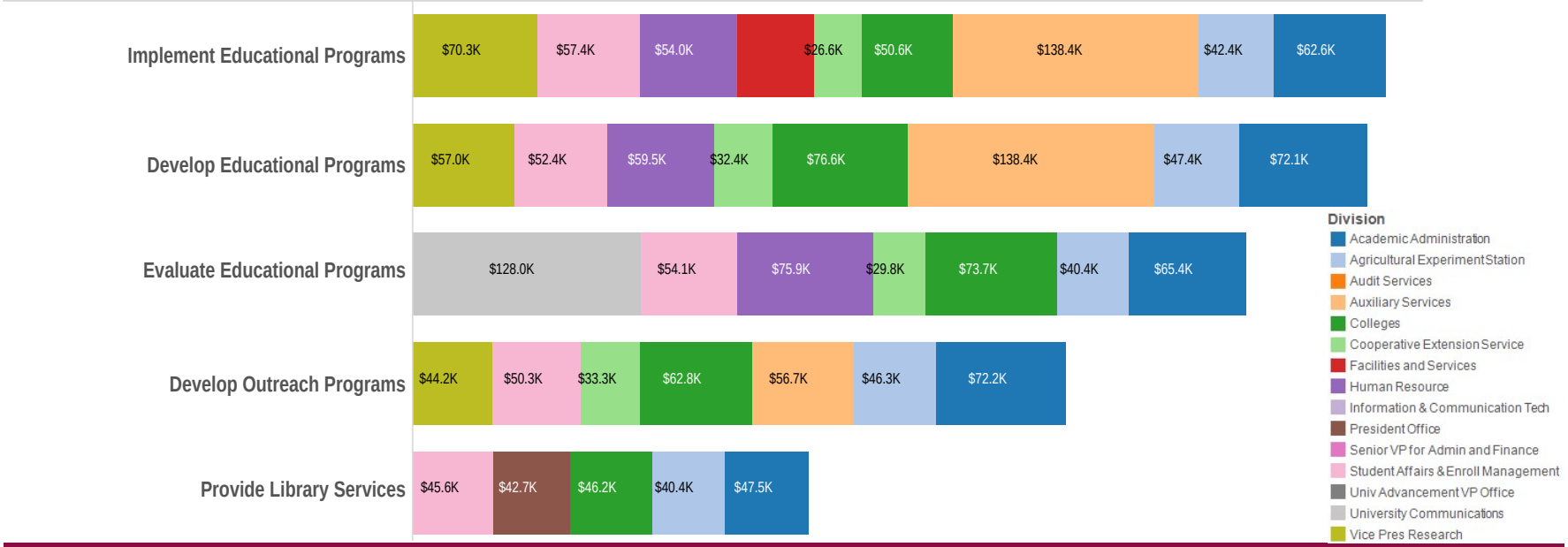
Key Observations

- Of the ~$7.7M spent on Educational Program labor costs, $3.3M (43%) of the costs is spent within the Colleges.
- The Education College accounts for the majority of the labor costs within the Colleges spent on EP. The Education College spends ~$1.7M on EP work, which accounts for 52% of all the labor cost spent on EP work within the Colleges.
- While Evaluate Educational Programs is the least costly EP process across the University, Provide Library Services is the least costly EP function within the college. Provide Library Services accounts for less than 1% of the total spent on labor costs within the Colleges.

EP – Divisional average labor cost per process

The average labor cost per FTE is generally higher for the most costly EP function, Implement Educational Programs.

EP Processes – Average Labor Cost by Division per FTE*



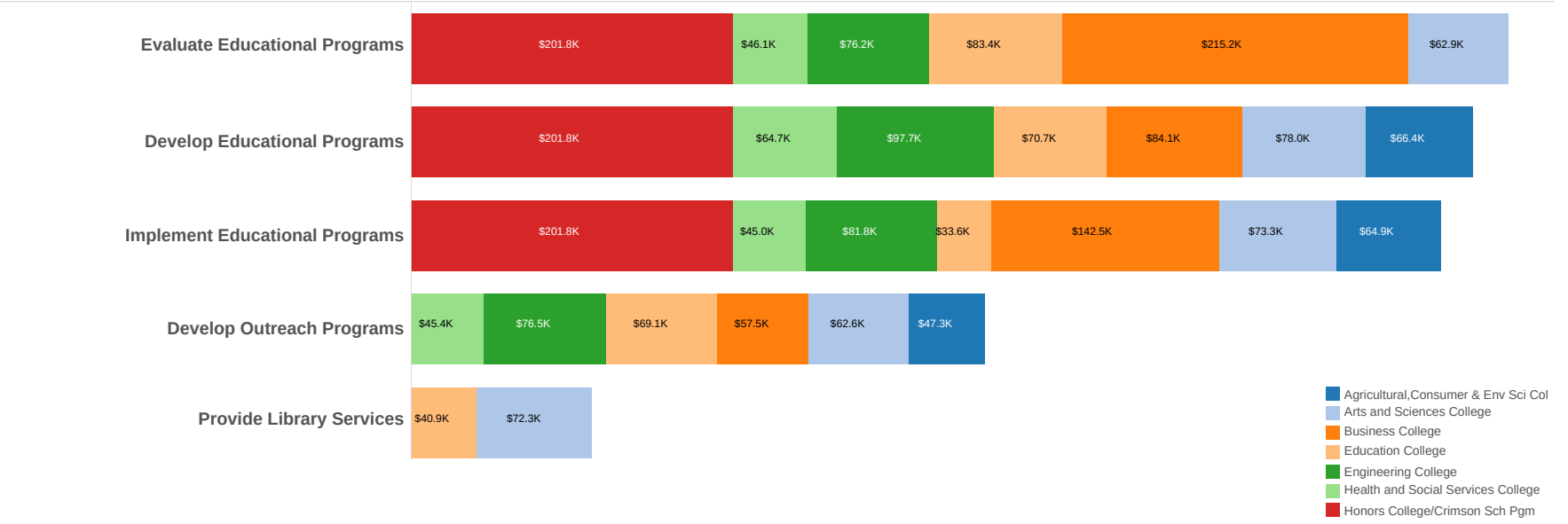
Key Observations

- Implement Educational Program has some of the highest average labor cost per FTE
- The Cooperative Extension Division and the Agricultural Experiment Station generally represent the lowest average labor cost by Division per FTE.
- University Communications is represented in only one process; however, the average labor cost per FTE for the Division is the highest within the function and the third highest average labor costs per FTE for any function.
- The Colleges average labor cost per FTE are generally around the median of other average labor costs for the Divisions.

EP – Colleges average labor cost per process

The Colleges with the lowest FTE representation in the process generally have the highest average labor cost per FTE.

EP Processes – Average Labor Cost by Division per FTE



Key Observations

- The Honors College and Business College, when represented, account for the smallest number of FTEs; however, they represent the highest average labor costs per FTE. This indicates that the individuals completing this work for the two colleges have high salaries.
- For all but one function, when represented, the Health and Social Service College has the lowest average labor cost per FTE.
- Although Evaluate Educational Programs accounts for the smallest number of total FTEs completing EP work, this process is one of the most costly within the Colleges on average labor cost per FTE basis.

EP – Process

NMSU should centralize most of its EP processes, while maintaining the core mission of each, which will improve efficiency and possibly improve the quality and consistency of its Educational Programs.

As-Is OM Operating Model by Process

Centralized	1. Provides Library Processes
Hybrid	1. None
Decentralized	1. Develop Educational Programs 2. Implement Educational Programs 3. Develop Outreach Programs 4. Evaluate Educational Programs 5. Provides Library Processes

Future-State OM Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support** •Develop Outreach Programs	**Business Partner**
Generic/University Wide	**Shared Services**	**Center of Excellence/Centralized** •Provides Library Processes •Develop Educational Programs •Implement Educational Programs •Develop Outreach Programs •Evaluate Educational Programs •Provides Library Processes

Illustrative- for discussion purposes

EP – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Impact Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact
EP01	Centralize All Educational Program Process	Streamline most of the Educational Programs processes into one office. This office will be an incubator of support that will help develop and implement educational programs. The office will also develop metrics that will be used to evaluate Educational Programs.	Organization	Long	L

Auxiliaries (AUX)

AUX – Overview

AUX's high level of centralization is comparable to peers, but it does not leverage Shared Services concepts and has mid-range capability to support reporting, self service, and workflow.

Overview

The Auxiliary function is primarily responsible for providing services that enhance and support the operations of campus life.

Auxiliary Services Processes*

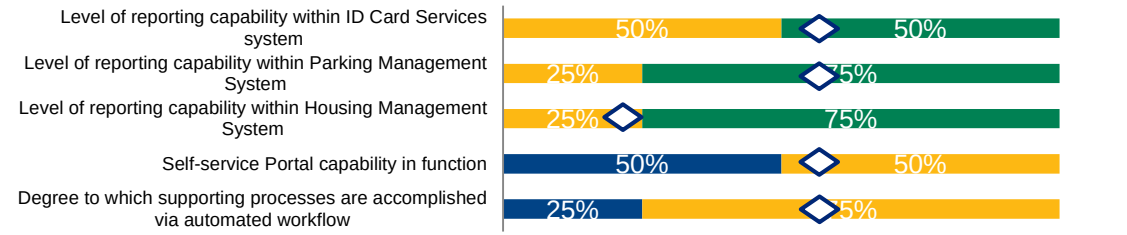
1. Oversee University Parking, Transportation and Mail Services
2. Oversee University Housing and related Contract Management
3. Oversee University Food Services and ID Card Services and related Contract Management
4. Oversee University Residential Life and related Contract Management
5. Oversee University Conference Services
6. Oversee University Student Union
7. Oversee University Special Events
8. Oversee Bookstore Management and related Contract Management
9. Oversee Golf Course Management

Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers

Technology Capabilities vs. Peers



AUX – Key Findings and Opportunity Summary

The Auxiliary Services function is largely centralized; however, opportunities still exist to further enhance efficiency and provide potential cost savings.

Key Findings

- Staff performing Auxiliary Services work are minimally across NMSU. (65 people represent 25.91 FTE)
  - 1% of the Auxiliary Services work is being performed by FTEs outside of the Auxiliary Services Organization.
  - There are only 3 Divisions that have people completing Auxiliary Services work.
  - All of the Divisions utilize less than .1 FTE
- NMSU's Auxiliary function has an inefficient Span of Control:
  - The AUX Division SoC is 3.8:1, which is lower than the leading class range of 8:1 to 12:1.
  - 62% of the managers in the Auxiliary Function manage 3 people or fewer
  - There is a higher Span of Control at the top levels of the Auxiliary Services Organization which leaves senior leaders managing too many employees
  - There is a lower Span of Control at the bottom levels of the Auxiliary Services Organization which leaves too few employees to manage

Potential Opportunities based on Current Findings

- With 65 people accounting for only 25.91 FTEs, NMSU should consider merging Auxiliaries with another Division. This may present opportunities to reduce or eliminate redundant roles.
- Redesign NMSU's Auxiliary Services operating model to increase efficiency
- Adjust spans of control throughout layers of management to align to leading practices and better support efficiency

Potential Opportunities based on Experience with other Organizations

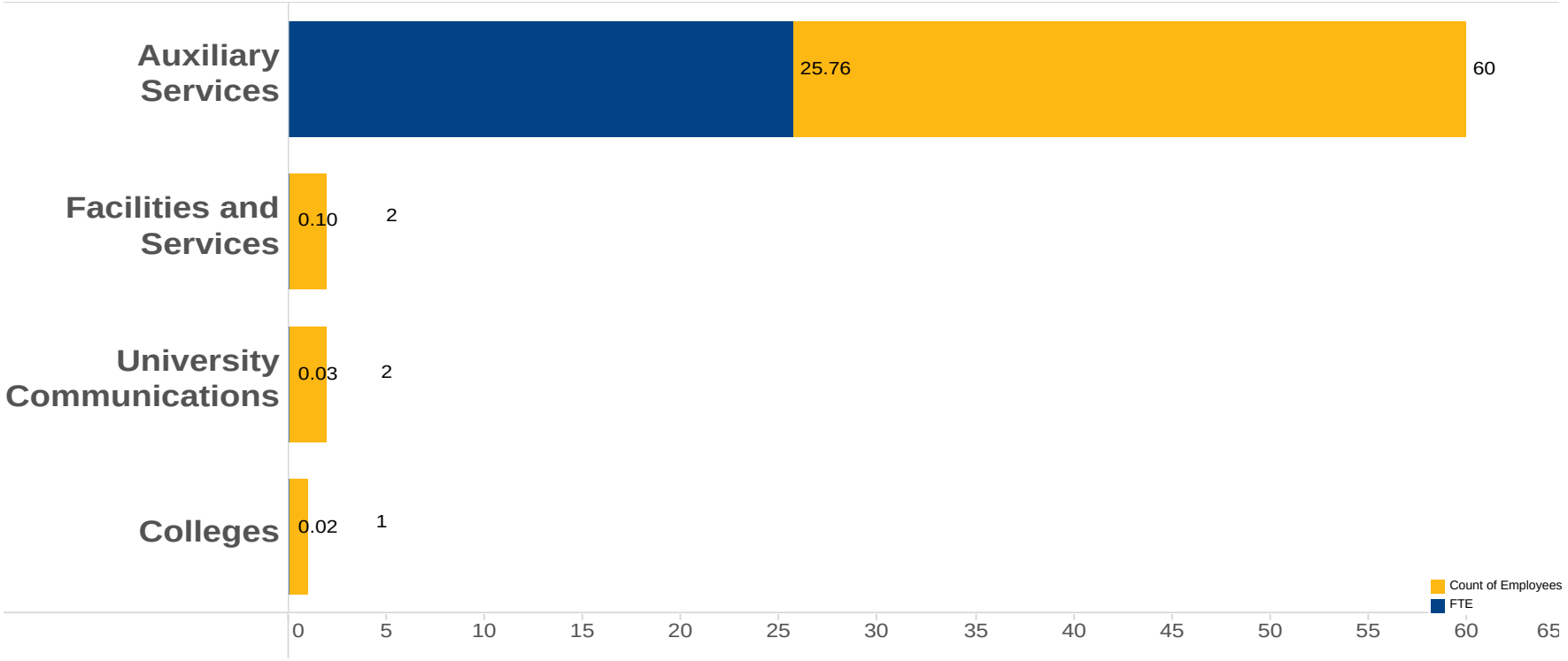
- Explore outsourcing housing operations by conducting search for potential third party housing partners to run and operate housing at NMSU.
- Optimize leading practices in food service operations by undergoing a deep-dive analysis to understand where cost savings and efficiencies can be obtained.

$0- $0.5M in potential annual savings identified

AUX – Number of Employees and FTEs by Location

There are a total of 65 people, minimally distributed across campus over 4 Divisions, who report performing Auxiliary Services related activities.

Location Analysis*



Key Observations

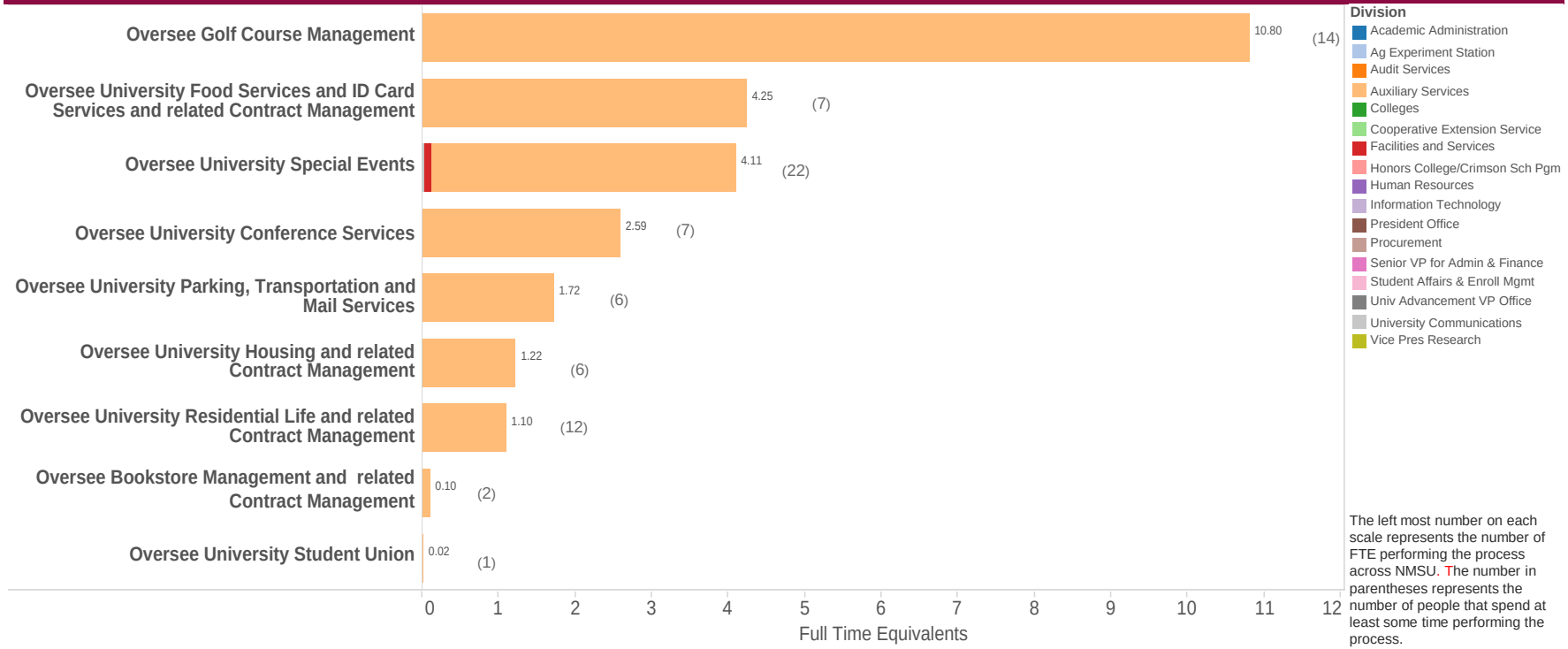
- The 65 people who reported completing Auxiliary Services processes represent 25.91 FTE.
- There are only 4 Divisions where Auxiliary Services work is being performed. ~99% of the FTEs completing Auxiliary Services Work are in the Auxiliary Services Division.
- In the 3 locations outside of the Auxiliary Services Division, cumulatively, there are 5 people who report completing Auxiliary Services work that account for .15 FTEs.

*NOTE: Only those locations that support any of the processes within this function are shown.

AUX – Level of Fragmentation by Process

There are only two Auxiliary Service Function processes that include employees performing AUX work outside of the central AUX Division.

Auxiliary Services Processes - Fragmentation



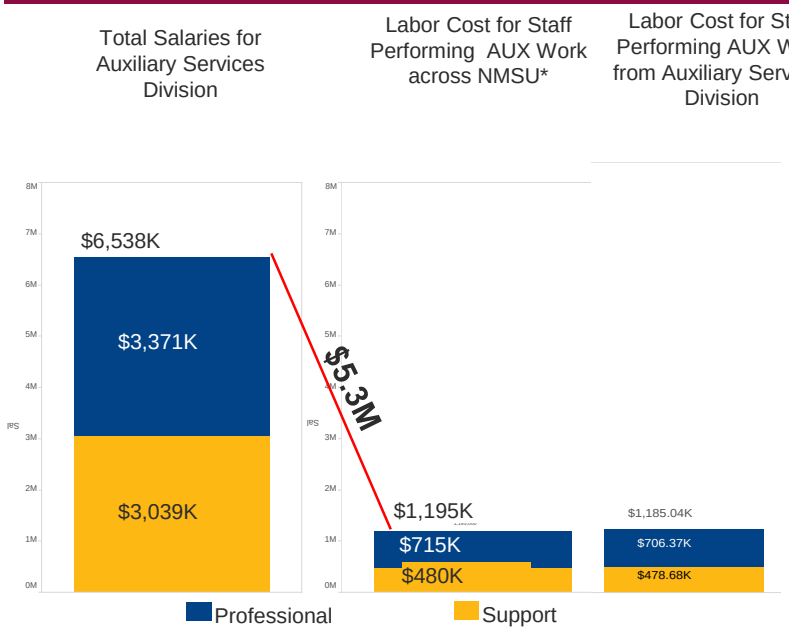
Key Observations

- Only two Auxiliary Service processes—(1)Oversee University Special Events and (2) Oversee University Housing and related Contract Management—include any amount of FTEs outside of the Auxiliary Services Division.
  - Oversee University Special Events - .13 FTE outside of Auxiliary Services
  - Oversee University Housing and related Contract Management - .02 FTE outside of Auxiliary Services. (Amount is so small that it does not appear on graphic above)
- There are a high number of people (22) who report completing Overseeing University Special Events, but cumulatively they spend a small part of their time completing Auxiliary work as indicated by the law number of FTE equivalents.

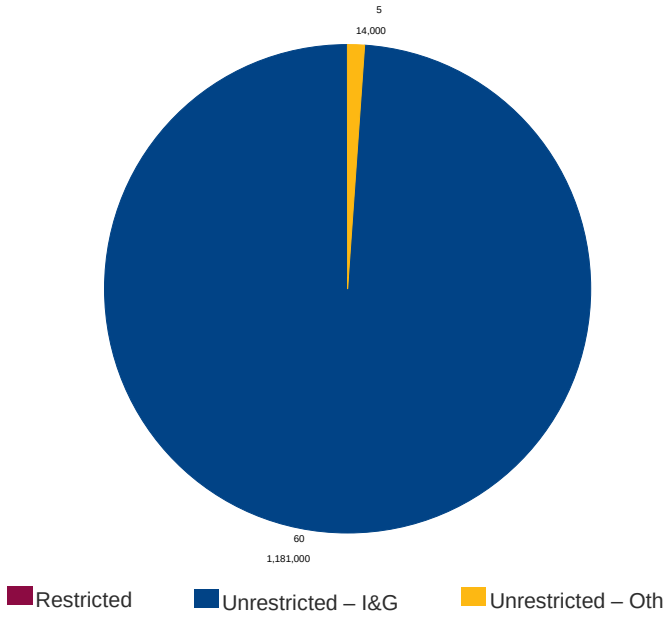
AUX – Labor Cost

NMSU spends ~$6.5M on total salaries for the Auxiliary Services Division. However, based on the activity analysis of the actual portion of time that staff spend on AUX activities across NMSU, the actual labor cost for staff performing AUX work is ~$1.1M.

Labor Cost: Division vs. Function



Labor Cost by Funding Type



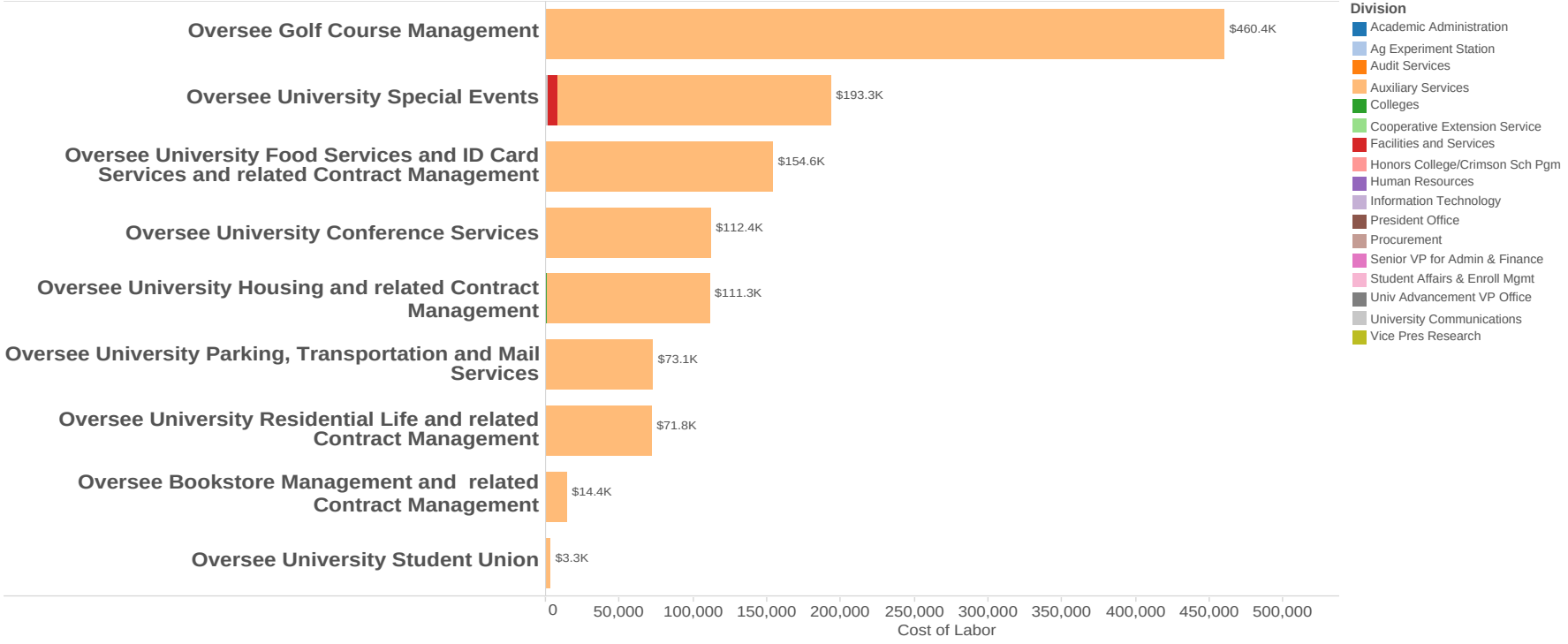
Key Observations

- NMSU spends ~$6.5M on total salaries for the Auxiliary Services Division. However, based on the activity analysis of the actual portion of time that staff spend on AUX activities across NMSU, the actual labor cost for staff performing AUX work is ~$1.1M.
- ~$2.7M of this labor cost differential is accounted for by Professional Staff spending time on non AUX work.
- ~$2.6M is accounted for by Support Staff spending time on non AUX activities
- Outside of Auxiliary Services work, staff spend their time primarily on Facilities Services work (50.69 FTE)
- 100% of Labor Cost spent on staff performing AUX work is unrestricted

AUX – Fragmentation by Process (Labor Cost)

Reflecting the minimal fragmentation of Auxiliary Services processes across NMSU, there is minimal cost being spent on Auxiliary Services outside of the Division.

Auxiliary Services Processes – Fragmentation (Labor Cost)



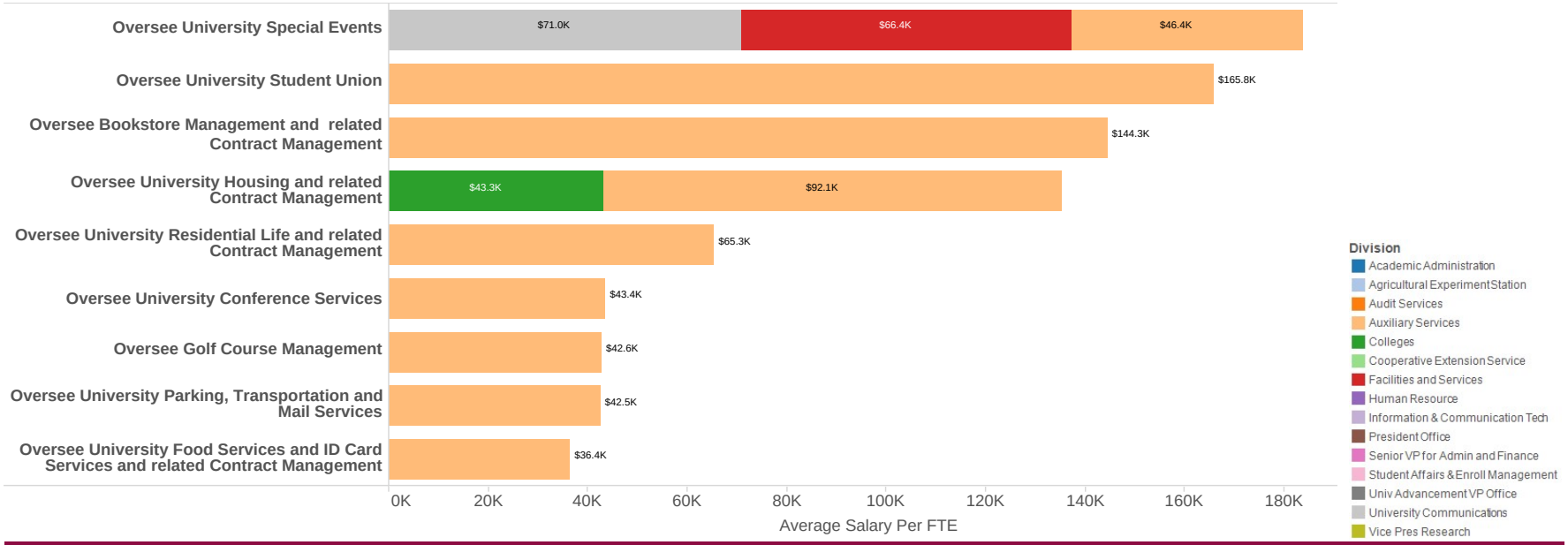
Key Observations

- Out of a total of $1,195,000 spent on staff completing AUX work, only $9.6K was spent on labor cost outside of the division.
- 4 of the 9 AUX process cost less than $75K for labor costs.
- Combined, the top two most costly AUX processes account for 55% of all labor cost spend on AUX work.

AUX – Divisional average labor cost per process

In the process where staff are most distributed across campus, the average labor cost per FTE is less than the average cost for AUX Division employees.

Auxiliary Services Processes – Average Labor Cost by Division per FTE



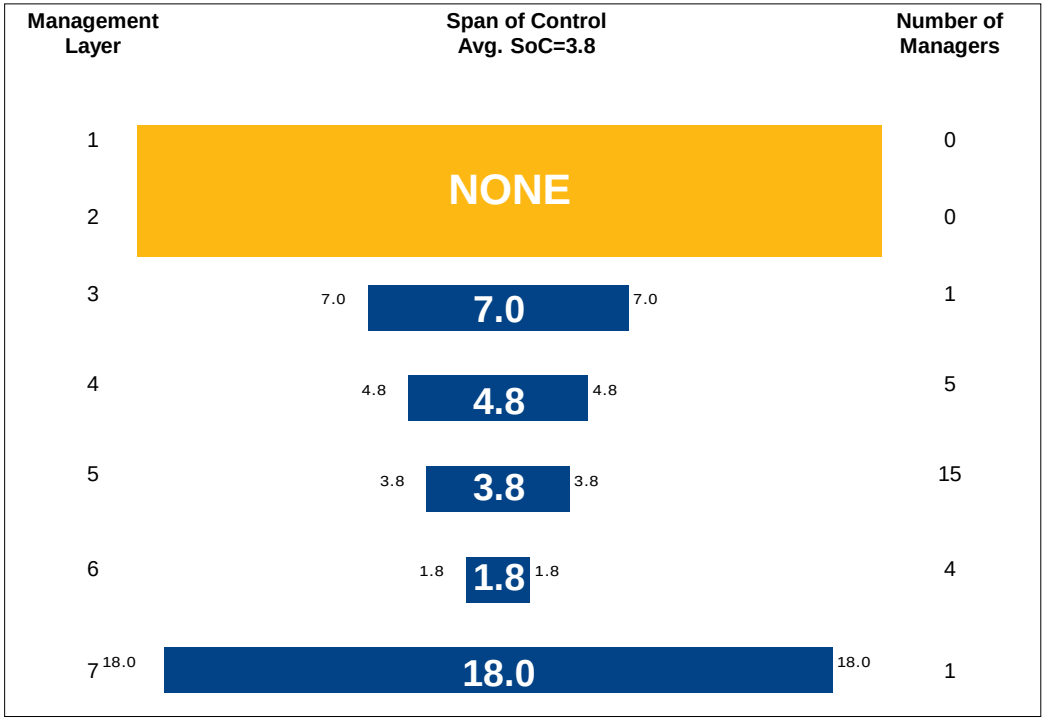
Key Observations

- Oversee University Special Events incorporates two divisions outside of the Auxiliary Services Divisions; however, it is less expensive to perform the process by Auxiliary Service employees.
- The other process that has employees working outside of the AUX Division is Oversee Housing and Related Contract Management. For this process, the average labor cost per FTE is less costly outside of the Division
- The most costly AUX function, Oversee Golf Course Management, is one of the least costly according to the average labor cost per FTE.

AUX - Span of Control and Management Layer

NMSU's Auxiliary function has opportunities to improve Span of Control (SoC) and possibly reduce its number of managers as indicated by a staff to manager ratio of 3.8:1, which is lower than leading class spans of 8:1 to 12:1.

Span of Control by Layer



Key Observations

- The AUX Division SoC is 3.8:1, which is lower than the leading class range of 8:1 to 12:1. Additionally, 62% of managers in the AUX Division manage 3 people or less.
- Excluding the bottom layer of management, Auxiliary Service's SoC is an inverted pyramid, which could indicate operating inefficiencies as there is decreasing SoC at lower levels of the organization
- Auxiliary Services has a vertical structure, with higher SoC at the top level, which could indicate inefficiencies related to roles and responsibilities and organizational communications

***Span of Control by Layer:** Management layers represent the reporting distance from layer 0; the Chancellor is the only individual at layer 0. Those that report directly to the Chancellor are in management layer 1, etc. "None" is shown in a Function when there is no manager in a particular layer.

AUX – Process

Keeping Auxiliary Services processes centralized, but merging them with another function could further promote consistency, and increase efficiency.

As-Is AUX Operating Model by Process

Centralized	1. Oversee University Parking, Transportation and Mail Services 2. Oversee University Housing and related Contract Management 3. Oversee University Food Services and ID Card Services and related Contract Management 4. Oversee University Residential Life and related Contract Management 5. Oversee University Conference Services 6. Oversee University Student Union 7. Oversee University Special Events 8. Oversee Bookstore Management and related Contract Management 9. Oversee Golf Course Management
Hybrid	1. None
Decentralized	1. None

Future-State AUX Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support**	**Business Partner**
Generic/University Wide	**Shared Services**	**Center of Excellence/Centralized** •Oversee University Parking, Transportation and Mail Services •Oversee University Housing and related Contract Management •Oversee University Food Services and ID Card Services and related Contract Management •Oversee University Residential Life and related Contract Management •Oversee University Conference Services •Oversee University Student Union •Oversee University Special Events •Oversee Bookstore Management and related Contract Management •Oversee Golf Course Management

Illustrative- for discussion purposes

AUX – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
AUX01	Merge Auxiliary Services with another Division	As there are not many people completing AUX work, combining the AUX Division with another Division may reduce costs by potentially reducing costs where this redundant roles. The Facility Services Division may be the best candidate for merger as many Auxiliary Services staff members complete Facility Services work.	Organization	Short	L

Research, Scholarship, and Creative Activities (RSC)

RSC – Overview

RSC is highly decentralized in comparison to peers and it does not leverage Shared Services concepts.

Overview

The primary responsibility of the RSC function is to support creative research through technical support and operational assistance.

RSC Processes*

1. Manage Research, Discovery, Creative and/or Development Unit
2. Manage Research and/or Development Program
3. Coordinate Program Activities
4. Conduct Research, Scholarship and Creative Activities
5. Provide Research Support
6. Provide Technical Support
7. Support Machining Operations
8. Develop Software
9. Support Artistic Activities
10. Manage R&D Site Operations
11. Provide Training
12. Provide Agricultural Support

Degree of Centralization vs. Peers

Degree of Shared Services vs. Peers

Primary ERP Tool vs. Peers

N/A

Technology Capabilities vs. Peers

N/A

RSC – Key Findings and Opportunity Summary

The RSC function is highly decentralized with a few hybrid processes. Redesigning and streamlining the operating model may provide some opportunities for improved efficiencies and cost savings. However, opportunities might be limited given the high level of restricted funding (~50%) of labor costs for this function.

Key Findings	Potential Opportunities based on Current Findings

▪ Staff performing RSC work are distributed broadly across NMSU. (603 people represent 429.56 FTEs)
  ▪ The total 429.56 FTE who perform RSC- related activities is the highest number of FTEs for any function at NMSU.
▪ The RSC processes are spread over many Divisions, predominantly the Colleges
▪ Across the University, there are a significant number of people utilized to support the process “Provide Research Support.”
  ▪ The 138.47 FTEs allocated toward this process represents 32% of all FTEs performing any RSC work
▪ Cumulatively, NMSU spends ~$25.3M on labor costs for the RSC function.
	▪ Redesign and streamline NMSU’s RSC operating model to increase efficiency and provide cost savings by better aligning strategic and transactional work.
	  ▪ Centralize several processes into central office that supports RSC initiatives across the University
	  ▪ Implement business partner for certain processes.
	  ▪ Continue onsite support for processes where assistance is needed within the unit.

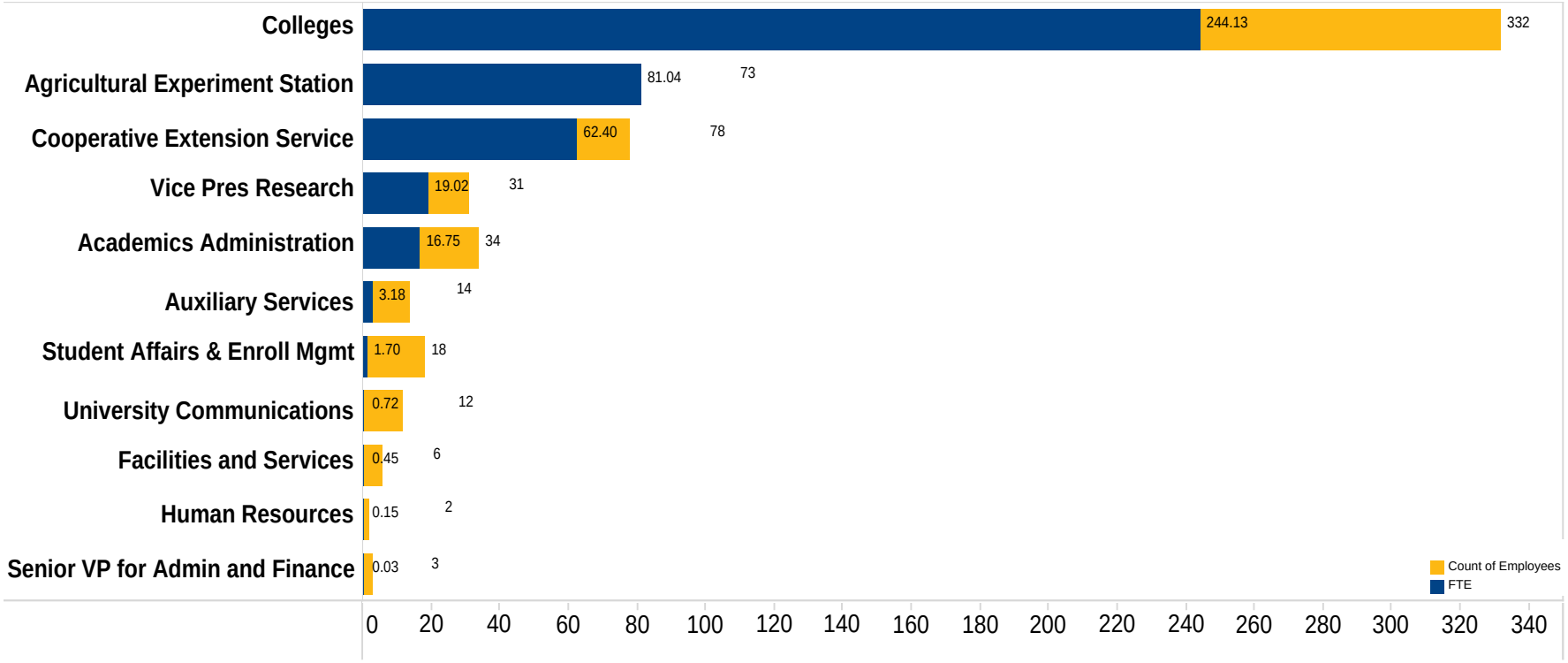
Span of Control nor Management Layers were not computed for this function.

Up to $500K in potential annual savings identified

RSC – Number of Employees and FTEs by Location

There are a total of 603 people, distributed across 11 Divisions, who report performing RSC related activities.

Location Analysis*



Key Observations

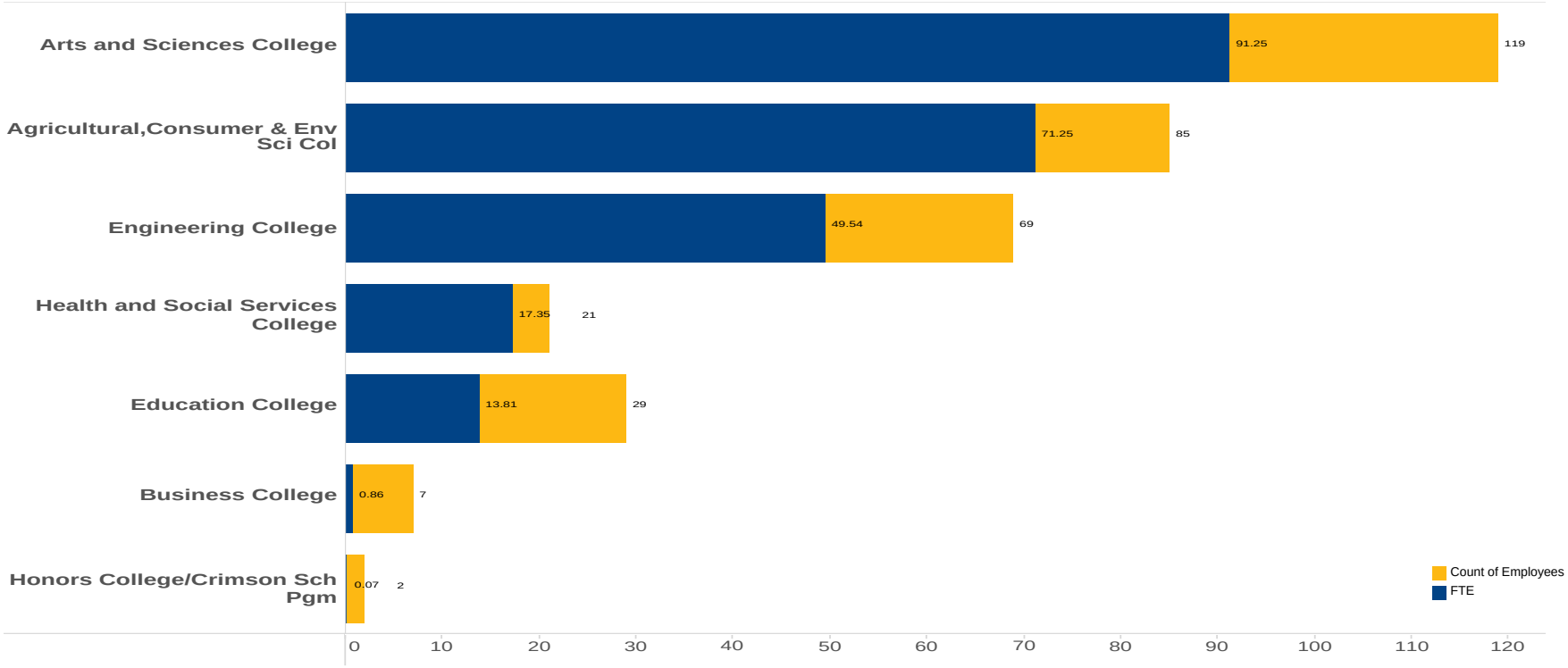
- The 603 who report completing RSC related activities account for 429.56 FTE.
- The 429.56 FTE accounted for performing RSC related activities is the highest number of FTEs for any function at NMSU.
- The top 3 locations with the highest number of FTES (the Colleges, Agricultural Experiment Station, and Cooperative Extension Service) account for 387.57FTE, which is 90% of all the FTEs performing RSC duties.
- The count of employees within the Colleges that complete RSC activities (RSC) is more than the combined count of employees for all other locations.

NOTE: Employees within the Agricultural Experiment Station accounted for more than 100% of their time, thus the FTE count is higher than the count of employees. Also, only those locations that support any of the processes within this function are shown.

RSC – Number of Employees and FTEs by Location (Colleges)

There are a total of 332 people within the Colleges who report performing RSC related activities.

Location Analysis*



Key Observations

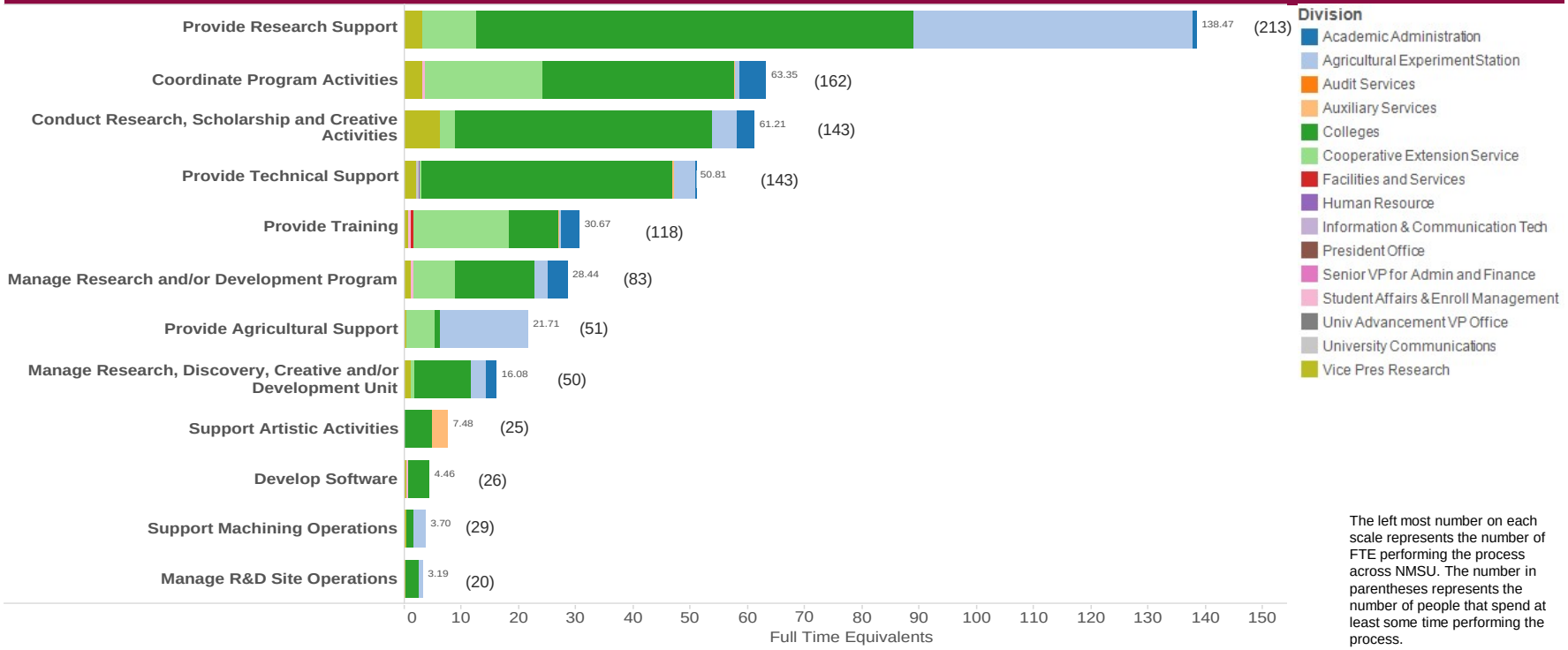
- The 332 employees who report completing RSC activities within Colleges account for 244.13 FTEs.
- More than half (67%) of the FTEs performing RSC work within the colleges are located within the Arts and Sciences College and the Agricultural, Consumer and Environmental Science College.
- The Health and Social Services College has the highest percentage (83%) of FTEs to count of employees performing RSC work. This indicates that for a majority of people in this college, RSC work is their primary responsibility.

*NOTE: Only those locations that support any of the processes within this function are shown.

RSC – Level of Fragmentation by Process

There are a significant number of people across NMSU supporting the Provide Research Support process.

RSC Processes - Fragmentation



The left most number on each scale represents the number of FTE performing the process across NMSU. The number in parentheses represents the number of people that spend at least some time performing the process.

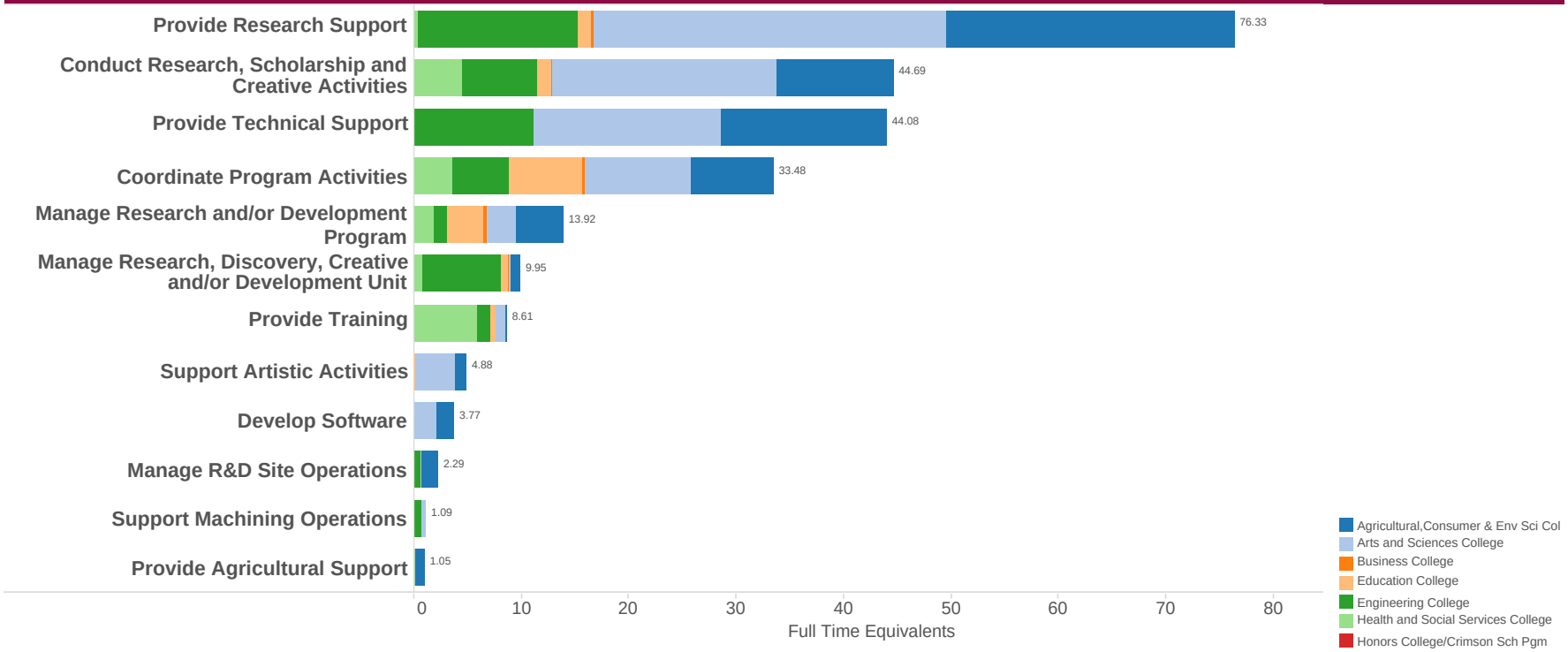
Key Observations

- There are a significant number of people supporting the “Provide Research Support” process. The 138.47 FTEs allocated toward this process represents 32% of all FTEs performing any RSC work.
- For the processes with 25 or more FTE, the processes generally spreads at least 7 Divisions.
- Across the function, there are a high number of employees that report completing RSC processes. Excluding Provide Research Support, no process has a 50% ratio of FTEs to the number of employees that report performing that process.
- The Colleges have more than 50% of the FTEs in all but 4 processes. The four processes are Provide Training, Manage Research and and/or Development Program, Provide Agricultural Support, and Support Machining Operations.

RSC – Level of Fragmentation by Process for the Colleges

The RSC processes generally have FTEs distributed over a majority of the Colleges.

RSC Processes - Fragmentation



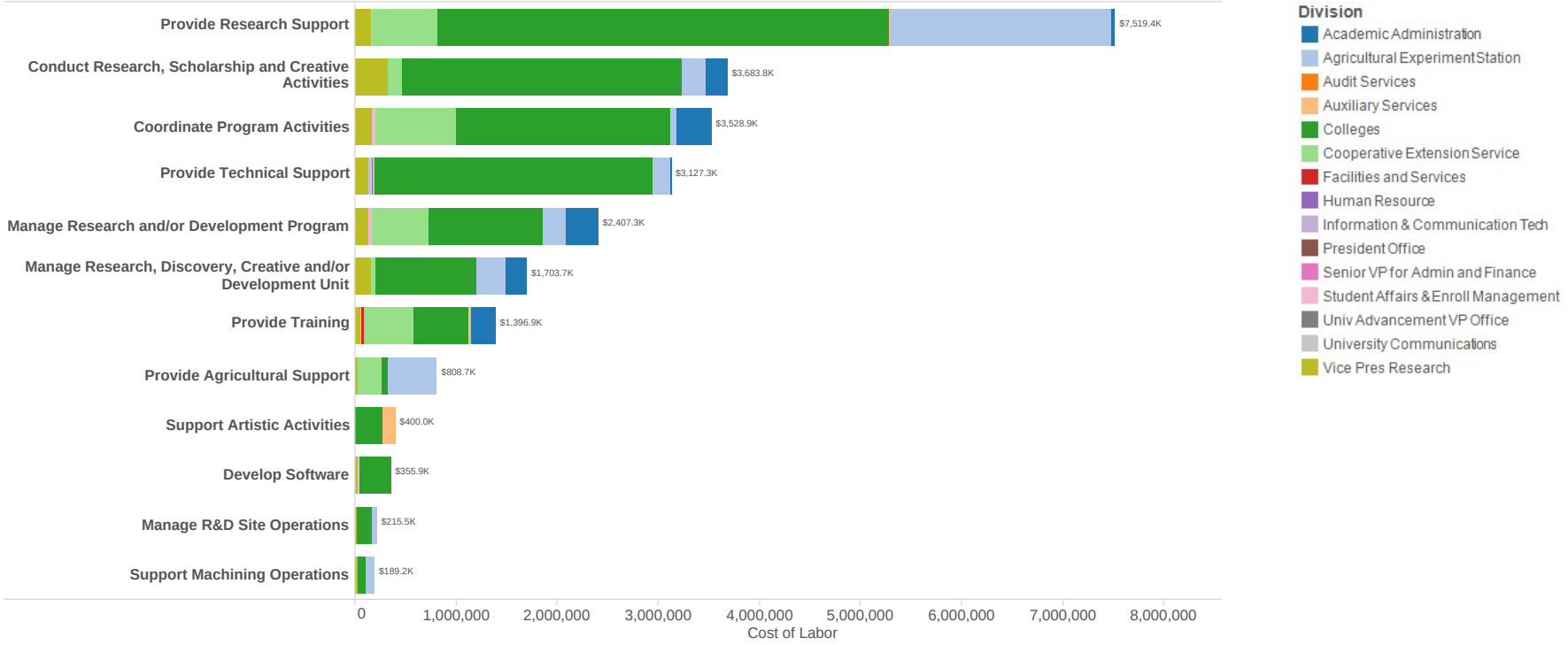
Key Observations

- The RSC processes have FTEs distributed over a majority of the Colleges. For each process with at least 5 FTEs, the process is spread over at least 5 colleges.
- Both the Agricultural, Consumer and Environmental Science College (ACE) and the Arts and Sciences College contribute FTEs to every RSC Process except one. ACE does not contribute to the process Support Machining Operations and the Arts and Science College does not contribute to the process Provide Agricultural Support.
- The Arts and Sciences College contributes the most FTEs to 6 out of 11 processes.
- The Health and Social Services College contributes the most FTEs to one process, Provide Training.

RSC – Fragmentation by Process (Labor Cost)

Cumulatively, NMSU spends ~$25.3M on labor costs for the RSC function.

RSC Processes – Fragmentation (Labor Cost)



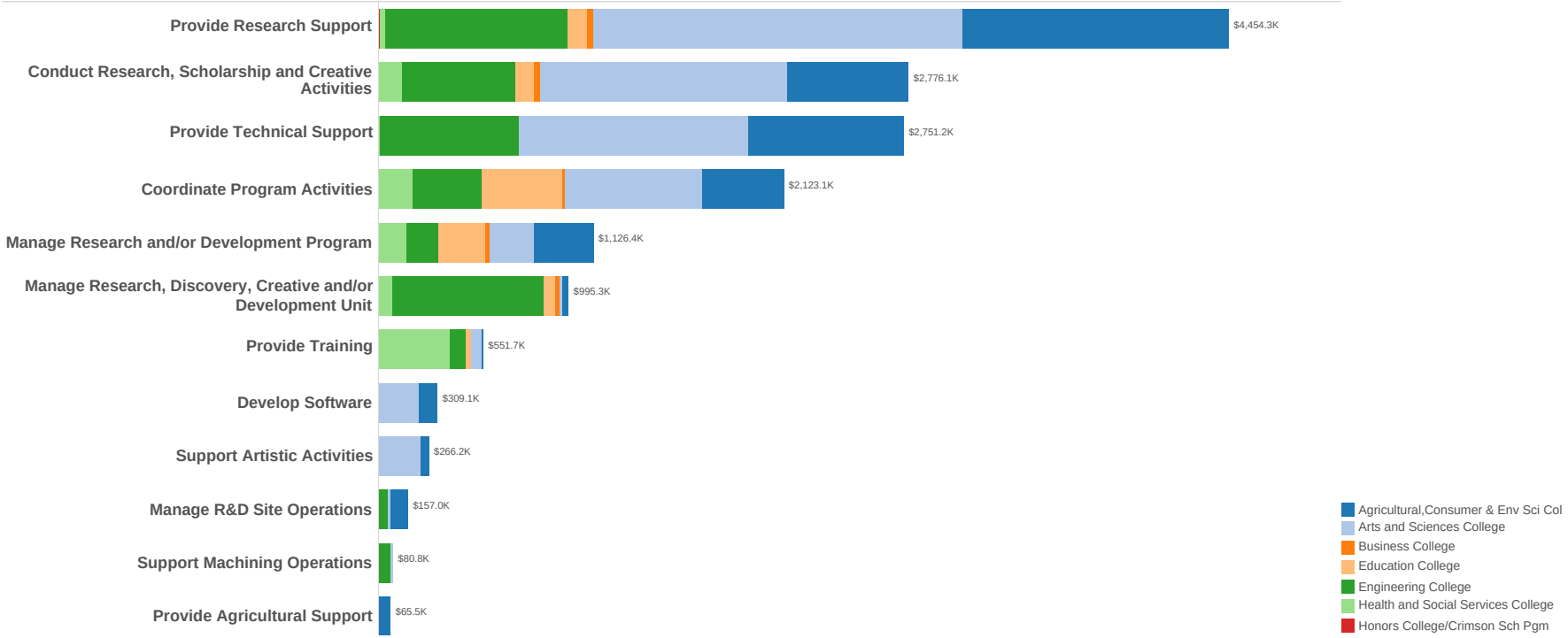
Key Observations

- NMSU spends ~$25.3M on labor costs for the RSC function. Of the total spent on RSC, $7.5M is spent on the Provide Research Support process, which represents 30% of the total labor cost spend.
- The top three most costly processes for the RSC function—Provide Research Support, Conduct Research, Scholarship and Creative Activities, and Coordinate Program Activities—represent 58% of the total labor costs for the RSC function.

RSC – Fragmentation by Process (Labor Cost) for the Colleges

Cumulatively, the Colleges spend ~$15.7M on labor costs for their employees completing RSC work.

RSC Processes – Fragmentation (Labor Cost)



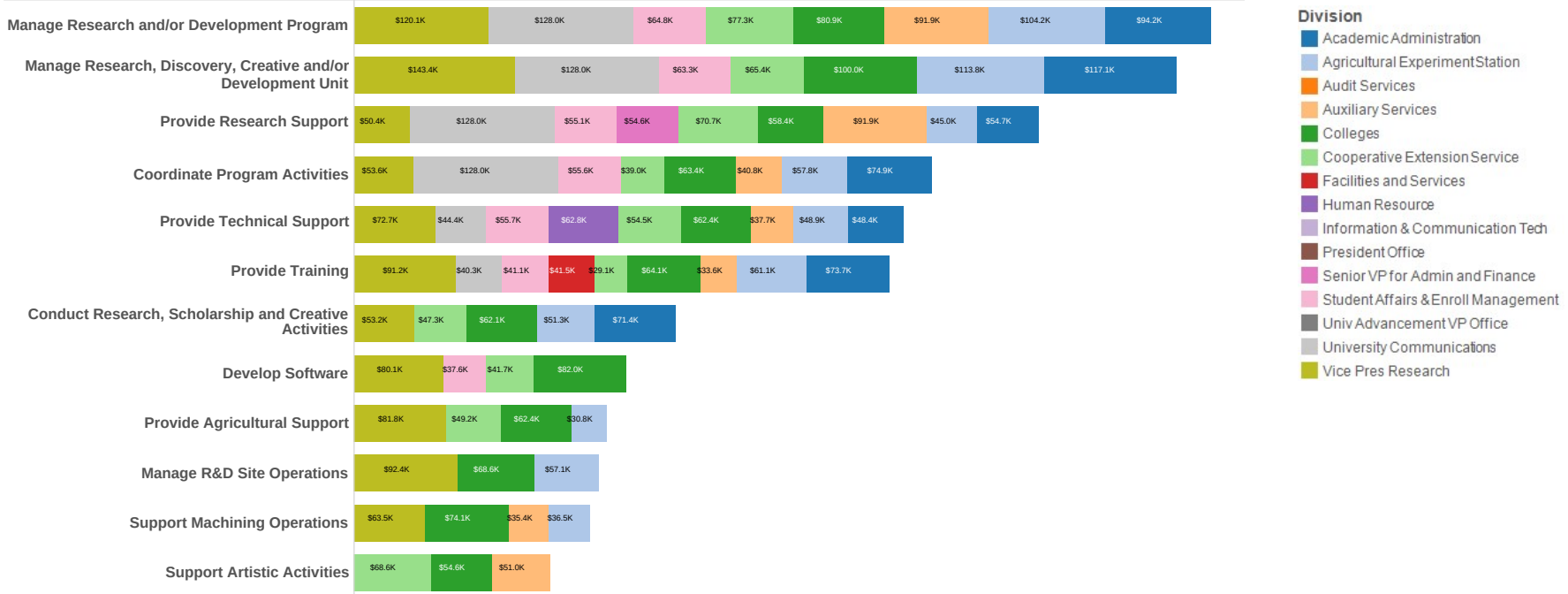
Key Observations

- In 6 of the 11 processes, the Arts and Sciences College spends the most on labor costs. (The Arts and Sciences College has the highest the FTE count in the same processes.)
- Combined, the Arts and Science College represents $5.9M (38%) of the total labor costs within the Colleges spent on employees performing RSC work.
- Of the $995K spent on the process Manage Research, Discovery, Creative and/or Development Unit, ~$796K is spent on labor costs from the Engineering School.
- The Honors College spends the least on RSC function with only $7.8K.

RSC – Divisional average labor cost per process

Within many of the processes the average labor cost per FTE varies greatly across the Divisions.

RSC Processes – Average Labor Cost by Division per FTE*



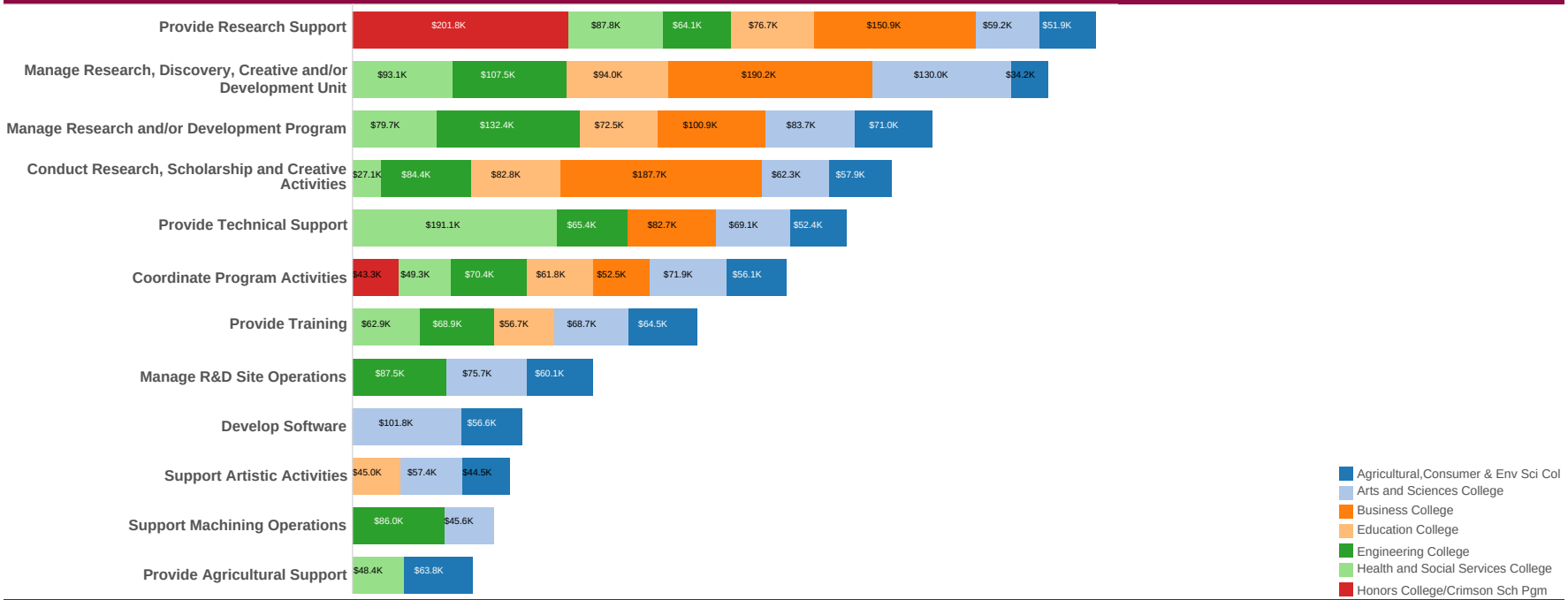
Key Observations

- Within many of the processes the average labor cost per FTE varies greatly across the Divisions. In some cases the difference is nearly $90K between the lowest average labor cost per FTE and the highest average labor cost per FTE. For example, within the Coordinate Program Activities, the average labor cost per FTE for University Communications is $128K vs. the Cooperative Extension Service, which is $39K
- There are generally higher average labor costs per FTE when the process is spread across more Divisions
- Excluding Student Affairs and the Cooperative Extension Service, the highest average labor cost per FTE for each division is for the process Manage Research, Discovery, Creative and/or Development Unit. This indicates that high salaried individuals are performing this process across the Divisions.

RSC – Colleges average labor cost per process

The average labor cost per FTE varies greatly across the Colleges.

RSC Processes – Average Labor Cost by Division per FTE*



Key Observations

- Similar to the overall University, the average labor cost per FTE varies greatly across the Colleges. In some cases the difference is ~$160K between the lowest average labor cost and the highest average. For example, within the Conduct Research, Scholarship and Creative Activities the average labor cost per FTE for the Business College is $187.7K vs. the Health and Social Services , which is $27.1K
- When represented, the Business College most often has one of the highest average labor cost per FTE for RSC work being completed.
- The process Support Artistic Activities represents the most inexpensive average labor cost per FTE across the Colleges.

RSC – Process

The processes for the RSC function are highly decentralized as no Division has overarching responsibility for the function. However, centralizing some of the processes may provide opportunities for improved efficiency and cost reduction.

As-Is RSC Operating Model by Process

Centralized	1. None
Hybrid	1. Develop Software 2. Support Artistic Activities 3. Support Machining Operations 4. Manage R&D Site Operations
Decentralized	1. Manage Research, Discovery, Creative and/or Development Unit 2. Manage Research and/or Development Program 3. Coordinate Program Activities 4. Conduct Research, Scholarship and Creative Activities 5. Provide Research Support 6. Provide Technical Support 7. Provide Training 8. Provide Agricultural Support

Future-State RSC Operating Model by Process

Relationship to the University	Method of Adding Value: Low cost / Defined service levels	Method of Adding Value: Knowledge transfer / Management involvement
Specific/Department	**Onsite Support** •Provide Agricultural Support •Support Machining Operations •Manage R&D Site Operations •Conduct Research, Scholarship and Creative Activities .	**Business Partner** •Develop Software •Provide Training •.
Generic/University Wide	**Shared Services**	**Center of Excellence/Centralized** •Manage Research, Discovery, Creative and/or Development Unit •Manage Research and/or Development Program •Coordinate Program Activities •Provide Research Support •Provide Technical Support •Support Machining Operation •Support Artistic Activities

Illustrative- for discussion purposes

RSC – Key Opportunities

Based on key findings and observations with NMSU during the Staffing Study, we would recommend the following opportunities for consideration:

#	Opportunity Name	Opportunity	Category	Impact Timeline (Short Term <= 6 mos, Medium >6 mos <=12 mos Long > 12 mos	Potential Impact H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K
RSC01	Streamline Support for RSC Efforts	While there are certain processes that require Onsite Support; several RSC initiatives can be centralized or shifted to a business partner model that will help improve efficiency and maximize NMSU's resources.	Organization	Medium	L

Appendix

New Mexico State University Administrative Taxonomy (1 of 3)

1.0 General Admin Support	2.0 Operational Management Activities	3.0 Advancement	4.0 Facilities Services	5.0 Auxiliaries
• Provide Office and Operational Support • Process HR Transactions • Process Finance Transactions • Provide Student Support • Maintain Files and Provide General Reports • Provide Communication Support	• Direct Departments or Division • Manage Functions or Operations • Perform Strategic Planning • Oversee Government Relations • Support Accreditation and/ or Assessment Activities	• Manage Gift Accounting and Receiving • Conduct Prospect Research and Management Activities • Execute Donations and Stewardship Reporting • Execute Comprehensive & Capital Campaign Fundraising • Manage Corporate & Foundation Fundraising • Oversee Annual Giving • Manage Planned Giving • Manage Faculty, Staff, Student, Alumni Relations, Donors and Friends • Manage Donor Relationships/Stewardship • Manage Relations with External Organizations or Individuals • Coordinate Event Planning • Facilitate Marketing • Coordinate Communications • Manage Donor and Alumni Records • Manage University Scholarships Inventory • Manage University/Foundation Endowment	• Perform Facility Development and Renovation Administration • Perform Maintenance • Manage Grounds • Manage Environmental Services • Oversee Utilities • Confirm Regulatory Compliance • Oversee Management and Development of Real Estate	• Oversee University Parking, Transportation and Mail Services • Oversee University Housing and Related Contract Management • Oversee University Food Services, ID Card Services, and related Contract Management • Oversee University Conference Services • Oversee University Student Union • Oversee University Special Events • Oversee Bookstore Management and related Contract Management • Oversee Golf Course Management

New Mexico State University Administrative Taxonomy (2 of 3)

6.0 Finance

- Execute Accounts Payable
- Conduct Accounts Receivable
- Manage/ Execute University-level budgeting
- Perform department-level budgeting
- Perform debt management Accounting
- Perform Central Accounting
- Perform General Accounting
- Perform External Financial Reporting
- Perform Rate Development and Review
- Conduct Travel Expense Processing
- Support External Audit
- Conduct Internal Audit
- Plan/Execute Tax Considerations
- Perform Treasury Activities
- Perform Bursar/ Collection Activities
- Perform Risk Management
- Administer Research Accounting
- Manage/Execute Payroll, Time, and Attendance Administration

7.0 HR

- Manage Applicant Recruiting
- Manage Compensation Planning
- Manage HR Benefits & Payroll Data Admin
- Perform I-9 Processing
- Perform Visa Processing
- Conduct On Boarding/Out Processing
- Manage/ Execute Leave Administration
- Perform Benefits Administration
- Conduct Employee Relations
- Conduct Labor Relations
- Conduct Performance Management
- Manage Learning and Development
- Oversee Workers' Compensation
- Administer Health & Wellness Programs
- EEO
- Conduct Position Management, Success Management and Workforce Planning

8.0 Procurement

- Perform Purchasing Requirements and Supplier Evaluation and Selection Activities
- Conduct Requisition Processing
- Process and Maintain Purchase Orders
- Manage Procurement Contracts and Requests for Quotes
- Monitor and Manage Supplier Contracts
- Oversee property casualty claims Process
- Oversee Warehouse, Inventory, and Property Management

9.0 Student Admin Services

- Conduct Student Recruitment
- Manage/Execute Applications Processing and Admissions
- Onboard Students
- Advise Students
- Enroll Students
- Manage Student Employment
- Plan/Maintain Academic Calendar
- Plan/Execute Convocation and Commencement
- Manage/ Maintain Student Records
- Manage, Report, and Counsel Students on Financial Aid
- Support Financial Aid, Grants, Scholarships Application
- Process Financial Aid, Grants, Scholarships
- Provide Career Services
- Manage Student Health and Wellness Programs
- Oversee Student Conduct
- Manage Student Life Activities
- Provide Academic Support
- Develop/ Maintain Course Catalogs
- Manage Classroom Scheduling
- Develop and Maintain Class Schedule

New Mexico State University Administrative Taxonomy (3 of 3)

10.0 Award Development, Compliance & Admin

- Identify Grant Funding and Manage Limited Submissions
- Provide Proposal Development Support
- Support Grant Proposal Preparation, Review and Submission
- Manage Award Negotiation and Acceptance
- Support Financial Regulatory Management
- Process Awards
- Perform Award Project Management
- Manage Licensing, Commercialization, and Technology Transfer
- Manage Conflicts of Interest (COI) related to Sponsored Activities
- Manage Research Compliance
- Conduct Subcontractor Procurement

11.0 Information Technology

- Administer & Manage University-wide IT
- Program, Project and/or Service Mgmt.
- Conduct Application Support & Main.
- Manage App. Dev. & Implementation
- Conduct Business Requirements Analysis
- Support Data Centers
- Provide End-user Support
- Manage Hardware & Software Acquisition
- Support Research Computing
- Manage Telecommunications
- Manage IT Vendors
- Design, Implement, Maintain Networks
- Support IT Life Safety Systems
- Maintain Information Security
- Oversee Document Management
- Perform Computer & Op System Admin
- Oversee Disaster Recovery/Business Continuity
- Oversee Identity & Authentication Mgmt.
- Perform Database Admin
- Administer/Maintain Data Warehouse
- Oversee Decision Support & Data Model
- Facilitate Business Process Automation and Operational support
- Execute Operational and Longitudinal

12.0 Communications

- Plan/Execute Communications
- Plan/Execute Marketing
- Plan/Execute Cooperative Extension Services and Agricultural Extension Services Publications
- Product Broadcast Television Programs
- Manage Public TV and Radio Stations
- Develop News Stories and Conduct Media Relations
- Handle Sports Information Duties
- Provide Strategic Direction for University Website

13.0 Research, Public Service & Scholarly/ Creative Activities

- Manage Research, Discovery, and/or Development Unit
- Manage Research and Development Program
- Coordinate Program Activities
- Conduct Research, Scholarship, and Creative Activities
- Provide Research Support
- Provide Technical Support
- Support Machining Operations
- Develop Software
- Support Artistic Activities
- Manage R&D Site Operations
- Provide Training
- Provide Agricultural Support

14.0 Educational Programs

- Develop Educational Programs
- Implement Educational Programs
- Develop Outreach Programs
- Evaluate Educational Programs
- Provide Library Services

Formulas Used

Estimated Savings for Each Functional Area (Slides: 31,43,55,70,77,89,101,113,125,137,147,163,176,188)

- Combined potential impact for opportunities in each function. H= High gains in service or cost savings greater than $1M; M= Moderate gains in service, or cost savings from 500K up to $1M; L= Some gains in service, cost savings up to $500K.

Location analysis: (Slides: 32, 44, 56,71, 78, 90,102,114,126,138,148,149,164,165,177,189,190)

- Count of the number of employees, by division (position location) on campus, who were reported as having spent some time doing the given function's work
- Sum of the fraction of time that each of these employees, by division (position location) on campus, spent doing the given function's work

Process fragmentation (FTE): (Slides:33,45,57,72,80,91,103,115,127,129,150,151,166,167,178,191,192)

- The count of the number of employees, fragmented by division (position location) on campus, who were reported as having spent some time doing the function's work, broken down by process
- Sum of the fraction of time that each of these employees, fragmented by division (position location) on campus, spent doing the given function's work, broken down by process

Labor cost bar charts: (Slides:34,46,58,80,92,104,116,128,152,179)

- Sum of the salaries + fringe of all employees in the mapping function's division, fragmented by professional vs. support staff
- Sum of the product of salary + fringe for each employee spending time performing the given function's work across campus and the fraction of time that each of these employees spent doing the given function's work, fragmented by professional vs. support staff

Labor cost pie charts: (Slides:34,46,58,80,92,104,116,128,152,179)

- Sum of the product of salary + fringe for each employee spending time performing the given function's work across campus and the fraction of time that each of these employees spent doing the given function's work, fragmented by funding type

Process fragmentation (Labor Cost): (Slides:35,47,59,81,93,105,117,129,141,153,154,168,169,180,193,194)

- Sum of the product of salary + fringe for each employee spending time performing the given function's work across campus and the fraction of time that each of these employees spent doing the given function's work, fragmented by division (position location) on campus, broken down by process

Process fragmentation (Average Labor Costs): (Slides:36,48,61,82,94,106,118,130,142,155,156,170,171,195, 196)

- Sum of the product of salary + fringe for each employee spending time performing the given function's work across campus and the fraction of time that each of these employees spent the given function's work, fragmented by division (position location) on campus and divided by the sum of the fraction of time that each of these employees spent doing the given function's work, broken down by process
- Avg per division per process = $\text{Sum}[(\text{Salary} + \text{Fringe})*\text{FTE}]_{\text{HR, Applicant Recruiting,}} / \text{Sum}(\text{FTE})_{\text{Fn, Process, Division}}$

SOC by Layer: (Slides:37,49,62,83,95,107,119,131,157,182)

- Average number of direct reports (span of control) by management layer for the given function's mapping division
- Number of managers per management layer for the given function's correlating division

Number of Direct Reports by Managers: (Slides:37,49,62,83,95,107,119,131,157,182)

- Count of the number of managers managing a given number of direct reports for the given function's mapping division