Agenda

• Introductions
• Key Elements for Operational Improvement
• Business Processes
• Technology
• Organization Structure
• People
• Performance Measurement
• Questions?
Key Elements for Operational Improvement

• There are many elements of a business system but we are going to focus on the following 5 elements:
  – Business Processes
  – Technology
  – Organization Structure
  – People
  – Performance Measurement

• Each of these elements are critical to the success of individual research administration units as well as the overall research enterprise.
Key Elements for Operational Improvement

**Business Processes**
What is the most efficient and effective way to serve process customers or users?
- Ensure all efforts provide value
- Eliminate non-value added activities

**Technology**
Is technology appropriately supporting and enabling business processes?
- Do process owners and customers understand and use the technology?

**Performance Measurement**
What measures will be used to evaluate processes, people and organization?
- Cost or quality measures
- Time or risk measures

**People**
Do we have the appropriate people to enable business processes?
- What skills do we have?
- What skills are needed?
- What will it take to transition

**Organization Structure**
What organization structure and key leadership positions are needed to support and manage the organization?
Business Processes

• Business processes drive the work of an organization
  – Proposal review/approval
  – Award set-up
  – Billing and Accounts Receivable
  – Close-Outs

• Several key concepts guide assessments of business processes. Business processes should:
  – Reflect a best practice approach to service delivery
  – Reflect a clear understanding of customers’ needs
  – Achieve the optimal balance of cost, quality, time and service from both the customer and process owner perspectives
  – Be standardized across the organization
  – Be customized to fit unique size or nature of each unit without compromising standardization
  – Be quickly adaptable to changes
  – Have established measures by which individuals, teams, organizational units and processes are evaluated and upon which critical decisions are based
Business Processes

- **Sample process flow for award set-up process**

- Receptionist receives NGA and distributes to Grants Assistant
  - Grants Assistant logs award into system and distributes to Grants Administrator
  - Grants Administrator reviews file and completes Award Set-Up form. Sends form to Grants Assistant.
    - Grants Assistant enters data on Award Set-Up form into system. Completes internal notification sheet and sends to Grants Administrator.
    - Grants Administrator reviews work of Grants Assistant and then gives file back to Grants Assistant to make any changes.
      - Grants Assistant makes any changes and forwards completed work to receptionist.
    - Receptionist sends internal notification to department and PI via intra-university mail. Returns file to Grants Assistant
      - Grants Assistant files award.

- **What improvements could be made to this process?**
Business Processes

• Suggested improvements (not including technology improvements)
  – Reduce the number of handoffs
    • Each handoff takes time which increases the amount of time the customer (PI)
      has to wait to receive account #
  – Reduce the number of reviews
    • People at all levels should be given responsibility
    • After initial training period, people may not require reviews for every award
Business Processes

- Revised process (without technology improvements)

  Receptionist receives NGA, logs award into system and distributes to Grants Assistant

  Grants Assistant reviews file, completes award set-up form, and enters data into system. Completes internal notification sheet and sends to Grants Administrator.

  Grants Administrator reviews, if necessary, then gives file back to Grants Assistant to make any changes.

  Grants Assistant files award.

  Grants Assistant makes any changes. Sends internal notification to department and PI via intra-university mail.

- Eliminated 4 handoffs which were not creating value!
  - If each handoff takes 1-2 hours by the time documents are handed off and reviewed, could save up to 1 day by making these changes.
Business Processes

• Common themes of research administration processes:
  – Manual and paper intensive
    • Paper form in previous example.
  – Multiple reviews, corrections and re-examinations
    • In previous example, are all the reviews and re-examinations necessary?
  – Duplicated efforts due to multiple layers of data storage
  – Lack of formal training
  – Lack of documented business processes
  – Personnel within research administration units often do not work with a process mindset, but rather are focused on tasks.
    • In previous example, does the receptionist and grants assistant understand scope of entire process or just their tasks?
Business Processes

• Consequences of inefficient processes:

- Increased volume and complexity of research administration environment
- Increased workload
- Inefficient processes
- Dissatisfied customers (PIs, Sponsors) and staff within central offices
- Increased backlog
Technology

• **One** of the critical enablers used to provide an efficient and effective environment for research administration.
  – Not a “cure-all.” If you have inefficient processes and implement better technology without reviewing processes, you may be automating bad processes.

• Technology is the tool that allows organizations to reassess old assumptions and work in entirely new ways.

• Technology often allows for streamlined business processes.
Technology

• Revised process (without technology improvements)

  Receptionist receives NGA, logs award into system and distributes to Grants Assistant

  Grants Assistant reviews file, completes award set-up form, and enters data into system. Completes internal notification sheet and sends to Grants Administrator.

  Grants Administrator reviews, if necessary, then gives file back to Grants Assistant to make any changes.

  Grants Assistant makes any changes. Sends internal notification to department and PI via intra-university mail.

• What additional improvements can be made by improving technology?
Technology

- **Revised process (with technology improvements)**

  - Receptionist receives NGA, logs award into system and distributes to Grants Assistant
  - Grants Assistant reviews file, completes **web-based award setup form which automatically populates award system.** Completes **web-based internal notification sheet** and sends to Grants Administrator.
  - Grants Administrator reviews, if necessary, then gives file back to Grants Assistant to make any changes.
  - Grants Assistant makes any changes. Marks award-set up as complete in system and **auto-generated email with notification sheet is sent to PI/dept.**
  - Made technology improvements to process that had already been improved.
Technology

• Key technology considerations for operational improvement:
  – Does the new technology improve the process for the customers (PIs/departments) or only for the process owners (administrators in central offices)?
  – Can you eliminate manual process steps by building functionality directly into system?
  – What is the overall goal of implementing new technology?
    • Better service?
    • Increased compliance?
    • Improved efficiency?
    • Better reporting and tracking capabilities?
Organization Structure

• Organization structure and reporting relationships should be designed around the processes performed by an organization.
  – Organizational structures exist to manage, support and enable the work the organization performs.
• There is no “best practice” organization structure for research administration within universities.
  – Structure must be specific to organization’s particular circumstances and business environment, and aligned with organizational vision and approach to performing work.
• Structures of effective organizations generally reveal the following characteristics:
  – Structures are designed to support improved business processes.
  – Simplified, integrated structures are implemented to support streamlined processes, provide for effective delegation and eliminate unnecessary layers of management.
  – Structures provide for defined accountability.
• Example organization structure for pre-award office.

• How can this structure be improved?
Organization Structure

• Suggested improvements
  – Decrease the number of direct reports for the Associate Director.
    • She currently has 8 direct reports which may be too many given that several of the positions reporting to her are entry level positions.
  – Modify the structure so there is a more defined career path for the Grant Administrators (GAs) and Grant and Contract Specialists (GCSs) within the office.
    • Based on a review of the structure, there does not appear to be a defined career path and there does not appear to be a lot of differences between GA position and GCS position.
  – Introduce the teaming concept within the office.
Organization Structure

• Recommended Structure

- Director of SPA
  - Staff Assistant
    - Associate Director
      - GCS/Team Lead
        - GA
        - GA
        - Staff Assistant
      - GCS/Team Lead
        - GA
        - GA
        - Staff Assistant
People

- People are a critical enabler to efficient and effective conduct of research administration processes.

- Key communication link with 1) other central units, 2) departments and 3) sponsoring agencies.

- Key People questions to consider when conducting operational improvement project:
  - Do we have the appropriate customer service culture in place?
  - Do we have enough people to serve our customers in timely manner?
  - What competencies (knowledge, skills and behaviors) are necessary for success? Do our people have these competencies?
People

• Common themes in research administration units:
  – Roles and responsibilities are sometimes not well defined and/or communicated to employees and customers
  – Training and education programs are often informal and not supported by formal materials or documentation
  – Interview/selection process is not well defined
  – Feedback and review processes are weak or non-existent
    • Units often have not set goals or measured improvement
People

• Competency based approach to Human Resources systems/programs.
  – Develop core competencies for all individuals in research administration office and role specific competencies for different positions within office.
  – Revise job descriptions, selection and hiring process, and evaluation and promotion process to account for defined competencies.
  – Develop and implement training programs that bridge the gap between desired competencies and current competencies of research administration personnel.
Performance Measurement

- Performance measures reflect the vital signs of an organization
  - Show areas of strength

![Financial Reports - Past Due](chart.png)
Performance Measurement

- Performance measures reflect the vital signs of an organization
  - Early warning for problem areas

![Accounts Receivable Balance](chart)

- **Accounts Receivable Balance**

  - **Dollar Amount**
  - **Days Outstanding**
  - **Target**
  - **Actual**
Performance Measurement

• Employees react to performance measures
  – “What gets measured gets done”

• Performance measures enable organizations to evaluate themselves compared to their objectives and communicate results to their customers

• Performance measures equip management and operational personnel with evidence they need to track progress and make changes when necessary

• Performance measures serve as a foundation for continuous improvement
Performance Measurement

- Developing Performance Measurement Systems
  - Develop key performance measures for the office
    - Develop a few, balanced set of measures
    - Involve key stakeholders
    - Align measures with strategy
  - Set performance goals that support continuous improvement
    - Establish goals that stretch normal levels of performance
    - Consider the performance of outside organizations
    - Secure participation of employees
  - Communicate throughout organization the goals to which senior management is committed and the basis for the commitment
  - Monitor performance measures
Performance Measurement

• Performance Measurement Framework

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Current Level of Performance</th>
<th>Target</th>
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<tbody>
<tr>
<td><strong>Organization Structure</strong></td>
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<tr>
<td>Average number of accounts managed by Specialists</td>
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<tr>
<td>Average dollar amount managed by Specialists</td>
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<td><strong>Process</strong></td>
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<td><strong>Account Set-Up</strong></td>
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<tr>
<td>Average number of days to set up account</td>
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<tr>
<td><strong>Accounts Receivable</strong></td>
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<tr>
<td>Average accounts receivable balance ($)</td>
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<tr>
<td>Average days AR outstanding (30, 60, 90, 120)</td>
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<tr>
<td><strong>Invoicing/Billing</strong></td>
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<tr>
<td>Monthly unbilled balance</td>
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<tr>
<td>% Of invoices submitted within the billing cycle (i.e., on time)</td>
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<tr>
<td><strong>Account Closeout</strong></td>
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<tr>
<td>Number of active accounts more than 90 days beyond award end-date</td>
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<td>Number of late financial reports</td>
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Questions
Contact Information

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