

Athabasca University

Business and Student Services Administrative Practices Process Review

June 10th, 2016



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Executive Summary

Athabasca University (AU) has a long history of providing high quality post-secondary education dating back to the early 1970's. The Institution made a quantum shift in 1973 from operating as a conventional campus-based institution to an open and distance university. The University is credited as being Canada's first open and distance studies post-secondary institution. In response to learner and student needs, the Institution is renowned for its ability to offer programs that would have otherwise been inaccessible to tens of thousands of students worldwide. As an open institution, students are offered significant opportunities to learn and develop in education frameworks that may suit their learning needs better than a conventional post-secondary educational institution. The Institution's ability to provide courses and programs to learners and knowledge seekers anywhere in the world allows for a great deal of student flexibility and access.






On February 26, 2015, a task force was created to conduct a review and develop options for the sustainability of AU. The process included soliciting submissions from the AU community in order to gather viable options for improving the University and its services to the public. Many of the submissions identified the need for AU to improve the effectiveness and cost efficiency of its business and student service administrative practices. The Presidential Task Force submitted a report (*The Future Is Now – The Report of the Presidential Task Force on Sustainability*) on June 1, 2015 to the Ministry of Innovation and Advanced Education, which outlined four (4) options for AU to consider. One of the recommendations highlighted the necessity for AU to immediately proceed with a review of business and student service practices with the goal of improving AU's prospects for long-term sustainability.

Throughout this resulting engagement, we have relied upon the input and feedback of the AU Steering Committee, the Executive Group, Management, Faculty, Staff, Faculty Association, Unions, Students and Student Associations, and Alumni were consulted through structured interviews. Interviewees representing each in-scope area of the University were selected by the project team with support from the AU Project Manager. We would like to acknowledge the importance of this participation in developing our understanding of AU and for supporting our analysis through the provision of data and documentation. While all input was considered carefully, only the most impactful are reflected in this report.

The objectives of this review are presented below, along with the corresponding activities performed:



Table 1: Approach to Achieving Defined Objectives

Project Charter Objective	Approach to Achieving Objective
1. Assess alignment between current practices and processes with AU's strategic direction, priorities, and goals.	 The document review, individual stakeholder consultations, and town halls with students and staff.
2. Identify AU's operational strengths, weaknesses, and challenges associated with current business and student service administrative practices, processes, resources and structures.	 The cataloguing of key processes and the process performance assessment.
3. Identify areas to further explore and reduce costs and/or improve service delivery through more effective or efficient use of resources, with respect to the re-alignment, restructuring, acquisition or disposition of structures, practices, processes and resources (human and physical) within AU or externally.	 Outputs for process performance assessment informed a cost-benefit analysis as well as performance management and continuous improvement priorities.
4. Identify opportunities to reduce administrative costs and improve service delivery with respect to partnerships and shared services with other Campus Alberta post-secondary institutions or public institutions.	 Identification of possible partnership and alternative service delivery models.
5. Identify the effective practices that will allow AU to benefit from the experiences and expertise of other post-secondary institutions and private and public organizations with similar administrative structures and functions.	 Benchmarking of best practices in higher education and other industries.

Current State Assessment

The findings of the project documentation review, interviews, and town hall sessions were consolidated into a current state assessment, which were later assessed in the project's Analysis Phase. Five (5) key themes were identified, along with corresponding detailed findings. Themes and findings are summarized below, along with relevant leading practices.

Table 2: Overview of Themes and Findings

Theme	Findings	Leading Practices
1. Opportunities to improve performance management and continuous improvement through centralization	1. Opportunities exist to centralize project and initiative performance and reporting	Central Performance Management Functions
	2. Processes are in place and could be further matured through formal Quality Assurance (QA)	Central Quality Assurance
	3. Opportunities exist for centralized process performance management through measurement	Performance Management Dashboards
2. Significant financial management and accountability improvements are underway	4. Responsibility Centre Management model will provide a greatly improved understanding of financial performance	Responsibility Centre Management Zero-Based Budgeting
	5. Travel Policy revisions may render savings	Policy Revision
	6. Reducing the space footprint will result in cost savings	Space Optimization
	7. Incentives for cost savings may result in additional efficiencies	Incentives for Cost Savings
3. Further centralization of support functions will improve consistency of service delivery	8. Information Technology centralization opportunities exist	Centralized Models
	9. Financial Services centralization opportunities exist	Centralized Models
	10. Marketing and Communication centralization opportunities exist	Centralized Models

Theme	Findings	Leading Practices
4. Partnerships and Alternative Service Delivery could provide opportunities for cost saving	11. Opportunities may exist in resource sharing and bulk purchasing	Facilities and Services Partnerships
	12. Opportunities for improved IT/IS performance and continuity of services exist	Alterative Service Delivery
	13. Partnering with other Campus Alberta Institutions may be difficult	N/A
5. Other significant opportunities for improvement exist	14. Lack of clarity relating to the future sustainability of the University creating challenges for staff, current and prospective students	Plan for Communications
	15. Opportunities exist to align the vision and strategies of the organization with staff performance management	Cascading Vision
	16. Opportunities to align Management, Faculty Association and Unions exist	Effective Working Relationships
	17. Current marketing efforts could be expanded to bring stability and increase revenue	Expanded Marketing

Recommendations

In general terms, Athabasca University has made significant efforts in the past three to five years to improve efficiency, technology and deliver high quality products and services to both students and staff. This was seen through numerous technology deployments and other improvement initiatives that are underway at this time. At the current level of process maturity, the next steps of needed evolution are best captured as follows:

- Measurement and performance management of the processes that are in place
- An emphasis on structured quality assurance and continuous improvement
- Enhanced budget and expense management realized through new approaches
- Centralization of support functions to render consistency, standardization and efficiency
- Alternative service delivery and partnerships for non-core functions

This level of recommended organizational change will require significant commitment and careful consideration with respect to change management.

In developing a set of recommendations, AU’s operating environment and current context were carefully considered. Although this report does not specifically speak to all 136 submissions that were provided to the Report of the Presidential Task Force on Sustainability (as many of the suggestions were small and incremental in nature), we encourage management to carefully review the content of the submissions as there may be opportunities for additional efficiency and effectiveness improvements.

The focus of these recommendations is directed towards identifying high level opportunities to render sustainable improvements. We are proposing an approach that is transformative in nature, and one that will promote long-term sustainability for the University and its faculty, staff and students. Our proposed recommendations presented below correlate with the identified key themes:

Table 3: Overview of Themes and Recommendations

Theme	Recommendation
1. Opportunities to improve performance management and continuous improvement through centralization	1. Elevate enterprise strategy and performance management
2. Significant financial management and accountability improvements are underway	2. Continue improvement of AU’s financial performance
3. Further centralization of support functions will improve consistency of service delivery	3. Realign and centralize targeted functions
4. Partnerships and alternative service delivery could provide opportunities for cost saving	4. Pursue possible partnership and shared services opportunities
5. Other significant opportunities for improvement exist	5. Pursue other opportunities for improvement

Implementation

Within this report, a high level medium term implementation roadmap is recommended (see Appendix G) that proposes a series of identified opportunities for improvement. The degree to which the University must rethink quality management, redesign structures, enable technology, and manage performance should be carefully considered, as adjustments to the management system of this magnitude warrant a high level proactive change management program.



A series of disconnected improvement initiatives or cost cutting measures are unlikely to achieve the needed long-term sustainability for the Institution and its students.

An undertaking of this nature is a significant task which will require a single understood strategy, support of government aligned Leadership, significant technology improvements, collaboration with faculty, staff/students, and some levels of investments. These core tenets are fundamental to ensuring the needed organizational evolution is regarded as successful. Each of these tenets have been analyzed and discussed within the body of this report.

An overarching strategy and implementation tactics should be elaborated and developed to fully determine the resource requirements needed to move forward effectively. Delivering a program of work of this magnitude will require specific change agent/leadership skills. The significance of appropriately planning and managing change in this context cannot be overstated. These recommendations must be supported with adequate change management and the understanding that AU requires transformative action and not merely incremental improvements in isolation.

Implementation Roadmap

The following summary roadmap is a guide for the AU Executive as it moves forward. Individual roadmaps are included as Appendix G. Note: the prioritization and sequencing of the recommended initiatives will need to rationalize with other AU projects and priorities as needed.



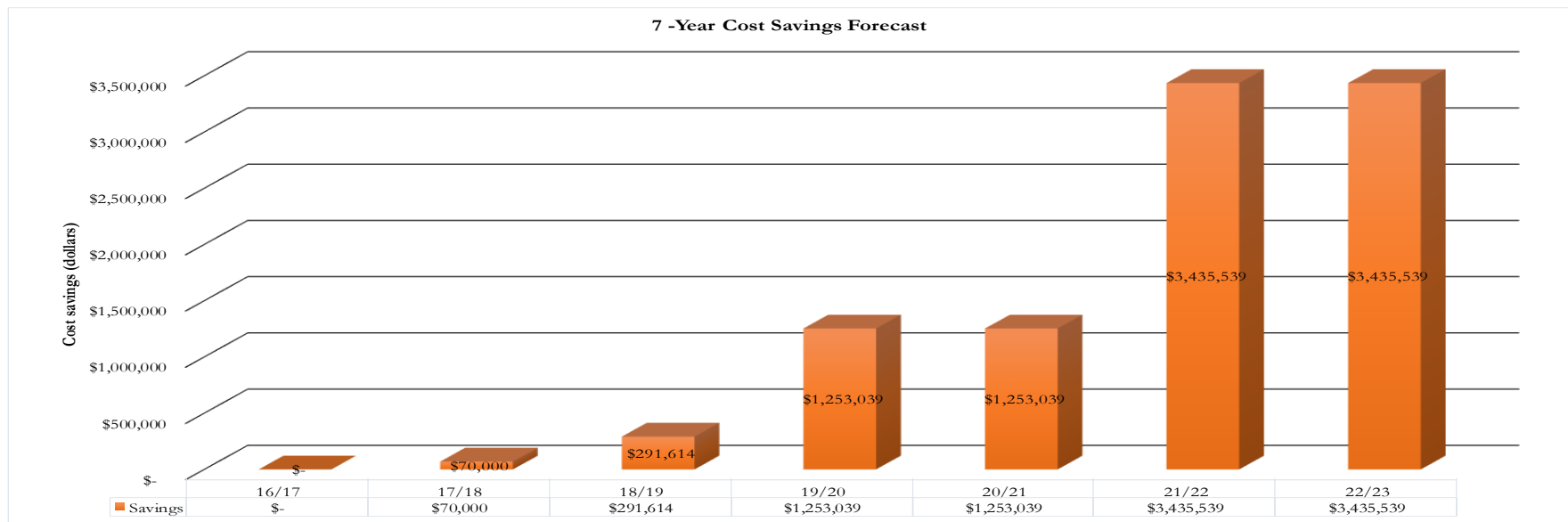
Table 4: Summary Implementation Roadmap

Recommendations	Primary Activities	Accountable Lead	Implementation Complexity	Total Duration (Months)	Schedule of Work															
					2016		2017				2018				2019					
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
1. Elevate Enterprise Strategy and Performance Management	1.1 Engage stakeholders to understand key information required to support decision making	President	Low	5.0																
	1.2 Create an office of performance management		Medium	Ongoing operational requirement																
	1.3 Identify specific KPIs to track and present via the dashboard		Medium	2.0																
	1.4 Design processes, detailed technical requirements, training requirements and change management		Medium	9.0																
	1.5 Develop or purchase the technical solution		High	6.0																
	1.6 Collect initial data set		Medium	5.0																
	1.7 Identify pilot departments and train users on using the dashboard		Low	7.0																
	1.8 Conduct controlled testing of dashboard tools		Low	4.0																
	1.9 Collect and address testing stage feedback from relevant stakeholders		Medium	14.0																
	1.10 Roll out the dashboard		High	3.0																
	1.11 Begin developing organizational QA process		Medium	36.0																
2. Continue improvement of AU's Financial Performance	2.1 Implement ZBB model after transition to Responsibility Centred Management (RCM)	VP Finance and Admin	High	24.0																
	2.2 Revise travel policy to minimize unneeded travel expenditures and leverage available technologies		Medium	10.0																
	2.3 Reduce space footprint through the integration of functions into the main campus facility		Medium	18.0																
	2.4 Implement cost-savings incentive programs		Medium	14.0																
3. Realign and centralize targeted functions (IT/IS, Marketing, Communications, and Financial services)	3.1 Conduct a task level assessment	Multiple VP's	Medium	16.0																
	3.2 Qualify duplications of effort and possible efficiencies		Medium	14.0																
	3.3 Restructure and merge functions		High	10.0																
4. Pursue possible partnership and alternative service delivery	4.1 Facilities and Services	VP Finance and Admin	Medium	22.0																
	4.2 Information Technology and Systems	VP Information Technology	Medium	31.0																
5. Pursue other opportunities for improvement	5.1 Clarify Future of AU	President	Medium	14.0																
	5.2 Align Vision with Staff Performance Management	VP Finance and Admin	Medium	8.0																
	5.3 Opportunities to align management, faculty association, and unions exist	President	Medium	6.0																
	5.4 Invest in innovative marketing initiatives	VP Advancement	Medium	16.0																

Cost Savings Projections

A number of possible cost-saving and efficiency initiatives were considered and analyzed as part of this review process. Based on the feasibility of implementation and given the nature and complexity of the possible cost-savings the following list of high level opportunities was developed. These savings and investments are directional (preliminary) in nature and will require substantial further refinement and/or business case-level analysis. Severance, technology, change management and training costs have not been included in this preliminary budgeting exercise. The details of the cost-savings are presented in the following table:

Table 5: Seven Year Annual Cost Savings Forecast



Savings and Expenses	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Notes
Zero base budget				\$ 682,500	\$ 682,500	\$ 1,965,000	\$ 1,965,000	Two years to implement, 2 project staff at \$100k each
Facilities services			\$ 83,600	\$ 83,600	\$ 83,600	\$ 83,600	\$ 83,600	O&M savings shared resourcing and shared purchasing
Centralize Marketing				\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	Efficiency from centralization (1 FTE)
Centralize IT		\$ 170,000	\$ 170,000					Efficiency from centralization (2 FTE's)
Travel			\$ 197,014	\$ 197,014	\$ 197,014	\$ 197,014	\$ 197,014	Target for budget reduction
Disposition of T.B Centre			\$ 41,000	\$ 141,000	\$ 141,000	\$ 141,000	\$ 141,000	Annual operating
ASD IT/IS				\$ 263,925	\$ 263,925	\$ 1,163,925	\$ 1,163,925	Alternative service delivery (\$900k in project costs to transition x 2yrs)
Performance Management Office		-\$ 100,000	-\$ 200,000	-\$ 200,000	-\$ 200,000	-\$ 200,000	-\$ 200,000	2 management staff to operate performance management office
Total	\$ -	\$ 70,000	\$ 291,614	\$1,253,039	\$1,253,039	\$3,435,539	\$ 3,435,539	

Table 6: Summary of Cost Savings Projections

Recommendation #	Initiatives	2014-15 Budget Amount	Projected Annual Savings	Implementation Year	Savings Note	Projected Investment Costs	Investment Notes
R2.1	Zero Based Budgeting	\$131,000,000	\$1,965,000	2018/19	Industry benchmarks indicate up to 25% savings achievable. The savings amount was calculated as 1.5% of the 2014-15 budget. This conservative approach was taken given prior year budget cuts and previous operating and capital project deferrals.	\$600,000	3 project staff for 2 years
R4.1	Facilities Services	TBD	\$83,600	2016/17	10% of purchased trade services (\$336k) and \$50K restructuring.		
R3	Centralize Marketing and Communications	TBD	\$85,000	2017/18	14 current staff- anticipate one staff reduction @ \$85K due to duplications of effort.		
R3	Centralize IT/IS	> \$ 6,651,000	\$170,000	2017/18	> 20 staff decentralized, possible reduction of 2 staff @ \$85K each (up to 10% efficiency - reduced duplications of effort and systems, where possible.)		
R2.2	Travel Policy Revision	\$1,970,148.82	\$197,014	2017/18	Revise policy and use technology. 10% should be set as a Management Target to support sustainability.		
R2.3	Disposition of Tim Byrne Centre	\$141,000	\$141,000	2017	Annual operating costs of facility (lump sum for sale not included).	\$100,000	Relocation and fit-up to support staff
R4.2	Alternative Service Delivery IT/IS	> \$ 6,651,000	\$1,163,925	2018/19	True costs are unknown due to decentralization. Research indicates savings as high as 2/3 of current expenses possible, conservative estimate is 17.5% (using PERT Method) of known budget.	\$ 680,000 to \$900,000	4-5 project staff for 2 years
R1	Performance Management Office	N/A	TBD	2017/18	Due to the nature of this recommendation, it is difficult to determine a dollar amount in savings as a result of efficiencies. The reason is due to the recommendation's dependence on the effectiveness of the continuous improvement, quality assurance, and performance monitoring processes put into place and executed by the University.		2 operational management level staff going forward
		Total Gross Annual Savings	\$3,805,539		Total of Anticipated One Time Investment Costs, not including severance or technology costs	\$1,380,000-\$1,600,000	

Financial Notes for Table 5 and Table 6

To ensure that preliminary budget numbers were not overstated, all calculations were made in a conservative manner. All of the numbers presented in the table are directional in nature. Technology amounts and severance amounts have not been identified in the costs in the table above.

Zero-Based Budgeting- Following on the full implementation of the forthcoming Responsibility Centre Management model for budgeting and cost management, it is recommended that the budgets be re-baselined using a zero-based budget. This approach is fundamentally different from the previous approaches of developing budgets based on prior years' expenditures.

Centralize IT/IS- The centralization of IT/IS may reduce duplication of efforts and render efficiencies that can result in the elimination of an estimated two (2) full time positions. This savings has been calculated for only two years in anticipation of moving to an alternative service delivery Model in 2019.

Travel Policy Revision- This savings is being identified as a target as a detailed analysis of the nature of previous years' travel expenditures was not in the scope of this initiative.

Disposition of Tim Byrne Centre- Disposal of the Tim Byrne Centre would render one time lump sum (undetermined) as well as year over year reductions in operating expenses. Current annual operating budget is ~\$141K. A \$100K investment was identified to support the relocation of any functions or staff that would be moved into the main campus as result of a disposition of the asset (assuming AU sustains the print and warehousing functions).

Performance Management Office – Due to the nature of this recommendation, it is difficult to determine a dollar amount in savings as a result of efficiencies. The reason is due to the recommendation's dependence on the effectiveness of the continuous improvement, quality assurance, and performance monitoring processes put into place and executed by the University. However, the value of the future efficiency gains realized through the implementation recommendation should not be overlooked. The numbers reflected in Table 6 are negative as they are costs (staff).

PERT – Program Evaluation Review Technique is a three point weighted probabilistic estimation model. $E = (O + 4M + P)/6$, where E= Estimate, O=Optimistic Estimate, M=Most Likely Estimate and P=Pessimistic Estimate

Introduction

Background

Athabasca University (AU) has a long history of providing high quality post-secondary education dating back to the early 1970's. The Institution made a quantum shift in 1973 from operating as a conventional campus-based institution to an open and distance university. The University is credited as being Canada's first open and distance studies post-secondary institution. In response to learner and student needs, the Institution is renowned for its ability to offer programs that would have otherwise been inaccessible to tens of thousands of students worldwide. As an open institution, students are offered significant opportunities to learn and develop in education frameworks that may suit their learning needs better than a conventional post-secondary educational institution. The Institution's ability to provide courses and programs to learners and knowledge seekers anywhere in the world allows for a great deal of student flexibility and access.

In the early days of the University, course delivery was largely conducted through a manual conventional mailing of course materials, books and examinations. As the available technologies advanced, the Institution also advanced and adapted its business process to leverage technologies and the Internet. This evolution was needed as the access to technologies was globally abundant, and afforded opportunities for institutions, both domestic and international, to also offer online programs. These factors have created both opportunities as well as significant challenges to Athabasca University.

On February 26, 2015, a task force was created to conduct a review and develop options for the sustainability of AU. The process included soliciting submissions from the AU community in order to gather viable options for improving the University and its services to the public. Many of the submissions identified the need for AU to improve the effectiveness and cost efficiency of its business and student service administrative practices. The Presidential Task Force submitted a report (*The Future Is Now – Report of the Presidential Task Force on Sustainability*) on June 1, 2015 to the Ministry of Innovation and Advanced Education, which outlined four (4) options for AU to consider. One of the recommendations highlighted the necessity for AU to immediately proceed with a review of business and student service practices with the goal of improving AU's prospects for long-term sustainability.

However, as *The Report of the Presidential Task Force on Sustainability* notes, the current situation facing AU developed over the past 30 years. Specifically, the report highlights six (6) developments that have propelled AU towards its current state. First, changing student demographics and decreased revenue from provincial funding grants resulted in an increased reliance on tuition revenue. Second, tuition caps on certain student groups have prevented AU from rebalancing its income statement with tuition rate increase. Third, treatment of IT funding as not capital within the current funding arrangements has left AU with pent up demand for IT investments. This is crucial to the operations of a distance learning institution. Fourth, the proliferation of the Internet has incubated an entire industry of competing online education offerings, both from conventional higher education institutions as well as suppliers of modern online instruction. Fifth, the 1984 decision to move the University to the town of Athabasca created challenges

in attracting and retaining top-level talent, which materializes in higher recruiting costs and higher required salaries than competitors. Finally, the previous negotiation of some terms and conditions of employment are impediments to AU's sustainability.

In continuation of The Report of the Presidential Task Force on Sustainability, AU sought proposals from qualified firms to provide a review of business and student service administrative practices process review, to review efficiency and effectiveness. The purpose of this initiative was to identify significant opportunities for improvement to enable financial sustainability (not incremental cost savings). Following a competitive tendering process, Grant Thornton was identified as the successful proponent and awarded a contract to provide consulting services in November 2015.

Purpose

Business and Student Services Administrative Practices Process Review for Athabasca University was focused on the following objectives:

1. Assess alignment between current practices and processes with AU's strategic direction, priorities, and goals;
2. Identify AU's operational strengths, weaknesses, and challenges associated with current business and student service administrative practices, processes, resources and structures;
3. Identify areas to further explore and reduce costs, and/or improve service delivery through more effective or efficient use of resources, involving the realignment, restructuring, acquisition or disposition of structures, practices, processes and resources (human and physical) within AU or externally;
4. Identify opportunities to further explore partnerships and shared services with other Campus Alberta post-secondary institutions or public institutions to reduce administrative costs and improve service delivery; and
5. Identify the effective practices that will allow AU to benefit from the experiences and expertise of other post-secondary institutions and private and public organizations with similar administrative structures and functions.



Scope

The boundaries for this review included all structures, practices, and processes that support business and student services at AU.

In-scope areas include areas reporting to the following:

- The President (interim);
- University Secretary;
- Vice President, Academic (interim);
- Vice President, IT and CIO;
- Vice President, Finance and Administration;
- Vice President, Advancement;
- Associate Vice President, Student and Academic Services; and
- Associate Vice President, Research.

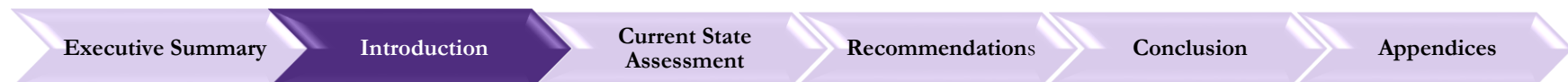
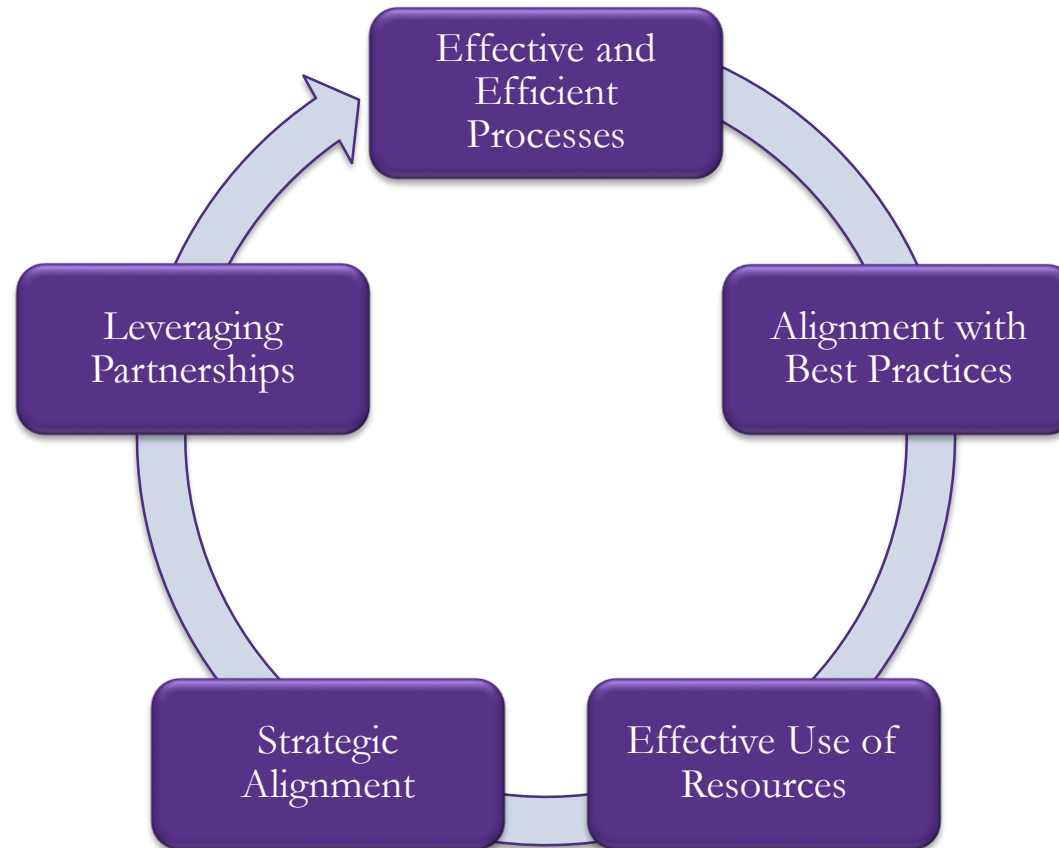
Areas not within scope include the following: pedagogy and any processes focused directly on courses and programs, including their delivery and teaching.



Core Guiding Principles

To ensure uniform direction, this review was focused on the following guiding principles:

Figure 1: Core Guiding Principles



Approach & Methodology

In terms of the approach, this initiative was segmented into five (5) main components, as outlined below.

Planning

The Project Planning component involved conducting a “kick-off” meeting between Grant Thornton and the AU Steering Committee. This marked the beginning of the continuous commitment, cooperation and support of the AU Steering Committee towards facilitating the execution of the project. The initial phase of the project also included a review of preliminary documentation, the validation and approval of a Project Charter (Appendix C), work plan, and the submission of a document/data request list from Grant Thornton to the University.

Analysis and Catalogue of Key Processes

The Analysis and Catalogue of Key Processes component was conducted with the guiding principles in mind. As an initial step, all provided documentation was reviewed, including The Future Is Now – The Report of the Presidential Task Force on Sustainability (The Task Force Report), annual financial statements, organizational charts, the Strategic University Plan, Comprehensive Institutional Plan, Student Relationship Management (SRM) project documents and the 136 submissions to the Task Force.

Following the documentation review, stakeholder interviews were conducted and facilitated by way of the use of interview guides. This included a guide tailored to Senior Management and Unions to help determine their views concerning pain points and opportunities for improvement regarding sustainability and effectiveness across the University. The process review interview guide was created to collect and understand important process information with stakeholder groups.

The stakeholder interviews were conducted across AU sites, including the Athabasca, Edmonton and Calgary sites, in addition to a number of teleconference interviews. Over 50 representatives from the Executive Group, Management, Faculty, Staff, Faculty Association, Unions, Students and Student Associations, and Alumni were consulted through structured interviews. Interviewees representing each in-scope area of the University were selected by the project team, with support from the AU Project Manager.

Following the structured interviews, two (2) town hall sessions were facilitated that allowed additional Staff, Faculty, Students and Alumni who were not previously consulted to discuss opportunities for improvement. A complete list of interviewee positions is attached in Appendix B.

The findings of the document review, interviews and town hall sessions were consolidated into a Current State Assessment of major finding areas, which was further analyzed in the project’s Baseline Metrics and Opportunities for Improvement components.

The final step in the Analysis and Catalogue of Key Processes component involved documenting and finalizing a catalogue of key processes. This catalogue was a result of information taken from interviews from process owners of the various business and student services across the University. Process maps



depict current processes at the University along with respective process owners. These process maps were then reviewed and validated with respective process owners. This was conducted using a Six Sigma SIPOC (Supplier, Inputs, Processes, Outputs and Customers) methodology. Finally, processes were assessed for material opportunities to improve as a means to inform optimization efforts.

Baseline Metrics

The project's third component consisted of an improvement and prioritization workshop conducted in Athabasca with AU's Steering Committee. Workshop attendees provided their opinions on how the project team was to evaluate the importance of processes and the prioritization of potential opportunities for improvement. While it was originally intended that the project team would establish Key Performance Indicators (KPIs) and subsequently evaluate AU's current processes, it was uncovered at this point that, in many instances, AU's current Performance Management practices were not mature enough to warrant this level of analysis during the review. This meaning that current process performance was in many cases not being measured and as such supporting data was not available for analysis.

Opportunities for Improvement

The Opportunities for Improvement component of the project consisted of two (2) major forms of research:

1. Benchmarking best practices and organizations with similar processes; and
2. Assessing the effectiveness and criticality of major AU processes during a process leaning assessment.

The process leaning assessment uncovered opportunities for performance improvement or alternative services delivery of major processes (See Catalogue of Key Processes – Appendix D). Additionally, specific examples of best practices pertaining to internal practices were identified for further consideration and analysis.

Recommended Changes

The final component of the project built on the potential opportunities highlighted in Opportunities for Improvement. After analyzing potential shared services/alternative delivery models, the project team conducted a cost-benefit analysis on each major opportunity for improvement. Utilizing available industry data, the project team was able to assess the potential impact of each option. Next, the project team developed high-level areas such as implementation roadmaps for all recommendations in order to assist AU in effecting transformational change. Finally, the project team developed all of the above-mentioned output into a draft report for the AU's Executive to review.



Current State Assessment

Theme 1: Opportunities to improve performance management and continuous improvement through centralization

Performance management at an organizational level is critical to enabling management to track progress toward strategic goals, gauging performance of programs and projects, and planning future initiatives. Performance measures and targets must be carefully selected and monitored to ensure that the organization is encouraging desirable behaviour and aligning departments to achieve shared goals. The evolution of an organizations' maturity is often gauged by the understanding of quality management maturity which is evidenced through conscious and purposeful continuous improvement. Centralization to enable standardization of this function ensures consistency of approvals, clarity of process compliance, minimizes conflicts and renders improved reporting and performance.

Findings

The following key findings relevant to performance management emerged through our current state assessment:

1. Opportunities exist to centralize project and initiative performance and reporting

It was noted that there is not a single universal project management frame adopted by the Institution to govern, approve and prioritize all projects and initiatives. However, AU has an IT project management framework. Within the IT project management framework there are controls seen through various levels of approval (or gates), which projects must undergo to proceed. The prioritization of these projects, based on AU's strategy and vision, appears to be unclear beyond the senior levels. It is noteworthy that AU's IT/IS project portfolio governance and management practices have achieved a significant level of maturity as evidenced in the review of their processes. It is not be suggested that AU adopt the IT project management framework as the enterprise solution but instead that lessons learned and best practices be shared to help achieve an enterprise or organizational level project management framework.

2. Processes are in place and could be further matured through formal Quality Assurance (QA)

During the review, it was observed that formal (documented) and informal (understood, but not documented) processes were in place to guide nearly all business and academic operational functions (this does not include projects). It was observed that quality measures (management and supervisory reviews) were being conducted within the individual process activities; however, formal quality management processes had not fully evolved for both projects and



operations. However, it is important to acknowledge that the IT/IS group has successfully implemented internal QA processes. This best practice has undeniably been a positive action taken towards achieving a culture of continuous improvement.

A key component of effective process performance management practices involves learning and knowledge sharing through collaboration, and sharing of lessons learned from past experiences within the organization. After careful observation across many of the AU units and departments, it was noted that these practices are somewhat ad hoc and inconsistent. The faculty and staff have gathered enormous amounts of organizational knowledge and experience that is not widely understood or shared. Improvements in quality assurance and continuous improvement would likely render significant value to all stakeholders.

3. Opportunities exist for centralized process performance management through measurement

It was observed that some preliminary efforts are being made, specifically within IT/IS, to develop process performance measurements and Key Performance Indicators (KPIs). It was also noted that there are a number of high-level metrics and Key Performance Indicators being reported on within the Annual Report to the Board of Governors. At the next level of organizational maturity, KPI's and corresponding targets should be developed for all core processes to provide management and leadership a clear view of the organizational process performance as well as opportunities for improvement.

Leading Practices

The following leading practices relevant to process performance management were identified based on research and benchmarking of other post-secondary institutions.

Leading Practice	Explanation of Leading Practice
Centralize Performance Management Functions	<p>Many successful organizations (including post-secondary institutions) implement a specific function to have oversight and coordination of the organization's process performance management. This function is responsible for overseeing the planning, coaching, and appraisal of organizational performance management. Relating to the theme identified above, this also involves monitoring the organization's performance management dashboard and ensuring that each department is complying with the organizational performance management framework. This practice introduces both oversight and accountability in tracking KPIs and adhering to departmental goals (which should be directly correlated to the Strategic Plan).</p> <p>Leading research and analysis firm, IDC, conducted research that found that the implementation of business performance management and business analytics offer significant return on investment when coupled with process improvements. Sampled organizations that implemented performance management and business</p>

	analytics returned an average five (5) year return on investment of 431%, with results ranging from 17% to more than 2000%. Over half of those organizations studied had a payback period of less than two (2) years. ¹
Performance Management Dashboards	<p>Performance management is grounded in monitoring established measures and setting targets that are achievable. A proven method for actualizing the tracking of organizational performance is through an enterprise performance management dashboard that is fed by departmental dashboards. High-performing organizations ensure that progress per the dashboard is monitored closely in the first few years following implementation to ensure that they are reported on in a consistent manner, and to confirm that the measures provide relevant and useful information for management decision-making.</p> <p>As discussed above, clearly defined Key Performance Indicators, which can be tracked and monitored through a performance management dashboard, are crucial to driving success in a leading organization. This leads to the ability to clearly and definitively articulate clear success in achieving rationally generated performance management standards.</p>
Central Quality Assurance	A centralized quality assurance or quality management program provides a great opportunity for organizational performance enhancement, knowledge, and best practices sharing, as well as continuous improvement.

Recommendation 1: Elevate enterprise strategy and performance management

Note: Recommendations are elaborated in the Recommendations Section of this Report

¹ International Data Group (2002). IDC Finds Analytics Projects Yield 431% Average ROI



Theme 2: Significant financial management and accountability improvements are underway

It was observed that a fundamental shift in the accountability and performance management of budgets is moving forward through the deployment of the Responsibility Centre Management (RCM) budget model. This model will provide significant clarity and understanding of both the revenues and expenditures associated with each individual departmental/divisional budget.

Findings

4. Responsibility Centre Management Budget model will provide a greatly improved understanding of financial performance

AU has prudently taken decisive action and opted to transition towards a RCM budget model, which promotes accountability at the level of budget-holders. In this new model, accountability will be directly assigned to the budget holders'/owners' performance for the areas under their direct responsibility. This is a monumental change for the Institution that will take significant effort, leadership, training and continuous support for all faculty and administrative staff affected by this initiative.

Like many organizations, the process for AU's annual operating budget has historically been developed in what could be considered a year to year, incremental approach, where each year's budget builds and grows on the back of the previous one. However, AU's growth in revenue has not grown at the same rate, particularly in light of continuous salary growth as per the collective agreements in place with the Faculty Association and Unions. Beyond the implementation of the RCM budget model, a re-baseline of the budget through a budget development technique known as zero-based budgeting could likely render a significant level of expenditure reduction. It is however, somewhat difficult to quantify these possible savings given the levels and volumes of budget cuts in recent years.

5. Travel Policy revisions may render savings

In reviewing the details of the travel expense line items in the 2014-15 year-end financial information, there was evidence of numerous travel expenses exceeding budget line amounts. While examining AU's 2014-15 budget performance, it was noted that the Institution had a significantly high number of travel expenditure line items that were over the budgeted amounts. While the University faces difficult economic conditions, this type of spending should be reduced. Therefore, AU would benefit from reducing travel-related expenditures and encouraging the use of available technologies to support related communications. During the interview and discovery process, it was suggested by some staff that current travel levels could be reduced through the use of available technologies such as video or teleconferencing. It needs to be noted that a more detailed review needs to be carried out to ascertain what makes up the expenditure in this line item as some of it relates to professional development and not just general operations.



6. Reducing the space footprint will result in cost savings

A program review relating to the functions being conducted in the Tim Byrne Centre is currently underway. AU may consider an alternative service model for the print services and warehousing functions that could reduce the needed space footprint. The annual operating costs are significant (>\$140K). Alternatively it is believed through careful space planning with current space users that the functions currently residing in the facility may be integrated into the main campus facility.

7. Incentives for costs savings may result in additional efficiencies

Although the focus of this review was to identify high-level financial opportunities to support the sustainability of the Institution, there were a great deal of smaller value cost savings opportunities that should be considered. This includes some of the 136 initiatives that were previously identified by staff in the consultations to develop the Report of the Presidential Task Force on Sustainability. It was further noted that the current budget management approaches do not necessarily reward budget holders for achieving expenditures that are below the identified budget targets.

Leading Practices

The following leading practices relevant to financial effectiveness and accountability were identified based on industry research and benchmarking:

Leading Practice	Explanation of Leading Practice
Responsibility Centre Management	RCM is designed to support the achievement of priorities within an institution, and allows for a budget that closely follows those priorities. It allows each business unit or faculty to receive all its own revenue and income, including the tuition of its own students ² . It is used in numerous post-secondary institutions both worldwide and domestic such as Queen’s University, The University of Toronto, and Trent University.
Zero-Based Budgeting	Within the realm of financial performance, the zero-based budgeting (ZBB) model is an effective way for organizations to re-baseline financial needs. It differs from conventional cost-cutting measures in that it requires envisioning the business model and questioning of all resource allocations, as opposed to incremental trimming and removing. It is a comprehensive effort of rationalizing expenses, rather than a morale-draining series of cost-cutting decisions. Therefore, with appropriately conservative goals and assumptions, this model can apply. Numerous sources indicate that proper ZBB implementation can cut as much as 25% of spending on overhead and support functions ³ . However, in light of AU’s multiple rounds of cost cutting, it would not be expected that savings in this order of magnitude could be achieved at this point in time.

² <http://www.hanoverresearch.com/insights/6-alternative-budget-models-for-colleges-and-universities/?i=higher-education>

³ Cichoki, P. (n.d.). Radical redesign through zero-based budgeting. Retrieved from Bain and Company website: <http://www.bain.com>

Other	Periodic policy revisions are needed by organizations throughout their lifecycle. Real estate needs should be strategically rationalized in alignment with business functions. Incentive programs may stimulate creative ideas to realize further efficiencies.
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Recommendation 2: Continue improvement of AU's financial performance

Note: Recommendations are elaborated in the Recommendations Section of this Report



Theme 3: Further centralization of support functions will improve consistency of service delivery

Throughout consultations conducted with Faculty, staff and students as well as the review of documentation, including organizational charts, it was observed that some business and student service functions throughout AU are both centralized and decentralized. While some processes take place in central hubs, others are split out between the non-academic support services and some of the University's faculties. Centralization refers to the ability of an organization to maintain control of performance, quality, and optimization of all services. The core value of moving to a common and centralized host of services can be defined across five (5) key characteristics:

- 1) **Low cost to serve:** Optimize time and resources devoted to operating and maintaining services to reduce back office costs and maximize those devoted to front office and student-facing activities.
- 2) **Scalability:** Integrate and manage services cost-effectively through rapid deployment as needed.
- 3) **Agility:** Manage and control the priorities and risks to the organization in a holistic manner.
- 4) **Transparency:** Provide performance information that enables decision making through clarity and understanding.
- 5) **Efficiency:** Reduce duplications of efforts and ensure consistency (standardization) of service delivery through movement towards a centralized models for services.

The findings we present below are specific areas of hybrids of centralized and decentralized models.

Findings

The following key findings relate to the overarching theme of centralization that emerged through our current state assessment:

- Both centralized and decentralized models are in place for a few specific services;
- Opportunities for efficiency, improved performance, and consistency of service delivery could be realized through centralization.

Each finding is further discussed in the following sub-sections.

8. Information Technology centralization opportunities exist

Information Technology Services are located both within individual departments and faculties, as well as centrally in the IT/IS department. For example, the Faculty of Business has its own IT Services department where employees and students make requests and use services from the dedicated departmental



IT support team. It was noted that this has created confusion amongst internal and external stakeholders when requesting support services. This decentralization has resulted in the inability of employees to share best practices and lessons learned. Centralization would provide for consistency of service levels across all faculties. This appears to be a significant opportunity as the decentralized positions are greater than twenty. The use of multiple IT systems to service similar operational requirements greatly reduces the potential to realize efficiencies through economies of scale. The centralization opportunities for IT/IS should be considered as an interim performance improvement measure until such time as a more permanent alternative service delivery solution can be implemented.

9. Financial Services centralization opportunities exist

As observed, there are numerous finance support positions across AU beyond the centralized group. Financial Services play a key support role for which controls and consistency are paramount. There are risks associated with the decentralization of these functions, such as silos, inconsistency of accounting practices (budget oversight, reporting and forecasting) that would be mitigated through centralization or centralized accountabilities to Financial Services. There could be a dotted reporting line to the OVPA/Faculty for providing service and a solid line to Financial Services for accountability and institutional wide perspective.

10. Marketing and Communication centralization opportunities exist

The Marketing and Communication functions are currently both centralized as well as decentralized. Specifically, the Faculty of Business develops its own marketing strategy and budget and appears to operate separately from the central marketing and communication units. The result is that best practices are not shared between marketing experts and the organization’s efforts are not undertaken in harmony. Centralization of these functions would also likely render efficiencies.

Leading Practices

The following leading practices relevant to centralization were identified based on research and benchmarking of other post-secondary institutions.

Leading Practice	Explanation of Leading Practice
Centralized Models	The following are benefits of transitioning to a centralized model or partnering for services model in post-secondary education: <ul style="list-style-type: none"> ▪ Identification of common processes and automation of those practices ▪ Identification of cost savings opportunities, with additional savings realized over time



	<ul style="list-style-type: none"> ▪ Improved quality of service to internal and external stakeholders ▪ Workload and demand balancing ▪ Improved controls over many of the service functions⁴ <p>Key practices for ensuring a successful transition to centralized services have included the following:</p> <ul style="list-style-type: none"> ▪ Change and project management efforts with all departments or units involved. This involves understanding all business processes and recommended changes to coordinate with centralized services ▪ A key best practice includes performing “pulse checks” throughout the departments and units to undergo centralization. This check involves assessing transformation readiness prior to the transition and determining areas to further support with regards to process reengineering and tool deployment.⁵
<p style="text-align: center;">Knowledge-Sharing and Continuous Improvement</p>	<p>A key best practice in enabling a transition to centralized functions and internal centralized service centres involves the development of tools and processes to support the centralization of services. With the physical location of professionals situated in the same space and working within one cohesive unit, opportunities for knowledge-sharing and continuous improvement routinely materialize. While this is not always feasible, opportunities for collaboration and knowledge sharing should be encouraged, particularly when individuals are geographically separated.</p>

Recommendation 3: Realign and centralize targeted functions

Note: Recommendations are elaborated in the Recommendations Section of this Report.

⁴ Report on Shared Services, Stony Brook University Senate, Administrative Review Committee, 2012
⁵ Source: Shared Services Centers: How to Determine the Best Fit for Your Organization, APQC, 2013

Theme 4: Partnerships and alternative service delivery could provide opportunities for cost saving

The Project Charter for this review identified specific process-oriented objectives for this engagement, including the “realignment, restructuring, acquisition or disposition of structures, practices, processes, and resources,” as well as the pursuit of “partnerships and shared services with other Campus Alberta post-secondary institutions or public institutions to reduce administrative costs and improved service delivery” (see Project Charter in Appendix C). In response to these objectives a catalogue of key processes at the University was developed, and subsequently process assessments were conducted for the individual processes (See Catalogue of Key Processes in Appendix D). Several processes were observed as having possible opportunities for improvement including possible partnerships or alternative service delivery (ASD) approaches. As service levels to the academic and student communities are paramount, the processes for which partnership or ASD models may be appropriate were analyzed to determine if a change in the current delivery models would potentially negatively impact the experience of students. It is noteworthy that in advance of this report, AU has already started to explore these types of creative solutions.

Findings

The following key findings relevant to alternative service delivery for non-teaching functions emerged through our current state assessment:

- Opportunities from economies of scale may exist in shared resources or shared purchasing of some support services; and
- Alternative approaches to delivering some services may result in significant improvements in efficiency and performance.

Each finding is further discussed in the following sub-sections.

11. Opportunities may exist in resource sharing and bulk purchasing

Strategies currently in development relating to creative solutions for purchasing support services seem viable. Currently the University purchases trades and technical services as required to support its operations. It is proposed that if AU partners with other local public institutions/organizations (School Board, Other Post-Secondary Institutions, Government of Alberta, or Municipalities) more competitive pricing for needed supports can be achieved through economies of scale. This same approach may also render some levels of efficiency with sharing of staff resources. A potential regional shared service approach could be considered where sharing staff with different skill sets across the organizations whereby each organization employs staff with skills sets that fill the gaps of the partnering organizations, especially for skills that are not required on a daily basis.

⁶ Grant Thornton (2016). AU Signed Project Charter.



In reviewing the organization chart and staffing complement for Facilities and Services, it is also believed that staffing efficiency can be achieved through restructuring, given the size of AU and the daily facilities and service requirements.

12. Opportunities for improved IT/IS performance and continuity of services exist

The performance of the IT function was another area that was brought up throughout stakeholder consultations. IT/IS appears to be specifically challenged by labour agreements that do not align with the business requirements for service. It is important to note that IT/IS has implemented a degree of performance management that has instilled an appreciation for, and commitment to, continuous improvement. Additionally, many of the IT systems and applications in place are not well understood. There is a legacy of self-constructed IT architecture which is not well understood, is overly complex, and cannot be supported by the manufacturers as the configurations are not known. It is unclear if these large challenges can be overcome by continuing the “self-performance” of IT/IS services. If AU continues with the “self-performance” model in place, corrective actions are needed to reconstruct the information technology and systems infrastructure, as well as core business applications such as Banner and Moodle. This may prove to be futile efforts without achieving desired performance, security and stability objectives.

13. Partnering with other Campus Alberta Institutions may be difficult

Given the specific inherent uniqueness of AU and the network of corresponding business processes it may be difficult to render efficiencies through partnerships to support administrative and student services. During the review it was advised that some preliminary discussions had occurred with other institutions relating to IT/IS, however required service levels were unattainable. AU had preliminary discussions with the University of Alberta about possible partnerships but given the incompatibility of current systems used by both groups, there were limited opportunities. Often, post-secondary institutions will charge an administration fee above the cost of the services. This would likely offset any financial savings AU could realize through partnering. It is recommended that these dialogues continue in the future, as opportunities may be found.

Leading Practices

The following leading practices relevant to service delivery were identified based on research and benchmarking of other post-secondary institutions.

Leading Practice	Explanation of Leading Practice
Facilities and Services Partnerships	Due to volumes of services purchased to support facilities operations there is value in approaching purchasing activities with the highest degree of leverage possible. There is a precedent for leading post-secondary institutions to increase their buying power in contracting negotiations through forming of partnering agreements with other institutions or governments. Overall, industry studies in higher education indicate that external partnering for services arrangements in Facilities and Services can save up to 20% over legacy costs in conventional higher



	<p>education institutions⁷. The University of London provides shared facilities management services which include catering, cleaning, reception, post, print, security, waste removal, and recycling. It uses a subscription model that is based directly on usage of services⁸.</p>
<p>Alternative Service Delivery</p>	<p>Alternative service delivery is a best practice in the delivery of non-core services. This approach is often pursued to produce significant cost savings or performance improvements. This business model is renowned for facilitating transformational change in an accelerated time frame through purchasing services from organizations that specifically specialize in the products and services that are needed.</p>

Recommendation 4: Pursue possible partnerships and alternative service delivery

Note: Recommendations are elaborated in the Recommendations Section of this Report

⁷ Grant Thornton UK. (2011). *Opportunities and Interest in Shared Services - London HEIs*.

⁸ ibid



Theme 5: Other significant opportunities for improvement exist

In the course of the review, significant observations and opportunities were found that did not necessarily align with the other groupings or themes identified. The focus of the review was to identify both efficiency and effectiveness opportunities. The four (4) preceding themes generally speak to efficiency items and the findings within; the fifth theme is more aligned with opportunities for effectiveness improvements:

Findings

Each finding is further discussed in the following subsections.

14. Lack of clarity relating to the future sustainability of the University creating challenges for staff, current and prospective students

During faculty and staff interviews and student town hall sessions numerous comments and questions were raised with respect to the public perceptions that the University may be insolvent at some time in the near future. The impact of these concerns may result in a number of unfavorable manners such as:

- Increased staff and management turnover rates
- Inability to recruit top talent
- Reduced productivity due to disengagement
- A reduction in enrolment for fear of students not being able to finish programs
- An increased student withdrawal rate

Due to uncertainty and the lack of a clear path forward the Executive and Management are unable to respond with clear answers with respect to the Institution's sustainability. This adds significant pressures to a complex and troublesome situation.

15. Opportunities exist to align the vision and strategies of the organization with staff performance management

Another observed theme was that of inconsistent buy-in and understanding of the stated organizational vision. While senior leadership understands and communicates the organization's direction and priorities, some interviewees noted instances where leaders, particularly within the faculties, were unclear on the organizational priorities and corresponding activities or projects. Furthermore, while the communication to mid-management took place, the vision has not been uniformly cascaded to all areas of the organization or all employee levels⁹. Additionally, the current absence of an employee

⁹ Athabasca University (2014). Pulse Survey Final Report.



performance management system that links performance objectives to the organization’s strategic goals has hampered the communication and acceptance of the vision. This leads to staff not understanding how their role and responsibilities directly tie in to the vision and departmental operational plans.

16. Opportunities to align Management, Faculty Association and Unions exist

Within AU’s current operating environment, long-term sustainability undeniably represents the best interests of all parties. The paths to achieving this goal and the specific roles and responsibilities for all parties must be universally understood. The state of current relations between AU’s Faculty Association and Unions and Management show signs of stress and ineffectiveness. It was observed that there is commitment and dedication from all groups, however, there are underlying challenges with understanding roles and effective communications. It is management’s responsibility to act in the best interests of AU’s long-term sustainability, and it is the Faculty Association’s and Unions’ responsibility to negotiate for and represent the interests of their members. As referenced in the Task Force Report, the challenges with the current collective agreements are also creating significant pressures on all parties. All of these issues need to be taken into consideration to move forward in a proactive manner.

17. Current marketing efforts could be expanded to bring stability and increase revenue

Athabasca University’s marketing department is structured in a manner that allocates one employee per multiple marketing functions. In some cases staff are responsible to both determine the marketing strategies as well as the activity implementation. This dual role may create difficulty for staff to find balance. In spite of the current financial restraints, the Marketing group has made significant efforts in create approaches to try to reach additional students, including northern Canadian communities. To aid in resolving the current financial pressures and challenges that AU is facing, as well as the public uncertainty about sustainability, it is believed that additional investments in marketing efforts would help stabilize the current income stream that may be at risk, and expand enrolment to increase revenue. It was also noted that the School of Business has a marketing function that does not work with the central marketing function.

Leading Practices

The following leading practices were identified based on research and benchmarking of other post-secondary institutions and industry-leading organizations. Assessment of leading practice shape the corresponding recommendations:

Leading Practice	Explanation of Leading Practice
Plan for Communications	As soon as possible public communications about AU’s progress towards sustainability should be made to ensure that current and potential students have assurances that AU will not become insolvent at some point in the near future.



Effective Working Relationships	<p>The joint development of a Responsibility Matrix document can facilitate increased positivity into potentially contentious negotiations or interactions. Its use in leading western municipalities as a means of healing and promoting healthy and cooperative relationships between councils and administrations has created significant value. A jointly-developed document that is mutually agreed upon by all members of Management, the Faculty Association and Unions would help establish roles and expectations for all relevant parties as they work together towards the common goal of establishing a sustainable AU. It is not intended that this exercise would encroach on any existing collective agreements or roles and responsibilities as outlined in the Post-Secondary Learning Act, but, would be used more as a means to improve the working relationships, communications and overall effectiveness of all parties.</p>
Expanded Marketing	<p>Higher education best practices call for the use of inbound marketing techniques to attract students as opposed to the more conventional model of pushing content at users. This advocates the use of SEO (Search Engine Optimization), content creation, social media marketing, email lead nurturing, and closed-loop analytics to connect with and provide value to target markets¹⁰. To achieve the maximum return on content marketing investment, the following marketing steps should be consider in alignment with the current marketing tactics:</p> <ul style="list-style-type: none"> ▪ Generate Traffic - use social media sharing, blogging, and SEO to generate website traffic and command the attention of the target market ▪ Create Premium Content - invest in the creation of optimal calls-to-action (CTAs) and introductory website pages in order to entice website visitors ▪ Build Lead Nurturing Campaigns - engage in lead-nurturing campaigns to convert leads into customers ▪ Measure Results – measure and analyze program results to continuously improve
Cascading Vision	<p>In the realm of higher education, organization-wide strategic documents tend to take the form of Strategic University Plans and Comprehensive Institutional Plan. Regardless of industry though, the major tenets of these documents remain consistent. A widely accepted enterprise vision must be developed at the top of the organization and cascaded to all levels of employees. To move in unison, all employees must make decisions according to the same criteria and resourcing priorities. Next, commitment to a consistent vision is then amplified by incorporating elements of the vision into the individual performance management of the organization’s employees through aligned business plans and employee objectives.</p>

Recommendation 5: Pursue other opportunities for improvement

Note: Recommendations are elaborated in the Recommendations Section of this Report.

¹⁰Horton, C. (2012). Marketing Technology for Growth. Inbound Marketing Best Practices Take Over Higher Education. Synecore. Retrieved from <http://engage.synecoretech.com>

Recommendations

Table 7: Summary of Themes and Recommendations

Theme	Recommendation
1. Opportunities to improve performance management and continuous improvement through centralization	1. Elevate enterprise strategy and performance management
2. Significant financial management and accountability improvements are underway	2. Continue improvement of AU’s financial performance
3. Further centralization of support functions will improve consistency of service delivery	3. Realign and centralize targeted functions
4. Partnerships and alternative service delivery could provide opportunities for cost saving	4. Pursue possible partnerships and alternative service delivery
5. Other significant opportunities for improvement exist	5. Pursue other opportunities for improvement

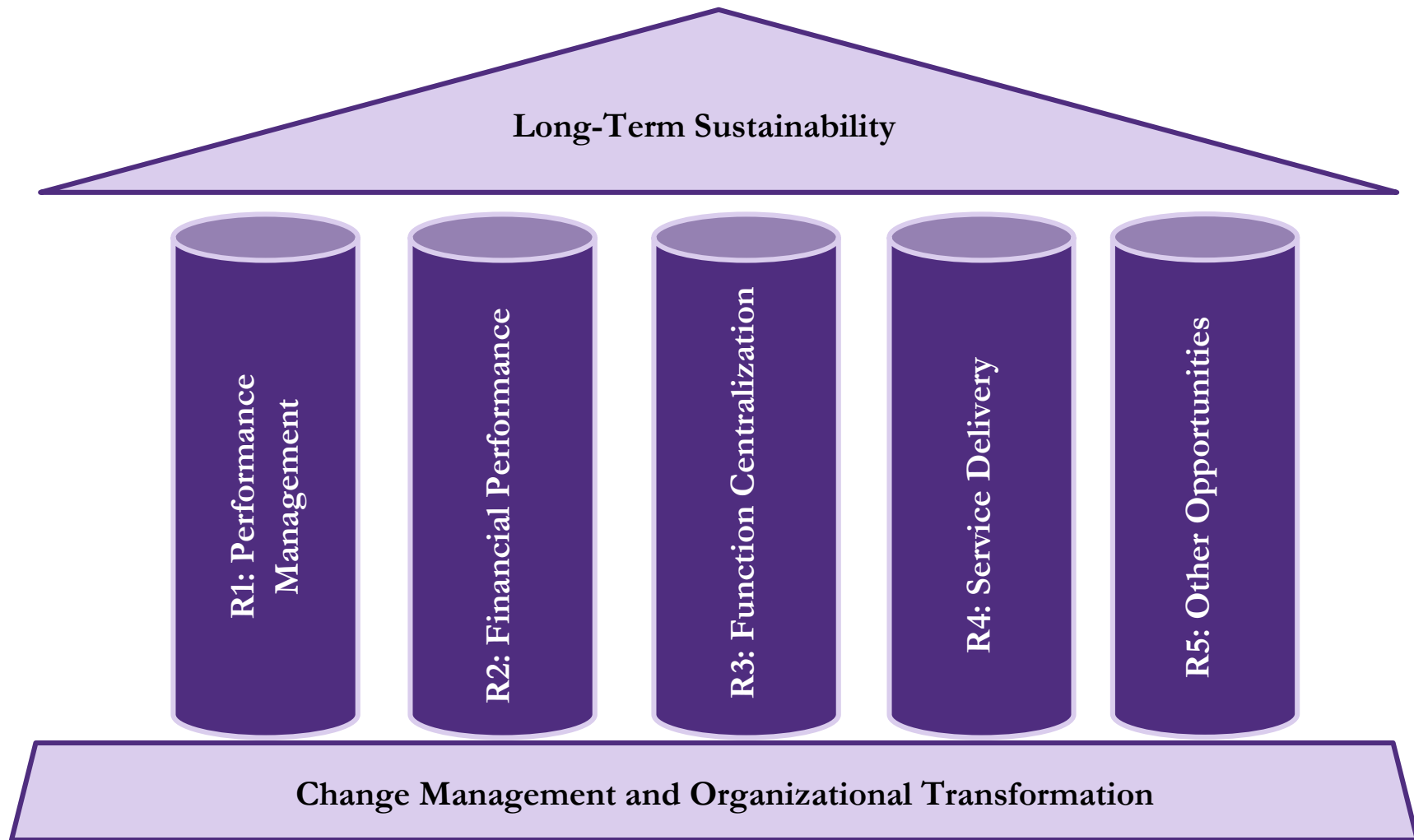
One critical point of importance when considering the recommendations below is that of long-term sustainability. While some recommendations focus more on areas of potential efficiencies and possible cost savings, others promote effectiveness. Both distinct categories of recommendations will play roles of equal importance in achieving long-term sustainability at AU. For a more comprehensive list of process level improvement recommendations refer to Appendix D – Catalogue of Key Processes.

These recommendations must be supported with adequate change management and the understanding that AU requires transformative action and not merely incremental improvements in isolation.

The relationship between change management, transformation, recommendations and AU’s long-term sustainability is depicted on the following page.

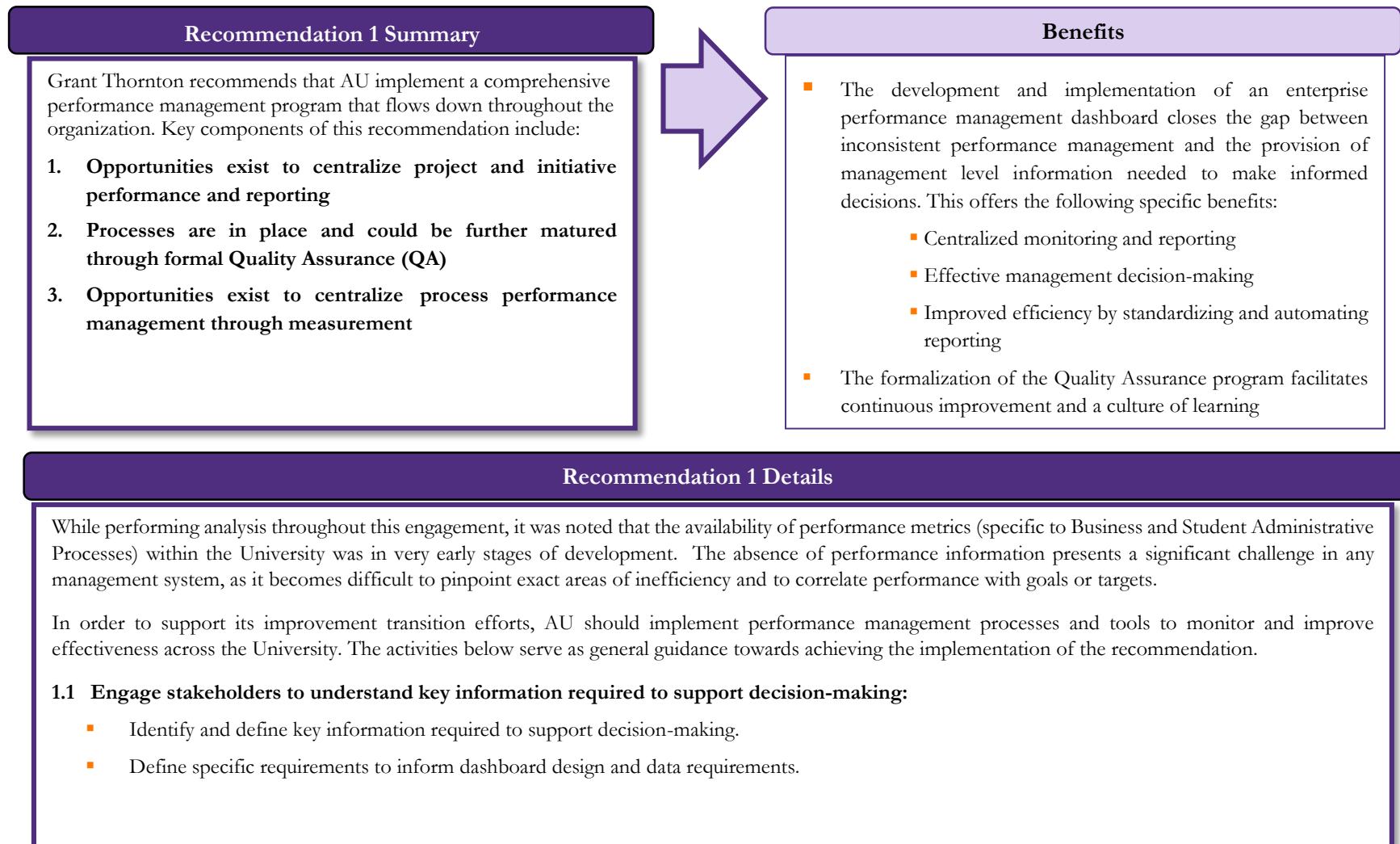


Figure 2: Change, Transformation, Recommendations, and Long-Term Sustainability



Each recommendation is detailed below, along with sub-recommendations and associated benefits. At the end of the section, potential risks and mitigation strategies are listed in relation to each recommendation made.

R1: Elevate enterprise strategy and performance management



Recommendation 1 Details

1.2 Create an Office of Performance Management

- Establish a central function to guide the development of the needed performance management and continuous improvement processes, tools, technologies and operations. This group should be responsible for developing and implementing (jointly with all departments) performance metrics/KPIs, reporting requirements, project management framework (and enterprise portfolio of projects for oversight and monitoring), a performance dashboard, and quality assurance processes. This is estimated to be two (2) full time management level staff on a permanent basis. Although it is difficult to specifically quantify the financial efficiency and effectiveness gains that could be realized by creating this function, this format of a management approach is recognized as a leading practice. A clear universal understanding of the term “Project” should be adopted as quickly as possible. It is further recommended that project management processes are scalable to ensure there is not an overburden of unneeded administration. Often organizations will create clear definitions of “operational activities”, “projects” and “initiatives” based on the value as management requirements are fundamentally different. Given the strategic nature and importance of this function it is recommended that this office report to AU’s President.

1.3 Identify specific KPIs to track and present via the dashboard:

- Define the full scope of the dashboard.
 - Student-facing, service-related performance information (e.g. time to provide grades and evaluate transcripts). Note Appendix E provides guidance for the development of KPIs.
 - Enterprise portfolio project information (e.g. number of student and staff town halls, number of cross departmental initiatives implemented, % cost savings identified within department or faculty, etc.). Typical project KPI’s include cost/budget, scope, and schedule metrics.

1.4 Design processes, detailed technical requirements, training requirements and change management requirements:

- Design and standardize project management processes (leverage existing IT Project Management Framework).
- Develop standard definitions of “project” and “initiatives” as processes should be scalable (differentiate from operational activities)
- Design processes to support the reporting and dashboard content.
- Define and document detailed technical requirements for the dashboard.
- Design training and change management plans to support the successful roll-out of the performance management dashboard.

1.5 Develop or purchase the technical solution:

- Develop or purchase the technical solution for the dashboard (depending upon the outcomes of the options analysis).

1.6 Collect initial data set:

- Work with all departments to collect and centralize the required data.
- Automate the flow of information into the dashboard wherever possible to reduce manual effort (e.g. integration with financial system).

Recommendation 1 Details

1.7 Identify pilot departments and train users on using the dashboard:

- Select departments and specific user groups to pilot the dashboard.
- Train users within the selected departments on the use of the dashboard and project processes.

1.8 Conduct controlled testing of dashboard tools:

- Allow selected users within pilot departments to test the dashboard and project management processes in a controlled environment.

1.9 Collect and address testing stage feedback from relevant stakeholders:

- Assess feedback received through the testing phase.
- Make adjustments to the dashboard to address feedback that leads to improved usability, efficiency and/or effectiveness.

1.10 Roll out the dashboard:

- Apply strategies defined in the training and change management plans to successfully roll out the dashboard to various stakeholder groups.

1.11 Begin developing organizational QA process:

To enable a true learning organization and a culture of continuous improvement, the quality assurance function should be elevated and elaborated. A learning organization shares knowledge and lessons learned across the organization as a way to continually improve performance. Continuous improvement is crucial for organizations looking to capitalize on quick wins within the organization. The development and implementation of a formalized quality management program will help ensure that new and existing processes are being adhered to. The quality management function can be developed by the Office of Performance Management. Following the implementation of the quality processes, this team could then be responsible for monitoring adherence to processes by performing periodic process audits. Additionally, when problematic processes are identified, QA will flag them for follow up by the respective management area. Developing the QA function should consist of the following steps:

1. Define program mandate and high-level processes.
2. Understand which QA functions already exist and plan transition of relevant existing functions to the Enterprise Strategy and Performance Management Department.
3. Identify resource requirements, including number of staff, level of staff, and functional organizational structure to support the new program.
4. Identify technology requirements.
5. Staff outstanding positions, as required.
6. Define and detail all new processes and tools required for the function.
7. Commence functional operations and continue evolving over time.

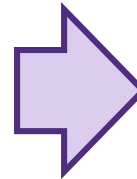
Once operational, the QA team will be responsible for guiding business areas towards continuous improvement and sustainable initiatives.

R2: Continue improvement of AU's financial performance

Recommendation 2 Summary

It is recommended that AU continue to improve financial performance through the following activities:

1. **Implement Zero-Based Budgeting model after transition to a Responsibility Centre Management model**
2. **Revise travel policy to minimize unneeded travel expenditures and leverage available technologies**
3. **Reduce space footprint through the integration of functions into the main campus facility**
4. **Implement cost savings incentive programs**



Benefits

- Re-baselining of the current operating budgets
- Potentially significant reduction in travel expenditures
- Disposition of inefficient and costly assets
- Increased employee engagement and creative input geared towards cost savings and other improvements

Recommendation 2 Details

2.1 Implement a zero-based budgeting model after transition to a Responsibility Centre Management model:

As discussed in the Current State Assessment, zero-based budgeting is a comprehensive approach to rationalize an organization's budget at the individual expenditure account or line. In leaving no stone unturned, the process requires budget holders to justify every expenditure rather than just incremental expenditure increases. It consists of detailed design, planning and execution phases and in the case of AU, should be implemented after successfully transitioning to the in-process Responsibility Centre Management Budget Model.

While a move towards zero-based budgeting will help budget holders determine priorities, AU must appropriately support cost/revenue centre managers through ensuring adequate skills and knowledge gaps are addressed by training and the provision of supporting guidance and reference materials. This will require significant amount of effort from both budget holders and financial support staff. Given the requirements and complexities AU should carefully consider the training requirements and perhaps a multi-year implementation plan.

Recommendation 2 Details

2.2 Revise travel policy to minimize unneeded travel expenditures and leverage available technologies:

While examining AU's 2014-15 budget performance, it was noted that the Institution had a significantly high level of travel expenditures as well as several instances of travel expense overages. While the University faces difficult economic conditions, this type of spending should be reduced. Therefore, AU would benefit from reducing travel-related expenditures and encouraging the use of available technologies to support related communications. For example, the use of a web conferencing solution such as Adobe Connect for meetings is far less costly and more efficient than a ~300km return trip from Edmonton for a one hour meeting. Although some travel expenses cannot be avoided due to research, professional development needs and other core requirements, the policy should be structured in a manner that supports the use of available technologies, where possible, to offset traveling when possible.

2.3 Reduce space footprint through the integration of functions into the main campus facility:

AU currently operates a facility, the Tim Byrne Centre, which houses the Course Materials Production function. It is believed that the operations housed in this asset could be relocated to the main campus. A determination of the physical space requirements in the short, mid and longer term should form part of the review of learner resource materials that is currently underway. If it is determined that the current amount of space is not required the University should consider relocation to the main campus or explore other options. The University would be much better suited to dispose of this asset and take in a lump sum cash inflow rather than the constant outflow of overhead costs. In advance of the disposition a significant level of planning and consideration is required to determine the most suitable means of accommodating the functions currently housed in the facility into the main campus. To facilitate this initiative, a review of Learning Resources, housed in the Tim Byrne Centre, is currently underway.

2.4 Implement cost-savings incentive programs:

There are two (2) forms of cost savings incentive programs that could benefit AU. The first form consists of engaging employees in a crowdsourcing initiative. Given that AU has already taken the prudent measure of soliciting input from its employees, AU should revisit and assess the 136 submissions to the Task Force and identify the most promising ideas that have not yet been pursued or recommended. However, management must be careful to "close the feedback" loop with employees by clearly communicating the results of the crowdsourcing initiative, and the ultimate decision to adopt or not adopt various alternatives that were put forth. There may also be opportunities for rewards and recognition by management for the successful realization of savings identified by staff or students.

The second option for cost savings incentives takes place at the departmental or faculty level. Following the adoption of ZBB or Responsibility Centre Management models for budgeting, budget holders (or possibly multiple groups for cross departmental initiatives) could be rewarded for managing costs to below their allocated budgets. For each dollar under budget, the department could be rewarded by being allocated 50% of the saved money as an additional increment in the following year's budget. The other 50% of savings will be returned to a central University account.

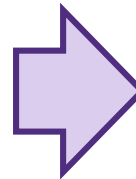
These incentive programs will foster a culture of collaboration and employee engagement while promoting adherence to an already well-planned annual budget. An initiative of this nature will require planning and logistical considerations in advance of implementation.

R3: Realign and centralize targeted functions

Recommendation 3 Summary

It is recommended that AU perform the following in regards to centralization of services and functions:

1. **Conduct a task level assessment that could be centralized with respect to IT/IS, Financial Services, Marketing and Communications**
2. **Qualify duplications of effort, at the task level, with a view to rendering efficiencies**
3. **Restructure and merge functions**



Benefits

- Efficiency through common business process and systems reductions
- Improved workload demand management
- Reduced cycle times – with a centralized point of control for services, the amount of time to complete the process is decreased
- Consistency of service delivery to all internal and external users

Recommendation 3 Details

3.1 Conduct a task level assessment

Although the business and student services administrative practices process level review identified opportunities for centralization of specific functions, this type of consolidation requires a substantial level of detailed analysis and planning to ensure the optimum success from a centralization initiative. Within all groups for which it is believed there are opportunities for centralization, a task level review must be conducted for similar positions and functions to fully understand which positions could be aligned.

3.2 Qualify duplications of effort and possible efficiencies

From the task level assessment, opportunities for efficiency can be clearly depicted and inform restructuring plans. It is believed that some opportunities with respect to technology and systems duplications may be realized from the consolidations of the IT/IS decentralized models. However, as stated in the current state assessment, it is important to align the service level expectations with capabilities and capacities of centralized delivery areas. This can be achieved through the creation of a service level agreement, which clarifies the responsibilities between the service provider and the user, and it provides a framework and a common understanding for both parties.

Recommendation 3 Details

3.3 Restructure and merge functions

Given the complexities and human factors associated with realignments of this nature, it is recommended that careful planning and consideration is given towards developing a change management plan. Planning will also need to be conducted with respect to space allocations and office requirements to support the merged staff. To ensure smooth and successful transition a single point of responsibility (project manager) should be appointed to lead the initiative.

As it is common through centralization and restructuring efforts for organizations to realize some levels of staff efficiency, the following table has been prepared to identify the order of magnitude of possible savings. As noted above a task level review is needed in advance of any proposed staff count adjustments. Centralization will also provide for consistency of service levels across faculties (for internal service functions). This appears to be a significant opportunity as the decentralized positions are greater than twenty.

Departments	Staff Centralized	Staff Decentralized	Total Staff	Possible Efficiencies
IT	~70	>20	~90	2 rationalized positions
Marketing and Communications	~12	~7	~19	1 rationalized position
Finance	~21	~5	~26	Unknown

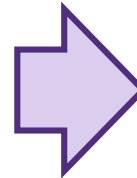
Note – These are directional level estimates that need to fully qualified and quantified based on a task level review.

R4: Pursue possible partnership and alternative service delivery

Recommendation 4 Summary

It is recommended that AU pursues alternative services delivery/partnering opportunities in the following areas:

1. **Facilities and Services**
2. **Information Technology and Systems**



Benefits

- Leveraged bargaining power when negotiating with service providers
- Improved IT/IS performance
- Reduction of purchased services
- Efficiency and cost savings

Recommendation 4 Details

4.1 Facilities and Services:

Within Facilities and Services, there exists two (2) potential areas of benefit for partnering arrangements or alternative service delivery:

- Restructuring to render efficiency ; and
- Partnering for resources and contracted services.

In reviewing the Facilities and Services organization in contrast with portfolio of assets (both leased and owned), it is believed that there is a small amount of staffing efficiency to be realized through restructuring exercise.

Partnering with local school boards or regional services for resources or to purchase common goods and services can provide efficient economies of scale.

Potential partners must be identified and cost saving opportunities calculated only after AU identifies its minimal threshold for cost savings to justify undertaking these initiatives. In each case, the process depicted below should be followed:

Define targeted savings levels per opportunity → Produce objectives and timeframe for project → Assign champion → Select team → Identify target partners → Produce partnership proposals → Execute partnerships → Monitor partnerships

Recommendation 4 Details

4.2 Information Technology Systems:

The current state of overall effectiveness of Information Technology Systems indicates that a fundamental shift in the business model is needed. It would be extremely difficult to improve the system and network stability as well as the inventory of applications requiring replacement while sustaining the current operations. As current configurations and structures are not truly understood, and would take an undetermined amount of time and resources to clarify, there is a very strong case to follow a new path.

Alternative service delivery for IT is a complex matter with countless options to consider and deeply analyze in advance of charting a course forward. Many of the current applications and associated hardware in use were built or developed in-house and pose a significant risk as knowledge of configuration and design is not understood. Organizations that are challenged with significant IT transformational change requirements are often well-served by third party vendors as a means to effectively migrate to current technologies, stabilize performance, and ensure appropriate security and controls are in place.

Attempts to drive forward large-scale technology transformation internally often fail. AU has a track record of relatively unsuccessful technology change management, which further warrants this recommendation to partner with industry to achieve goals. As the entire IT architecture is not fully understood, there will be challenges in engaging industry to discuss solutions. Careful consideration is needed with respect to scope, systems, and applications that could be purchased from a third party. As a number of the core applications (such as Moodle, Banner) are configured in manner that does not meet the manufacturer's specifications (thus reducing their willingness to support), there are very sound cases to move these types of programs to a hosted model. Moving to a cloud-based services approach would likely achieve a far more stable operating and network environments.

It is recommended that AU consider moving towards an alternative service delivery model such as a managed services environment where infrastructure and applications could be cloud-based and hosted by a third party. This is very significant undertaking which will require a substantial amount of planning for business transformation. As there are countless ways to approach an undertaking of this type. Transformation is often done in a progressive manner to afford the purchasing organization the opportunity to progressively learn from experience and to mitigate possible risks of full migration to a third party incorrectly.

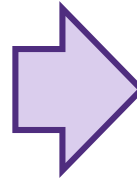
The success or failure of any large-scale purchase of services is initially dependent on collecting, understanding, analyzing, and clearly articulating the requirements and needed service levels to prospective service providers. The importance of this cannot be understated. This will require a dedicated project team and significant effort.

R5: Pursue other opportunities for improvement

Recommendation 5 Summary

Grant Thornton recommends that AU implement the following initiatives:

1. **Clarify Future of AU**
2. **Align Vision with Staff Performance Management**
3. **Align Management, Faculty Association, and Unions**
4. **Expand Marketing Efforts**



Benefits

- Illustrate stability to ensure increase numbers of students and reduce staff turnover rates
- Objectives and performance aligned with vision
- Improve effectiveness and efficiency of interactions
- More awareness of AU, a better public perception and increased revenue

Recommendation 5 Details

5.1 Clarify Future of AU

The looming perspective noted in staff and student consultation is that the university may cease to exist in the immediate near future. This fear of the unknown will have impacts on staff engagement and turnover rates, likely reduce enrolment, and in the worst case could result in current students pursuing their education through other institutions. It is recommended that Marketing and Communications develop a plan for communication that address the current brand image challenges. This will provide an opportunity for AU to publicly illustrate the recent improvements towards sustainability. Strategies and tactics for key messaging, media types and intervals/timelines will need to be carefully considered. Additionally, it is highly recommended to continue to conduct exit interviews with staff members who have resigned (this is also stated in the section C22.2 of the AUFA collective agreement). Where possible, interviews should pinpoint reasons for departures, and trends among all interviews should be analyzed and communicated to leadership. Furthermore, it is suggested to limit the number of acting/interim positions so staff in these areas can focus on longer term priorities.

5.2 Align Vision with Staff Performance Management

During the consultation process it was noted that there are plans to improve upon the current staff performance management practices. It was further noted that the vision and goals of the Institution were not uniformly understood. It is common practice for high performing organizations to cascade organization goals and objectives throughout the organization through the staff performance management process. Targets to achieving specific or individual goals are directly correlated to the higher organizational level goals. This technique has proven to be very effective to ensure alignment.

Recommendation 5 Details

5.3 Opportunities to align Management, Faculty Association, and Unions exist

As mentioned, many faculty members, staff and management at AU are concerned about the underlying relationships between Management and the Faculty Association and with the Unions. It is recommended that AU Management, the Faculty Association as well as the Unions work towards improving the labour relations environment. Specifically, there is a need for the Faculty Association and Unions to be engaged in order to build mutual trust, identify areas of concern for all parties, and work towards collaborative solutions. This recommendation is made in accordance with the Post-Secondary Learning Act and is not a recommendation for revised governance. A tool, such as a responsibility matrix, may be appropriate to clarify and document roles and responsibilities for all parties.

5.4 Invest in innovative marketing initiatives

The various efficiency and effectiveness initiatives that have been recommended in this report are intended to assist AU with sustainability moving into the future. However, it is necessary to consider the potential negative publicity that AU has as a result of financial difficulties and how this impacts the University's recruiting of prospective students. It is suggested that a significant portion of the forecasted cost savings (See Financial Projections Section of this report) be re-invested towards improving AU's brand and growing the University's revenue. Additionally, the innovative marketing initiatives should continue to focus on inbound marketing tactics, which include the use of SEO (Search Engine Optimization), content creation, social media marketing, email lead nurturing, and closed-loop analytics to connect with and provide value to target markets. It is recommended that a marketing expert or firm conduct an analysis as to the appropriate level of funding needed to expand the current marketing program.

Conclusion

Ultimately, the current economic and industry-related challenges that AU is facing are overshadowing the great work that is currently being done by AU's leadership, faculty, and staff. The recommendations provided in this report are intended to build upon the successes and significant efforts to date by AU's staff and management as they attempt to achieve long-term sustainability. The recommendations brought forward in this report should be implemented with certain key principles in mind, in order to maximize positive impacts on the organization.

First, AU's faculty, staff and management should understand that, while the recommendations provided call for significant changes, the University would benefit greatly from increased overall stability. The constant change over the past several years has made it difficult to sustain improvement and continuity of initiatives. Staff and faculties have been adversely impacted by several rounds of cuts, and management has felt significant constraints due to financial and budgetary pressures. The recommendations provided herein focus on guiding the Institution's processes and management towards process performance management and quality assurance. They are intended to position AU towards stability and success long into the future. They have been designed to support a culture of ongoing engagement, efficiency, and continuous improvement, rather than only short-term cost savings.

On a similar note, the recommendations have highlighted the importance of proper prioritization at all levels of planning. From strategic plans to departmental initiatives, prioritization needs to be conducted before decisions are made. Furthermore, commitment to decisions and sufficient follow-through is the only way for significant change to be attained.

In order to make the impacts of the recommendations as seamless as possible, the University should embrace a culture of performance management, innovation and continuous improvement by carefully planning and managing change at all levels of the organization.

Timely and thoughtful communications, opportunities for stakeholders to provide input, and closing the feedback loop by sharing results of change initiatives will help to ensure that stakeholders have a positive experience of change.

It is important to highlight the fact that significant change takes time. While some of the recommendations will provide the University with short-term gains, the majority of the recommendations included in this report will take time to implement and will take longer for the full impacts to be seen. However, the legacy of these recommendations will be sustainable and long-lasting in nature, which will bring the greatest value to stakeholders of the University.

Overall, the recommendations included in this report provide the roadmap to guide Athabasca University to the next level of organizational maturity and performance. The University's current position translates into a need to instill confidence in AU's stakeholders, the most important of which are its students. This evolution will serve as a rebranding of focus, whereby Athabasca University can broadcast the message that its attention to high performance will result in its long-term sustainability.



Appendices



Appendix A: Glossary of Terms

Table A1: Glossary of Terms

Term	Definition
Alternative Service Delivery	A practice used to reduce costs by transferring portions of work to outside suppliers rather than completing it internally. This is generally non-core support functions.
Continuous Improvement	A long-term approach to work quality management with origins in statistical sampling techniques. Most modern quality management systems are based on an approach developed in the 1950's by Walter Edwards Deming known as the PDCA (plan, do, check, and act) or Deming model in which the check cycle was directly intended for continuous improvement.
Crowdsourcing	The practice of soliciting ideas from a broad, loosely-defined external group of people. The idea is generally a social brain storming to achieve some specific goal ¹ .
Dashboard	A data visualization tool that displays the current status of metrics and key performance indicators for an enterprise. Dashboards consolidate and arrange numbers, metrics and sometimes performance scorecards in to singular view or perspective. They may be tailored for a specific role and display metrics targeted for a single point of view or department ² .
Enterprise Portfolio of Projects	A term that refers to an organization's group of projects and the process in which they are selected and managed. The project portfolio is strategically selected to advance the corporation's organizational goals ³ .
KPI- Key Performance Indicator	A business metric used to evaluate factors that are crucial to the success of an organization ⁴ .
Metric	A quantifiable measure businesses use to track, monitor and assess the success or failure of various business processes ⁵ .

1 What is crowdsourcing? - Definition from WhatIs.com. (n.d.). Retrieved May 09, 2016, from <http://searchcio.techtarget.com/definition/crowdsourcing>

2 What is business intelligence dashboard? - Definition from WhatIs.com. (n.d.). Retrieved May 09, 2016, from <http://searchbusinessanalytics.techtarget.com/definition/business-intelligence-dashboard>

3 Glossary Tenrox- Project Portfolio| Term Definition. (n.d.). Retrieved May 09, 2016, from <http://uplandsoftware.com/tenrox/glossary/project-portfolio/>

4 What is key performance indicator (KPI)? - Definition from WhatIs.com. (n.d.). Retrieved May 09, 2016, from <http://searchcrm.techtarget.com/definition/key-performance-indicator>

5 What is business metric? - Definition from WhatIs.com. (n.d.). Retrieved May 09, 2016, from <http://searchcrm.techtarget.com/definition/business-metric>

Term	Definition
Operations	Jobs or tasks consisting of one or more elements or subtasks, performed typically in one location ⁶ .
Organizational Maturity	The level of an organization's readiness and experience in relation to people, processes, technologies and consistent measurement practices ⁷ .
Performance Management	Performance Management pertaining to the proactive management and monitoring of process conformance and compliance as well as the measurement of both operational and project activities (KPI's). This function is often centralized in high performing organizations. (not to be confused with Staff Performance Management- see definition below)
Performance Measure	A quantifiable indicator used to assess how well an organization or business is achieving its desired objectives ⁸ .
Program Evaluation Review Technique (PERT)	Program Evaluation Review Technique (PERT) is a three point weighted probabilistic estimation model. $E = (O + 4M + P) / 6$, where E= Estimate, O=Optimistic Estimate, M=Most Likely Estimate and P=Pessimistic Estimate
Process	Sequence of interdependent and linked procedures which, at every stage, consume one or more resources to convert inputs into outputs. These outputs then serve as inputs for the next stage until a known goal or end result is reached ⁹ .
Project	A temporary endeavor undertaken to create a unique product, service, or result. A project is temporary in that it has a defined beginning and end in time, and therefore defined scope and resources. A project is unique in that it is not a routine operation, but a specific set of operations designed to accomplish a singular goal ¹⁰ .
Project Management	The application of knowledge, skills, tools, and techniques to project activities to meet project requirements ² .

6 What are operations? definition and meaning. (n.d.). Retrieved May 09, 2016, from <http://www.businessdictionary.com/definition/operations.html>

7 Organizational Maturity. (n.d.). Retrieved May 09, 2016, from <http://www.bersin.com/Lexicon/Details.aspx?id=14272>

8 What is performance measure? definition and meaning. (n.d.). Retrieved May 09, 2016, from <http://www.businessdictionary.com/definition/performance-measure.html>

9 What is process? definition and meaning. (n.d.). Retrieved May 09, 2016, from <http://www.businessdictionary.com/definition/process.html>

10 What is Project Management? (n.d.). Retrieved May 09, 2016, from <http://www.pmi.org/About-Us/About-Us-What-is-Project-Management.aspx>

Term	Definition
Quality Assurance	<p>QA frameworks include (but are not limited to):</p> <ul style="list-style-type: none"> ▪ Determination of adequate requirements of inputs and outputs ▪ Certification and rating of suppliers and customers of processes ▪ Audit of the process quality ▪ Evaluation of the process to establish required corrective response, ▪ Audit of the final output for conformance to <ul style="list-style-type: none"> ▪ Technical, ▪ Reliability, ▪ Maintainability, and ▪ Performance requirements¹¹.
Quality Management	The act of overseeing all activities and tasks needed to maintain a desired level of excellence. This includes creating and implementing quality planning and assurance, as well as quality control and quality improvement ¹² .
RCM - Responsibility Centre Budget Management	A transparent, decentralized, approach to budgeting that promotes outcomes valued by the University and expressed in the strategic plan ¹³ . This approach increases accountability as well as authorities for cost centre managers.
Responsibility Matrix (RACI)	A structural map that illustrates where responsibilities and assignments lie in an organization. Each member is represented on the map and has his assignments and responsibilities labeled on the matrix chart ¹⁴ .
SRM Solution	Student Relationship Management – Supporting Technology
Staff Performance Management	An ongoing process of communication between a supervisor and an employee that occurs throughout the year, in support of accomplishing the strategic objectives of the organization ¹⁵ .

11 What is quality assurance (QA)? definition and meaning. (n.d.). Retrieved May 09, 2016, from <http://www.businessdictionary.com/definition/quality-assurance-QA.html>

12 Quality Management Definition | Investopedia. (2010). Retrieved May 09, 2016, from <http://www.investopedia.com/terms/q/quality-management.asp?layout=infini&v=5C&adtest=5C>

13 Frequently Asked Questions. (n.d.). Retrieved May 09, 2016, from <http://rcm.arizona.edu/faq-page#n391>

14 What is responsibility assignment matrix? definition and meaning. (n.d.). Retrieved May 09, 2016, from <http://www.businessdictionary.com/definition/responsibility-assignment-matrix.html>

15 Concepts & Definitions. (n.d.). Retrieved May 09, 2016, from <http://hr.berkeley.edu/hr-network/central-guide-managing-hr/managing-hr/managing-successfully/performance-management/concepts>

Term	Definition
The Future Is Now – Report of the Presidential Task Force on Sustainability (The Task Force Report)	At a special meeting of the Athabasca University Board of Governors on February 26, 2015, a task force was struck to review and consider options for the future sustainability of the University ¹⁶ .
Zero-Based Budgeting	A method of budgeting in which all expenses must be justified for each new period. Zero-based budgeting starts from a "zero base" and every function within an organization is analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or lower than the previous one ¹⁷ .

¹⁶ Athabasca University Annual Report to Alberta Innovation and Advanced Education. (2015, March 31). Retrieved from <http://www.athabascau.ca/aboutau/documents/annual/report2015.pdf>

¹⁷ Zero-Based Budgeting (ZBB) Definition | Investopedia. (2003). Retrieved May 09, 2016, from <http://www.investopedia.com/terms/z/zbb.asp?layout=infini&v=5C&orig=1&adtest=5C>

Appendix B: List of Consultations

Table A2: List of Consultations

Position	Department
Manager, Development Services	Office of the Vice President, Advancement
Administrator, Interior Logistics	Facilities and Services
Dean of Faculty of Health Disciplines	Faculty of Health Disciplines
Director, Library & Scholarly Resources	Library Services
Manager of Development, Enterprise Systems	IT Delivery
Senior Reference Librarian & Circulation Supervisor	Library Services
Manager, Policy and Planning	Office of the Vice President, Advancement
Senior Software Quality Analyst	IT Delivery
Director, Academic Planning and Priorities	Office of the Vice President, Academic
Human Resources Advisors	Human Resources
Manager, IT Services & Support	IT Service Operations
Director, IT Service Operations	IT Service Operations
Director, Financial Services	Financial Services
University Secretary	Office of the University Secretariat
Vice President, Academic (Interim)	Office of the Vice President, Academic
Manager, Procurement and Contract Services	Procurement and Contract Services
Inventory Control Warehouse Supervisor	Materials Management
Director, Institutional Studies	Institutional Studies
Labour Relations Coordinator	Human Resources
Manager, Financial Planning and Budgets	Financial Services
Human Resources Analyst	Human Resources
Manager, IT Project	IT Delivery
Manager, Alumni Relations & Philanthropy	Office of the Vice President, Advancement
Director, AU Press	AU Press
Manager, Research Services	Research Centre
Manager, Institutional Records/University Archivist	Library Services

Position	Department
Director Marketing and Communications	Faculty of Business
Manager, Learning Services Tutorial	Learning Services Tutorial
Coordinator Operations	Facilities and Services
Manager, Learning Systems	IT Delivery
Manager, IT Infrastructure	IT Service Operations
Director, Partnership and Student Recruitment	Office of the Vice President, Advancement
Dean of Faculty of Humanities and Social Sciences	Faculty of Humanities and Social Sciences
Coordinator, Building & Projects	Facilities and Services
Director, Communications	Faculty of Business
Associate Vice President, Research	Research Centre
Dean of Faculty of Graduate Studies	Faculty of Graduate Studies
Student & Academic Services Web Coordinator	Student Support Services
President	Office of the President
Vice President, Finance and Administration	Office of the Vice President, Finance and Administration
Manager, Compensation & Benefits	Human Resources
Director, IT Delivery	IT Delivery
Manager, Marketing & Alumni Relations	Faculty of Business
Registrar, (Acting)	Office of the Registrar
Database Administrator	IT Service Operations
Director, Facilities and Services	Facilities and Services
Manager, Marketing and Social Media	Office of the Vice President, Advancement
Senior Manager, Digital Publishing and Learning Services	Faculty of Business
Director, IT Strategy and Planning	IT Strategy and Planning
Vice President, Information Technology & CIO	Office of the Vice President, Information Technology
Director Interim, Brand and Marketing	Office of the Vice President, Advancement
Dean of Faculty of Business	Faculty of Business
Manager, Financial Operations	Financial Services
Director, Strategic Initiatives	Office of the Vice President, Finance and Administration
Director, Learner Support Services	Learner Support Services
Manager, Student Services & Systems	Faculty of Business
Vice President, Advancement	Office of the Vice President, Advancement

Position	Department
Manager, Finance	Faculty of Business
Associate Vice President, Student & Academic Services	Office of the Vice President, Academic
Associate Registrar, Transfer Credit Services	Office of the Registrar
Dean of Faculty of Science and Technology	Faculty of Science and Technology
Town Hall Sessions – Faculty and Staff	Athabasca University
Alberta Union of Provincial Employees (AUPE)	Town Hall Session – Students and Alumni
Athabasca University Faculty Association (AUFA)	
Athabasca University Graduate Students' Association (AUGSA)	
Athabasca University Students' Union (AUSU)	
Canadian Union of Public Employees (CUPE)	

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Appendix C: Project Charter

Athabasca University Business and Student Services Administrative Practices Review

Project Charter

Prepared by Grant Thornton

Date: December 8th 2015

AUTHORITY SIGNATURES



The following project charter provides a high-level overview of the approach for this project and represents a formal agreement and commitment between Grant Thornton and Athabasca University.

The signatures affixed below indicate that the undersigned have read the project charter and certify that the document accurately represents their expectations and objectives for the project. Every effort will be made to meet the commitment that it represents. If there is a significant change in the objectives, scope, or schedule, an addendum to the charter will be prepared and submitted for re-approval.


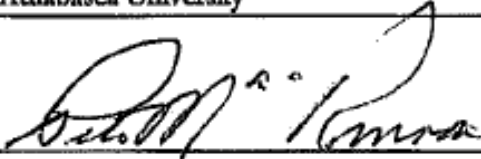

Authorization		
Authorized by:	 _____ David Head Director, Strategic Initiatives Athabasca University	Date: December 16, 2015
Authorized by:	 _____ Peter MacKinnon President Athabasca University	Date: December 16, 2015
Authorized by:	 _____ Dean Plater Project Leader Grant Thornton	Date: December 17, 2015

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1. Purpose of Charter

The purpose of this Project Charter is to clarify and document both parties' understanding of the key aspects of the project, obtaining agreement with project stakeholders at project commencement regarding matters such as the project objectives, scope, approach, methodology, timing, priorities, deliverables, resources, and project management.

In the event of any inconsistencies or conflicts between the Project Charter and the Contract for Service (P0008874) and any schedules, appendices or other documents attached to and forming part of the Contract for Service, the terms of the Contract for Service shall prevail, unless specifically stated as an amendment to the Contract for Service, in writing and signed by both parties.

2. Background

On February 26, 2015, a task force was created to conduct a review and develop options for the sustainability of Athabasca University (AU). The process included soliciting submissions from the AU community in order to gather viable options for improving the University and its services to the public. Many of the submissions identified the need for AU to improve the effectiveness and cost efficiency of its business and student service administrative practices. The task force submitted a report on June 1, 2015 to the Ministry of Innovation and Advanced Education, which outlined four options for AU to consider. One of the recommendations highlighted the necessity for AU to immediately proceed with a review of their business and student service practices.

In response, AU sought proposals from interested and qualified firms to provide a review of business practices and academic support services and their efficiency and effectiveness. Following a competitive tendering process, Grant Thornton was identified as the successful proponent and awarded a contract in November 2015.

3. Project Goals

Over the coming months, Grant Thornton will carry out a university-wide operational and process review, consisting of the following objectives:

1. Alignment between current practices and processes with AU's strategic direction, priorities and goals
2. Identification of AU's operational strengths, weaknesses, and challenges associated with current business and student service administrative practices, processes, resources and structures
3. Identification of areas to further explore and reduce costs and/or improve service delivery through more effective or efficient use of resources, involving the realignment, restructuring, acquisition or disposition of structures, practices, processes and resources (human and physical) within Athabasca University or externally
4. Identification of opportunities to further explore with respect to partnerships, shared services, with other Campus Alberta post-secondary institutions or public institutions to reduce administrative costs and improved service delivery



5. Identification of the effective practices that will allow AU to benefit from the experiences and expertise of other post-secondary institutions, and private and public organizations with similar administrative structures and functions

4. Scope

All structures, practices, processes, and resources (both human and physical) supporting the business and student service administrative functions of the University are in the scope of the review. The review will assess the effectiveness and efficiency of these areas.

In-scope areas include the areas reporting to the following:

- The President;
- University Secretary;
- Vice President, Academic;
- Vice President, IT and CIO;
- Vice President, Finance and Administration;
- Vice President, Advancement;
- Associate Vice President, Student and Academic Services; and
- Associate Vice President, Research.

Specifically, the following areas are within the scope of the review:

- Information Technology (hardware, software, storage and support)
- Financial Services (accounts receivable/payable, reporting, budgeting)
- Human Resources (recruitment, compensation, benefits, performance management, occupational health and safety, labour relations, professional development, abilities management)
- Facilities and services (space, facilities, maintenance, ergonomics)
- Procurement and contract administration (purchasing, contracts)
- Library services (electronic, print, services)
- Marketing and communications
- Fund development and donor relations
- Alumni affairs
- Scholarships and awards
- Student recruitment



- Student application and registration
- Examinations
- Financial aid
- Transfer credit and evaluation
- Learner support services
- Research services and administration
- Calendar production
- AU Press

The review will not be constrained by departmental, faculty, or unit structural area boundaries, as many of the processes cross functional area boundaries.

Out of scope areas include the following:

- An educational review is running concurrent to this project and therefore pedagogy and any processes focused directly on courses and programs, including their delivery and teaching is not in scope. However, touch points will be made with the AU Steering Committee regarding any possible overlaps.
- Any matters relating to the research to be carried out by faculty is not in scope.

5. Roles and Responsibilities

The following table outlines key roles and responsibilities of each relevant group in relation to the Business and Student Services Administrative Practices Process Review.

Resource	Responsibilities
AU Project Sponsor President, Athabasca University	<ul style="list-style-type: none"> ▪ Act as primary communication liaison between project team and the Athabasca University community ▪ Approve project timelines, budget and direction ▪ Review and approve interim and final RCGT deliverables
AU Steering Committee Vice President, Finance and Administration	<ul style="list-style-type: none"> ▪ Act on behalf of the AU Executive Group to articulate expectations and desired outcomes from the review ▪ Review bi-weekly status updates and highlight questions / areas of concern ▪ Participate in consultation activities, as required



Resource	Responsibilities
AU Project Sponsor President, Athabasca University	<ul style="list-style-type: none"> ▪ Act as primary communication liaison between project team and the Athabasca University community ▪ Approve project timelines, budget and direction ▪ Review and approve interim and final RCGT deliverables
Vice President, Advancement Vice President, Academic Vice President Information Technology and Chief Information Officer Director, Strategic Initiatives and Business Lead	<ul style="list-style-type: none"> ▪ Review interim progress and provide feedback ▪ Review findings and recommendations
AU Project Manager Director, Strategic Initiatives and Business Lead	<ul style="list-style-type: none"> ▪ Participate in regular meetings with the GT team to discuss project status ▪ Review project timelines, budget, and direction ▪ Support GT team by obtaining / compiling required information ▪ Facilitate scheduling of meetings / consultations with stakeholders ▪ Review deliverables and provide feedback within agreed-upon timeframes (as set out in project work plan and regular action logs)
GT Team Partner Project Leader Senior Consultants Analysts	<ul style="list-style-type: none"> ▪ Plan and execute the project in pursuit of the objectives identified by the Steering Committee ▪ Lead project management activities ▪ Prepare deliverables in line with commitments made in the project charter and work plan ▪ Lead interviews and discussions with key stakeholders ▪ Carry out analysis and develop recommendations ▪ Present findings to the President, AU Executive Group ▪ Communicate project status on an ongoing basis, escalating issues and risks

6. Project Deliverables

The following table outlines GT's key deliverables and associated timelines. See Appendix A for additional information with respect to the work methodology and approach related to each deliverable.

	Deliverable	Deadline
D1	Final work plan	November 30, 2015
D2	Interim progress report and catalogue of key processes	February 19, 2016
D3	Summary of baseline metrics	March 4, 2016
D4	Summary of opportunities for improvement	March 18, 2016
D5	Draft report	April 8, 2016
D6	Final report	April 27, 2016
D7	Final presentation to AU Executive Group	April 29, 2016

7. Project Management and Quality Assurance

Project Management and Quality Assurance
<p>Throughout the mandate, we will employ the following leading project management and quality assurance practices.</p> <ul style="list-style-type: none"> ▪ Weekly status meetings with the AU Project Manager and Grant Thornton core project team ▪ Ongoing monitoring of project scope, budget, and schedule ▪ Bi-weekly project status reporting to AU Project Manager (in writing) ▪ Documentation of risks and issues through status meetings and bi-weekly status reports ▪ Change management and communications support ▪ Presentations of interim findings to AU Executive Group ▪ Quality assurance reviews of all deliverables by the GT Project Leader ▪ Lessons learned discussion at project completion ▪ Client satisfaction questionnaire upon project completion

8. Stakeholder Engagement and Communications



The AU Project Manager will be engaged and updated of progress throughout the engagement. Specifically, this includes the following:

- The AU Project Manager will be verbally updated on project progress against plan on a weekly basis;
- The AU Project Manager will be sent project status updates on a bi-weekly basis;
- The AU Project Manager will provide the AU Executive Group with a project update on a bi-weekly basis;
- A broad cross-section of AU will be consulted in mid-January to provide information and perspectives;
- Follow-up discussions will be held to confirm understanding and collect additional information;
- An interim progress update will be provided to AU Executive Group in February 2016;
- Findings and recommendations will be presented to the AU Executive Group in April 2016; and
- The GT team will work with the AU Project Manager and the Director of Communications for AU to review communication materials for employees-at large and/or the academic community related to this engagement.

9. Risk Management

Project risks and issues, along with mitigation strategies and actions will be documented through bi-weekly status reports. Issues will be escalated to the Project Manager in a timely manner.



Appendix A: Work Methodology and Approach

Project Management	
Activity Number	Description of Activity
1.0	Preliminary Executive Meeting
	<ul style="list-style-type: none"> ■ This meeting provides an introduction between the University and Grant Thornton representatives and provides an indication of the goals, objectives, and expectations for the engagement
2.0	Kick-off Meeting
	<p>The kick-off meeting officially launches the project and will provide a platform for Grant Thornton and the University to hold initial discussions regarding the following:</p> <ul style="list-style-type: none"> ■ Roles of all Grant Thornton resources and University stakeholders ■ Methods and timeframes for communication, including issues management
3.0	GT Team Meetings
	<ul style="list-style-type: none"> ■ Grant Thornton will hold internal weekly meetings to discuss issues and major findings. These meetings will help inform the content of meetings between Grant Thornton and the University.
4.0	GT / AU Meetings
	<ul style="list-style-type: none"> ■ Grant Thornton and the Project Manager will participate in weekly conference calls to discuss project status, issues, and deliverables. These meetings will also be used to discuss and coordinate the logistics of interacting with University stakeholders.

Phase 1 – Planning	
Activity Number	Description of Activity
5.1	Review scope, objectives, priorities with AU Executive Group (AU)
	<p>Grant Thornton project team members will meet with the University Steering Committee members to confirm aspects central to the project's execution, including the following:</p> <ul style="list-style-type: none"> ■ Schedule and scope of the project ■ Objectives and priorities of the AU Executive Group <p>We will also discuss the University's other initiatives and their potential impact on the review.</p> <p>We will discuss ways to ensure integration between concurrent initiatives.</p>



Phase 1 – Planning	
5.2	<p style="text-align: center;">Review preliminary documentation</p> <p>Our project team will begin the process of receiving and studying all documentation deemed relevant by the University’s Executive Group, including results of past assessments (including data collected by the Task Force), strategic planning documentation, organizational charts, faculty and staff lists, financial budgets and forecasts, relevant policies and procedures, and resource availability schedules.</p>
5.3	<p style="text-align: center;">Validate and Finalize Project Plan and Charter (D1)</p> <ul style="list-style-type: none"> ■ Grant Thornton’s Project Team will develop and submit a Project Charter and corresponding Work Plan to Athabasca University for initial review. ■ Grant Thornton will accept all feedback provided from the University.
5.4	<p style="text-align: center;">Formalize stakeholders, participants, and contributors</p> <ul style="list-style-type: none"> ■ Building off the notes from the kick-off meeting, we will confirm a comprehensive list of all stakeholders, participants, and contributors to the project, including Grant Thornton and University personnel. ■ Roles for each relevant stakeholder, participant and contributor will be documented.
5.5	<p style="text-align: center;">Obtain Project Charter and Project Plan Sign-off</p> <ul style="list-style-type: none"> ■ Grant Thornton will resubmit a final version of the Project Charter and Project Work Plan for sign-off by the University.

Phase 2 – Analysis and Catalogue of Key Processes	
Activity Number	Description of Activity
6.1	<p style="text-align: center;">Schedule Interviews (AU)</p> <ul style="list-style-type: none"> ■ Using documents provided by the University during the first phase of the project, Grant Thornton will identify a comprehensive list of stakeholders to be interviewed, along with proposed timeslots for the interviews. We will submit the interview requests to the University, who will then facilitate the booking of interviews.
6.2	<p style="text-align: center;">Submit additional document requests</p> <ul style="list-style-type: none"> ■ Grant Thornton will augment initial documentation by submitting a written request to the University that details all additional required documents and data.
6.3	<p style="text-align: center;">Prepare and validate interview guide and communication</p> <ul style="list-style-type: none"> ■ Grant Thornton will build an interview guide to ensure structure and consistency throughout our consultative process and will obtain approval of this guide from the University’s Project Manager.

Phase 2 – Analysis and Catalogue of Key Processes	
	<ul style="list-style-type: none"> ■ Grant Thornton will work with the University’s Project Manager to develop a standard script to accompany interview invitations to assure consistent positioning and messaging surrounding the review.
6.4	Compile and provide documents / data (AU)
	<ul style="list-style-type: none"> ■ The University will compile all data requested by Grant Thornton and will submit it via an electronic data interchange.
6.5	Review documentation / data, including organizational structures
	<ul style="list-style-type: none"> ■ Grant Thornton will study all received documentation. This will help guide and inform the stakeholder interview process and build the foundation of the analysis phase.
6.6	Conduct stakeholder interviews and record discoveries
	<ul style="list-style-type: none"> ■ According to the schedule and guide submitted to the University, members of the project team will conduct structured interviews with University stakeholders, including the following: the President, the Executives, deans, directors, students, faculty, staff, students, process owners, and contributors (Estimated to be less than 40 interviews). Responses will be recorded in uniform documents that will then be transferred to a central database for analysis. ■ The interview responses will provide a clear understanding of the University business and student support processes across various stakeholder perspectives.
6.7	Collate and analyze process information
	<ul style="list-style-type: none"> ■ Upon completion of the interview process, the project team will clean and organize the information collected within a central database. ■ Building off our understanding developed during the project planning phase as well as information obtained through interviews, Grant Thornton will apply automated functions and company expertise to identify recurring trends.
6.8	Document current business processes
	<ul style="list-style-type: none"> ■ Grant Thornton’s Analyst will use the information gathered from interviews to create clear process maps depicting current processes at the University along with respective process owners. ■ The Lean/ Six Sigma SIPOC (Supplier, Inputs, Processes, Outputs and Customers) method will be used to illustrate a broader understanding of the details of the processes.
6.9	Validate current processes with client groups (AU)
	<ul style="list-style-type: none"> ■ Our team will follow-up with select stakeholders to confirm the accuracy and completeness of the produced process maps.
6.10	Perform process refinements
	<ul style="list-style-type: none"> ■ Depending on the feedback received from University stakeholders, our Analyst will adjust the process maps to reflect verified University processes.

Phase 2 – Analysis and Catalogue of Key Processes	
6.11	Produce interim report including catalogue of key processes (D2)
	<ul style="list-style-type: none"> ■ We will produce an interim report for the University, detailing the essential processes required to operate the University. The process maps mentioned above will include process owners, process inputs, process throughputs, and process customers.

Phase 3 – Baseline Metrics	
Activity Number	Description of Activity
	Establish key performance indicators
7.1	<ul style="list-style-type: none"> ■ Grant Thornton will establish formal KPIs to be used in evaluating the key processes that were identified and mapped in the completion of Phase 2. ■ Preparation of key performance indicators will be based on available information or through sampling the processes as required. KPIs may cover the following criteria: <ul style="list-style-type: none"> ■ Quality ■ Satisfaction ■ Cost/revenue ■ Quantities, incidents, cases or users ■ Completion or error rates ■ Cycle times
	Compile data and perform analytics
7.2	<ul style="list-style-type: none"> ■ Using established KPIs and other existing information, the project team members will evaluate current University structures, practices, processes, and resources according to the KPI criteria identified above and as relevant to the University’s mission and goals.
	Host Executive / Steering Committee workshop on evaluation criteria
7.3	<ul style="list-style-type: none"> ■ Grant Thornton will host a meeting with the Executive Group and Steering Committee to confirm and align the process evaluation criteria with the mission and vision of the University. ■ Some themes for proposed evaluation criteria include the following: <ul style="list-style-type: none"> ■ Whether the process supports a legislative or regulatory requirement ■ Extent to which the process aligns with the University’s principles of excellence, openness, flexibility and innovation ■ Alignment of the process to the University’s strategic vision, plans and other initiatives ■ Cost effectiveness of the process ■ Value and benefits derived from the process including:

Phase 3 – Baseline Metrics	
	<ul style="list-style-type: none"> ○ Extent to which the process enriches the Athabasca student experience ○ Extent to which the process promotes technological innovation ○ Extent to which the process supports excellence in research and scholarship ○ Extent to which the process supports engagement of staff with professional service <ul style="list-style-type: none"> ■ University representatives will confirm the evaluation criteria to be used in Grant Thornton’s Criticality Assessment.
7.4	Summary of Baseline Metrics (D3)
	<ul style="list-style-type: none"> ■ Grant Thornton will submit a final summary of baseline metrics to the University.

Phase 4 – Opportunities for Improvement	
Activity Number	Description of Activity
	Benchmark similar organizations
8.1	<ul style="list-style-type: none"> ■ Grant Thornton will methodically select other organizations to benchmark against, including, but not limited to, Canadian post-secondary institutions. In particular, we will target institutions with a significant online component. ■ We will highlight relevant industry-leading processes and structures and benchmark them against the University’s corresponding KPIs. ■ Where appropriate, we will also make use of American Productivity and Quality Centre (APQC) benchmarking data to assess the efficiency of administrative processes. This information is available through Grant Thornton’s APQC membership.
	Perform criticality assessment of processes
8.2	<ul style="list-style-type: none"> ■ The project team will leverage the agreed-upon evaluation criteria to assess the criticality of each identified process, which will aid in the prioritization of potential initiatives.
	Execute process analysis and process leaning assessment
8.3	<ul style="list-style-type: none"> ■ Grant Thornton will build upon the criticality assessment to identify instances of duplication and other inefficiencies, with the potential of recommending the elimination or streamlining of processes and structures. ■ The project team will identify high level steps to be taken towards achieving an end-goal version of the key processes and structures at the University. ■ This activity will include the application of best practices in process improvement including Lean and Six Sigma techniques.
	Rank opportunities and finalize process improvement dashboard (D4)
8.4	<ul style="list-style-type: none"> ■ In addition to ranking potential changes on impact, based on options and cost-benefit analyses, Grant Thornton will account for feasibility, timeline, and budget considerations in ranking the potential changes.

Phase 4 – Opportunities for Improvement	
Activity Number	Description of Activity
	<ul style="list-style-type: none"> ■ Grant Thornton will prepare a preliminary listing of ranked opportunities, identifying the most urgent and impactful potential changes for the University to undertake in terms of streamlining and eliminating process. Furthermore, the project team will develop an initial version of its process improvement dashboard, which provides a current assessment of the University’s processes.

Phase 5 – Recommended Changes	
Activity Number	Description of Activity
	Analyze alternative / shared services delivery
9.1	<ul style="list-style-type: none"> ■ The Grant Thornton project team will augment its initial process improvement dashboard by assessing strategic partnerships, including alternative services of non-critical processes at the University.
	Perform best practice review / options analysis and cost-benefit analysis
9.2	<ul style="list-style-type: none"> ■ Before providing a final ranked list of recommended changes to the University, the project team will perform options analysis and cost benefit analysis for each of the potential changes in order to determine priority. Specifically, the following tools will be used to assess each change: <ul style="list-style-type: none"> ■ Options appraisal and valuation ■ Impact assessment ■ Feasibility assessments (technical and financial) ■ Risk analysis ■ Dependencies review with other initiatives will also be conducted to understand key constraints and dependencies.
	Develop an implementation roadmap
9.3	<ul style="list-style-type: none"> ■ The project team will prepare a detailed roadmap that will guide the University through the implementation of the recommended improvements. This will include the timing, activities, and high-level responsibilities associated with the recommendations. ■ The production of the implementation roadmap will be conducted in parallel with finalizing the ranked opportunities for improvement and process improvement dashboard. The final versions of these documents/tools will include the outputs from shared services analysis, options analysis, and cost-benefit analysis.
	Draft report of findings (D5)
9.4	<ul style="list-style-type: none"> ■ A draft report of findings will be prepared to include an account of all information acquired, a summary of all processes mapped, the findings from the criticality assessment, explanations of all analysis tools, a prioritized list of recommended changes, rationale for the recommended changes, a process improvement dashboard, and a narrative explaining why the changes fall in line with the University’s mission and vision.

Phase 5 – Recommended Changes	
Activity Number	Description of Activity
	Finally, the report will outline an overview of steps to be taken in order to implement the recommendations, in the form of an implementation roadmap.
9.5	Review draft report (AU)
	<ul style="list-style-type: none"> ■ The University will review the draft report of findings and provide feedback to be reviewed and incorporated by Grant Thornton.
9.6	Develop final report (D6)
	<ul style="list-style-type: none"> ■ Grant Thornton will produce a final report that incorporates all suggestions and feedback submitted by the University. The report will include each of the items listed above, and will be summarized in Grant Thornton’s presentation to the AU Executive Group.
9.7	Final presentation to AU Executives (D7)
	<ul style="list-style-type: none"> ■ Grant Thornton’s project team will prepare and execute a presentation for the University’s President and the AU Executive Group. The presentation will be followed by a question and answer period in order to address all issues and concerns of the President and AU Executive Group.



Appendix D: Catalogue of Key Processes

Athabasca University

Catalogue of Key Processes



Executive Summary

Introduction

Current State
Assessment

Recommendations

Conclusion

Appendices

Introduction

The catalogue of key processes mapping was conducted to identify operational strengths, weaknesses, and opportunities associated with current business and student services, administrative practices, processes, and organizational structures across Athabasca University.

This was the base line of information required to identify opportunities for process improvement. The approach included for a high level process mapping effort that was conducted using a SIPOC (Suppliers, Inputs, Process, Outputs, and Customer) methodology. The collection and validation of the processes was done through interviews and process validations with AU management and staff.

To summarize, the processes at the University were analyzed in order to identify the following categories of opportunities, per the University's initial RFP specifications:

- Elimination
- Streamlining/ Re-engineering
- External provider or shared service arrangements

Beyond this activity, specific proposed process metrics (KPI's) have been identified.

The opportunities to meet the above-mentioned improvement categories of elimination, streamlining, or alternative sourcing were reflected in recommendations provided to AU in the body of our report.

The processes and improvements are grouped according to responsible VP or AVP. Building on the current levels of AU process maturity, recommendations for metrics and KPIs have been discussed and elaborated in the subsequent section.



Vice President Finance and Administration

Human Resources	Facilities and Services	Financial Services	Supply Management Services
<ul style="list-style-type: none">• HR Planning, Policy, and Strategy• Employment Systems and Services• Labour Relations• HR Projects and Analysis• Payroll and Benefits	<ul style="list-style-type: none">• Buildings and Projects• Interior Logistics	<ul style="list-style-type: none">• Budgets and Planning• Financial Operations• Financial Reporting	<ul style="list-style-type: none">• Contracting• Vendor Management



Human Resources

Human Resources – HR Planning, Policy, and Strategy		
Process	Strengths	Opportunities for Improvement
HR Planning, Policy, and Strategy	<ul style="list-style-type: none"> Many HR policies and procedures are under review and are being updated HR Director is now participating at Executive group meetings 	<ul style="list-style-type: none"> An employee retention strategy should be developed. Use of electronic forms Processes should be documented to ensure consistency, and identity opportunity for efficiency
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> No HR strategic plan High volume of HR transactions evidenced in data Processes not documented or universally understood 	

Human Resources - Employment Systems and Services		
Process	Strengths	Opportunities for Improvement
Recruitment and Hiring	<ul style="list-style-type: none"> Current processes are in place however filling vacant positions is a challenge due to the location of the University 	<ul style="list-style-type: none"> Revise policy to streamline hiring approval process New recruitment application needed
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> The Board of Directors must approve the hiring of new FTEs at all levels. This has created inefficiency and lead to the hiring of consultants for roles that could potential have been filled by term positions. HR smart recruitment software will outdate in 2017 	
Employee Development Strategy	<ul style="list-style-type: none"> Allowances for professional development are in place and are sufficiently attractive for prospective employees 	<ul style="list-style-type: none"> Improve performance management (cascading vision) Adjust current policy for professional development to align with developed goals and AU objectives and funds
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Professional development entitlements based on current policy create significant financial burdens (i.e.- iPhone and laptop reimbursement) Improve mentoring and development programs In some cases conformance to current performance management processes was observed ad-hoc 	

Human Resources - Employment Systems and Services		
Management of Redeployment and Retirement	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Process in place to accurately track aggregate numbers for redeployment and retirement 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ Ineffective and inefficient employee attendance management 	<ul style="list-style-type: none"> ■ Ensure processes are being adhered to through Quality Assurance activities ■ Develop formalized attendance management processes
Employee Relations	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Pockets of positive initiatives are currently in place 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ Staff satisfaction and engagement levels appear low ■ Challenges exist surrounding effective communications between Management, Unions, and Faculty Association 	<ul style="list-style-type: none"> ■ Management should prepare specific action plans for improving employee relations.(including satisfaction surveys and corresponding employee engagement improvement plans if needed)
OHS	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Process meets regulatory requirements and is in line with industry practices ■ COR certification in place 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ Process has many manual components that are inefficient. ■ OHS Policy outdated 	<ul style="list-style-type: none"> ■ Automate portions of OHS tracking and reporting. ■ Update OHS policy
Management of Employee Information	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Industry standard systems are in place to manage employee information (Banner HR) 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ Conformance with process may be insufficient 	<ul style="list-style-type: none"> ■ Analyze high-concern processes to identify bottlenecks and duplication of effort

Human Resources - Labour Relations		
Process	Strengths	Opportunities for Improvement
Grievance/ Negotiations/ Discipline Support	<ul style="list-style-type: none"> ■ Managers have access to labour relations advisory services within the organization 	<ul style="list-style-type: none"> ■ Train manager-level employees on adherence to the Labour Relations process and monitor adherence more closely. ■ Further Develop internal LR expertise
	Weaknesses	
	<ul style="list-style-type: none"> ■ There is no quality assurance oversight monitoring adherence to HR-related and labour relations-related advice 	

Human Resources - HR Projects and Analysis		
Process	Strengths	Opportunities for Improvement
Reporting Support	<ul style="list-style-type: none"> ■ The University has allocated specific staff for special HR reporting support ■ Project underway to develop standard HR reports 	<ul style="list-style-type: none"> ■ Develop templates and scripts for more purposeful data analytics and reporting process
	Weaknesses	
	<ul style="list-style-type: none"> ■ The process is inhibited by Banner's system configuration limitations and does not always result in relevant reporting 	
Recognition	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Annual recognition take place such as employee awards and gifts (Policy effective January 2015) ■ Employee awards and gift expenditure policies are in place 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ Opportunities to recognize staff for identifying efficiencies and cost savings 	<ul style="list-style-type: none"> ■ Develop a program to recognize staff for identifying efficiencies and cost savings

Human Resources - Payroll and Benefits		
Process	Strengths	Opportunities for Improvement
Payroll Administration	<ul style="list-style-type: none"> Payroll is in line with industry standards and meets legislative requirements 	<ul style="list-style-type: none"> Potential, fully automated solutions exist and could be explored Documentation of processes
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Requirement to formally document the processes that go back and forth between employment service and compensation / benefits areas 	
	<p style="text-align: center;">Strengths</p>	
Benefits Management	<ul style="list-style-type: none"> Benefits management is in line with industry standards 	<ul style="list-style-type: none"> Use of e-signatures on forms could be used to reduce paper burdens
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Many forms and processes manual and paper based 	
	<p style="text-align: center;">Strengths</p>	

Facilities and Services

Facilities and Services – Buildings and Projects		
Process	Current State	Opportunities for Improvement
Asset and Real Estate Strategy/Lifecycle Management	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> The overall process is generally effective 	<ul style="list-style-type: none"> Restructure to render efficiencies Minimize space footprint to realize cost savings
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Relevant organization structure portion is inefficient 	
	<p style="text-align: center;">Strengths</p>	
Operations and Management	<ul style="list-style-type: none"> Service performance meets daily requirements and demands 	<ul style="list-style-type: none"> Pursue opportunities to deliver certain services through more efficient partnership agreements
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Resources are not utilized at optimal levels of efficiency 	
	<p style="text-align: center;">Strengths</p>	
Capital Projects	<ul style="list-style-type: none"> Robust plans are produced at appropriate intervals 	<ul style="list-style-type: none"> Prioritize projects at the enterprise level with a portfolio approach to capital projects
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Project prioritization is currently undertaken by the Director of Facilities and Services along with the VP Finance and Administration 	
	<p style="text-align: center;">Strengths</p>	



Facilities and Services – Interior Logistics		
Process	Strengths	Opportunities for Improvement
Mail Distribution/ Package Distribution	<ul style="list-style-type: none"> Process is sufficient and in line with industry practices 	<ul style="list-style-type: none"> No material opportunities for improvement were identified
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> No specific inefficiencies or bottlenecks were identified 	
Grounds Maintenance	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Current practices are meeting reasonable services standards 	<ul style="list-style-type: none"> Pursue opportunities to deliver certain services through more efficient regional partnership agreements
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Resources are not utilized at optimal levels of efficiency 	
Fleet Management	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Process is sufficient, so no improvements are needed 	<ul style="list-style-type: none"> No material opportunities for improvement were identified
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> No specific inefficiencies or bottlenecks were identified 	

Financial Services

Financial Services – Budgets and Planning		
Process	Strengths	Opportunities for Improvement
Preparation of Annual Budget	<ul style="list-style-type: none"> AU's current budget model is in the process of being replaced by a Responsibility Centred Management Budget model 	<ul style="list-style-type: none"> Transition AU to a zero-based budget following the transition to the RCM
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Current budget process promotes incrementalism and cannot be sustained by the University's revenue growth 	

Financial Services – Financial Operations		
Process	Strengths	Opportunities for Improvement
Accounts Payable	<ul style="list-style-type: none"> Accounts payable as a function is appropriately placed under Finance An internal audit of accounts payable was recently carried out to identify opportunities to enhance efficiency 	<ul style="list-style-type: none"> Publish and manage performance information to promote efficiency in accounts payable



Financial Services – Financial Operations		
	<ul style="list-style-type: none"> Weaknesses The process may be incorrectly assumed as inefficient due to insufficient performance measurement 	
Accounts Receivable	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Accounts receivable as a function is appropriately placed under Finance 	<p style="text-align: center;">Opportunities for Improvement</p> <ul style="list-style-type: none"> Determine and implement appropriate performance targets
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Current process allows students to pay for courses after completion 	
Treasury	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Process is sufficient and largely in line with industry practices 	<p style="text-align: center;">Opportunities for Improvement</p> <ul style="list-style-type: none"> Document process clearly to promote and enable QA to a defined process
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Process is not documented in clear details 	
Operational Accounting	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Process is sufficient and largely in line with industry practices 	<p style="text-align: center;">Opportunities for Improvement</p> <ul style="list-style-type: none"> Document process clearly to promote and enable QA to a defined process
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Process is not documented in clear details 	
Capital Accounting	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Process is sufficient and largely in line with industry practices 	<p style="text-align: center;">Opportunities for Improvement</p> <ul style="list-style-type: none"> Document process clearly to promote and enable QA to a defined process
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Process is not documented in clear details 	

Financial Services – Financial Reporting		
Process	Strengths	Opportunities for Improvement
Forecasting and Variance	<ul style="list-style-type: none"> ■ Variances are tracked accurately at key intervals throughout the year. ■ Forecasting is conducted at regular intervals 	<ul style="list-style-type: none"> ■ Implement recommendations contained with the internal audit report to improve efficiency and effectiveness
	Weaknesses	
	<ul style="list-style-type: none"> ■ A recent internal audit indicated that forecasting and variance processes could be more efficient and effective. 	
Year-end Financial Statement Preparation	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Process is sufficient and largely in line with industry practices ■ Process is documented in clear detail 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ None identified 	
<ul style="list-style-type: none"> ■ None 		

Supply Management Services

Supply Management Services		
Process	Strengths	Opportunities for Improvement
Contracting	<ul style="list-style-type: none"> ■ Process is in place to develop and produce contracts and RFPs in line with industry practices ■ Contract Administration Policy is current and meets legislative requirements 	<ul style="list-style-type: none"> ■ Methodically establish and track Key Performance Indicators ■ Central tracking and administration of contracts and MOU's
	Weaknesses	
	<ul style="list-style-type: none"> ■ Cycle times and performance information not formally tracked ■ Not all contracts or MOU's are administered or tracked centrally 	
Vendor Management	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Vendor management has a listing of all historical vendors in place, providing a starting point for proper vendor information management 	
	Weaknesses	
<ul style="list-style-type: none"> ■ Vendor management is not tracked accurately in a Vendor Management System 	<ul style="list-style-type: none"> ■ Source a tool and develop processes to promote recording and tracking of vendor performance 	

Vice President, Academic (Interim)

Research Centre
<ul style="list-style-type: none">• Funding Application Facilitation and Support• Conference Events• Ethics Approval Requests and Inquiries

Institutional Studies
<ul style="list-style-type: none">• Survey and Analysis• Ad-Hoc and Regular Scheduled Enrollment Reporting• Government Reporting/ Validation• Institutional level Accreditation, Accountability Reporting



Research Centre

Research Centre		
Process	Strengths	Opportunities for Improvement
Funding Application Support	<ul style="list-style-type: none"> The ROMEO Research Enterprise System enables efficient collaboration between research teams, administrative support offices and review boards 	<ul style="list-style-type: none"> No opportunities for improvement were identified. It was noted that they are currently working with Process Pathways to determine further opportunities to use this system
	Weaknesses	
	<ul style="list-style-type: none"> No specific inefficiencies or bottlenecks were identified 	
Ethics Approval Requests and Inquiries	Strengths	<ul style="list-style-type: none"> No opportunities for improvement were identified. It was noted that they are currently working with Process Pathways to determine further opportunities to use this system
	<ul style="list-style-type: none"> The ROMEO system efficiently processes ethics approvals. 	
	Weaknesses	
	<ul style="list-style-type: none"> No specific inefficiencies or bottlenecks were identified. 	

Institutional Studies

Institutional Studies		
Process	Strengths	Opportunities for Improvement
Survey and Analysis	<ul style="list-style-type: none"> Response rates are high and improving 	<ul style="list-style-type: none"> Develop or source templates, scripts, or programs for more purposeful data analytics and reporting process
	Weaknesses	
	<ul style="list-style-type: none"> Process is very manual and is limited by systems reporting deficiencies 	
Ad-Hoc and Regular Scheduled Enrollment Reporting	Strengths	<ul style="list-style-type: none"> Develop or source templates, scripts, or programs for more purposeful data analytics and reporting process
	<ul style="list-style-type: none"> Process results in high-quality outputs 	
	Weaknesses	
	<ul style="list-style-type: none"> Process is very manual and is limited by systems reporting deficiencies 	
Government Reporting/ Validation	Strengths	<ul style="list-style-type: none"> Develop or source templates, scripts, or programs for more purposeful data analytics and reporting process
	<ul style="list-style-type: none"> Process results in high-quality outputs 	
	Weaknesses	
	<ul style="list-style-type: none"> Process is very manual and is limited by systems reporting deficiencies 	



Institutional Studies		
Institutional level Accreditation, Accountability Reporting	Strengths	Opportunities for Improvement
	<ul style="list-style-type: none"> ■ Process results in high-quality outputs 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ Process is very manual and is limited by systems reporting deficiencies 	<ul style="list-style-type: none"> ■ Develop or source templates, scripts, or programs for more purposeful data analytics and reporting process



Associate Vice President, Student and Academic Services

Learning Service Tutorial	Materials Management	AU Press	Student and Academic Web Services	Office of the Registrar	Library and Scholarly Resources	Learner Support Services
<ul style="list-style-type: none"> • Tutor Onboarding • Tutor Assignment and Reassignment • Information Management 	<ul style="list-style-type: none"> • Course Materials Management 	<ul style="list-style-type: none"> • Digital Journals Management • Print and Publish Electronic Journals, Books and Websites 	<ul style="list-style-type: none"> • Website Population and Maintenance 	<ul style="list-style-type: none"> • Enrollment Services/ Academic Records • Examinations • Financial Aid and Awards • Calendar Management • Student Appeals • Articulations and Evaluations 	<ul style="list-style-type: none"> • Records Management • Art Collection/ • Appraisal/ Administration • Archiving • Reference Research • Operations 	<ul style="list-style-type: none"> • Counselling Services • Advising Services • Examinations • Access to Students with Disabilities



Learning Services Tutorial

Learning Services Tutorial		
Process	Strengths	Opportunities for Improvement
Tutor Onboarding	<ul style="list-style-type: none"> Process is unique and tutors feel well-prepared (2014 Pulse Survey) 	<ul style="list-style-type: none"> No material opportunities for improvement were noted
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> No specific inefficiencies were identified 	
Tutor Assignment and Reassignment	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Sufficient labour allocation has resulted in quick turnaround for tutor assignment and reassignment 	<ul style="list-style-type: none"> Ensure performance data is tracked and monitored
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Manual and labour-intensive processes are required to track and manage tutor assignment and reassignment 	
Information Management	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Sufficient labour allocation has resulted in largely up-to-date tutor information being maintained 	<ul style="list-style-type: none"> Develop and implement an automated solution to handle tutor data changes
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Manual and labour-intensive processes are required to track and manage other tutor information 	

Materials Management

Materials Management		
Process	Strengths	Opportunities for Improvement
Course Materials Management	<ul style="list-style-type: none"> The function is appropriately placed under the AVP Student and Academic Success Services 	<ul style="list-style-type: none"> Assess model with respect to the provision of learner resource material (develop business case) Dispose of Tim Byrne Centre if feasible depending on future space requirements
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> AU has recently transitioned to an e-text model while maintaining a similar fees for course materials fee The physical building that houses Materials Management is not being efficiently utilized 	



AU Press

AU Press		
Process	Strengths	Opportunities for Improvement
Digital Journals Management	<ul style="list-style-type: none"> The process of managing publications is well managed with AU Press Access to rare content 	<ul style="list-style-type: none"> Pursue opportunities to implement alternative service delivery
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> May be more cost effective ways to provide services 	
Print and Publish Electronic Journals, Books and Websites	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Facilitates open-access to free digital literature for use by all Supports AU's research mission 	
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> May be more cost effective ways to provide services 	

Student and Academic Web Services

Student and Academic Web Services		
Process	Strengths	Opportunities for Improvement
Website Population and Maintenance	<ul style="list-style-type: none"> Process provides for knowledge, content and information for current and prospective students 	<ul style="list-style-type: none"> Clearly define an open and collaborative process and accompanying standards for website content Standardization may render efficiency
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Not all stakeholders are consulted in the creation of web content There are multiple web formats and content standards 	



Office of the Registrar

Office of the Registrar		
Process	Strengths	Opportunities for Improvement
Enrollment Services/Academic Records	<ul style="list-style-type: none"> The process is very clearly documented, which will make the eventual QA process more impactful 	<ul style="list-style-type: none"> A detailed process mapping of the student registration process may identify opportunities for streamlining and improved effectiveness Develop and implement an automated solution to handle portions of the enrolment process
	Weaknesses	
	<ul style="list-style-type: none"> The current enrolment process is largely manual and requires significant labour on the part of AU Registrar employees 	
Examinations	<ul style="list-style-type: none"> The process is very clearly documented, which will make the eventual QA process more impactful An online examination booking system has been implemented 	<ul style="list-style-type: none"> Migrate the entire examinations process to an automated, online examinations format A full review of student services is underway to identify and assess student service issues. This will include plans to address issues and problems.
	Weaknesses	
	<ul style="list-style-type: none"> Some examinations are sent out in hard copy and require intensive manual labour (due to some the nature of some courses this will not change in all cases) 	
Financial Aid and Awards	<ul style="list-style-type: none"> The process is very clearly documented, which will make the eventual QA process more impactful 	<ul style="list-style-type: none"> Establish and track detailed KPIs in order to identify further efficiencies in Registrar processes
	Weaknesses	
	<ul style="list-style-type: none"> Performance management is not performed in a robust and uniform manner across the Office of the Registrar 	
Calendar Management	<ul style="list-style-type: none"> The process is very clearly documented, which will make the eventual QA process more impactful. 	<ul style="list-style-type: none"> Establish and track detailed KPIs in order to identify further efficiencies in Registrar processes
	Weaknesses	
	<ul style="list-style-type: none"> Performance management is not performed in a robust and uniform manner across the Office of the Registrar 	
Student Appeals	<ul style="list-style-type: none"> The process is very clearly documented, which will make the eventual QA process more impactful 	<ul style="list-style-type: none">

Office of the Registrar		
	Weaknesses	<ul style="list-style-type: none"> Establish and track detailed KPIs in order to identify further efficiencies in Registrar processes
	<ul style="list-style-type: none"> Performance management is not performed in a robust and uniform manner across the Office of the Registrar 	
Articulations and Evaluations	Strengths	<ul style="list-style-type: none"> Establish and track detailed KPIs in order to identify further efficiencies in Registrar processes
	<ul style="list-style-type: none"> The process is very clearly documented, which will make the eventual QA process more impactful 	
	Weaknesses	
	<ul style="list-style-type: none"> Performance management is not performed in a robust and uniform manner across the Office of the Registrar 	

Library and Scholarly Resources

Library and Scholarly Resources		
Process	Strengths	Opportunities for Improvement
Records Management	<ul style="list-style-type: none"> Centralize records management 	<ul style="list-style-type: none"> Continue to explore other opportunities to partner with other Alberta institutions (both post-secondary and other)
	Weaknesses	
	<ul style="list-style-type: none"> None 	
Art Collection/ Appraisal/ Administration	Strengths	
	<ul style="list-style-type: none"> Central management of art and artifacts 	
	Weaknesses	
	<ul style="list-style-type: none"> Not a typical library function. Results in library costs/expenses to appear inflated when compared with benchmarks 	
Archiving	Strengths	
	<ul style="list-style-type: none"> Centralized function and management 	
	Weaknesses	
	<ul style="list-style-type: none"> Not a typical library function. Results in library costs/expenses to appear inflated when compared with benchmarks 	

Library and Scholarly Resources		
Reference Research	Strengths	<ul style="list-style-type: none"> ■ Continue to explore other opportunities to partner with other Alberta institutions (both post-secondary and other)
	<ul style="list-style-type: none"> ■ Library costs (% of revenue) are consistent with post-secondary libraries in Canada 	
	Weaknesses	
<ul style="list-style-type: none"> ■ None 		
Operations	Strengths	
	<ul style="list-style-type: none"> ■ Library costs (% of revenue) are consistent with post-secondary libraries in Canada 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ True cost of services difficult to ascertain due to additional “non-library” processes being comingled 	

Learner Support Services

Learner Support Services		
Process	Strengths	Opportunities for Improvement
Counselling Services	<ul style="list-style-type: none"> ■ The process is very clearly documented, which will make the eventual QA process more impactful 	<ul style="list-style-type: none"> ■ No material opportunities for improvement were noted
	Weaknesses	
	<ul style="list-style-type: none"> ■ No specific inefficiencies were identified 	
Advising Services	Strengths	<ul style="list-style-type: none"> ■ No material opportunities for improvement were noted
	<ul style="list-style-type: none"> ■ The process is very clearly documented, which will make the eventual QA process more impactful 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ No specific inefficiencies were identified 	
Examinations	Strengths	<ul style="list-style-type: none"> ■ No material opportunities for improvement were noted
	<ul style="list-style-type: none"> ■ The process is very clearly documented, which will make the eventual QA process more impactful 	

Learner Support Services		
	Weaknesses	
	<ul style="list-style-type: none"> ■ No specific inefficiencies were identified 	
Access to Students with Disabilities	Strengths	
	<ul style="list-style-type: none"> ■ The process is very clearly documented, which will make the eventual QA process more impactful 	<ul style="list-style-type: none"> ■ No material opportunities for improvement were noted
	Weaknesses	
	<ul style="list-style-type: none"> ■ No specific inefficiencies were identified 	



Vice President, Information Technology (CIO)



IT Strategy and Planning

Information Technology – Strategy and Planning		
Process	Strengths	Opportunities for Improvement
Strategy and Planning	<ul style="list-style-type: none"> ■ There is a robust IT Strategy and planning framework in place involving the Director of this unit developing scorecards, business plan templates, IRIC frameworks and following through with committee approvals 	<ul style="list-style-type: none"> ■ Integrate IT Strategy and Planning with Enterprise Project Prioritization ■ Use IT performance lessons learned for other initiatives or projects (non-IT) ■ Incorporate staffing requests into the capital project budget request
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ■ It is unclear as to how the IT portfolio of projects and initiatives is integrated with the Enterprise Projects (other projects) ■ Funding does not match required demands ■ High use of external contractors to deliver project work which increases costs 	



IT Delivery

Information Technology – Delivery		
Process	Strengths	Opportunities for Improvement
Corporate Systems Development and Delivery	<ul style="list-style-type: none"> AU has numerous corporate systems in place that operate as intended and effectively 	<ul style="list-style-type: none"> Re- centralize IT Delivery in order to ensure consistent and uniform systems across AU Pursue a hosted or alternate service delivery
	Weaknesses	
	<ul style="list-style-type: none"> The processes for corporate systems involve burdensome user requirements and acceptance processes A number of corporate systems (for example, SRM) vary across departments and do not necessarily interact with each other 	
Learning Systems Development and Delivery	Strengths	
	<ul style="list-style-type: none"> There are high-end learning management systems in place at AU, with staff involved in the maintenance and ongoing management of the systems 	
	Weaknesses	
Quality Assurance	<ul style="list-style-type: none"> Learning systems are currently deployed through several separate solutions, which creates confusion and inefficiencies across learning systems at AU 	
	Strengths	
	<ul style="list-style-type: none"> There is currently an internal quality assurance process in place within the IT Department 	
	Weaknesses	
	<ul style="list-style-type: none"> There is not a robust QA process for IT delivery within the Faculty of Business or other areas where IT has been decentralized 	
	<ul style="list-style-type: none"> Integrate and share resources with the IT services located in the Faculty of Business. Performing this integration will enable IT to leverage knowledge and resources from each other 	

IT Operations

Information Technology – IT Operations		
Process	Strengths	Opportunities for Improvement
Database Support	<ul style="list-style-type: none"> There is currently an internal quality assurance process in place within the IT Department 	<ul style="list-style-type: none"> Centralize IT operations and focus on delivering specific KPIs Pursue opportunities to implement alternative services delivery of IT service operations
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Process is a commonly referenced source of internal frustration 	
Services and Support	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> There is currently an internal quality assurance process in place within the IT Department 	
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> AU currently experiences frequent service outages 	
Infrastructure	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> There is currently an internal quality assurance process in place within the IT Department 	
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Architecture and configuration is unknown 	

Vice President Advancement

Brand and Marketing	Partnership and Student Recruitment	Development and External Alumni Relations	Communications
<ul style="list-style-type: none">• Web and Online Strategy• Social Media	<ul style="list-style-type: none">• Recruitment Outreach• SRM	<ul style="list-style-type: none">• SRM• Reporting• Alumni Giving	<ul style="list-style-type: none">• Information Centre• Communications



Communications

Communications		
Process	Strengths	Opportunities for Improvement
Information Centre	<ul style="list-style-type: none"> ■ Tiered process with structured escalations ensures that the enquiry is directed at the right individual to answer the question or inquiry 	<ul style="list-style-type: none"> ■ Split up the queue for current and prospective students in order to more efficiently accommodate different requests ■ A change in operating hours would likely make the centre available to more students beyond the regular business hours (as many students require services after regular business hours due to their employment demands)
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ■ The centre operates during normal business hours, from 8am-5pm. This makes it difficult for working students or students in other time zones to contact the centre ask the necessary questions 	
Communications	<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ■ The communications unit enables positive outcomes, including the ability of students to interact freely with their tutors 	<ul style="list-style-type: none"> ■ Share resources with the Marketing and Communications department with the Faculty of Business. This will enable the marketing and communications efforts to present a unified vision and streamline processes ■ Limit the use of staff-wide emails by creating communication policies and procedures to direct communication within the University
	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ■ The current communications model is ineffective due to a lack of a formalized and consistent model, as staff click and ignore most emails. ■ Decentralized model ■ A significant portion of the Director of Communications' time is spent responding to external crises instead of contributing to the strategic direction of the University 	

Brand and Marketing

Brand and Marketing		
Process	Strengths	Opportunities for Improvement
Web and Online Strategy	<ul style="list-style-type: none"> ■ Process outputs and metrics are easier to measure than for others. ■ User friendly intuitive software 	<ul style="list-style-type: none"> ■ Merge the unit with other units in Advancement to share resources knowledge and time ■ Combine efforts with the Faculty of Business' Marketing and Communications Department to create efficiencies and share best practices



	Weaknesses	<ul style="list-style-type: none"> ■ Expand use of web site so that student can do more via self-serve, Q&A on the web in order to increase efficiency ■ Live chat functionality for possible students
	<ul style="list-style-type: none"> ■ There does not appear to be a consistent brand and marketing image across faculties and for the university as a whole ■ Decentralization and inconsistency (not all units have a web site) 	

Partnerships and Student Recruitment

Partnerships and Student Recruitment		
Process	Current State	Opportunities for Improvement
Recruitment Outreach	<ul style="list-style-type: none"> ■ The implementation of a new Student Relationship Management (SRM) system this will help to decrease the amount of manual processes currently involved in recruitment (i.e. recruitment contacts managed in an excel workbook) 	<ul style="list-style-type: none"> ■ Centralize recruitment processes across all faculties (ex. Faculty of Business, Faculty of Sciences and Technology) and share recruiting resources ■ Process integration with Contract Services
	Weaknesses	
<ul style="list-style-type: none"> ■ The Faculty of Business and the centralized Recruitment Department currently operate in silos 		
Strengths		
Business Development	<ul style="list-style-type: none"> ■ The process follows a definitive and detailed business plan 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ Contract Services is not engaged or aware of all MOUs and partnership agreements. 	

Development

Development		
Process	Strengths	Opportunities for Improvement
SRM	<ul style="list-style-type: none"> ■ The use of Razor Edge (SRM database) to manage donor and alumni relations helps to ensure efficiency and accuracy in the reporting process 	
	Weaknesses	
	<ul style="list-style-type: none"> ■ No inefficiencies or bottlenecks were identified 	



Development		
Reporting	Strengths	<ul style="list-style-type: none"> ■ Align all reporting timelines to reduce inefficiencies and ensure consistent data reports ■ There may be opportunities for technology systems reduction if the faculties have their own SRM tools in place. This was beyond the scope of the review ■ Centralization of Alumni Relations
	<ul style="list-style-type: none"> ■ The use of Razor Edge (SRM database) to manage donor and alumni relations helps to ensure efficiency and accuracy in the reporting process 	
	Weaknesses	
<ul style="list-style-type: none"> ■ The process of continually (4x per year) reporting to committees takes up significant resource time 		
Strengths		
<ul style="list-style-type: none"> ■ The process is able to overcome significant barriers that are a result of AU's unique business model and lack of physical student connection 		
Alumni Relations	Weaknesses	
	<ul style="list-style-type: none"> ■ Faculty of Business has a decentralized alumni program 	
	Strengths	

Conclusion

Through the above analysis of strengths, weaknesses, and opportunities, a thorough list of opportunities for improvement have been compiled, including the KPIs identified in the following section. The implementation of metrics and KPIs are fundamental for AU to achieve the next level of process maturity. These opportunities are vast, relating to the most pertinent areas of the organization. It is believed that these opportunities are an integral piece of the overall set of recommendations that are contained in this report.



Blank Intentionally



Appendix E: Key Performance Indicators

Key Performance Indicators (KPIs) are indicators, both financial and non-financial, that organizations use in order to demonstrate how effectively they are achieving key business goals and objectives through the measurement of defined process parameters. KPIs provide a clear picture and understanding of process performance. Organizations use KPIs at multiple levels of the organization to evaluate success and efficiency within the organization, a specific department, and specific processes. While the measurement of KPIs can help an organization achieve business objectives, what is more important is choosing the correct KPIs to measure, depending on the type, size, and service offerings of the organization in question. When the correct KPIs are measured and used correctly by management, KPIs serve as an important part of the organization's overall strategy and can be leveraged to lift an organization above its competition.

Implementing KPIs

The typical high-level sequence for developing and implementing KPIs within an organization, according to best practices¹⁸:

- 1) The organization translates its organizational vision into measurable operational goals that are communicated to employees.
- 2) The goals are then linked to individual performance goals which are assessed on an established periodic basis.
- 3) Internal processes are established to meet and / or exceed the strategic goals and customer expectations.
- 4) Finally, KPIs are analyzed to evaluate and make recommendations to improve future organizational performance.

More specifically, the process for the development and implementation entails the following, according to research¹⁹:

- 1) Identify a problem, situation or objective that the organization is trying to address.
- 2) Develop a view of how the organization would like the results to look.
- 3) Develop a process for how the organization wants to go about achieving the objective or goal.
- 4) Develop effectiveness KPIs before the development of efficiency KPIs. The reason being that the organization needs to establish its internal benchmark first.
- 5) Develop stakeholder and financial KPIs prior to developing other KPIs. These KPIs will drive other strategic objectives within the organization.

¹⁸ Using Key Performance Indicators to Increase Productivity and Profitability. (n.d.). Retrieved April 22, 2016, from https://www.successfactors.com/en_us/lp/articles/key-performance-indicators.html

¹⁹ Baroudi, R., Dr. (2014, May 2). Key Performance Indicators - Winning tips and common challenges. Retrieved April 22, 2016, from <http://performance.ey.com/wp-content/uploads/downloads/2014/05/EY-Performance-Key-performance-indicators.pdf>

- 6) Develop output KPIs before input KPIs for each objective that has been set. Without knowing the desired output, it is not possible to begin thinking about the input.
- 7) Select, share, approve, and document best-fit KPIs for the organization.

Athabasca University and KPIs

Athabasca University has realized the importance of KPIs in achieving key business goals and objectives. The *Performance Measures and Targets CIP 2013-2016* document demonstrates the elements of the University that are being measured, and clearly aligns these measures to strategic goals within the organization. While Athabasca University has implemented some KPIs within the organization, there are additional aspects of the organization that can be measured in order to benefit the University.

The development and implementation of valuable KPIs is a significant task for any organization. Within the text of this report there are specific recommendations to elevate the strategy and performance function within the organization. It would be recommended that a single point of responsibility be assigned the duty of working with the various departments or divisions to formulate performance measures.

Additional KPIs

The following KPIs relevant to performance management were identified based on research and benchmarking of other post-secondary institutions using external sources. We have developed a set of recommended KPIs for Athabasca University to consider implementing into their existing suite of KPIs. It is anticipated that these KPIs will contribute to the success of the University going forward if implemented and leveraged appropriately. It should be noted that these are only suggested starting points that AU can use based on the current business and student services processes, and that substantial planning is needed to develop valuable metrics.



Human Resources

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Time Lost Sick	The time lost (in work hours) due to sickness absence, as a percentage.	$TLS = \text{Sick hours} / \text{Total work hours}$	Median target is 2 days per full-time employee.
Customer Satisfaction Surveys	Surveys to be issued to staff who have received service from the Human Resources department.	Measure overall satisfaction via the survey.	This metric is already being measured and reported on as per the <i>Performance Measures and Targets CIP 2013-2016</i> document.
Completed Work Orders by Due Date (CWODD)	Measure the work orders (numbers of HR service requests a) completed as scheduled in comparison to the total work orders issued.	$CWODD = \# \text{ work orders completed as scheduled} / \# \text{ work orders issued}$	TBD – Service levels need to be defined.
Employee Complaints	Measure the number of days it takes for employee complaints to be resolved once received.	Calculate the time of days elapsed from complaint receipt to complaint solved.	TBD – Response date target to be developed.
Frequent Pulse Surveys	Pulse surveys should be given to employees to measure aspects of their career development and their working environment.	10 metrics should be covered: <ul style="list-style-type: none"> ▪ Recognition: Measure voluntary turnover ▪ Feedback: Quarterly feedback forms ▪ Happiness ▪ Personal Growth: Measure how employees are satisfied with their autonomy, mastery, and purpose 	TBD – Must be internally baselined.

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
		<ul style="list-style-type: none"> ▪ Satisfaction: Measure employee satisfaction with wages and benefits ▪ Wellness ▪ Ambassadorship ▪ Relationship with Managers ▪ Relationship with Colleagues ▪ Organizational Alignment: Measure how employees feel about mission, core values, and direction of the organization 	
<p style="text-align: center;">Employee Net Promoter Score (eNPS)</p>	<p>On a quarterly basis, send out an anonymous survey that asks all employees: "On a scale of 0-10, how likely would you be to refer someone to work at Athabasca University?"</p> <p>Using eNPS scoring for detractors and promoters, calculate the eNPS for every employee.</p> <p>It is also recommended to follow up the required question with an optional free form question, "What could we do to increase the score?" It often encourages feedback that the Human Resources and Executive teams can use to make the score better for the next quarter.</p>	<p>eNPS = (promoters-detractors) / total respondents</p>	<p>The target score should be greater than 60. The top performing average score is 80+.</p>

Facilities and Services

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Projects			
On Time	Measure the number of projects on time per planned estimate.	$\text{On Time \%} = (\text{On Time Projects} / \text{Total Projects}) \times 100$	The target should be greater than 75%.
On Budget	Measure the number of projects on budget, per planned estimate.	$\text{On Budget \%} = (\text{On Budget Projects} / \text{Total Projects}) \times 100$	The target should be greater than 75%.
Operations			
Work Orders (Service Requests)	Measure the percentage of work orders completed on time.	$\text{On Time Work Orders \%} = (\text{On Time Work Orders} / \text{Total Work Orders}) \times 100$	TBD – Service levels are needed.
Maintenance Management	Measure the amount of deferred work orders.	Track and count the number of deferred work orders.	TBD – Service levels are needed.
Asset Performance			
Facilities Condition Index (FCI)	Measure the condition of the facilities owned and managed by the organization.	$\text{FCI} = \text{Deferred Maintenance (Major)} / \text{Current Asset Value}$	The target should be within 5-10%.

Financial Services

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Accounts Receivable (A/R)			
Days Revenue Outstanding (DRO)	The number of days required for students to pay Athabasca, from when the tuition invoice has been invoiced until the time the student pays in full.	$DRO = (A/R \text{ for students} / \text{Total tuition sales}) \times \text{Number of Days}$	TBD – Must be internally baselined.
A/R Turnover	The total amount collected from students over a certain period of time, divided by the average actual accounts receivable balance owed to Athabasca from students at the end of selected accounting period.	$A/R \text{ Turnover} = \text{Net tuition sales} / \text{Average A/R for students}$	TBD – Must be internally baselined.
Collection Effectiveness Index (CEI)	This percentage expresses the effectiveness of collection efforts over time. The closer to 100 percent, the more effective the collection effort. It is a measure of the quality of collection of receivables, not of time.	$CEI = [(\text{Begin Rec.} + \text{Tuition sales} / \# \text{ months or days}) - \text{Ending total rec.}] / [(\text{Begin Rec.} + \text{Tuition sales} / \# \text{ months or days}) - \text{Ending current rec.}] \times 100$	TBD – Must be internally baselined.
Bad Debt to Sales (BDS)	This expresses the percentage of credit sales (tuition) that were written off to bad debt. A lower percentage signifies that effective credit policies and procedures are employed.	$BDS = \text{Bad debt net of recoveries} / \text{tuition sales}$	TBD – Must be internally baselined.

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
SLA for Parked Invoices	Service level agreement for Parked Invoices.	Establish a process to measure the number of business days until notification for parked invoices.	Parked invoices will be released within 2 business days of notification. If unable to release invoice, creator will be notified via email.
Accounts Payable (A/P)			
Invoices Processed per A/P Employee (IPE)	The total number of invoices processed over a certain period of time divided by the total number of Accounts Payable employees.	$IPE = \# \text{ invoices processed} / \# \text{ A/P employees}$	TBD – Must be internally baselined.
Payment Error Rate (PER)	The number of outgoing payments processed by the Accounts Payable Department that were not completed due to a processing error divided by the total number of transactions initiated over a certain period of time, as a percentage.	$PER = (\# \text{ error payments} / \# \text{ of transactions initiated}) \times 100$	The target should be less than 16.1% according to research ²⁰ .
Turnover Time for Invoices	The number of business days required to process an invoice from a company supplier, vendor, or student from when the invoice is received by the Accounts Payable Department until it is approved and paid out to the supplier.	Measure the number of business days to perform invoice completion process.	The target should be greater than 13.5 days according to research ³ .

²⁰ Zybent, C. (2014, July 22). Important Accounts Payable Metrics. Retrieved April 27, 2016, from <http://www.nedocs.com/blog/important-accounts-payable-metrics>

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Suppliers Converted to e-Invoicing (SCEI)	Measure the number of suppliers that have been converted to e-invoicing in order to increase the speed and accuracy of payment.	$SCEI = (\# \text{ suppliers converted to e-invoicing} / \# \text{ suppliers}) \times 100$	The target should be greater than 14.5% according to research ³ .
General Accounting			
Variance to Budget	Measure the variance of budget or estimated vs. actuals for: <ul style="list-style-type: none"> ■ Course enrolments ■ Load ■ Student revenue ■ Student cohort mix 	Collect numbers on the required fields. Compare actual amounts to estimated or budgeted amounts.	TBD – Must be internally baselined.

Academic Services

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Loan Default Rate	The percentage of students of the University who default or are late making payments on student loans.	Measure the loan default rate for Athabasca University in comparison to the provincial average.	According to Government of Canada, the provincial average repayment rate was 79%, and Athabasca University's repayment rate was 84%. The University should monitor to ensure that the repayment rate remains above the provincial average.
Graduation Rate	Monitor the percentage of students who graduate or the course completion rate for the University.	Measure the course completion rate or percentage of students enrolled who graduate.	This metric is already being measured and reported on as per the <i>Performance Measures and Targets CIP 2013-2016</i> document.
Graduation Employment Rate	Monitor how many students who graduated from the University find employment within 12 months after graduation.	Measure the number of graduates who find employment divided by the number of total graduates.	This metric is already being measured and reported on as per the <i>Performance Measures and Targets CIP 2013-2016</i> document.
Student and Employee Satisfaction Survey	Monitor the satisfaction of the students who study at the University and the employees who work for the University.	Issue a satisfaction survey to gauge the satisfaction of the students and the employees.	This metric is already being measured and reported on as per the <i>Performance Measures and Targets CIP 2013-2016</i> document.
Demand for Services	Monitor the amount of applications to attend the University per year.	Maintain record of the amount of applications that are received year to year.	TBD – must be internally baselined.

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
		Measure the change in applications submitted (% growth or % decline).	
Average Class Size	Monitor the average class size for courses offered at the University.	Calculate the sum of students in each course offered at the University divided by the number of courses offered.	TBD – must be internally baselined.

Information Technology

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Information Technology Infrastructure Library (ITIL) KPIs Capacity Management			
Incidents due to Capacity Shortages	Number of incidents occurring because of insufficient service or component capacity.	Measure the number of incidents that occur.	TBD – Must be internally baselined.
Capacity Adjustments	Number of adjustments to service and component capacities due to changing demand.	Measure the number of adjustments that occur.	TBD – Must be internally baselined.
Unplanned Capacity Adjustments	Number of unplanned increases to service or component capacity as result of capacity bottlenecks.	Measure the number of unplanned increases that occur.	TBD – Must be internally baselined.
Resolution Time of	Resolution time for identified capacity bottlenecks.	Measure the additional time taken to complete a process due to the bottleneck.	TBD – Must be internally baselined.



Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Capacity Shortage			
Capacity Reserves	Generating capacity available to the system operator within a short interval of time to meet demand in case a generator goes down or there is another disruption to the supply generating capacity available.	Measure the percentage of capacity reserves at times of normal and maximum demand.	TBD – Must be internally baselined.
Percentage of Capacity Monitoring (CM)	Percentage of services and infrastructure components under capacity monitoring.	% CM = % services under capacity monitoring / total services	TBD – Must be internally baselined.
ITIL KPIs Availability Management			
Service Availability	Availability of IT Services relative to the availability agreed in SLAs and OLAs	Availability (%) = (Uptime/Total Time) x 100	TBD – Must be internally baselined.
Number of Service Interruptions	Number of service interruptions	Measure the number of interruptions that occur.	TBD – Must be internally baselined.
Duration of Service Interruptions	Average duration of service interruptions	Measure the duration of time elapsed during downtime	TBD – Must be internally baselined.

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Availability Monitoring	Percentage of services and infrastructure components under availability monitoring	Availability (%) = Uptime/Total Time	TBD – Must be internally baselined.
Availability Measures	Number of implemented measures with the objective of increasing availability	Measure the number of measures that have been implemented.	TBD – Must be internally baselined.
COBIT KPIs Service Desk			
Service Desk Calls (SDC)	The average number of calls per service request per handler.	SDC = Average number of calls / request per handler	TBD – Must be internally baselined.
Training	The total number of training hours divided by the number of full time employees.	Training = # training hours / # full time employees	TBD – Must be internally baselined.
Service Request Fulfilment Rate	The percentage of telephone calls abandoned by the caller while waiting to be answered.	Measure the number of days to resolution.	TBD – Must be internally baselined.
Service Desk Calls Speed Rate	The time (in seconds) it takes for a telephone call to be answered.	Measure the time elapsed that a caller remains on hold until their call is answered by a handler.	TBD – Must be internally baselined.

Supply Management

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Vendor Management Program			
Vendor Management Reviews	Measure target versus actuals for several elements of the vendor management process.	<p>The following elements should be measured:</p> <ul style="list-style-type: none"> ■ On time delivery ■ Lead time / order cycle time ■ Response / repair time ■ Orders delivered completely ■ Number of errors ■ Purchase price 	TBD – Must be internally baselined.
Insurance Management	Contractor must have WCB-Alberta coverage in order to protect the University from liability for damages.	Assess contractors to ensure that they have WCB-Alberta coverage prior to performing work.	N/A
Percentage of Vendor Contracts Changed (VCC)	The number of vendor contracts that are changed, or amended, during the life of the original contract divided by the total number of vendor contracts under management over the same period of time, as a percentage.	$VCC \% = (\# \text{ VCC} / \text{total vendor contracts under management}) \times 100$	TBD – Must be internally baselined.
Percentage of Sole-Source Suppliers (SSS)	The total number of suppliers that are exclusive suppliers divided by the total	$SSS \% = (\# \text{ exclusive suppliers} / \text{total number of suppliers}) \times 100$	TBD – Must be internally baselined.

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
	number of suppliers used over the same period of time, as a percentage.		
Project Management			
On-time Supplier Delivery Rate (SDR)	The number of orders received from suppliers on or before the committed delivery date divided by the total number of orders received from suppliers over the same period of time, as a percentage.	SDR % = (number orders delivered on or before time / total number of orders made) x 100	TBD – Must be internally baselined.
Supplier Contract Development	The number of business days required to draft a supplier contract agreement, from the time the supplier and organization reach a verbal agreement until the contract is ready to be distributed to all parties for review.	Measure the number of business days to complete the process.	TBD – Must be internally baselined.

Marketing and Development

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Net Promoter Score	The Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend an	Measure the Net Promoter Score for Athabasca University.	The target should be a score great than 60. The average for the sector is 40, and



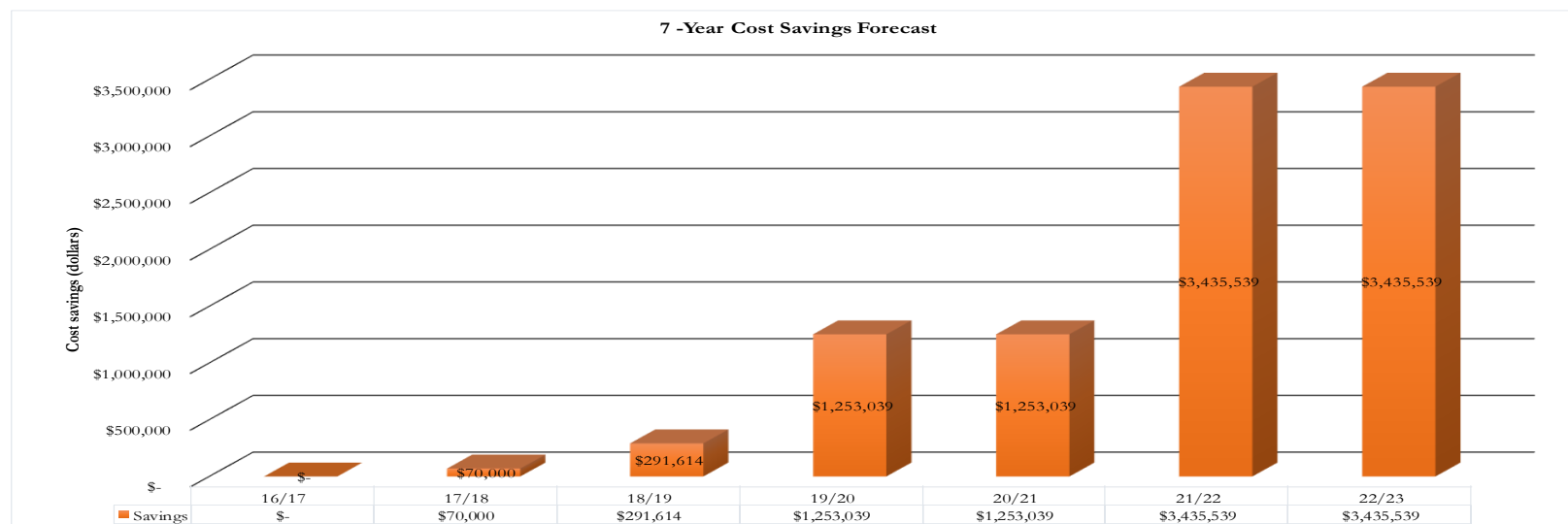
Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
	organization's products or services to others.		the top performing schools receive a score of 80+.
Media References to the University	The amount of media references (newspaper clippings, impressions, broadcast references, etc.) for Athabasca University. It will provide an indication of the University's outreach.	Measure the number of newspaper clippings, impressions, and broadcast references.	TBD – Must be internally baselined.
Annual Level of Donations Committed	The donations committed to the University in a given year.	Measure the amount and the % growth over the years.	There is a metric for donations received in the year, but there is no metric for the level of donations committed (and not yet received).
Annual level of Donations Received	The dollar value of donations that have been donated to the University in a given year.	Measure the amount and the % growth over the years.	This metric is already being measured and reported on as per the <i>Performance Measures and Targets CIP 2013-2016</i> document.
Annual Number of Non-Alumni Donors	The number of donors who are non-alumni that have donated to the University in a given year.	Measure the amount and the % growth over the years.	TBD – Must be internally baselined.
Percentage of Alumni who Made a	This number of donors who are alumni that have donated to the University in a given year.	Measure the amount and the % growth over the years.	TBD – Must be internally baselined.

Performance Metric	Explanation of Performance Metric	Suggested Performance Indicator	Suggested Target?
Donation to the University			
Endowment per Student	The endowment of the University per student enrolled at the University.	Measure the amount and the % growth over the years.	Given the size of the University, the target should be greater than \$5,000 per student.
Sales Growth (SG)	The percent change in total sales (tuition) generated by Athabasca at a defined time interval (daily, weekly, monthly, quarterly, by semester, etc.) over a certain period of time.	$SG = \frac{\text{Current Period Net Tuition Sales} - \text{Prior Period Net Tuition Sales}}{\text{Prior Period Net Tuition Sales}} * 100$	TBD – Must be internally baselined.

Appendix F: Cost Savings Projections

A number of possible cost-saving and efficiency initiatives were considered and analyzed as part of this review process. Based on the feasibility of implementation and given the nature and complexity of the possible cost-savings the following list of high level opportunities was developed. These savings and investments are directional (preliminary) in nature and will require substantial further refinement and/or business case-level analysis. Severance, technology, change management and training costs have not been included in this preliminary budgeting exercise. The details of the cost-savings are presented in the following table:

Table A3: Seven Year Annual Cost Savings Forecast



Savings and Expenses	16/17	17/18	18/19	19/20	20/21	21/22	22/23	Notes
Zero base budget				\$ 682,500	\$ 682,500	\$ 1,965,000	\$ 1,965,000	Two years to implement, 2 project staff at \$100k each
Facilities services			\$ 83,600	\$ 83,600	\$ 83,600	\$ 83,600	\$ 83,600	O&M savings shared resourcing and shared purchasing
Centralize Marketing				\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	Efficiency from centralization (1 FTE)
Centralize IT		\$ 170,000	\$ 170,000					Efficiency from centralization (2 FTE's)
Travel			\$ 197,014	\$ 197,014	\$ 197,014	\$ 197,014	\$ 197,014	Target for budget reduction
Disposition of T.B Centre			\$ 41,000	\$ 141,000	\$ 141,000	\$ 141,000	\$ 141,000	Annual operating
ASD IT/IS				\$ 263,925	\$ 263,925	\$ 1,163,925	\$ 1,163,925	Alternative service delivery (\$900k in project costs to transition x 2yrs)
Performance Management Office		-\$ 100,000	-\$ 200,000	-\$ 200,000	-\$ 200,000	-\$ 200,000	-\$ 200,000	2 management staff to operate performance management office
Total	\$ -	\$ 70,000	\$ 291,614	\$ 1,253,039	\$ 1,253,039	\$ 3,435,539	\$ 3,435,539	

Table A4: Summary of Cost Savings Projections

Recommendation #	Initiatives	2014-15 Budget Amount	Projected Annual Savings	Implementation Year	Savings Note	Projected Investment Costs	Investment Notes
R2.1	Zero Based Budgeting	\$131,000,000	\$1,965,000	2018/19	Industry benchmarks indicate up to 25% savings achievable. The savings amount was calculated as 1.5% of the 2014-15 budget. This conservative approach was taken given prior year budget cuts and previous operating and capital project deferrals.	\$600,000	3 project staff for 2 years
R4.1	Facilities Services	TBD	\$83,600	2016/17	10% of purchased trade services (\$336k) and \$50K restructuring.		
R3	Centralize Marketing and Communications	TBD	\$85,000	2017/18	14 current staff- anticipate one staff reduction @ \$85K due to duplications of effort.		
R3	Centralize IT/IS	> \$ 6,651,000	\$170,000	2017/18	> 20 staff decentralized, possible reduction of 2 staff @ \$85K each (up to 10% efficiency - reduced duplications of effort and systems, where possible.)		
R2.2	Travel Policy Revision	\$1,970,148.82	\$197,014	2017/18	Revise policy and use technology. 10% should be set as a Management Target to support sustainability.		
R2.3	Disposition of Tim Byrne Centre	\$141,000	\$141,000	2017	Annual operating costs of facility (lump sum for sale not included).	\$100,000	Relocation and fit-up to support staff
R4.2	Alternative Service Delivery IT/IS	> \$ 6,651,000	\$1,163,925	2018/19	True costs are unknown due to decentralization. Research indicates savings as high as 2/3 of current expenses possible, conservative estimate is 17.5% (using PERT Method) of known budget.	\$ 680,000 to \$900,000	4-5 project staff for 2 years
R1	Performance Management Office	N/A	TBD	2017/18	Due to the nature of this recommendation, it is difficult to determine a dollar amount in savings as a result of efficiencies. The reason is due to the recommendation's dependence on the effectiveness of the continuous improvement, quality assurance, and performance monitoring processes put into place and executed by the University.		2 operational management level staff going forward
		Total Gross Annual Savings	\$3,805,539		Total of Anticipated One Time Investment Costs, not including severance or technology costs	\$1,380,000-\$1,600,000	

Financial Notes for Tables A3 & A4

To ensure that preliminary budget numbers were not overstated, all calculations were made in a conservative manner. All of the numbers presented in the table are directional in nature. Technology amounts and severance amounts have not been identified in the costs in the table above.

Zero-Based Budgeting- Following on the full implementation of the forthcoming Responsibility Centre Budget Management model for budgeting and cost management, it is recommended that the budgets be re-baselined using a zero-based budget. This approach is fundamentally different from the previous approaches of developing budgets based on prior years' expenditures.

Centralize IT/IS- The centralization of IT/IS may reduce duplication of efforts and render efficiencies that can result in the elimination of an estimated two (2) full time positions. This savings has been calculated for only two years in anticipation of moving to an alternative service delivery Model in 2019.

Travel Policy Revision- This savings is being identified as a target as a detailed analysis of the nature of previous years' travel expenditures was not in the scope of this initiative.

Disposition of Tim Byrne Centre- Disposal of the Tim Byrne Centre would render one time lump sum (undetermined) as well as year over year reductions in operating expenses. Current annual operating budget is ~\$141K. A \$100K investment was identified to support the relocation of any functions or staff that would be moved into the main campus as result of a disposition of the asset (assuming AU sustains the print and warehousing functions).

Performance Management Office – Due to the nature of this recommendation, it is difficult to determine a dollar amount in savings as a result of efficiencies. The reason is due to the recommendation's dependence on the effectiveness of the continuous improvement, quality assurance, and performance monitoring processes put into place and executed by the University. However, the value of the future efficiency gains realized through the implementation recommendation should not be overlooked. The numbers reflected in Table 6 are negative as they are costs (staff).

PERT – Program Evaluation Review Technique is a three point weighted probabilistic estimation model. $E = (O + 4M + P)/6$, where E= Estimate, O=Optimistic Estimate, M=Most Likely Estimate and P=Pessimistic Estimate



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Appendix G: Individual Implementation Roadmaps

Table A5: Summary Implementation Roadmap

Recommendations	Primary Activities	Accountable Lead	Implementation Complexity	Total Duration (Months)	Schedule of Work																		
					2016		2017				2018				2019								
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
1. Elevate Enterprise Strategy and Performance Management	1.1 Engage stakeholders to understand key information required to support decision making	President	Low	5.0																			
	1.2 Create an office of performance management		Medium	Ongoing operational requirement																			
	1.3 Identify specific KPIs to track and present via the dashboard		Medium	2.0																			
	1.4 Design processes, detailed technical requirements, training requirements and change management		Medium	9.0																			
	1.5 Develop or purchase the technical solution		High	6.0																			
	1.6 Collect initial data set		Medium	5.0																			
	1.7 Identify pilot departments and train users on using the dashboard		Low	7.0																			
	1.8 Conduct controlled testing of dashboard tools		Low	4.0																			
	1.9 Collect and address testing stage feedback from relevant stakeholders		Medium	14.0																			
	1.10 Roll out the dashboard		High	3.0																			
	1.11 Begin developing organizational QA process		Medium	36.0																			
2. Continue improvement of AU's Financial Performance	2.1 Implement ZBB model after transition to Responsibility Centred Management (RCM)	VP Finance and Admin	High	24.0																			
	2.2 Revise travel policy to minimize unneeded travel expenditures and leverage available technologies		Medium	10.0																			
	2.3 Reduce space footprint through the integration of functions into the main campus facility		Medium	18.0																			
	2.4 Implement cost-savings incentive programs		Medium	14.0																			
3. Realign and centralize targeted functions (IT/IS, Marketing, Communications, and Financial services)	3.1 Conduct a task level assessment	Multiple VP's	Medium	16.0																			
	3.2 Qualify duplications of effort and possible efficiencies		Medium	14.0																			
	3.3 Restructure and merge functions		High	10.0																			
4. Pursue possible partnership and alternative service delivery	4.1 Facilities and Services	VP Finance and Admin	Medium	22.0																			
	4.2 Information Technology and Systems	VP Information Technology	Medium	31.0																			
5. Pursue other opportunities for improvement	5.1 Clarify Future of AU	President	Medium	14.0																			
	5.2 Align Vision with Staff Performance Management	VP Finance and Admin	Medium	8.0																			
	5.3 Opportunities to align management, faculty association, and unions exist	President	Medium	6.0																			
	5.4 Invest in innovative marketing initiatives	VP Advancement	Medium	16.0																			

Table A6: Recommendation 1 Roadmap

1. Elevate Enterprise Strategy and Performance Management	Accountable Lead	Duration of Implementation (Months)	Schedule of Work													
			2016		2017				2018				2019			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tasks																
1.1 Engage stakeholders to understand key information required to support decision making		5														
1.1.1 Identify and define key information required to support decision-making	President	3														
1.1.2 Define specific requirements to inform dashboard design and data requirements		2														
1.2 Create an office of performance management		Ongoing operational requirement														
1.2.1 Establish a central function to guide the development of performance management and continuous improvement	President	Ongoing operational requirement														
1.3 Identify specific KPIs to track and present via the dashboard		2														
1.3.1 Define the full scope of the dashboard (service-related, internal operation and strategic performance information)	President	2														
1.4 Design processes, detailed technical requirements, training requirements and change management requirements		9														

Table A6: Recommendation 1 Roadmap

1. Elevate Enterprise Strategy and Performance Management	Accountable Lead	Duration of Implementation (Months)	Schedule of Work															
			2016		2017				2018				2019					
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Tasks																		
1.4.1 Design and standardize project management processes (leverage existing IT Project Management Framework)	President	2																
1.4.2 Define processes to support the reporting and dashboard content		2																
1.4.3 Define and document detailed technical requirements for the dashboard		3																
1.4.4 Design training and change management plans to support the successful roll-out of the performance management dashboard		2																
1.5 Develop or purchase the technical solution		6																
1.5.1 Develop or purchase the technical solution for the dashboard (depending upon the outcomes of the options analysis)	President	6																
1.6 Collect initial data set		5																
1.6.1 Work with the newly formed committee to collect and centralize the required data	President	2																
1.6.2 Automate the flow of information into the dashboard wherever possible to reduce manual effort		3																

Table A6: Recommendation 1 Roadmap

1. Elevate Enterprise Strategy and Performance Management	Accountable Lead	Duration of Implementation (Months)	Schedule of Work															
			2016		2017				2018				2019					
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Tasks																		
1.7 Identify pilot departments and train users on using the dashboard		7																
1.7.1 Select departments and specific user groups to pilot the dashboard	President	1																
1.7.2 Train users within the selected departments on the use of the dashboard		6																
1.8 Conduct controlled testing of dashboard tools		4																
1.8.1 Allow selected users within pilot departments to test the dashboard in a controlled environment	President	4																
1.9 Collect and address testing stage feedback from relevant stakeholders		14																
1.9.1 Assess feedback received through the testing phase	President	2																
1.9.2 Make adjustments to the dashboard to address feedback that leads to improved usability, efficiency and or effectiveness		12																

Table A6: Recommendation 1 Roadmap

1. Elevate Enterprise Strategy and Performance Management	Accountable Lead	Duration of Implementation (Months)	Schedule of Work													
			2016		2017				2018				2019			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tasks																
1.10 Roll out the dashboard		3														
1.10.1 Apply strategies defined in the training and change management plans to successfully roll out the dashboard to various stakeholder groups	President	3														
1.11 Begin developing organizational QA process		36														
1.11.1 Development of quality management program	President	15														
1.11.2 Implement monitoring process through periodic audits		21														

Table A7: Recommendation 2 Roadmap

2. Continue improvement of AU's Financial Performance	Accountable Lead	Duration of Implementation (Months)	Schedule of Work													
			2016		2017				2018				2019			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tasks																
2.1 Implement ZBB model after transition to Responsibility Centred Management (RCM)		24														
2.1.1 Perform employee interviews to determine necessary and non-necessary departmental costs	VP Finance and Admin	6														
2.1.2 Perform expense review to determine new baseline budget		18														
2.2 Revise travel policy to minimize unneeded travel expenditures and leverage available technologies		10														
2.2.1 Assess reasonableness of all travel expense types being claimed	VP Finance and Admin	4														
2.2.2 Perform travel expenditure review to reduce costs in each department		6														

Table A7: Recommendation 2 Roadmap

2. Continue improvement of AU's Financial Performance	Accountable Lead	Duration of Implementation (Months)	Schedule of Work													
			2016		2017				2018				2019			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tasks																
2.3 Reduce space footprint through the integration of functions into the main campus facility		18														
2.3.1 Assess viability of the Course Materials Production function being housed within the main campus	VP Finance and Administration	8														
2.3.2 Begin to market the property for sale		10														
2.4 Implement cost-savings incentive programs		14														
2.4.1 Continue crowdsourcing initiatives to gain employee feedback and provide results back to the AU community	VP Finance and Admin	5														
2.4.2 Develop reward programs for managers who adhere to new processes (ZBB, crowdsourcing initiatives or RCM)		5														
2.4.3 Implement incentive programs to the AU community		4														

Table A8: Recommendation 3 Roadmap

3. Realign and centralize targeted functions (IT/IS, Marketing, Communications, and Financial services)	Accountable Lead	Duration of Implementation (Months)	Schedule of Work													
			2016		2017				2018				2019			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tasks																
3.1 Conduct a task level assessment		16														
3.1.1 Conduct preliminary assessment of functions with centralization potential	VP Academic, VP Advancement	6														
3.1.2 Interview personnel in targeted departments that may be centralized		4														
3.1.3 Align similar functions and begin centralization of resources		6														
3.2 Qualify duplications of effort and possible efficiencies		14														
3.2.1 Review technological tools being employed by all departments	VP Information Technology	4														
3.2.2 Survey departments with similar functions to assess viability of tool sharing (IT focused)		1														
3.2.3 Merge systems and functions to maximize efficiencies in output per unit		9														
3.3 Restructure and merge functions		10														
3.3.1 Perform an employee impact assessment of the changes to positions and functions of the organization	VP Advancement	5														
3.3.2 Review spatial and office needs for new merged working groups		2														
3.3.3 Conduct post-merge survey for employee satisfaction and performance		3														

Table A9: Recommendation 4 Roadmap

4. Pursue possible partnership and alternative service delivery	Accountable Lead	Duration of Implementation (Months)	Schedule of Work												
			2016		2017		2018		2019						
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Tasks															
4.1 Facilities and Services		22													
4.1.1 Research & analyze partnerships with local	VP Finance and Admin	10													
4.1.2 Assess staffing needs for efficiencies that can be realized		6													
4.1.3 Procure contract services		6													
4.2 Information Technology and Systems		31													
4.2.1 Perform departmental review of staffing and	VP Information Technology	4													
4.2.2 Research IT service delivery alternatives (i.e., outsourcing,		5													
4.2.3 Conduct cost assessment of new IT delivery method and		4													
4.2.4 Begin procurement of solution		7													
4.2.5 Implementation of IT solution		11													

Table A10: Recommendation 5 Roadmap

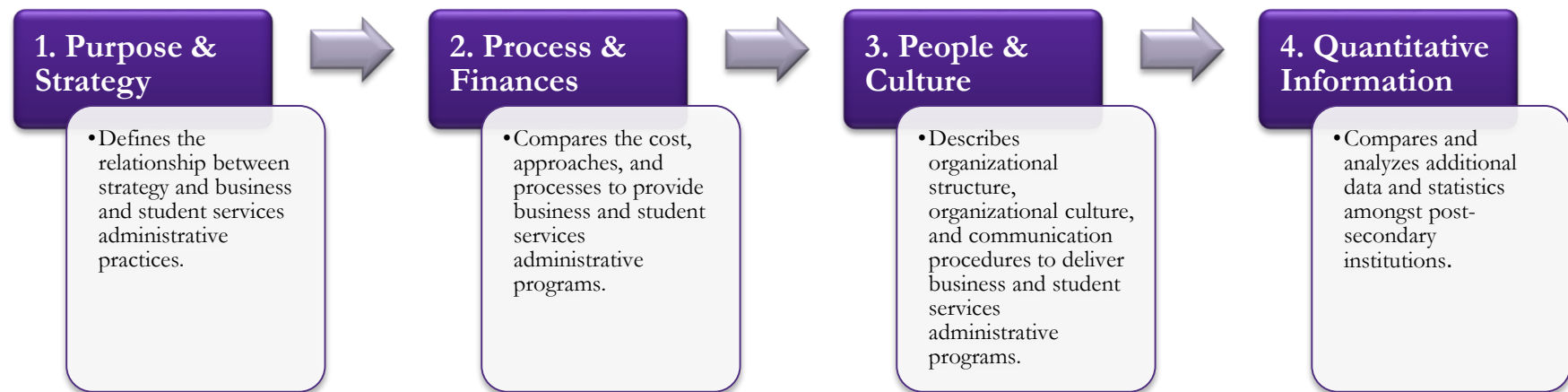
5. Pursue other opportunities for improvement	Accountable Lead	Duration of Implementation (Months)	Schedule of Work														
			2016		2017				2018				2019				
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Tasks																	
5.1 Clarify Future of AU		14															
5.1.1 Assign resources to communication effort	President	5															
5.1.2 Develop university-wide marketing and communications plan (key messages, delivery schedule, media assessment)		5															
5.1.3 Conduct feedback survey to gauge stakeholders understanding of the Future of AU		4															
5.2 Align Vision with Staff Performance Management		8															
5.2.1 Conduct staff survey to gauge understanding of organizational vision and goals	Director of Human Resources	3															
5.2.2 Develop staff performance management process for all employees		3															
5.2.3 Conduct survey to assess improvements in staff alignment with AU's vision and goals		2															
5.3 Opportunities to align management, faculty association, and unions exist		6															
5.3.1 Organize working sessions between parties	President	4															
5.3.2 Finalize new responsibility matrix for each party		2															
5.4 Invest in innovative marketing initiatives		16															
5.4.1 Develop marketing/advertising alternatives through brainstorming, crowdsourcing, and best practices	VP Advancement	6															
5.4.2 Institute marketing initiatives and track metrics (enrolment, social media traffic, revenue)		10															

Appendix H: Benchmarking Analysis

Introduction

As part of the Business and Student Services Administrative Practices Process Review project, Grant Thornton conducted a benchmark review of other post-secondary institutions to gain perspective on alternative practices, best practices and lessons learned in order to enhance the delivery of business and student services administrative processes. This exercise has also captured similar internal and external drivers impacting post-secondary institutions. The findings presented represent primary and secondary information collected directly from post-secondary institutions as well as general research available in the public domain. As such, quantitative data comparisons are limited to the accuracy and consistency of source data, which GT has not audited or otherwise attempted to verify. While the sample of institutions is not statistically representative, it provides insights by comparing and contrasting the practices among post-secondary institutions.

The findings from this benchmarking exercises are presented from four perspectives:



Purpose & Strategy

Key themes relating to the *purpose* and the strategic context of business and student services administrative practices are detailed below.

1. **Similar strategic priorities, with little and unclear strategic direction pertaining to business and student services administrative practices.**



While the format and planning durations differ, all benchmarked institutions have a strategic plan. Strategic priorities among benchmarked institutions are very similar, with very limited differentiation. Common wording used to formulate strategic directions included: access, affordability, community, and sustainability (economic and environmental). Some institutions in the U.S., such as Western Governors University, differentiate themselves through online competency-based (compared time-based) learning that is specifically targeted towards adult learners. Most strategic plans discussed ways to increase student enrollment (degree programs, international attraction, etc.), and commented on the need for cost savings through incremental, percentage-based budget reductions. However, there was limited discussion related to the delivery of business and student services administrative programs.

- *Insight 1: Based on broad institutional strategic direction and criteria, leading organizations develop a clear strategic course for business and student services administrative practices that can be operationalized and implemented. Consider differentiating factors from other institutions related to business and student services administrative practices.*

2. Some examples of purposeful planning for Information Technology (IT).

Royal Roads University has developed a technology plan to support its learning and teaching models, which includes hardware and software procurement strategies, technology architecture plans, and enterprise systems. Mount Royal University has formed an Inter-University Technology Committee, which provides strategic guidance and oversight to its Information Technology Services department. The Committee is chaired by the Chief Information Officer and comprised of members from across the University community. It reports to the President's Executive Committee, and sets strategic objectives and establishes institutional criteria for prioritizing IT system initiatives. However, most institutions do not have good tracking to distinguish IT expenditures for academic purposes and administrative purposes (and more generally, all shared expenditures for academic purposes and administrative purposes).

- *Insight 2: Given that most institutions acknowledge the importance of IT, and that IT is used by many parties, leading organizations keep a detailed plan for IT across the Institution, with a cross functional committee to discuss and prioritize IT projects. They also separately identify and track IT and other costs for academic purposes and administrative purposes.*

3. Focus on traditional revenue generation growth, while opportunistically pursuing untraditional revenues.

All benchmarked institutions are focused on growing revenues through the following means:

- (1) Greater enrollment (Regarding current students, most are focused on transitioning students that currently take few courses into full-time degree programs. Regarding prospective students, Royal Roads University created an International Study Centre in partnership with Study Group, which is an international student recruiter.);
- (2) Government grants;
- (3) Research funding;
- (4) Donations and endowments; and

(5) Ancillary services (High price sensitivity and regulations present challenges to increase tuition fees. Untraditional revenue generating opportunities pose certain challenges for online-based institutions. Institutions with physical campuses can generate additional funds from leasing lands, recreation services, food services, and parking.)

- *Insight 3: Untraditional revenue generation for online-based institutions is challenging. These institutions must ask "what is their core business," and proceed with activities in a way that respects students and protects the institution's integrity. Feasibility studies and piloting initiatives on small scales can test unique revenue generating ideas. Growing traditional revenue generation from greater full-time student enrollment is a more sustainable course of action.*

Process & Finance

Key themes regarding the *processes and finances* used to provide business and student administrative services are presented below:

4. Explore examples of centralized cost cutting, restructuring, and process improvements to reduce expenditures.

Most benchmark institutions are facing financial pressures and have differed capital investments in 2014/15. University of Lethbridge has (1) reduced base level operation expenses (7% of total compensation to 5% of total average compensation), (2) temporarily suspended its life cycle equipment replacement program (\$1.48M) in 2015/16, and (3) operated its ancillary services on a cost recovery basis to provide funding back to fund administrative functions for services used. Mount Royal University recently restructured its academic administration by aggregating departments and reducing Dean and Chair positions (savings of \$680,000). In addition, leadership in all areas identified and committed to expenditure reductions and restructuring for operational efficiencies (savings of \$1,400,000), and accepted general budget reductions (\$1,732,000). While some consultations occurred, the impact of position reductions led to more administrative tasks being pushed to senior positions. Royal Roads University states that it continuously improves business processes; it has recently gathered feedback and is making the following changes: more streamlined approval processes, authority matrix, and clear delegation of authority and accountability. Thompson Rivers University implemented a process of self-assessment of each administrative service division, complemented by an external review conducted by qualified external evaluators. Two or three units are reviewed each year on a rotational basis.

- *Insight 4: Continuous process improvement with periodic internal reviews are beneficial. Cost-reducing changes should be undertaken strategically, so that added administrative work is not transferred to senior positions within departments/faculties.*

5. Trend towards multi-year and zero-based budgeting.

Among the benchmarked institutions, there is a trend to move towards a zero-based budgeting process with multi-year forecasting. The University of Lethbridge uses a 3-year budget forecast to predict forthcoming deficits and surpluses. A new budgeting process was implemented in 2014 to create more opportunities for individuals with the appropriate knowledge and expertise to contribute to the decision making process. In addition, town hall meetings provide stakeholder updates and feedback regarding the budget. Mount Royal University develops a 3-year budget plan which achieves both current operational requirements and considers long-term strategic goals. Each faculty at Mount Royal University also has a budget operations officer to provide financial information. Thompson Rivers University implemented a new budget methodology in 2015/16 whereby all budget submissions from each unit



or department are accompanied by an annual plan which requires a survey of the existing programs or services offered, an analysis of metrics and targets specific to the unit to measure performance, and planning for coming-year initiatives.

- *Insight 5: While some input assumptions may be unknown, the use of multi-year budgeting and forecasts can help institutions predict the magnitude of forthcoming budgets. Where possible, link departmental budgeting to institutional strategy and metrics.*

6. Limited year-over-year budget carryover at department level, with limited amount of financial flexibility at institutional level.

Given shifts towards zero-based budgeting, there are limited opportunities to carry over previous year budget savings. The University of Lethbridge allows its Budget Units to retain carryover fund balances to a maximum of 2% of their total annual operating expense budget. The balances in excess of 2% will be moved to the Strategic Priorities Fund and allocated to priorities through the budget process. Royal Roads University has limited flexibility around budget as its Board of Governors has set a financial framework that attempts to ensure that the university's cost structure does not exceed 95% of revenues in any given year.

- *Insight 6: While zero-based budgeting is a good exercise, it is important that it considers varying institutional revenues. Additionally, consider appropriate, equitable, and transparent balance carryover mechanisms to incentivize efficient operations within departments/faculties.*

7. A successful partnership example to save on administrative costs.

The Administrative Services Delivery Transformation (ASDT) initiative is a British Columbia public post-secondary sector-led effort to reduce the cost of administrative services and improve non-academic service delivery. The initiative brings together all 25 public post-secondary institutions, providing a unique opportunity to share perspectives, innovate, and develop joint ventures that benefit the sector. In addition to joint procurement, the sector is also pursuing financial services opportunities which include streamlining payment practices, reducing merchant fees for credit cards, and leveraging Provincial Treasury Banking Services where it makes sense. Other opportunities being pursued are IT shared services, led by BCNET, shared copyright permission service and a shared digital resources and institutional repository network. Campus Alberta (which was created to formalize and encourage such collaboration and cooperation between the province's 26 publicly-funded post-secondary institutions) may be able to leverage this example in addition to its other initiatives (e.g. Apply Alberta portal).

- *Insight 7: Broaden internal and external partnership discussions to generate cost-savings through joint procurement opportunities, such as merchant fees, courier services, travel management services, and printing services. With a distributed workforce and student population, consider using cross-representational committees, in-person forums/town halls, newsletters/intranet, feedback channels, etc. to build trust and relationships. Ensure that value/benefits/impacts on all stakeholder groups are communicated for all proposed changes to get buy-in. Establish how changes are going to be measured at the onset.*

8. Lower degree of alternative service delivery of business and student administrative services.

Generally, the benchmarked institutions do not use alternative service delivery (ASD) models for key business and student administrative services. Core functions such as registration activities are kept in-house. Most use consultants for specialized services and projects. Mount Royal University for example, used a third-party marketing consultant to develop the plan for a fundraising campaign. Mount Royal University also leases its IT hardware and alternatively

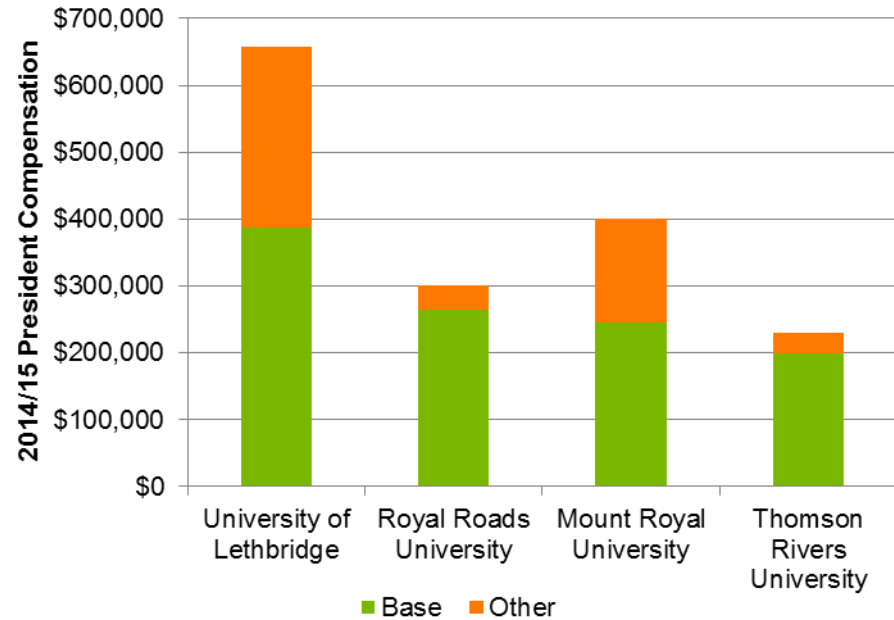
sources some IT storage needs. Some institutions such as McGill University use a shared services model whereby finance and human resource officers are shared among departments/faculties and deployed on an as needed basis.

- Insight 8: While alternative service delivery is not as commonplace in the Canadian post-secondary sector, institutions can continue to evaluate whether functions may be sourced alternatively using decision criteria (e.g. shifts fixed cost to variable cost, non-core service, etc.).

9. Compensation for post-secondary executives is consistent.

Annual reports show presidents and vice-presidents among benchmark institutions are relatively well compensated (see graph for benchmarked institutions' president institutions). Among the four institutions shown on the graph, their VPs were each paid on average \$217k base salaries, and \$284k in total compensation. Even higher salaries are also paid to top executives at some American post-secondary institutions. The Chronicle of Higher Education reported that the highest paid executive was paid \$4.6M in total compensation (Columbia University).

- Insight 9: While salaries for executives appear to be high, they are within their expected ranges in the post-secondary sector. Thus, institutions should be aware of market prices for executives, and hold them accountable to clear performance measures.



People & Culture

Key themes regarding the *people and culture* used to deliver business and student administrative services are included below:

10. Engagement and feedback mechanisms vary to gather information from students and staff.

The University of Lethbridge uses town halls to provide updates and gather input from stakeholders. Mount Royal University's Learning Together, Leading Together plan was comprised of a 32-member Committee, including academic deans, chairs, program directors, managers, faculty, staff, students, members of the faculty and staff associations, as well as University executive leadership and resource staff. With respect to students, some note that there is false impression that students simply abide by process and procedures of institutions given that the institutions have much control over students with respect to their marks, transcripts, registration, and acceptance. This perspective however is also noted to be shortsighted and does not take reputational impacts into account.

- *Insight 10: While feedback mechanisms vary, successful institutions engage staff and students alike, and support the analysis and implementation of continuous improvement ideas. Where possible, it is recommended to gather an evidence base (quantitative and qualitative data) prior to making large-scale decisions.*

Quantitative Information

The following institutions were included as part of the quantitative benchmarking:

- Grant MacEwan University
- Royal Roads University
- Thompson Rivers University
- Memorial University
- University of Calgary
- University of Alberta
- The Open University (UK)
- Open University Australia (OUA)
- University of Ottawa

There is a lack of consistently collected and reported institutional data collected amongst post-secondary organizations. Each institution presents quantitative data using its own internal methodologies, which makes comparisons to other institutions challenging. Some benchmark participants also note that there have been previous efforts to collect and normalize data among institutions. However, these efforts yielded few results due to data collection, reporting, and analysis limitations. As such, the following quantitative data comparisons are limited to the accuracy and consistency of source data, which GT has not audited or otherwise attempted to verify. Information has been compiled from annual reports and financial statements for the 2014/15 fiscal year. Additionally, the findings are not statistically representative of the post-secondary sector given the sample size, diversity of geographies, and different scope of services provided by benchmarked institutions.

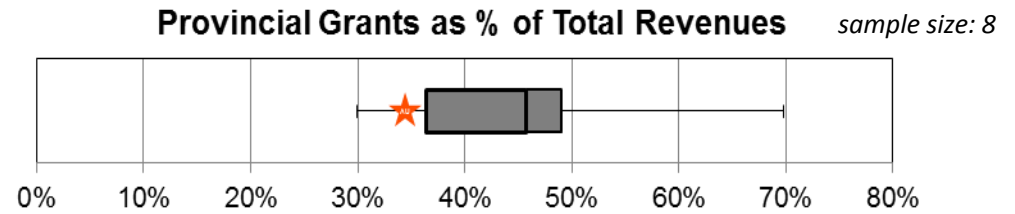
The available quantitative benchmark information is presented in box-and-whisker diagrams. Each diagram begins with a minimum value on the left side of the horizontal bar (also referred to the minimum whisker); this is followed by a filled bar divided into two section: the first range is between the first quartile to the median, and the second section ranges between the median to the third quartile of the sample date set. Finally, each diagram ends with the maximum value on the right side of horizontal bar (also referred to as the maximum whisker). By presenting the data in this way, we are able to visually identify the degree of variability around the median data point, as well as any minimum or maximum outliers from the data set. AU's quantitative data is also presented in each diagram (represented by the orange star).

Key themes regarding *the quantitative information* are presented below:

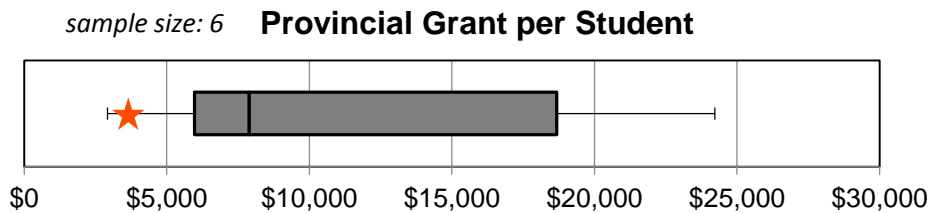


11. Provincial grants represent a significant proportion of total revenues.

While there is a large degree of variability, provincial grants represent a significant proportionate of total revenues for the sample of institutions. On average, provincial grants represent 44.9% of total revenues for institutions, with a range between 29.9% to as high as 69.8% in the 2014/15 year. While not representing the lowest amount of provincial grants received as percentage of total revenues, AU falls below the first quartile when compared to the sample of benchmarked institutions. As discussed earlier, the methodology in calculating the provincial grants presented in each institution's financial statements may vary. Additionally, some institutions may also have received project-specific capital grants that are not expected to continue beyond 2014/15.



12. Per-student funding across the post-secondary sector varies significantly.



In 2010/11 it was found that grants per full-load equivalent undergraduate student across Alberta universities varied significantly²¹. Keyano College was reported to receive the highest amount at \$29,900 per student, while AU was stated to receive the lowest per student amount of \$5,473. This large degree of variability also exists within the current benchmarking data as shown in the box-and-whisker diagram below. Among

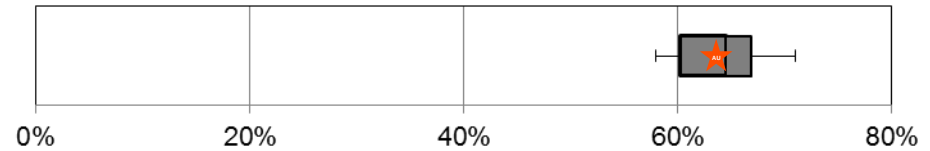
benchmarked institutions, the average amount of provincial grants provided for each student in 2014/15 was \$11,754. This, however, varied substantially as represented from the long bar in the diagram. On the lower end, one institution had a calculated amount of \$2,915, while another received \$24,224 per student. Based on AU's provincial grants received in 2014/15 of \$44,994,000 and its 15,328 undergraduate and graduate students in Alberta, AU received a calculated amount of \$2,935 per student. As stated previously, caution must be taken when interpreting these figures due to the differences in the methodologies in presenting provincial grants as well as the time horizon of the grants.

²¹ Originally created by Mount Royal University, and verified and presented by Metro News.

13. Salaries and benefits are consistently a significant proportions of institutional expenses.

As shown in the diagram to the right, the proportion of expenses represented by salaries and benefits is relatively consistent among the benchmarked institutions. For almost all sampled institutions, salaries and benefits for faculty, professional, and administrative staff represent the largest proportion of all costs. On average, this category of expenses represents 64.1% of total expenses. Compared to other quantitative information collected, there is a small range of variability for this percentage, with a maximum of 71.0% and a minimum of 58.0%. AU's salaries and benefits represents 66.5% of its total expenses, which is close to the third quartile of sample data (higher than average), but within a reasonable range of the average among the sample group. As such, particular attention should be paid to the mix of employee complements (e.g. administration, faculty, and professional positions) as well as total salaries and benefits paid to unionized and nonunionized staff, faculty and management.

Salaries and Benefits as % of Expenses *sample size: 8*

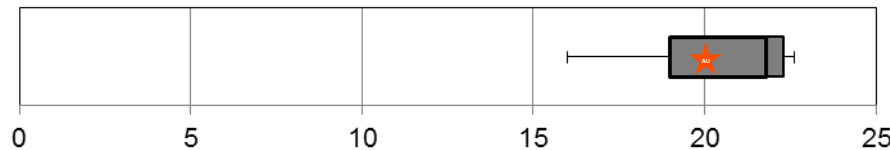


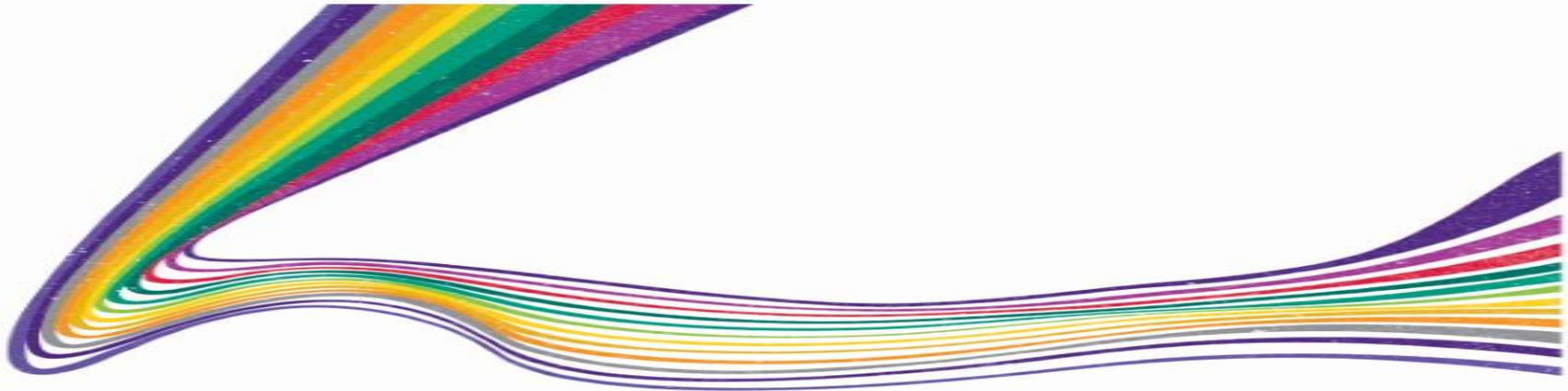
14. Student to faculty ratios are greatly marketed, but do not appear to significantly vary.

The number of faculty for each student is relatively consistent among the benchmark sample (where data was available). On average, there are 20 students for each faculty, with a minimum of 16 and maximum of 23 students for each faculty member. As with the previous quantitative data, this ratio may be calculated differently for each institution. For example, some institutions may include graduate and post graduate student instructors as part of their faculty/instructor counts, while others may not. While this appears to be heavily marketed (e.g. a key criteria as part of Maclean's Canadian University

Rankings), there appears to be a smaller level of variability for this ratio as compared to other quantitative benchmarked data. According to Maclean's 2015 university rankings, Memorial University had the lowest ratio with 16 students per faculty, and the University of Guelph had the highest with 33.6 students per faculty member.

sample size: 5 **Student to Faculty Ratio**





Disclaimer

This report is prepared by Grant Thornton LLP for Athabasca University. This report is based on information and documentation that was made available to Grant Thornton during the consultation program. Specifically, Grant Thornton's findings are based upon information gathered from interviews and consultations with AU staff, faculty, management and students. As such, Grant Thornton assumes no responsibility and makes no representations with respect to the accuracy or completeness of any information provided to us. We are not guarantors of the information which we have relied upon in preparing our report, and except as stated, we have not audited or otherwise attempted to verify any of the underlying information or data contained in this report.

The scope of the Business and Student Services Administrative Practices Review is limited to the key objectives established at project commencement and agreed to by the Review's Steering Committee. The comments made within this report are in light of the consultations conducted and documents reviewed which are listed in Appendices A and B respectively.

Readers of this report should consider the document in its entirety. Selection of, or reliance on, certain elements of the report may result in misinterpretation of information provided. Grant Thornton will not accept liability for such interpretations. Comments in this report are not intended, nor should they be interpreted, to be legal advice or opinion. We are not guarantors of the information which we have relied upon in preparing our report, and, except as stated, we have not audited or otherwise attempted to verify any of the underlying information or data contained in this report. It is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by Grant Thornton during the course of this engagement shall be the responsibility of, and be made by the University.

Grant Thornton reserves the right, but will be under no obligation, to review and/or revise all findings, calculations and recommendations referred to herein, if we consider it necessary in light of further information that becomes known to us after the date of this report.