

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance and Facilities

**Date:** October 21, 2014

**Title:** Campus Service Cooperative Update

**Purpose (check one):**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Proposed<br>New Policy or<br>Amendment to<br>Existing Policy | <input type="checkbox"/> Approvals<br>Required by<br>Policy | <input type="checkbox"/> Other<br>Approvals |
| <input type="checkbox"/> Monitoring /<br>Compliance                                   | <input checked="" type="checkbox"/> Information             |   |

**Brief Description:**

This update will provide the Finance and Facilities Committee a status report on the Campus Service Cooperative (CSC). The update will include stakeholder feedback on the CSC; FY2014 performance information, refinements to the unit's strategic focus; and plans for selecting, financing, implementing and evaluating CSC projects.

**Scheduled Presenter(s):**

Phil Davis, Associate Vice Chancellor and Managing Director, Campus Service Cooperative  
Robert Musgrove, President, Pine Technical and Community College

## Campus Service Cooperative Update



Finance and Facilities Committee

October 21, 2014

### Minnesota State Colleges and Universities

The Minnesota State Colleges and Universities system is an Equal Opportunity employer and educator.

## Background

## What preceded the creation of the CSC?

- 2003-2007: Business Practice Alignment Committee
  - Formed to standardize business practices as part of the Integrated Student Record System (ISRS) overhaul.
  - Goals of smoothing the student experience AND reducing the need for software development to support multiple ways of doing same business practice.
  - Beginning of systemic thinking regarding back office processes.
- 2007-2010: Integrated Student Services and Students First initiatives
  - Focus on systematizing student interface processes across all campuses.



## What is the Campus Service Cooperative?

- The CSC began in 2011 to demonstrate how campuses can work together to develop efficient, high quality, and transformational delivery of support services.
- In 2012, with the help of IBM, the CSC developed:
  - a shared services platform focusing initially on finance/business office, human resources, financial aid services; and
  - sourcing and procurement initiatives for office supplies, managed print services, janitorial supplies, and purchasing cards.



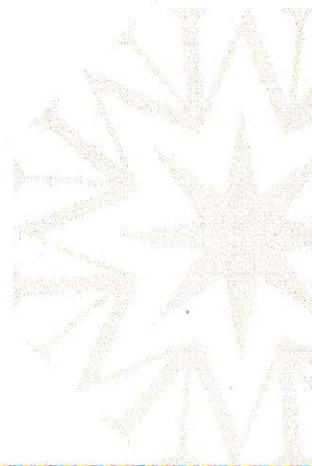
## What is the Campus Service Cooperative? (continued)

- A leadership committee composed primarily of college and university presidents guides the work of the CSC.
- Teams composed of campus personnel lead the sourcing and shared services initiatives.
- The CSC has been staffed by a director, project manager, executive assistant, two college interns and loaned executives.
- The CSC was originally located at Minneapolis Community and Technical College. In August 2014, it moved to North Hennepin Community College.



5

## Update



6

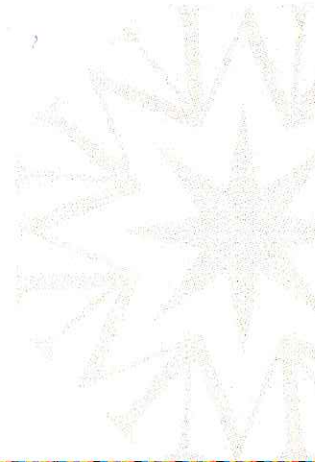
## Positive Return on Investment

- Board of Trustees approved a contract with IBM June 2013, which engaged with the CSC from January 2013 through June 2014.
- The total cost of the contract was \$4.9 million.
- Based on our five-year valuation (FY14-FY18), the benefit of the system's sourcing and process improvement efforts is estimated at \$14.2 million. Of this benefit, \$6.3 million is directly attributable to IBM's efforts.
- This represents a net benefit to our colleges and universities of \$1.4 million from the IBM engagement over five years.

NOTE: The benefit is lower than originally projected due to lower-than-expected adoptions rates, longer project launch cycles and greater efficiency in campus spending practices in many areas.



## Going Forward



## Stakeholder Consultation

- MSCSA student leaders
- AFSCME Policy Committee
- Statewide CFOs, CIOs, CHROs and business officers
- Accounts Receivable Annual Conference
- Collaborative Sourcing Team
- Presidents
- CSC Leadership Committee
- System leaders
- More to come...



## Stakeholder Observations

- Strong support for continuing the work of the CSC.
- CSC has developed successful contracts and relationships with vendors, state agency partners and private supporters (e.g., loaned executives).
- Some stakeholder frustration with lack of progress on shared services; strong support for more focus on shared services projects.
- Desire for more clarity about OfficeMax pricing.
- Preference among CFOs and presidents for a CSC financing model based on an up-front annual investment and measuring the annual return.
- Need to strengthen communication; improve links with system leaders.
- Campuses want help designing, managing and implementing shared services and other innovative collaborations.



## Strategic Focus of the CSC

### Saving Money

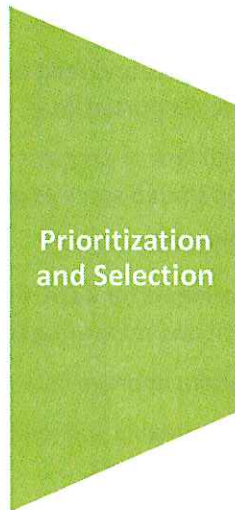
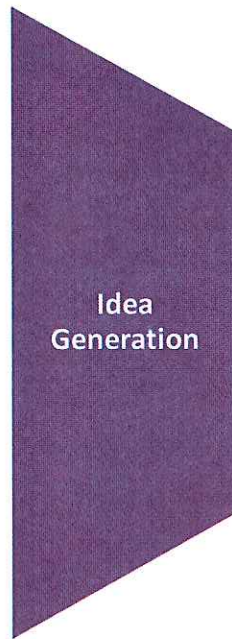
The original focus of Campus Service Cooperative has been on supporting the Strategic Framework goal of delivering the highest value, most affordable higher education option to the students, employers, communities and taxpayers of Minnesota.



### Advancing Goals

The Campus Service Cooperative should expand its purpose to support innovative campus collaborations that advance all three goals of the Strategic Framework.

- Extraordinary education
- Partner of choice
- Highest value/most affordable option



## Strategies

1. Provide colleges and universities with the talent, tools and environment to support enterprise solutions and multi-campus collaborations.
2. Implement a new financing model and project leadership framework.
3. Strengthen campus engagement with the CSC and its services.



13

## Next Steps

### Strategic Sourcing

- Identify and execute high potential projects;
- Increase adoption rates; and
- Build a sustainable staffing model.

### Shared Services

- Build processes for selecting, prioritizing and implementing high potential projects;
- Build a sustainable staffing model;
- Solicit proposals from campuses; and
- Engage campuses in the selection and implementation of projects.



14



