

## Client Case Study

### University Service Auxiliary Unit-Cost Reduction Project

**Business Challenge:** University Leadership needed to understand how it could improve the efficiency and effectiveness of an important administrative service unit that interacted with many different campus constituents. This unit provides back office support to about twenty entities as diverse as the University's foundation, campus dining and bookstore operations, various student-led enterprises and sponsored research programs. The service unit was facing a situation where its cost of delivering services was regarded as uncompetitive and its service quality as low in value, while a key investment income source had shown significant decline due to the financial markets' collapse.

**TSI's Role:** TSI adapted its proven "Six Step Performance Improvement" Methodology to plan and execute the engagement, which consisted of the following main activities:

- TSI began by helping the client's management and key campus constituents define the service unit's business context on campus (i.e. the manner in which it desired to operate, the culture it would embrace and the level and quality of service to its campus customers).
- Surveys and interviews were used to collect additional input from both key customers and internal staff.
- TSI then facilitated workshops with the client to examine key administrative processes, and identify the main pain points within those processes; these pain points included issues around policy compliance, redundant process steps and limited software functionality for the business processes.
- TSI reviewed the unit's organization, labor and overhead cost structures to correlate effort and cost of service delivery with customer service charges.

In addition, TSI provided training to an internal process improvement team to enable them to map, analyze and improve other processes using TSI's methodology.

**Results:** TSI developed a set of recommendations and an implementation plan for the service unit's executives that contained short-, mid- and long-term proposals to:

- Achieve a 22% reduction in annual administrative costs through process improvement and organizational streamlining
- Measure the real effort and cost of providing services and refine the unit's revenue pricing model
- Address its IT function and alignment with the unit's business model
- Create a new organizational focus on commercial activities to exploit the unit's infrastructure and enhance its revenue generating/fund raising value to the University
- Provide the University a return of about six to eight times the cost of the engagement.