

NC STATE

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June 22, 2007

MEMORANDUM

**TO: Jeffrey R. Davies
Chief of Staff
UNC General Administration**

**FROM: Charles D. Leffler 
Vice Chancellor for Finance and Business**

SUBJECT: PACE Report

NC State has embraced the PACE challenge to identify and improve inefficiencies across our campus. Initiatives described in the latest report are the result of a search for barriers to improvement and opportunities for reducing and avoiding costs. We continue a very deliberate process to identify and implement cost-saving measures that cut across multiple cross-functional units.

Our goal is for PACE to become NC State's way of doing business – an evolving refocusing of resources in the spirit of continuous improvement. Although we have grabbed some “low-hanging fruit” along the way, our belief is that enduring improvements in efficiency and effectiveness are the result of organizational and process changes. Most all of these initiatives directly or indirectly benefit core functions.

With our focus on lasting improvements in efficiency and effectiveness, we do not consider this a “final” report, but a progress report.

Please let me know if you have any questions concerning this report.

/am

Attachment

**cc: James L. Oblinger, Chancellor
James O. Smith, Associate Vice President for Finance
Marilyn Stieneke, NC State Finance and Business**

Campus: NC State University
 Contact: Marilyn Stieneke

Initiative No: 1
 Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Reorganization of IT Functions (PENDING RECOMMENDATIONS)

Initiative Description
 NC State currently distributes responsibility for IT across several central and a score of departmental and local entities with diverse reporting lines, staffing, and resources. A new position of CIO is being created to form an enterprise-level operation that will result in greater efficiency and effectiveness for the University. A task force has been charged with considering the range of current functions that would move to the CIO and defining broad concepts for the role.

Timeline to Implementation
 Target date for task force to complete its recommendations is July 1, 2007
 Target date for seating a new CIO is January, 2008
 Target date for evaluation of progress is January, 2009

Projected Cost Savings	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Savings			\$400-600K	\$670-885K	\$400-800K	\$400-800K
Investment		\$130K	\$325-475K	\$510-670K	\$300-400K	\$300-400K
Other Costs						
Net Savings		\$(130K)	\$75-125K	\$160-215K	\$100-200K	\$100-200K

Note: The scope of this initiative reflects the comprehensive role IT plays in the day-to-day research, academic, outreach, and administrative functions of the University. Cost savings will be realized by eliminating duplication across central, college, departmental unit, and administrative entities, and will be the result of yet-to-be-determined strategies and tactics. Therefore, current projections are constrained and represent a broad, conservative range supported primarily by preliminary work.

Projected Cost Avoidance (in addition to or in lieu of Savings)	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

What are the expected results and improvements?
 Transitioning to a CIO-led combined IT operation will establish a clear vision for IT to more efficiently and effectively support the research, teaching, outreach, and administrative missions of the University by leveraging resources and leading creative, productive, and effective change. Strategic partnerships and industry alliances will be established to support campus IT operations. Clear IT policies and procedures will be implemented for greater efficiency, effectiveness, and accountability.

What metrics are you using to measure the expected results and improvements?
 Because the creation of a CIO position represents a dramatic and symbolic departure from the past, the appropriate metrics for the first year review will center on progress rather than achievement. Once fully implemented for a period of time, the IT reorganization can be evaluated in terms of improved communication, reduction of duplicative systems and processes by the consolidation of services, and enhancement of system resiliency by the creation of continuity and disaster recovery plans for rapid response to unforeseen change, including chaotic disruptions. Partnerships will improve the ability to leverage resources.

What is the current status of the initiative?
 The task force is completing work, to be followed by a national search process for the CIO position. As the search gets underway, comprehensive data on current IT services, activities, infrastructure, staffing, and budgets will be assembled, widely shared among interested parties on campus, and set against data from other institutions. This will enable the search committee to provide relevant information to candidates and enable them to make informed decisions. Once seated the CIO will develop and refine strategic plans for IT progress, set priorities, and establish timelines for steps in the reorganization.

Who will be held accountable for implementation?
 Larry Nielsen, Provost; Charlie Leffler, Vice Chancellor for Finance and Business

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 2
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Review of Promotional and Public Relations Activities (DATA GATHERING PHASE)

Initiative Description

The lack of centralized resources for University-wide marketing communications and functional oversight for an emerging enterprise-level strategy and direction contributes to the lack of a singular image for NC State. The decentralized structure of professionals who have communications functions adds to the challenge of clearly defining the University's brand as efforts, tactics, and messages are fragmented. Eliminating duplication and improving coordination could yield significant improvements in efficiency and effectiveness.

Timeline to Implementation

July, 2007 - Task Force Charged
January, 2008 - Task Force Recommendations Complete
July, 2008 - Task Force Recommendations Implemented

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings			\$125-180K	\$165-200K	\$198-220K	\$238-250K
Investment						
Other Costs						
Net Savings	<u>\$ -</u>	<u>\$ -</u>	<u>\$125-180K</u>	<u>\$165-200K</u>	<u>\$198-220K</u>	<u>\$238-250K</u>

Note: The scope of this Initiative encompasses a large number of decentralized services throughout the University. Significant cost savings will be realized by eliminating duplication within a wide variety of marketing, public relations and associated activities. As the initiative is currently in the data gathering phase, current projections are constrained and represent a broad, conservative range supported primarily by preliminary work.

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

What are the expected results and improvements?

Reorganization of some units would result in improved coordination and/or centralization, oversight, brand management, enforcement of graphics standards, and management of outside vendors and resources.

What metrics are you using to measure the expected results and improvements?

Results and improvements from this far-reaching initiative will be measured by the reduction of total costs for services including photography, graphic design, video production, website design and programming, writing, editing, printing, exhibit design, media relations, poster printing, CD and DVD creation, duplication, printing, advertising, and community relations. As the initiative is currently in its infancy stages, it is premature to project cost savings and cost avoidance.

What is the current status of the initiative?

Data is being gathered to inform decision-making regarding structure of task force.

Who will be held accountable for implementation?

Jim Oblinger, Chancellor; Charlie Leffler, Vice Chancellor for Finance and Business; Johnny Wynne, Dean, CALS

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 3
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Management of Utility Costs (START-UP PHASE)

Initiative Description

In order to offset the rising costs of purchased utilities as well as the shortfall in funding of the utility budget, this initiative will allow NC State to meet its long-term goal of reducing energy consumption, adjusted by growth, by 20% (4% in the first ten years).

Timeline to implementation

This is a ten-year program of generating savings and reinvesting a portion of those savings the next year to generate subsequent year savings and cost avoidance to help avoid a deficit in the utility budget.

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$850,000	\$1,020,000	\$ 1,224,000	\$1,472,000	\$1,040,000
Investment		250,000	300,000	360,000	432,000	520,000
Other Costs						
Net Savings	\$ -	\$600,000	\$ 720,000	\$ 864,000	\$1,040,000	\$ 520,000

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance		\$900,000	\$ 830,000	\$ 701,000	\$ 528,000	\$1,040,000
Investment		250,000	300,000	360,000	432,000	520,000
Other Costs						
Net Cost Avoidance	\$ -	\$650,000	\$ 530,000	\$ 341,000	\$ 96,000	\$ 520,000

What are the expected results and improvements?

NC State will achieve greater energy independence, reduce its carbon footprint, and create savings that can be reinvested into further energy savings measures and offset rising energy costs currently manifest as a budget shortfall in the utility line.

What metrics are you using to measure the expected results and improvements?

The key metric will be BTUs and gallons of water consumed per square foot.

What is the current status of the initiative?

The initial investments to kick-start this effort are included in the proposed Compact Plan advanced by the NC State Office of Finance and Business for the fiscal year starting July 1, 2007. There will be a six-month start-up period upon the authorization of funds.

Who will be held accountable for implementation?

Jack Colby, Assistant Vice Chancellor for Facilities Operations

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 4
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Simplification of Procurement (IMPLEMENTATION OF AUTOMATION PHASE)

Initiative Description

In addition to and in conjunction with strategies that the UNC system can pursue on our behalf (e. g., raising purchasing limit), the University will simplify procurement by changing practices to encourage the use of P-cards for purchases of reimbursable items. The University will also be implementing an online shopping cart approach to purchases and an e-procurement program.

Timeline to Implementation

Eprocurement system implemented by June 30, 2008. Negotiations with vendors to achieve lower prices will be ongoing.

Projected Cost Savings

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings	\$509,624	\$700,000	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000
Investment (out of pocket)	189,736	189,736	189,736	189,736	189,736	189,736
Other Costs						
Net Savings	<u>\$ 319,888</u>	<u>\$ 510,264</u>	<u>\$ 810,264</u>	<u>\$ 1,310,264</u>	<u>\$ 1,810,264</u>	<u>\$ 2,310,264</u>

Note: Savings are a combination of rebates, negotiated discounts, and campus processing cost savings.

Projected Cost Avoidance

(in addition to or in lieu of Savings)

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

What are the expected results and improvements?

Changes the Purchasing Department's approach from that of a "processing" department to a "strategic" one, focusing less on processing and more on negotiating lower prices with vendors. Simplified campus purchasing process making most purchases available through online purchasing. Improvement in the Purchasing Department's ability to negotiate favorable contracts by accumulating detailed information resulting in substantial savings for all fund sources.

What metrics are you using to measure the expected results and improvements?

Metrics will include negotiated discounts, lower processing costs, increased P-card rebates, and campus satisfaction with the new processes.

What is the current status of the initiative?

The University has developed an online interface with 13 vendors as an initial implementation of eprocurement. The Oracle eprocurement system which provides shopping card capabilities to the campus is on schedule for a spring 2008 implementation.

Who will be held accountable for implementation?

Ernie Murphrey, Associate Vice Chancellor for Financial Services

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 5
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Reorganization of Summer School and Non-Degree Credit Programs (COMPLETE)

Initiative Description

Multiple offices provide these services to students: DUAP, Graduate School, CPSS, EMAS, DELTA, R&R, and colleges. In some cases, the responsible office is determined according to the status of the student (undergraduate/graduate, degree-seeking or not, on-campus or DE, various colleges). This initiative will determine which services could be consolidated for improved effectiveness and efficiency.

Timeline to Implementation

An estimated completion date of May 1, 2007 was set for the work of the task force and a target date of August 2007 for beginning the implementation of their recommendations. It is anticipated that adjustments will be needed as this reorganization proceeds. Completion could take another two years.

Projected Cost Savings

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$400,000				
Investment						
Other Costs						
Net Savings	\$ -	\$400,000	\$ -	\$ -	\$ -	\$ -

Projected Cost Avoidance

(in addition to or in lieu of Savings)

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

What are the expected results and improvements?

All of the colleges will be impacted by this initiative as well as the Graduate School, Enrollment Management and Services, and Undergraduate Admissions Programs. Merging management of summer session course offerings into colleges will provide a more integrated academic program. Decision-making will be done with knowledge of the complete academic program rather than in two separate entities (academic year vs. summer session, for example).

What metrics are you using to measure the expected results and improvements?

(1) summer sessions revenues available to be distributed to the colleges; (2) number of students attending summer sessions; (3) diversity of courses offered in summer sessions; (4) number of instructors offering summer session courses

What is the current status of the initiative?

The task force has concluded its work and will present its report and findings to Provost Nielsen on June 28, 2007. The current Credit Programs & Summer Sessions offices will close August 2007 and this function will move entirely to Enrollment Management & Services. There will be a phased implementation of the task force recommendations that is anticipated to take place over the next two years.

Who will be held accountable for implementation?

Larry Nielsen, Provost

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 6
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Realignment of McKimmon Center Support (COMPLETE)

Initiative Description

Approximately \$390,000 of permanent state appropriations represent continuing support for McKimmon Center Programs that can be paid with user fees. As an entity that is largely supported by fees, these funds should be reallocated to core areas that are appropriated.

Timeline to Implementation

Completion expected July 1, 2007. Changes in gudgetary support for the McKimmon Center will begin in FY-08 and FY-09.

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$390,000				
Investment						
Other Costs						
Net Savings	\$ -	\$390,000	\$ -	\$ -	\$ -	\$ -

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

What are the expected results and improvements?

Quality improvements in core functions will be enabled through reallocated funding for target programs administered by the Provost's Office and Extension, Engagement, and Economic Development.
McKimmon Center fees may have to be increased to replace these retracted funds.

What metrics are you using to measure the expected results and improvements?

\$190,000 of the expected funds will be reallocated through the compact plan process now in progress. Plans at this time are not to track this amount specifically, but have this amount increase the funding available to meet the 2007-2008 academic requests from the colleges. The remaining \$200,000 will be used to support extension and outreach programs through the Office of Extension, Engagement and Economic Development.

What is the current status of the Initiative?

Budget office and Provost office staff are poised to make these changes effective July 1, 2007.

Who will be held accountable for implementation?

Larry Nielsen, Provost; Jim Zuiches, Vice Chancellor for Extension, Engagement, and Economic Development

Campus: NC State University
 Contact: Marilyn Stieneke

Initiative No: 7
 Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Review of Personnel Functions (DATA GATHERING PHASE)

Initiative Description
 Due to the complex & decentralized nature of the land-grant university, with personnel paid from sources beyond typical State appropriations for instructional activities and support - sources such as Cooperative Extension Service, Agricultural Research Service, Industrial Extension Service, federal grants, and other sponsored projects - a broadbased review is being conducted to consider whether reconfiguration of existing resources could result in more efficient and effective HR administration across campus.

Timeline to Implementation
 Summer 2007: Review Committee constituted
 Fall 2007: Review conducted
 Spring 2008: Report & recommendations due from Committee
 Summer 2008: Go / No-Go decisions by NCSU senior leadership on recommendations
 FY 2008-10: Implementation of action items

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings						
Investment						
Other Costs						
Net Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance				\$250,000	\$500,000	\$750,000
Investment			500,000			
Other Costs						
Net Cost Avoidance	\$ -	\$ -	\$ (500,000)	\$250,000	\$500,000	\$750,000

What are the expected results and improvements?
 5% reduction in portion of overall NCSU budget dedicated to distributed HR activities, e.g., from 1.72% of total budget to 1.67%
 10% improvement in accuracy, completeness, and quality of HR data entered into HR System.
 25% improvement in quality of data for institutional reporting purposes.

What metrics are you using to measure the expected results and improvements?
 Institutional dollars dedicated to HR-related activities, using initial PACE data as benchmark.
 Number of HR/Payroll transactions requiring correction or rework
 Number of staff hours spent on data clean-up required for institutional reporting purposes such as IPEDS

What is the current status of the initiative?
 Committee membership has been proposed, but this initiative is in its early stages and has not been formally constituted or commenced work.

Who will be held accountable for implementation?
 Barbara Carroll, Associate Vice Chancellor for Human Resources
 Katie Perry, Senior Vice Provost

Campus: NC State University
 Contact: Marilyn Stieneke

Initiative No: 8
 Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Outsourcing of Employment and Wage Information (COMPLETE)

Initiative Description
 As a "free" service to campus faculty and staff, Human Resources Information Management Dept (HRIM) responds to more than 1,800 requests per year to provide employer verification of employment and salaries for mortgage applications, car loans, apartment leases, credit requests, etc. Responding to this myriad of requests is routine, low-value-added work that provides little or no direct benefit to the institution, and the cost of this service is not paid for by its customers – neither the employee or the creditor/recipient of the verification. This initiative proposes to outsource this function.

Timeline to Implementation
 Summer 2007 Vendor agreement completed
 Fall 2008 Implementation and communication to campus

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings						
Investment						
Other Costs						
Net Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Investment		1,200	1,200	1,200	1,200	1,200
Other Costs						
Net Cost Avoidance	\$ -	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800

What are the expected results and improvements?
 40% reduction in number of employment verifications performed by HRIM in 2007-08; 75% reduction by 2008-09
 Low-value-added task will be reduced for HR personnel, allowing staff time to be redirected to other priority work demands.
 Employees will be able to have their employment and salary verified instantly using secure technology.

What metrics are you using to measure the expected results and improvements?
 Number of requests for employment verification performed by HRIM
 Employee customer service satisfaction comparable to current in-house process

What is the current status of the initiative?
 Vendor contract has been finalized; program implementation awaits HR System upgrade on July 24.

Who will be held accountable for implementation?
 Brian Simet, Director, HR Information Systems
 Barbara Carroll, Associate Vice Chancellor for Human Resources

Campus: NC State University
Contact: Marilyn Steneke

Initiative No: 9
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Consolidation of Annual Fund and Alumni Association Programs (DATA GATHERING PHASE)

Initiative Description

This initiative will combine the Annual Fund and Alumni Association call centers and expand the website to include direct solicitations.

Timeline to Implementation

3 years

Projected Cost Savings

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$120,000	\$123,000	\$125,000	\$131,000	\$138,000
Investment	70,000					
Other Costs		20,000	10,000			
Net Saving (to colleges)	<u>\$(70,000)</u>	<u>\$100,000</u>	<u>\$113,000</u>	<u>\$125,000</u>	<u>\$131,000</u>	<u>\$138,000</u>

Projected Cost Avoidance

(In addition to or in lieu of Savings)

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

What are the expected results and improvements?

Duplicative efforts will be reduced and gift processing will be streamlined. There will be decreased competition for donors during major fund drives. Cost savings will occur that will be returned to the colleges. A more consistent message will be sent to donors and alumni.

What metrics are you using to measure the expected results and improvements?

Increase in Annual Fund gifts with the goal of a 50% increase in the next five years
Increase in Annual Fund distribution to colleges

What is the current status of the initiative?

Data is being gathered to inform decision making pertaining to implementation.

Who will be held accountable for implementation?

Lennie Barton, Associate Vice Chancellor for Alumni Relations

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 10
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Transition to Voice-Over Data (DEPLOYMENT PHASE)

Initiative Description

A cross-functional group of campus representatives has determined that IP Telephony could exceed all functional requirements while providing a substantial cost savings to the University with a minimal trade-off in reliability during power outages. A transition to IPT also positions NC State to take advantage of emerging technologies in unified communications (the blending of electronic communications such as voice mail, email, fax, instant messaging, and voice communications).

Timeline to Implementation

Conversion of analog lines in approximately one campus building per week beginning June 2007 through October 2009
Investigation of cost-benefit of converting digital lines will occur in Spring 2009

Projected Cost Savings	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Savings						
Investment						
Other Costs						
Net Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

***Net investment of \$750,000 will yield annual savings of \$350,000 after four years.

Projected Cost Avoidance (in addition to or in lieu of Savings)	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Cost Avoidance		\$ 132,000	\$ 528,000	\$ 807,000	\$807,000	\$807,000
Investment		650,000	786,000	458,000	458,000	458,000
Other Costs						
Net Cost Avoidance	\$ -	\$(518,000)	\$(258,000)	\$ 349,000	\$349,000	\$349,000

What are the expected results and improvements?

Upgrading of campus buildings to support higher data rates for emerging applications, replacement of antiquated voice mail system, funding of wireless deployments crucial to academic units. Telecommunications throughout the entire campus will be enhanced by state-of-the-art voice mail, email, fax, instant messaging, and voice communications while minimizing rate increases to the campus.

What metrics are you using to measure the expected results and improvements?

The project is expected to run through Q2 FY2010. From October 2007 through January 2010, we will produce quarterly reports of implementation expenditures and Gross Cost Avoidance

What is the current status of the initiative?

The initiative is active. A pilot project has been completed and the campus-wide deployment started June 1, 2007.

Who will be held accountable for implementation?

Steve Keto, Associate Vice Chancellor for Resource Management and Information Systems
Greg Sparks, Director, Communication Technologies

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 11
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Consolidation of Academic Shop Space (DATA GATHERING PHASE)

Initiative Description

A committee has been appointed by the Provost to identify and describe all shop spaces on campus, with the goal of consolidating space where appropriate for greater efficiency and effectiveness. This committee comprises representatives from each college that maintains a shop. The College of Education is evaluating the possibility of consolidating the shop where future vocational agriculture teachers are taught with the College of Natural Resources Shop.

Timeline to Implementation

Initiate discussions in 2007-08 between the College of Natural Resources and the College of Education regarding the potential to share the CNR shop space. If appropriate, merge the teaching facilities in 2008-09.

Projected Cost Savings

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings			\$25-50K	\$75-100K	\$75-100K	\$75-100K
Investment						
Other Costs						
Net Savings	\$ -		\$25-50K	\$75-100K	\$75-100K	\$75-100K

Projected Cost Avoidance

(in addition to or in lieu of Savings)

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	\$ -		\$ -	\$ -	\$ -	\$ -

What are the expected results and improvements?

* The goal of this proposal is to provide for more effective space utilization and to reduce duplication of teaching equipment purchases and maintenance. Consolidating the shop where future vocational agriculture teachers are taught in the College of Education with the College of Natural Resources Shop where future furniture industry leaders are taught will free up space in the College of Education for other uses. Consolidated shop space will improve efficiency campus-wide.

What metrics are you using to measure the expected results and improvements?

Periodic review by the instructors of the two colleges on the efficacy and efficiency of sharing the space.
Review by College of Education of the gain in effectiveness of the repurposed space that is now their teaching shop.
Metric would be higher percentage hours of use of the CNR shop facility for teaching and for the repurposed space in CED and reduction in cost of equipment and maintenance across the 2 colleges.

What is the current status of the initiative?

The College of Natural Resources/Wood & Paper Science Department is currently pursuing a strategic plan for the shop space based on the needs of the Wood Products program; this will inform the decision-making process for this initiative and will provide the College of Education with a basis for determining if the CNR shop space will be suitable for their teaching needs.

Who will be held accountable for implementation?

Katie Perry, Senior Vice Provost
Robert Brown, Dean, College of Natural Resources

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 12
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Improvements In Financial Services Reporting (COMPLETE)

Initiative Description
With this initiative, the Financial Services Division eliminated a Contracts and Grants position by providing prefabricated online queries for various ad hoc reports to campus units. The responsibility for any ad hoc reports that could not be prefabricated was moved to the Systems Accounting Office, a department that has specific expertise in retrieving information from the various financial systems.

Timeline to Implementation
Complete

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$ 69,371	\$ 69,371	\$ 69,371	\$ 69,371	\$ 69,371
Investment						
Other Costs						
Net Savings	\$ -	\$ 69,371	\$ 69,371	\$ 69,371	\$ 69,371	\$ 69,371

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

What are the expected results and improvements?
Improved timeliness and ease of access to contracts and grants information for campus units and reallocation of cost savings to information technology support for integration, backup support, and responsiveness of administrative research systems, thus providing improved support faculty principal investigators in their research endeavors.

What metrics are you using to measure the expected results and improvements?
Metrics include the availability of the funding for reallocation and the completion of various information technology projects slated to improve and support the administrative research systems.

What is the current status of the initiative?
The savings have been achieved and reallocated to the information technology support. Currently in the hiring process for the position to provide the information technology support.

Who will be held accountable for implementation?
Ernie Murphrey, Associate Vice Chancellor for Financial Services

Campus: NC State University
 Contact: Marilyn Stieneke

Initiative No: 13
 Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Implementation of Online Class Evaluation (IMPLEMENTATION PHASE)

Initiative Description
 A new online centralized system for the evaluation of instruction is replacing the existing paper system in which every department administered its own evaluations. In the older system, each department distributed questions and bubble sheets, collected and corrected them, and sent them to one office for scanning, while another office created and distributed reports. This system was slow and produced some inaccurate data.

Timeline to Implementation
 Full implementation is expected by Spring semester 2008.

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings	\$3,200	\$9,650	\$9,650	\$9,650	\$9,650	\$9,650
Investment	\$47,444	\$99,900	\$99,900	\$99,900	\$99,900	\$99,900
Other Costs						
Net Savings	<u>\$(44,244)</u>	<u>\$ (90,250)</u>	<u>\$ (90,250)</u>	<u>\$ (90,250)</u>	<u>\$ (90,250)</u>	<u>\$ (90,250)</u>

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance	\$120,000	\$360,000	\$360,000	\$360,000	\$360,000	\$360,000
Investment	\$36,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Other Costs						
Net Cost Avoidance	<u>\$ 84,000</u>	<u>\$348,000</u>	<u>\$348,000</u>	<u>\$348,000</u>	<u>\$348,000</u>	<u>\$348,000</u>

What are the expected results and improvements?
 The new system will be faster, more accurate, and will relieve staff in all departments from handling forms. The university will then be able to analyze an institution-wide dataset to identify factors related to excellence in teaching.

What metrics are you using to measure the expected results and improvements?
 Colleges will be asked to assess staff time saved and an average salary value can then be used to put a dollar value on the time. This will not, however, result in a savings per se, but staff time will be made available for other tasks. Scanner time and the maintenance of expensive scanner equipment can be estimated. The equipment will still be used though, so this cost will not be eliminated. Quality of the data produced, e.g., reduction in missing data due to human error. Increased quality data should be subsequently provide better information/feedback to teachers to assist them in improving their teaching.

What is the current status of the initiative?
 This initiative is in progress. The online system was operational for the Spring 2007 semester. Fine tuning and minor adjustments are being addressed.

Who will be held accountable for implementation?
 Larry Nielsen, Provost
 Karen Helm, Director, University Planning and Analysis

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 14
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Co-location of Extension, Engagement, and Economic Development Offices (IMPLEMENTATION PHASE)

Initiative Description

This initiative brings together two different extension services: Industrial Extension Service (IES) and Cooperative Extension Service (CES) at one location. IES currently has four offices co-located with offices of the CES (Cumberland, Wake, Haywood, and Surry).

Timeline to Implementation

June, 2007 - Cumberland, Wake, Haywood, and Surry counties co-located

December, 2007 - Offices in two additional counties will be co-located

Projected Cost Savings

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings	24,930	\$ 34,530	\$ 34,530	\$ 34,530	\$ 34,530	\$ 34,530
Investment						
Other Costs						
Net Savings	<u>\$ 24,930</u>	<u>\$ 34,530</u>	<u>\$ 34,530</u>	<u>\$ 34,530</u>	<u>\$ 34,530</u>	<u>\$ 34,530</u>

Projected Cost Avoidance

(in addition to or in lieu of Savings)

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

What are the expected results and improvements?

This co-location is resulting in excellent cooperation and a source of pride in the communities. Although the target clients differ between IES and CES, services are similar. They both bring the best practices and methods from the University to their respective clients. Increased efficiency in the use of office space will result in lower operating costs and coordination or consolidation of administrative tasks that take away from core functions.

What metrics are you using to measure the expected results and improvements?

Cost efficiency, economy of scale, public support, common sense.

What is the current status of the initiative?

In June 2007, Four counties host co-location between Cooperative Extension Service and Industrial Extension Service. By December 2007, plans are to site two additional locations where CES and IES are jointly located.

Who will be held accountable for implementation?

Jim Zuiches, Vice Chancellor for Extension, Engagement, and Economic Development (EEED)

Jon Ort, Assistant Vice Chancellor, EEED

Terri Helminger Ratcliff, Assistant Vice Chancellor, EEED

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 15
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Implementation of Full Payroll Direct Deposit (COMPLETE)

Initiative Description
Based on an analysis of associated costs during a 12-month period, NC State implemented mandatory direct deposit of pay for all employees, including not only fulltime faculty & staff, but also all grad assistants, student workers and temps.

Timeline to Implementation
Implemented for all employee groups effective October 1, 2006.

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Investment						
Other Costs						
Net Savings	\$ -	\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Investment						
Other Costs						
Net Cost Avoidance	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000

What are the expected results and improvements?

Cost savings: 50% reduction in direct payroll-related banking transaction charges.
Efficiency improvement: 25% reduction in manual checks issued in 2007-08. 50% reduction by 2009-10
Efficiency improvement: 25% reduction in replacement checks in 2007-08; 80% reduction by 2009-10
Cost avoidance: Reduced staff time across both central (Payroll/Accounting/Benefits) & campus department offices handling emergency paper check requests and lost paper check replacement requests

What metrics are you using to measure the expected results and improvements?

Actual bank charges
Number of manual checks issued; number of replacement checks issued
Estimate of staff time/effort in central & departmental offices that can be avoided & redirected to higher-value work

What is the current status of the initiative?

Implemented Oct 1, 2006. Early months post-implementation required clean-up of current employees not already on direct deposit.
Results to date: 30% reduction in total number manual checks from 05-06 to same period in 06-07
35% reduction in total number of replacement checks issues from 05-06 to same period in 06-07 (both despite a 12% increase in total # of payroll transactions from 05-06 to 06-07)

Who will be held accountable for implementation?

Barbara Carroll, Associate Vice Chancellor for Human Resources
Franki Senter, Director, Payroll Department

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 16
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Support for Implementation of Student Information System (IMPLEMENTATION PHASE)

Initiative Description

A new, enterprise-level Student Information System (SIS) is being implemented which will exist in an integrated database environment with the HR system and utilize the same technology. Identified peripheral & legacy systems will be decommissioned & the resources previously required to support those systems will be re-deployed toward the support of essential priorities. Student, faculty, and staff services will be integrated into a web-based portal with online services relating to research, professional development, human resources, financial management, class registration, grades, etc.

Timeline to Implementation

Models will be implemented in a phased approach beginning in September 2007 and extending into March 2009.

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$ 3,750	\$ 3,750	\$ 3,750	\$ 29,250	\$634,250
Investment						
Other Costs						
Net Savings	\$ -	\$ 3,750	\$ 3,750	\$ 3,750	\$ 29,250	\$634,250

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

What are the expected results and improvements?

The reallocation of continuing resources within administrative computing to defray SIS costs is eliminating the need for the Provost's Office to allocate \$300,000 from core activities to the enabling SIS project, freeing those funds for allocation to core programs. SIS will eliminate the need for peripheral systems in use today including those used for managing student financials, financial aid, and admissions. After this implementation, only one major administrative system will reside on a legacy platform, paving the way for the eventual retirement of the legacy platform and associated costs.

The new system will use a combined database to store data for the various system modules, and will integrate all administrative student data and processes into a unified system that performs updates on a real-time basis. The system will provide the level of oversight and control necessary to ensure that all faculty and staff are working toward the same core mission. It will also provide more flexibility in meeting student needs, improve customer service for students and faculty, provide for easier implementation of new technologies to support the academic core, and allow for more accurate and efficient reporting of data.

What metrics are you using to measure the expected results and improvements?

Process improvements will be measured by the closure of gaps identified in the current systems roadmap. Other metrics will include reduction in paper forms and expanded online service access, faster and easier report availability, real-time updates between various modules, and a shift from manual to electronic approval processes. These efficiencies allow faculty and administrators to devote more time to core functions.

What is the current status of the initiative?

This initiative is currently active with the first phase scheduled for implementation in fall 2007.

Who will be held accountable for implementation?

Steve Keto, Associate Vice Chancellor for Resource Management and Information Systems
Louis Hunt, Vice Provost for Enrollment Management; Rick Liston, Assistant Dean, Graduate School

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 17
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Transition to a Single Calendaring and E-mail Service (DATA GATHERING PHASE)

Initiative Description

The need for an integrated e-mail / calendaring system serving all students, faculty, and staff has been identified. The university is actively investigating three alternatives for providing this service to the campus: 1) GroupWise Suite from Novell; 2) an open source email system (Cyrus) combined with a proprietary calendaring system (Oracle); and 3) an outsourced solution, such as those provided by Google or Microsoft either for all students, faculty, and staff or only for students using GroupWise for faculty and staff. Therefore, the only savings that can be projected at this time is elimination of those costs currently incurred by several of the colleges in providing email services to their faculty and staff. Any college savings from this initiative would be available for reinvestment by the respective college in providing core academic support.

Timeline to Implementation

Implementation proposals submitted June 15, 2007

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings			\$125,000	\$275,000	\$275,000	\$275,000
Investment						
Other Costs						
Net Savings	<u>\$ -</u>	<u>\$ -</u>	<u>\$125,000</u>	<u>\$275,000</u>	<u>\$275,000</u>	<u>\$275,000</u>

Projected Cost Avoidance (In addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

What are the expected results and improvements?

Elimination of costs in the colleges that are currently dedicated to operating and maintaining independent email and calendaring systems. The primary operational benefit will be in having a single calendaring system for all faculty and staff.

What metrics are you using to measure the expected results and improvements?

Successful operational implementation, sub-second response time on transactions, and 99.5% "up" time of the systems

What is the current status of the initiative?

A review of implementation proposals is currently underway.

Who will be held accountable for implementation?

Steve Keto, Associate Vice Chancellor for Resource Management and Information Systems
Sam Averitt, Vice Provost for Information Technology

Campus: NC State University
 Contact: Marilyn Stieneke

Initiative No: 18
 Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Virtual Computing Laboratory (IMPLEMENTATION PHASE)

Initiative Description
 An innovative cyberinfrastructure is necessary to efficiently and effectively use technology to enhance higher education in STEM disciplines at NC State and elsewhere. The Virtual Computing Lab (VCL) is a new cyberinfrastructure component that meets these information technology access and service requirements and represents a radical shift in how IT resources are deployed and managed. As just one example of this shift, the VCL model is far more flexible, powerful and economical than the current student computing lab model. This Initiative will deploy the VCL to all NC State distance education and traditional students at the same level of service now offered to the College of Engineering students.

Timeline to Implementation
 Six years, estimated: The current best conservative estimate is that the VCL will have a linear growth rate at NC State, with the addition of 100 blade computers to the infrastructure per year.

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings						
Investment						
Other Costs						
Net Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance	\$318,000	\$573,000	\$828,000	\$1,083,000	\$1,338,000	\$1,583,000
Investment						
Other Costs						
Net Cost Avoidance	\$318,000	\$573,000	\$828,000	\$1,083,000	\$1,338,000	\$1,583,000

What are the expected results and improvements?
 It is expected that the VCL will enable NC State colleges to afford to provide all DE and on-campus students equitable, convenient, reliable, anytime access to the use of high-end software tools (GIS, SAS, AutoCad, MatLab, etc.), at no extra cost to the students, and significant savings over the current computing labs through a reduction in the cost per unit of service.

What metrics are you using to measure the expected results and improvements?
 The calculations are based on "counting seats" - the cost of providing virtual VCL "seats" versus the cost of physical computing labs seats (assuming the current physical lab model could be scaled to meet demand). In summary, the VCL does more for less. Calculated based on current deployment in the College of Engineering, the VCL costs \$40-70 less per student, compared to physical student computing labs. Economies increase as the VCL infrastructure is scaled up.

What is the current status of the initiative?
 In 2006-07, the VCL technology was deployed to serve about 8000 students and faculty in the College of Engineering and other courses on campus and for distance education. In the past year (June 6, 2006-June 6, 2007) there were 4762 unique users of the VCL and 63,892 reservations for use; the average session was about 1.5 hours. The VCL will be officially open to the whole NC State campus at the start of the fall 2007 semester, and a significant increase in use is expected.

Who will be held accountable for implementation?
 Sam Averitt, Vice Provost for Information Technology

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 19
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title

Reorganization of Cashiering and Application of Technology (COMPLETE)

Initiative Description

This initiative streamlined the controls over cash, checks, documentation, and deposit transactions processed by the Cashier's Section. One position (1.0 FTE) in the Cashier's office was eliminated by focusing on technological changes, process changes, and hiring focus. Implemented online signup for direct deposits of refunds. "Refocusing" of the Cashier Section and other improvements (see "Results and Improvements" below) has resulted in savings of 0.5 FTE.

Timeline to Implementation

Complete

Projected Cost Savings

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings		\$ 30,750	\$ 30,750	\$ 30,750	\$ 30,750	\$ 30,750
Investment						
Other Costs						
Net Savings	\$ -	\$ 30,750	\$ 30,750	\$ 30,750	\$ 30,750	\$ 30,750

Projected Cost Avoidance

(In addition to or in lieu of Savings)

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance						
Investment						
Other Costs						
Net Cost Avoidance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

What are the expected results and improvements?

Improved customer service, despite elimination of one position. Reduced information recorded on the logs and redesigned the document workflow and reconciliation process -while retaining superior control over the payment and depository items. Established a departmental deposit "expert," using a single cashier to specialize in departmental deposits rather than spreading among several cashiers. Hiring focus changed to hire those with customer service backgrounds.

What metrics are you using to measure the expected results and improvements?

Metrics include the availability of the funding for reallocation and surveys on customer service in the Cashier's Office. The Cashier's Office was awarded the student customer service award by Student Government for the 2006-2007 year, validating these improvements as well as others implemented by the Cashier.

What is the current status of the initiative?

The initiative is complete. The \$30,750 in continuing funding is available for reallocation at July 1, 2007 and the changes in departmental operations have been implemented.

Who will be held accountable for implementation?

Ernie Murphy, Associate Vice Chancellor for Financial Services

Campus: NC State University
Contact: Marilyn Stieneke

Initiative No: 20
Date: 15-Jun-07

Campus Pace Initiatives

Initiative Title
Campus Scanning Project (IMPLEMENTATION PHASE)

Initiative Description
Reduce processing time and eliminate paper in the accounts payable and travel reimbursement process. Implements decentralized scanning of all documents (including backup documentation) at the department level and transmission of the documents directly into the financial system via the internet and fax machines. Uses bar coding produced by the financial system to control the process.

Timeline to Implementation
Completion date of June 30, 2009 for complete implementation, basically a two year phase in to reach all segments of the campus and the County Extension Offices.

Projected Cost Savings	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Savings			\$ 20,000	\$ 35,000	\$ 35,000	\$ 35,000
Investment	30,000	20,000				
Other Costs						
Net Savings	<u>\$(30,000)</u>	<u>\$(20,000)</u>	<u>\$ 20,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>

Projected Cost Avoidance (In addition to or in lieu of Savings)	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Cost Avoidance		\$ 25,000	\$ 72,000	\$ 96,000	\$ 96,000	\$ 96,000
Investment						
Other Costs						
Net Cost Avoidance	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 72,000</u>	<u>\$ 96,000</u>	<u>\$ 96,000</u>	<u>\$ 96,000</u>

What are the expected results and improvements?
Reduced processing time for accounts payable and travel reimbursements. Reduced mailing costs, reduced paper, reduced requirements for archival space. The primary objective of this project is the automation of all aspects of financial transaction processing on the campus and elimination of the transmission of paper.

What metrics are you using to measure the expected results and improvements?
Measured by the completion of the implementation and cost figures calculated on the savings. While it is difficult to calculate all the savings from this type of automation, the impact is felt throughout the campus as more and more business processes can be quickly transacted via the web with fewer errors and less human intervention.

What is the current status of the initiative?
Programming has been completed for the first phase of the project, which involves using networked copy machines to scan the paperwork in campus locations with heavy transaction volumes. A pilot project in the University's Student Center is underway and the system appears to be working well.

Who will be held accountable for implementation?
Ernie Murphrey, Associate Vice Chancellor for Financial Services

Campus Pace Initiatives

Initiative Title

New Employee Orientation (NEO) through Online Interactive Media (DATA GATHERING PHASE)

Initiative Description

At present, the campus conducts an average of two live group NEO sessions every week. This requires staff time from a number of different University offices who are "content experts" on various topics of critical interest and importance, such as benefits, environmental health & safety, policies & procedures, and avoidance of discrimination & harassment. The material is important to new hires, but is largely repetitive. In addition, since the University employs individuals in all 100 counties + the Cherokee Nation in North Carolina, as well as 37 other states, and a number of foreign countries, NEO participation may be compromised, missed, or require travel by remotely embedded employees. A "virtual" NEO with enhanced interactive features has many potential advantages: Consistency of message to all new hires, documentation of content delivered; reduction in staff time to deliver; enhanced convenience and availability of access for new hires (including 24/7 and remote access); secure verification that required information has been received by the new employee; reduction in travel costs; increased ability to enforce mandatory participation; reduced staff time chasing down employees who have not yet attended NEO, etc.

Timeline to Implementation

FY 2007-08 Scoping project, securing vendor, drafting content, product development
 FY 2008-09 customer testing by Fall 2008; implementation by Spring 2009

Projected Cost Savings	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Savings						
Investment						
Other Costs						
Net Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Cost Avoidance (in addition to or in lieu of Savings)	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Gross Cost Avoidance			\$ 50,000	\$ 200,000	\$ 200,000	\$ 200,000
Investment		100,000	50,000			
Other Costs						
Net Cost Avoidance	\$ -	\$ (100,000)	\$ -	\$ 200,000	\$ 200,000	\$ 200,000

What are the expected results and improvements?

Significant reduction in staff time devoted to delivery of NEO
 Improved assurance of consistency of content delivered in NEO, and enhanced ability to document what was communicated
 Increased satisfaction by both new employees and hiring departments about ease and availability of program
 Increased overall participation by new employees

What metrics are you using to measure the expected results and improvements?

% of new hires who participate in NEO
 % of new hires who complete NEO within 15 days of hire
 # of staff hours per week required to conduct NEO sessions
 % of hiring dept officials who respond as satisfied or very satisfied with NEO process
 % of new hires who respond as satisfied or very satisfied with NEO experience

What is the current status of the initiative?

Initial benchmarking of existing comparison products has begun. Further development depends on initial investment commitment.

Who will be held accountable for implementation?

Kevin Rice, Director, HR Training & Development
 Yvette Griffin, Director, HR Benefits
 Barbara Carroll, Associate Vice Chancellor, Human Resources

Summary of Campus PACE Initiatives for NC State University

Initiative No.	Title of Initiative	Functional Area	Person Accountable for Implementation	Projected Completion Date	Expected Savings		Cost Avoidance		Status
					1st Year	Cumulative Out-years	1st Year	Cumulative Out-years	
1	Reorganization of I.T. Functions	Campus-Wide	Nielsen, Leffler	January 1, 2008	(\$130,000)	\$435-740K			Task Force is completing work
2	Review of P.R. Activities	Campus-Wide	Leffler, Wynne	January 1, 2008	\$125-180K	\$601-670K			Data gathering
3	Management of Utility Costs	Facilities Operations	Colby	> 10 years	\$600,000	\$3,144,000	\$650,000	\$1,487,000	6-mo. start-up upon authorization of funds
4	Simplification of Procurement	Financial Services	Murphrey	June 30, 2008	\$319,888	\$6,751,320	\$0	\$0	Interface in place for initial implementation
5	Reorganization of Summer School	Provost's Office	Nielsen	August 1, 2007	\$400,000	\$0	\$0	\$0	Implementation to be phased beg. Aug. 07
6	Realignment of McKimmon Support	Provost's Office	Nielsen, Zuiches	July 1, 2007	\$390,000	\$0	\$0	\$0	Complete
7	Review of Personnel Functions	Human Resources	Carroll, Perry	July 1, 2008			(\$500,000)	\$1,500,000	Data gathering
8	Outsourcing of Emp./Wage Info	Human Resources	Carroll, Simet	Fall, 2008			\$8,800	\$35,200	Complete
9	Consolidation of Annual Fund	Alumni Relations	Barton	July 1, 2010	(\$70,000)	\$607,000			Data gathering
10	Transition to Voice-Over Data	RMIS	Keto, Sparks	October, 2009			(\$518,000)	\$789,000	Implementation in progress
11	Consolidation of Shop Space	Provost's Office	Perry, Brown	2008-2009	\$25-50K	\$225-300K			Data gathering - Strategic planning
12	Financial Services Reporting	Financial Services	Murphrey	Completed	\$69,371	\$277,484			Complete
13	Online Class Evaluation	Provost's Office	Nielsen, Helm	Spring, 2008	(\$44,244)	(\$451,250)	\$84,000	\$1,740,000	Operational in Spring 2007 - Fine tuning
14	Co-location of CES & IES Offices	EEED	Zuiches, Ratliff	December, 2007	\$24,930	\$172,650			4 counties complete - plans for 2 more
15	Full Payroll Direct Deposit	Human Resources	Carroll, Senter	Completed	\$20,000	\$120,000	\$20,000	\$80,000	Complete
16	Student Information System	RMIS	Keto, Hunt, Liston	March, 2009	\$3,750	\$671,000			1st phase to be implemented Fall, 07
17	Single Calendaring & E-Mail	RMIS & ITD	Keto, Averitt	July 1, 2009	\$125,000	\$825,000			Data gathering
18	Virtual Computing Laboratory	ITD	Averitt	July 1, 2013			\$318,000	\$5,405,000	Open to full campus Fall, 2007
19	Reorganization of Cashiering	Financial Services	Murphrey	July 1, 2007	\$30,750	\$123,000			Complete
20	Campus Scanning Projects	Financial Services	Murphrey	June 30, 2009	(\$30,000)	\$105,000			1st phase complete - Pilot underway
21	Online New Employee Orientation	Human Resources	Rice, Griffin	Spring, 2009			(\$100,000)	\$600,000	Initial benchmarking has begun

