Shared Services Optimization Teams Charge

To review current services or activities and determine if there are efficiencies and any associated cost saving by sharing these services without sacrificing quality. Additionally, review current shared services and determine if those shared services can be expanded. Finally, to review processes or ideas within or outside of your area that may result in potential cost savings.

Guiding Principles

- Overall goal is to have at least $20 million in cost savings
- Increase efficiencies without sacrificing quality
- All stakeholders must be identified
- Stakeholders must have an opportunity for input
**Objective:** Investigate the opportunities to create a more efficient and effective organizational structure within the MarCom functions of Texas A&M University and the Texas A&M System organization. The organizational goal is an annual saving of $20mm.

**Strategy:** Create a team of practice area experts to investigate their specific disciplines, to include –

1. Communications/Public Relations – Jason Cook (TAMU)
2. Art Services/Production – Terri Parker (TTI)
3. Publications – Rod Davis (TAMUS)
4. Web/Internet – John Chivvis (TAMU)
5. Social Media – Diane McDonald (TAMU)
6. Trademarks/Licensing – Shane Hinckley (TAMU)

Each of these individuals will meet with stakeholders from their respective areas during this process to identify opportunities for shared service efficiencies and the relative $$$ benefit to the organization.

**Tactics:** Identify a common approach to evaluation which highlights the specific assignments within the discipline (best practice), the current costs (hardware and software) and the potential for common application of similar activity.

**Deadline:** August 14th draft report due to the BOR (a common format will be furnished by the Chancellor’s office).

**Background Information:**

Shared Services refers to the provision of a service by one part of an organization or group where that service had previously been found in more than one part of the organization or group. Thus, the funding and resourcing of the service is shared and the providing department effectively becomes an internal service provider. The key is the idea of ‘sharing’ within an organization or group.

One purpose of shared services is the convergence and streamlining of an organization’s functions to ensure that they deliver to the organization the services required of them as effectively and efficiently as possible. In establishing and running a shared service, **benchmarking** and **measurement** is a necessity. Benchmarking is the comparison of the service provision usually against best in class. The measurement occurs using agreed key performance indicators (KPIs). Although the amount of KPIs chosen differs greatly it is generally accepted that fewer than 10 carefully chosen KPIs will deliver the best results.
From: Cook, Jason [mailto:jason.cook@tamu.edu]  
Sent: Friday, July 10, 2009 9:56 AM  
To: Moore, Steve; Davis, Rod; Parker, Terri; Hinckley, Shane; Chivvis, John; McDonald, Diane; Strawser, Robert H  
Cc: Fairhurst, Stephanie  
Subject: Shared Services Update

All – Below is a brief summary of the Shared Services Team Leader meeting on Wednesday, which I attended on Steve Moore’s behalf for Marketing and Communications. I have also attached the talking points I used as part of our report to the group. Due to the Board of Regents meeting, there will not be a Team Leader meeting next week. Please let me know if you have any questions, and have a great weekend.

- Texas is already projecting a statewide $3.5B revenue shortfall for FY10 – and the fiscal year has not started yet. This does not bode well for the next legislative session in two years.

- Greg Anderson was able to obtain a 1998 report from the UT System that examined cost savings. UTS was able to identify $140M in actual savings, and another $147M in cost avoidance. Some major cost-savings areas identified in the report were shared office printers, master office supply vendor, use of MD Anderson for all purchasing, and the outsourcing of building cleaning system-wide. A&M System officials are trying to obtain a more recent copy of the report, which may be produced on a regular basis.

- The Shared Services website is now live at: http://www.tamus.edu/sharedservices/. There was one addition to the IT team this week. The members should now be final.

- Attached are two templates that are available for your reports. At the end of this effort, however, the information from both of these templates will be combined into another format.

- Frank Ashley will give a brief report to the Regents next week as part of their regularly scheduled meeting. His report will be very high-level and will applaud several areas across the System and University in which Shared Services are already in place.

- Frank also gave a couple of points that might be useful in guiding our thoughts:  
  - Look at processes, duplications and standardization opportunities.
  - If an outside consultant were called in, would he/she come up with the same recommendations?

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Shared Services Update – July 8, 2009

- Hosted second meeting last Thursday, July 2. Welcomed Dr. Bob Strawser to the committee – great resource given his involvement of the rebranding of Mays Business School and campus-wide communications audit back in 2003.

- Proceeding with identifying “best practices” – or where specific expertise lies within the university and system.
  - Good progress in the areas of social media, web, licensing and marketing.
  - Communications a little more complex, given that it’s quite broad – ranges from development to media relations.
  - Analyzing outsourcing as it relates to graphic design, video, photography and printing.
  - There is not much overlap between MarComm and SysComm – different missions and audiences – except for possibly video and graphic design

- Opportunities exist for “cost avoidance” campus- and system-wide through strategic sourcing:
  - E-mail marketing
  - Photography and music licensing agreements
  - Media management systems
  - Branding initiatives

- Other discussions as they relate to:
  - Transitioning print publications to online as a cost-savings
  - Relationship with admissions
  - Distinct functions of marketing and communications
  - Master contracts for pouring rights and on-campus book retailers

- Next steps:
  - Each subject-matter expert continuing to work on specific reports
  - Weekly progress meetings
  - Wrap up individual efforts end of July, then begin compiling report for submission
Recommendation:

Current Mode of Operation:

Strength of recommendation:

Weakness of recommendation:
(Include unintentional consequences)

Preliminary cost savings/cost avoidance estimate:$_____________________
(Provide a brief description of savings/avoidance—categories of savings or calculation)

Timeline Targets:
Review/Research Completion: _______________________
Updated Cost Savings Estimate: _______________________
Implementation: _______________________