

To: President Gamble
Business Process Review Oversight Committee

From: BPR Reappointment
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MSU Business Process Review Business Case:

Reappointment - Recommendations

The Reappointment Team requests approval for the following recommendations:

Board of Regents

Implement Salary Planner (IT enhancement) on the Billings, Great Falls and Havre campuses

Letter of Appointment

Streamline processing steps on the Billings, Bozeman and Havre campuses.

Classified

Create Banner July 1 job card for classified employees on Billings, Great Falls and Havre campuses.

The Reappointment Team recommends implementing an IT enhancement (Salary Planner) on the Billings, Great Falls, and Havre campuses for the Board of Regents employee reappointment process. The Team also recommends a streamlining of processing steps for the Letter of Appointment process on the Bozeman, Billings and Havre campuses. Additionally, a minor change to the Classified process is also recommended. The recommendations provide \$53,201 overall in cost savings.

Reappointment – Executive Summary

Reappointment is continuing employment for faculty, professional, and classified employees of Montana State University. Reappointment is a yearly process, typically beginning early spring and concluding late summer.

The BPR review focused on the VP A&F processes specific to contract renewal on all four campuses. The Bozeman contract renewal process is decentralized and highly fragmented. The smaller campuses' – Billings, Great Falls, and MSU-N – renewal process is centralized and much smaller in volume.

The Reappointment process volume is essentially known and typically reviewed during the yearly budgeting process. The Reappointment business cycle is unique to many other business cycles on campus, occurring only once a year. Unless MSU experiences significant changes in employee demographics, the reappointment process is essentially a time-defined process with a fixed number of inputs each year.

Current Reappointments costs total \$78,669 per year on all four campuses, a very small percentage of the overall yearly payroll costs. (Bozeman yearly costs total \$51,313, <.001% of MSU yearly costs, 2006 MSU Compensation & Benefits \$155 million).

Recommended reappointment costs total \$66,890. Most importantly, reappointment recommendations provide a single process on all four campuses, increased data accuracy and integrity and increased customer satisfaction.

Introduction

MSU Business Process Review

The four (4) campuses of MSU were invited to participate in a business process review of all administrative and financial business processes across campuses.

There were several strategic objectives:

- develop a single process to be used by the 4 campuses,
- have a consistent set of definitions for all data elements, and
- improve institutional and system efficiencies and effectiveness.

Each of the processes will be:

- Redesigned,
- Modified, or
- Remain unchanged

Each process will have a business case and cost benefit analysis to support the final recommendations.

The investigation and development phases (Phases I and II) occurred during 2006. Implementation of approved recommendations will occur during 2006 and 2007 in alignment with business cycles and resources availability.

The Reappointment business cycle is a one-time yearly process beginning early spring thru late summer. Reappointment Phases I & II occurred February 2006 – current. Implementation will coincide with the FY2008 Reappointment Process.

Summary of Reappointment Processes to be Redesigned or Modified

Process Title	June 28th 2006 Recommendations
BOR - Prof & Fac	Redesign
Letter of Appointment	Redesign
Classified	Modify

Business Process Review Objectives

President Geoff Gamble's letter to the MSU campuses focused on 6 major desired outcomes of the BPR project:

1. A strategic effort to enhance all of the University's business processes that fall under the general umbrella of Administration and Finance operations.
2. Establish a University wide information system based upon a set of common, standardized data elements and business processes used by all campuses and agencies.
3. The BPR teams will review all processes and develop a standardized design for all data elements and business processes; which will be selected for President Gamble's final approval.
4. The BPR outcomes will be a visible example of a more operationally consistent Montana State University.
5. MSU will enjoy a higher level of efficiency and effectiveness throughout our administrative operations and information systems
6. MSU's commitment to the Board of Regents in support of their Strategic Goal III – Improving institutional and system efficiency and effectiveness.

These 6 major strategies can be translated into 6 subordinate strategies or tactics that can be identified and measured for many of the individual processes to demonstrate achievement and accountability:

- Improved institutional and systems efficiencies and effectiveness;
 - Single process across 4 campuses,
 - Data consistency,
 - Quality process,
 - High level of customer service, and
 - Timeliness of product or service delivery.
- Reduction of paper based transactions.
- Improved records management.
- Improved technical functionality.
- Development of Business Continuity Plan.
- Implementation of Front Office/Back Office concept

Reappointment Process Objectives – in addition & specific to scope

- Continuation of Employment
- Contract/Legal Requirements
- Compliance – state & federal law and university policy
- Reporting

Scope of This Case

As proposed by President Gamble, the BPR project will review all administrative and financial processes across all four MSU campuses.

During 2006 BPR Teams collected and analyzed data as part of the assessment and recommendation periods, being Phase I and II respectively. Implementation will occur during 2007.

The Reappointment Team was tasked with contract renewal or rehiring of MSU employees. The Team's scope included all faculty, professional and classified employees on all four MSU campuses. Reappointment is a yearly process, typically beginning early spring and concluding late summer.

Classified employees are hired indefinitely and are only 'Reappointed' as a business or technical reason. (The Classified employee Banner Job Record is updated yearly with a current effective date – Bozeman).

Temp/Part-time employees and Students are Rehired vs. Reappointed. The department is responsible for the hiring and rehiring of these employees. The internal business reappointment process steps are similar for all employee types and any streamlining of Reappointment employees will benefit the Rehired employee process.

The BPR Reappointment Team collected and analyzed reappointment specific data on all four MSU campuses at 3 levels – high, refined/as is, and recommended.

The Team also worked in conjunction with the Bozeman HR/P&PS Staff to incorporate the current IT enhancement efforts (i.e., Salary Planner) on the Bozeman campus into the overall BPR review.

The BPR review focused on the VP A&F processes specific to contract renewal on all four campuses. The Bozeman contract renewal process is decentralized and highly fragmented. The smaller campuses' – Billings, Great Falls, and MSU-N – renewal process is centralized and much smaller in volume.

Reappointment process volume is known, typically reviewed during the yearly budgeting process, prior to the reappointment process. Unless MSU experiences significant changes in employee demographics, the reappointment process is essentially a time-defined process with a fixed number of inputs each year.

Business Process Review Business Case Purpose

This business case is to provide an overall project perspective and high level recommendations to the Oversight Committee, and in turn, President Gamble to seek approval for Phase II recommendations, and development and approval of Phase II implementation plans and timeframes.

The Reappointment Team was tasked with reviewing the contract renewal process on each of the four campuses.

The Business case includes a review of the Board of Regents contract renewal process, the Letter of Appointment renewal process and the Classified Banner record update. The case incorporates salary data, processing costs and a physical representation of each process – high level, as is/refined and recommended.

The analysis and data is intended to be used by the BPR Reappointment Implementation Manager, those staff on each of the four campuses responsible for reappointment and any additional resource staff.

The Reappointment Team will be available as a resource for the Implementation Manager as needed.

Background

At a very high level, the background to the MSU Business Process review is based on:

- a commitment by President Gamble to the Board of Regents to improve the institutional and system efficiency and effectiveness of MSU, and
- addressing issues that were identified by the Pappas Consultants being:
 - decision-making lacks a system wide perspective,
 - inefficient business processes,
 - suboptimal use of technology, and
 - operational information, expertise and best practices are not systematically identified and shared across MSU Administration and Finance organizations

Historically, Reappointment has been a paper-based process and completed at the end of the yearly budgeting process. In general, the reappointment process works well, especially on the smaller campuses. Inconsistencies and inaccuracies from year to year and a large volume (Bozeman campus) necessitated the need for IT enhancements and streamlining prior to the initiation of the BPR review.

MSU-Bozeman began using one aspect of Salary Planner in late April 2006 for the reappointment of Faculty, Professional and Administrators for FY2007.

A customer survey and focus groups completed during BPR Reappointment Phase I identified Reappointment as 'very important' to customers and in general, the current process worked well on the smaller campuses due to small employee demographic and centralized systems.

It is the goal of MSU-Bozeman's Budget Office and Personnel and Payroll Services Department to test and fully implement this functionality for the FY2008 budget/reappointment cycle as their process is decentralized throughout the departments and agencies. Knowledge gained through testing and implementation, as well as training, will be shared with all campuses so they can evaluate the benefit to their campuses' centralized budget/reappointment process. Initial feedback has been positive and interest exists on all campuses. The Reappointment Team is formally recommending the use of Salary Planner on the smaller campuses.

Salary Planner is a Banner delivered web application that allows designated administrative personnel such as Department Heads and Departmental Accountants to evaluate, plan and create budgets for any fiscal year. Salary Planner harnesses the existing functionality of Spreadsheet Budgeting and allows control over distribution and display of information across an enterprise. It is a mechanism to create, model, approve and apply position budgets for the fiscal year roll. It also allows for mass salary changes anytime during or prior to the fiscal year. It affords the central offices (Budget Office and HR Office) the ability to download as well as upload position budgets and job salary data into the HR module.

Problems and/or Opportunities Addressed by Business Process Review

Opportunities presented by BPR to address problems identified through the Pappas Review process include:

- Single process across 4 campuses to promote efficiency, succession planning, training, and improved ability to meet peak demands.
- Data consistency to improve the reliability of management reports both from an individual campus perspective and a comparative cross campus perspective.
- Quality process to improve quality, reduce error rates and improve the targeting of training and reference materials,
- Improved timeliness of product or service delivery thus improving ongoing process efficiency.

Reduction of paper-based transactions will reduce the costs of paper, usage and associated costs of printers, cartridges, photocopiers and cartridges. In addition, there is an opportunity to improve records management by moving towards electronic transactions, irrespective of whether document imaging is implemented.

Improved technical functionality by implementing Banner functionality that MSU already owns, but has not implemented, as well as potential to purchase and implement other IT enhancements subject to budgetary constraints.

Development of Business Continuity Plan (BCP) based on a risk assessment of improved processes. A BCP will also link in with an IT Disaster Recovery plan.

Implementation of Front Office/Back Office concept. This concept was proposed by the Pappas consultants where the client interface still occurs on a face to face basis with the client dealing with “their” own campus. Any transactions that do not include a face-to-face client interaction, a “moment of truth”, can be processed at any campus where there are available resources. This will improve overall efficiency and effectiveness and smooth out resource demands across the four campuses.

Connections to other Projects/Products or Programs

The BPR project has ongoing links with:

- Business Continuity Planning
- Disaster Recovery Planning
- Pre-Disaster Mitigation Planning
- National Industry Benchmarking
- BPR Student Administration (future)
- Potentially The Baldrige Award (future)

Current Problems or Limitations

Current problems or limitations include:

- Financial constraints on:
 - Implementation projects
 - Purchase of IT enhancements

- Human resource availability
 - Different cultures across the 4 campuses
 - Centralization at smaller campuses
 - Change management issues – resistance to change

Other Important Historical or Situational Information

Reappointment is a unique process that occurs once a year and is largely defined by the campus culture. Bozeman Reappointment is a decentralized process with costs and processing at the department level. The scope of the Reappointment team was to review the VP A&F costs and have provided an in-depth review of the VP A&F costs and a higher-level review of department costs. The centralized systems at the smaller campuses allowed for a more comprehensive review.

There have been several high-level staffing changes at the smaller campuses during the Reappointment process review. Reappointment roles & responsibilities may have changed during the process review.

Inconsistency in employee category across campuses creates a more challenging task in grouping 'like' employees for system-wide consistency and the use of any mass application systems. The new MUS contract will provide a level of consistency across the four campuses but only changes current reporting requirements (i.e., Board of Regents to OCHE).

As previously noted, the Bozeman campus has already invested time and resources into Salary Planner. This case considers those costs (training and IT resources) already invested and has incorporated all data accordingly. The Bozeman campus will be responsible for providing additional training to the smaller campuses.

Other products and functionality that could streamline business operations include approval queues and document imaging. Reappointment is a paper-based process with a heavy signature stream.

Methods and Assumptions

Phase I:

The Reappointment Process data collection started with a high-level review of salary costs and a physical documentation of the paper flow. Costs were captured thru Work Distribution Data Collections sheets and completed by each individual campus. The physical documentation was captured thru Process Model – flowcharting software.

At the completion of Phase I, the Reappointment Team analyzed all high-level data using Work Distribution Analysis and review of the Process Model charts to create Phase I recommendations. Phase I recommendations included an IT enhancement for Board of Regents and Letter of Appointment employee process and a minor IT change to the Classified employee process.

Phase I recommendations were approved by the Oversight Committee in June and the Reappointment Team moved forward with a detailed review of the reappointment process on all four campuses

Phase II

Detailed reappointment data was collected in Phase II thru campus visits, updated/refined Work Distribution Data and highly detailed Process Model flowcharts. The Work Distribution Data (salary costs) was further analyzed to capture value- and non-valued costs specific to each processing step.

Work Distribution Data, Costs of Quality and Process Model Flowcharts were then created for each recommended Reappointment Process. All data was verified and reviewed during the Phase II Reappointment Team meeting. Additionally, the Reappointment has held weekly conference calls.

This business case encompasses an overview of all data collected during the BPR process and the resulting recommendations. All documents collected/created have been compiled into one comprehensive package – hard copy and CD.

Financial Metrics

Due to the unique nature of reappointment (time-defined, low/fixed volume, existing efforts on Bozeman campus), the BPR Reappointment business case proposal provides a comparison of current to recommended costs.

Current Reappointment process costs represent \$78,431 per year for all four campuses. Recommended process costs represent \$66,890 per year for all four campuses. Overall cost savings is \$16,147. Several processing steps have been streamlined and cost savings include employee time and processing costs.

Bozeman campus – Salary Planner training costs already incurred have been included in the analysis as initial investment costs for testing and training.

Definitions:

- Value Added– business necessity (customer satisfaction)
- Business Value Added – business necessity (compliance/reporting)
- COQ – costs of quality (error correction/appraisal/training)

Breakout per campus – AS IS process vs. Recommended

Great Falls - Board of Regents

Reappointment Occurs once a year and affects 79 employees

As Is Process		Recommended	
BoR Costs		BoR Costs	Savings
Salaries	\$3,067.00	\$2,687.00	\$380.00
VA	\$1,466.00	\$1,198.00	\$268.00
BVA	\$1,641.00	\$1,453.00	\$188.00
COQ	\$0.00	\$36.00	(\$36.00)
Paper	\$9.48	\$4.74	\$4.74
Total process costs	\$3,076.48	\$2,691.74	\$424.74 Cost savings

Billings - Board of Regents

Reappointment Occurs once a year and affects 223 employees

As Is Process		Recommended		
BoR Costs		BoR Costs		Savings
Salaries	\$6,039.00	\$4,304.00		\$1,735.00
VA	\$3,405.00	\$3,092.00		\$313.00
BVA	\$1,853.00	\$991.00		\$862.00
COQ	\$779.00	\$222.00		\$557.00
Paper	\$26.76	\$26.76		\$0.00
Total process costs	\$6,065.76	\$4,330.76		\$1,732.00 Cost savings

MSU-N - Board of Regents

Reappointment occurs once a year and affects 45 staff

As Is Process		Recommended		
BoR Costs		BoR Costs		Savings
Salaries	\$14,733.00	\$7,378.00		\$7,355.00
VA	\$7,314.00	\$3,927.00		\$3,387.00
BVA	\$6,715.00	\$2,955.00		\$3,760.00
COQ	\$705.00	\$496.00		\$209.00
Paper	\$6.75	\$5.40		\$1.35
Total process costs	\$14,739.75	\$7,383.40		\$7,356.00 Cost savings

BZM - Board of Regents

Reappointment occurs once a year and affects 780 staff

As Is Process		Recommended		
BoR Costs		BoR Costs		Savings
Salaries	\$11,935.00	\$10,377.00		\$1,558.00
VA	\$25.00	\$25.00		\$0.00
BVA	\$8,956.00	\$7,820.00		\$1,136.00
COQ	\$2,954.00	\$2,496.00		\$458.00
Paper	\$70.20	\$70.20		\$0.00
Training/testing (current Salary Planner Costs)	\$50,072.00	\$6,509.00		\$43,563.00
				0
Total process costs	\$12,005.20	\$10,447.20		\$45,157 Cost savings

Billings LoA

Reappointment occurs once a year and affects 40 staff

No IT enhancement

As Is Process		Recommended		
LoA Costs		LoA Costs		Savings
Salaries	\$855.00	\$669.00		\$186.00
VA	\$252.00	\$504.00		(\$252.00)
BVA	\$509.00	\$98.00		\$411.00
COQ	\$94.00	\$68.00		\$26.00
Paper	\$10.80	\$7.20		\$3.60

Total process costs	\$865.80	\$676.20	\$185.00	Cost savings
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MSU-N LoA

Reappointment occurs once a year and affects 27 staff
 No IT enhancement

As Is Process		Recommended		
LoA Costs		LoA Costs		Savings
Salaries	\$2,632.00	\$2,460.00	\$172.00	
VA	\$159.00	\$271.00	(\$112.00)	
BVA	\$2,361.00	\$2,172.00	\$189.00	
COQ	\$112.00	\$16.00	\$96.00	
Paper	\$3.24	\$5.67	(\$2.43)	
Total process costs	\$2,635.24	\$2,465.67	\$173.00	Cost savings

BZM - LoA

Reappointment occurs once a year and affects 1150 staff
 No IT enhancement

As Is Process		Recommended		
LoA Costs		LoA Costs		Savings
Salaries	\$39,170.00	\$38,758.00	\$412.00	
VA	\$2,373.00	\$2,373.00	\$0.00	
BVA	\$30,441.00	\$30,029.00	\$412.00	
COQ	\$6,355.00	\$2,080.00	\$4,275.00	
Paper	\$138.00	\$138.00	\$0.00	
Total process costs	\$39,308.00	\$38,896.00	\$4,687.00	Cost savings

Summary

AS IS		Recommended	Difference
			\$11,798.0
Total Salary Costs	\$78,431.00	\$66,633.00	0
Total VA Costs	\$14,994.00	\$11,390.00	\$3,604.00
Total BVA Costs	\$52,476.00	\$45,518.00	\$6,958.00
COQ	\$10,999.00	\$5,414.00	\$5,585.00
			\$37,054.0
Training/Testing	\$43,563.00	\$6,509.00	0
Paper	\$265.23	\$257.97	\$7.26

Total current costs w/o training/testing	\$78,696.23	Total Recommended Costs with training/testing	\$66,890.97
Total current costs with training/testing	\$122,259.23	Total Recommended Costs with training	\$73,399.97

Total cost with and without training included to capture current Salary Planner efforts. FY07 Reappointment was completed using Salary Planner on a very limited scale. 87% of costs already expended.

Total Cost Savings	\$53,201
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The Reappointment process provides several intangible benefits to MSU. Reappointment contracts are the employment contracts for MSU employees that detail the roles & responsibilities of positions. An analysis of internal and external customer needs included timeliness of processing, accuracy and various levels of support. Accurate and timely paychecks and contracts are the main focus of the Reappointment process – both to the employee and the business process in place.

The Reappointment process is the most similar in nature to the budgeting process and is directly tied to the payroll process. Changes to budget or payroll will impact reappointment.

Business Case Scope and Boundaries

The Reappointment Team collected salary and processing costs from each of the four campuses at 3 different levels:

Phase I – High level review of work distribution data and visual representation. Data collected from all staff responsible for reappointment tasks on all four campuses.

Phase II – Refined review of work distribution data, in-depth review of processing costs and refined visual representation. Data collected on-site from all staff responsible for reappointment tasks on all four campuses.

Phase II – Recommended process – work distribution data, in-depth review of processing costs and refined visual representation.

The Reappointment business cycle is a one-time yearly process beginning early Spring thru late summer. Reappointment Phases I & II occurred February 2006 – current. Implementation will coincide with the FY2008 Reappointment Process.

The Analysis Period

The Reappointment analysis period included a review of the FY07 reappointment and a recommendation for the FY2008 Reappointment Process. Significant staffing changes on the smaller campuses, BPR-wide IT enhancements and the new MUS contract are several factors hindering a comprehensive 5-year analysis. The analysis period provided is a year-to-year review.

Geography or Location

The Reappointment Team recommends the implementation of Salary Planner across the four campuses for Board of Regent employees and streamlining of current processes for Letter of Appointment employees. The Great Falls' Letter of Appointment process is operating at maximum efficiency and recommend no changes. The recommendations adopt the front office/back office principle, achieve optimal efficiency

and effectiveness with current resources, and ensure a high level of customer satisfaction.

Organizations

The organizations covered by this business case include the administrative and finance processes across the following:

Montana State University

- Billings campus
- Bozeman campus
- Great Falls campus
- Northern campus

Functions and Positions

The recommendations made in this case apply to the VP A&F processes only.

The BPR review focused on the VP A&F processes specific to contract renewal on all four campuses. The Bozeman contract renewal process is decentralized and highly fragmented. The smaller campuses' – Billings, Great Falls, and MSU-N – renewal process is centralized and much smaller in volume.

Temp/Part-time employees and Students are Rehired vs. Reappointed. The department is responsible for the hiring and rehiring of these employees. The internal business reappointment process steps are similar for all employee types and any streamlining of Reappointment employees will benefit the Rehired employee process.

Technology

The Reappointment Team recommendations do not require additional technology. Salary Planner is a Banner delivered web application that allows designated administrative personnel such as Department Heads and Departmental Accountants to evaluate, plan and create budgets for any fiscal year. Department Head and Departmental Accountant costs and cost savings are included in all centralized systems and a high-level cost savings on the Bozeman campus.

Training and testing of the Salary Planner has been ongoing on the Bozeman campus since early 2006. An SCT Consultant was on campus in October 2006 to provide formal training and testing to the Bozeman campus. As previously noted, all information will be provided to the smaller campuses for the FY2008 Reappointment process.

Scenario Design – Board of Regents

The Reappointment process is straightforward in a general sense – each year an employee's contract must be renewed, printed, routed for appropriate signatures and then entered into the Banner system. The current processes are fairly efficient, yet paper-intensive and do not take full advantage of all available Banner functionality.

Salary Planner provides for approvals in Salary Planner, then contract generation, printing and final signatures.

The recommendations focus on the use of Banner functionality and overall streamlining. These recommendations facilitate a smoother transition to other electronic based systems or processes. As system-wide IT efforts are implemented (i.e., approval queues, document imaging and workflow) additional savings will be gained:

- Overall decreased processing time
- Overall salary savings as result of decreased processing time
- Salary spreadsheets routed thru workflow
- Approvals thru approval queues
- Ongoing or continued consistency across all campuses
- Increased knowledge of BoR process – potential additional opportunities

Reappointment processing is dependent on Payroll & Budget processes and further efficiencies need to be determined. We recommend Salary Planner be fully implemented prior to additional IT enhancements.

Scenario definitions:

Value Added– business necessity (customer satisfaction)

Business Value Added – business necessity (compliance/reporting)

COQ – costs of quality (error correction/appraisal/training)

Cost and Value-Added scenario overview per campus:

Billings:

Current Board of Regent costs are \$6,039 with 87% of costs Value Added.

Proposed Board of Regent costs are \$4,304 with 95% of costs Value Added.

Current and Recommended Flowcharts attached.

Bozeman:

Current Board of Regent costs are \$11,935 with 75% of costs Value- or Business Value Added.

Proposed Board of Regent costs are \$10,377 with 75% of costs Value- or Business Value Added.

Current and Recommended Flowcharts attached.

Great Falls:

Board of Regent costs are \$3,067 with 100% costs Value- or Business Value.

Current process is operating efficiently.

Proposed Board of Regent costs are \$2,687 with 100% costs Value- or Business Value Added. Recommend change for accuracy & consistency only.

Current and Recommended Flowcharts attached.

MSU-N:

Current Board of Regent costs are \$14,733 with 95% of costs Value- or Business Added.

Proposed Board of Regent costs are \$7,378 with 93%of costs Value- or Business Added.

MSU-N currently reappointments Board of Regents faculty and professionals separately. The team recommends all Board of Regents employees be reappointed in the same process.

Current and Recommended Flowcharts attached.

Scenario Design – Letter of Appointment

The Reappointment process is straightforward in a general sense – each year an employee’s contract must be renewed, signed by employee, routed for appropriate signatures and then entered into the Banner system. The Letter of Appointment also details the roles and responsibilities of a position. The current process is fairly efficient (smaller campuses only), yet paper-intensive and does not take full advantage of the Banner functionality.

Letter of Appointment employees are more broadly defined and use differently across the four campuses. Consistency in data definitions and employee categories provides additional streamlining for Reappointment. The recommendations focus on overall streamlining. These recommendations facilitate a smoother transition to other electronic based systems or processes. As system-wide IT efforts are implemented (i.e., approval queues, document imaging and workflow) additionally savings will be gained:

- Overall decreased processing time
- Overall salary savings as result of decreased processing time
- LoAs signed electronically
- LoAs routed thru workflow
- Approvals thru approval queues
- Ongoing or continued consistency across all campuses
- Increased knowledge of LoA process – potential additional opportunities

Reappointment processing is dependent on Payroll & Budget processes and we recommend several streamlining steps be fully implemented prior to additional IT enhancements. Electronic approvals provide the most opportunity for enhancement in the Letter of Appointment process and recommended as a next step.

Cost and Value Added scenario overview per campus:

Billings:

Current LoA costs are \$855 with 89% of costs Value Added.
Proposed LoA costs are \$669 with 90% of costs Value Added.

Current and Recommended Flowcharts attached.

Bozeman:

Current LoA costs are \$39,170 with 84%of costs Value- or Business Value Added.
Proposed LoA costs are \$38,758 with 84% of costs Value- or Business Value Added.

Current and Recommended Flowcharts attached.

Great Falls:

Great Falls only has 5 LoA employees – \$ 402 yearly cost – no recommendations.

Current Flowchart attached.

MSU-N:

Current LoA costs are \$2,632 with 96% of costs Value- or Business Added. Proposed Board of Regent costs are \$2,460 with 99%of costs Value- or Business Added.

MSU-N currently reappointments Board of Regents faculty and professionals separately. The team recommends all Board of Regents employees be reappointed in the same process.

Current and Recommended Flowcharts attached.

Classified:

Current classified costs for all four campuses are \$20,130 with 96% of costs on the Bozeman campus.

Classified employees are not reappointed as defined in this business case. Each employee's Banner record is updated yearly with a July 1 job card. Currently this step occurs on the Bozeman campus only and we recommend a July 1 job card be created for all MSU employees by the Bozeman campus. The Banner update requires minimal resources and provides consistency and accuracy in reporting and well as consistency across the all four campuses.

Recommended Reappointment processes provide a single process, consistency across all four campuses and increased data accuracy.

Current flowchart attached.

The Cost Model

The Reappointment process requires several actions – generating paper forms/contracts, manual routing of paper forms/contracts, manual signatures, entering data into spreadsheets, data entry into the Banner system, and archiving.

The Reappointment Team collected salary costs for all actions (mentioned above) specific to reappointment. The salary costs were then evaluated as to the nature of the costs – adds value to the process or simply error correction for example.

The Benefits Rationale

The Reappointment Team's recommendations provide \$53,201 in cost savings per year to MSU.

The biggest benefits to the reappointment process include:

- Increased data integrity and accuracy
- Increased efficiency and effectiveness
- Single process on all 4 campuses
- Ability to meet customer needs
- Increased employee satisfaction

Performance Measures:

Reappointment Team recommendations include several performance measures that are not currently in place. FY2007 Reappointment concluded prior BPR Phase II Formal metric collection will begin during FY2008 Reappointment.

Performance Measures Overview:

- # and type of errors in reappointment paperwork, Banner process and Salary Planner
 - # of errors/forms during signature stream (Dept)
 - # of errors during data entry (Payroll)

Amount of time to correct errors in reappointment paperwork, Banner processes and Salary Planner

- # of records completed within timeframe in Banner (unique to each campus - Union issue)
- # of errors in Banner

Training - mandatory yearly training

- # of recurring attendees
- # of new attendees

Client Satisfaction Survey

- VP A&F Sample (responsible for reappointment task completion)
- General employee sample (intangible element - career/livelihood/stability)

The measures provide on-going review to ensure consistency, accuracy and provide opportunities for future enhancements.

Data Structure

Current Reappointment Scenario includes actual costs from the FY2007 Reappointment Process. Recommended scenario costs include projected costs for FY2008 Reappointment. FY07 & 08 costs were then compared and analyzed capturing before and after process improvement costs.

Data Sources and Methods

All data collected from employees using work distribution data, cost of quality data and process model data.

Assumptions

The Reappointment Team made few assumptions:

- Will incorporate all current Salary Planner efforts into year-long review

- All campuses had opportunities for increased efficiencies
- An efficient electronic process can be achieved (Salary Planner)
- Majority of Salary Planner training costs already expended

Analysis of Results

Summary

AS IS		Recommended	Difference
Total Salary Costs	\$78,431.00	\$66,633.00	\$11,798.00
<i>Total VA Costs</i>	\$14,994.00	\$11,390.00	\$3,604.00
<i>Total BVA Costs</i>	\$52,476.00	\$45,518.00	\$6,958.00
COQ	\$10,999.00	\$5,414.00	\$5,585.00
Training/Testing	\$43,563.00	\$6,509.00	\$37,054.00
Paper	\$265.23	\$257.97	\$7.26

	\$78,696.23	Total	\$66,890.97
Total current costs w/o training/testing		Recommended Costs with training/testing	
Total current costs with training/testing	\$122,259.23	Total Recommended Costs with training	\$73,399.97

Total cost with and without training included to capture current Salary Planner efforts. FY07 Reappointment was completed using Salary Planner on a very limited scale. 87% of costs already expended.

Total Cost Savings	\$53,201
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The Reappointment Team recommends the use of Salary Planner for the Board of Regents process and redesigning several processing steps in the Letter of Appointment process.

Non-financial and Non-quantified results

As mentioned above, the Reappointment process has several intangible elements. The recommended processes provide:

- Ability to meet customer needs
- Increased employee satisfaction

Sensitivity, Security and Risk Analysis

Sensitivity in the Reappointment Process is not cost driven – it is defined by current campus culture. The team recommends a cautious implementation approach to the smaller campuses.

Security

As we review business processes and procedures, ensuring the security of our information is critical. Our goal is to include measures in all aspects of University operations that mitigate the risks to our data. We've considered the following areas:

- Confidentiality – We must maintain the privacy of sensitive data while ensuring that it is available for authorized access.
- Integrity – Controls must be in place to ensure the accuracy of all information.
- Availability – Information must be available for authorized access when needed.

Salary Planner requires a high level of organization security. With the current IT enhancement efforts underway on the Bozeman campus, security issues were reviewed and addressed prior to the BPR process. All issues will be reviewed again once implementation occurs on the smaller campuses.

Conclusions and Recommendations

In conclusion, opportunity exists for a single process, increased data integrity and the ability to meet customer needs.

The Reappointment Team recommends implementing an IT enhancement (Salary Planner) on the Billings, Great Falls, and Havre campuses for the Board of Regents employee reappointment process. The Team also recommends a streamlining of processing steps for the Letter of Appointment process on the Bozeman, Billings and Havre campuses.

The Reappointment Team will be available for any future questions or assistance.