

# The Administrative Restructuring of the University of Pennsylvania Phase I Implementation

## To the University Community

In the January 17 issue of *Almanac*, Provost Chodorow and I shared our views on University restructuring with the campus community. At the same time, the recommendations of Coopers and Lybrand were presented in their entirety. That report outlined broad reforms and suggestions for cost and service improvements, primarily in the Executive Vice President's area, as the first phase in the University's restructuring strategy.

Consultation began that month with a series of meetings across campus with the Faculty Senate, University Council, School Deans, Faculty and Staff, the A-3 and Penn Professional Staff Assemblies, GAPSA, UA and central administrative staffs. These meetings helped the President, the Provost and me to explain in more detail the restructuring initiatives and to better understand how to improve services to your customers. The meetings also provided a forum to answer questions and hear your opinions. We were encouraged by the interest in the restructuring efforts, the candor of the University community, and your generally positive reactions to these initiatives.

Today, we are presenting for your information and comment the initial plans for implementing the Coopers and Lybrand recommendations [as they have evolved from our many consultations]. We address those recommendations that we believe can be implemented in the near term. Other Coopers and Lybrand recommendations that will require longer to plan and to carry out will be presented later.

Consultation is an integral part of the process of developing implementation plans for the recommendations contained in Penn's administrative restructuring project. By its very nature, successful restructuring demands involvement and participation—from the collaboration and teamwork of personnel across disciplines who serve on teams charged with developing specific plans, to the University governance bodies who contribute ideas and expertise to the process, to the customers who bring the process full circle with their input and evaluation. Wherever appropriate, we have sought to involve in project teams and task forces members of our faculty and staff with expertise in those areas. The consultative process will continue to play an important role in restructuring at Penn as the implementation plans are developed and carried out.

In the charts that accompany this message, the name of each team leader is given along with his or her e-mail address. These are provided to underscore that all faculty and staff are invited to participate in the restructuring process, by giving you direct access to the person responsible for each plan. We encourage you to give the team leaders your ideas, suggestions and comments.

In addition, detailed implementation plans for each recommendation can be found on PennInfo and Penn's WorldWideWeb Home Page (<http://www.upenn.edu>). Copies are also available in the offices of the Deans, in the Libraries, and in the offices of the EVP and the team leaders.

Some of the improvements suggested by Coopers and Lybrand already have been implemented. These include changes in the cash management and short-term cash investments and renegotiation of health insurance contracts, which should result in identified annual revenue enhancements and cash savings which are estimated to be \$2 million. As President Rodin announced previously, we also have begun implementing the first phase of a new campus security plan involving community walkways, information/security kiosks, and enhanced police bicycle patrols. Finally, an improved process for planning and approving capital projects will be published in the near future by the Vice President for Facilities Management.

We thank you for your advice and support, and we welcome your participation in the University's ongoing restructuring efforts.

— Jack E. Freeman, Acting Executive Vice President  
March 30, 1995

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## Phase I Implementation: Administrative Restructuring at Penn

### Division of Business Services

Initiative	Leader(s)	Team	Benefits	Time Frame
<b>BS-1 Dining Services Operations</b> Review hospitality services to determine potential for additional revenue sources (e.g., expansion of catering services to capture lost revenue) and cost reduction opportunities (e.g., expand consolidated purchasing contracts with hospital or hotel).	Donald Jacobs, Hospitality Services (don@dining1.dining. upenn.edu); Bill Canney, Dining Services (bill@dining1.dining. upenn.edu)	Jill Maser, Business Services; Gokila Venkateswaran, Dining Services; Pam Lampitt, Dining Services; Karen Klinger, Student	<ul style="list-style-type: none"> <li>— Better University control over catering expenses paid to outside contractors</li> <li>— New opportunities for revenue enhancement</li> <li>— Combined cost savings/revenue enhancement goal: \$200,000</li> </ul>	12/94-7/95
<b>BS-2 Penn Tower Hotel</b> Renovate the Penn Tower Hotel and undertake operations improvements, new leasing arrangements, and enhanced marketing programs (e.g., new concept for food operations) to increase profitability.	Steven D. Murray, Business Services (murray@a1.benhur. upenn.edu)	John Levicke, Penn Tower; William Hickey, Penn Tower; John Bower, Bower Lewis Thrower Architects; Michael Knezic, Book Store; (Medical Center Representative to be determined)	<ul style="list-style-type: none"> <li>— Renovated property more in keeping with Penn's standards</li> <li>— Increased profitability</li> <li>— Responsiveness to retail/space needs of eastern sector of campus</li> <li>— Combined cost savings/revenue enhancement: \$500,000</li> </ul>	12/94-8/96
<b>BS-3 Faculty Club</b> Restructure Faculty Club to operate on a break-even basis, by exploring and implementing revenue enhancement/cost containment initiatives.	Steven D. Murray, Business Services (murray@a1.benhur. upenn.edu); Donald Jacobs, Hospitality Services (don@dining1.dining. upenn.edu)	Elsa Ramsden, Henry Teune, and Roger Allen, Faculty Club Board; Jill Maser, Marie Witt, John Levicke, Business Services; Tracy Neider, Faculty Club; James Emshoff, External Consultant	<ul style="list-style-type: none"> <li>— More effective use of facility</li> <li>— More responsive to needs of the current customer base and University community</li> <li>— Improved opportunities for faculty/staff interaction</li> <li>— Combined cost savings/revenue enhancement goal: \$350,000</li> </ul>	12/94-7/95

### Division of Facilities Management

Initiative	Leader(s)	Team	Benefits	Time Frame
<b>FM-1 Capital Plan</b> Senior management should ensure that unplanned projects are not introduced into the capital project schedule except under extenuating circumstances. Schools and centers should prioritize their needs.	Arthur Gravina, Facilities Management (gravina@a1.relay. upenn.edu); Stephen Golding, Finance (golding@pobox. upenn.edu)	Thomas Stump, SEAS; Mary Cahill, SAS; Michael A. Hindery, Medical Center; Linda Koons and Walter Wales, Provost's Office	<ul style="list-style-type: none"> <li>— Significant cost avoidance</li> <li>— Clearer and improved communications</li> <li>— Improved service</li> <li>— Increased productivity of staff</li> </ul>	11/94-6/95
<b>FM-2 Capital Project Planning</b> 1. Clearly identify owner who is responsible for overseeing program development and fund expenditures. 2. Strengthen communication with clients.	Titus Hewryk, Facilities Management (hewryk@a1.relay. upenn.edu)	Robert Zimring, Facilities; Earle Bray, Jr., Project Management; Michael Hindery, Med Ctr.; Alan Waldt, Museum; Elizabeth Slusser Kelly, Biddle Law Library	<ul style="list-style-type: none"> <li>— Understand processes and responsibilities of participants</li> <li>— Improved delivery of service</li> </ul>	3/95-8/95
<b>FM-3 Customer Service</b> Implement a customer satisfaction improvement program that includes intensive customer feedback mechanisms and communicated standards that will guide levels and terms of service delivery.	James Wargo, Physical Plant (wargo@a1.relay. upenn.edu)	Daniel Debicella, UA; Kevin Farrell, Facilities/Medical; Jacqueline Matthews, Wharton; Patricia Pancoast, SEAS; Ira Winston, SEAS	<ul style="list-style-type: none"> <li>— Improved service</li> <li>— Communications between secondary customers and school/center</li> <li>— Electronic link to primary customers</li> <li>— Customers to receive full understanding of Physical Plant's responsibilities</li> </ul>	2/95-12/95

Division of Finance				
Initiative	Leader(s)	Team	Benefits	Time Frame
<b>VPF-1 Financial Management System</b> Implement Oracle General Ledger/ Budget Systems (Project Cornerstone).  Implement reengineered procurement and disbursement processes supported by Oracle's accounts payable and purchasing modules.	Robin Beck, UMIS <i>(beck@UMIS.upenn.edu)</i> ; Kenneth Campbell, Comptroller's Office <i>(campbell@a1.relay.upenn.edu)</i>	Project teams include membership from central administration, schools, centers and external consultants	<ul style="list-style-type: none"> <li>— Cost savings</li> <li>— Improved financial information for decision-making purposes</li> <li>— Foundation upon which other administrative efforts can be reengineered</li> <li>— Development of the data warehouse</li> <li>— Expanded technical and functional skills</li> </ul>	7/93-7/96
<b>VPF-2 Sponsored Project Administration</b> Develop conceptual redesign and implementation plan for grants and contracts administration. Evaluate investment in and status of the Center for Technology Transfer.	Tony Merritt, Sponsored Programs <i>(merritt@wang5000.ora.upenn.edu)</i> ; Barry Cooperman, VProv Research <i>(cooperman@pobox.upenn.edu)</i>	Core Reengineering Team (Representatives of Provost, Schools, faculty and administration)	<ul style="list-style-type: none"> <li>— Enhancement of faculty's ability to perform their research</li> <li>— Improved relations with sponsors</li> <li>— Cost savings to be determined</li> <li>— Yield a new pool of skilled workers who will provide schools and centers with higher quality service</li> </ul>	4/95-12/95

Information Systems and Computing				
Initiative	Leader(s)	Team	Benefits	Time Frame
<b>ISC-1 Computing Services</b> Design responsive, cost-effective campus-wide structure for computing at Penn—including planning, delivering, supporting, staffing, and funding.  Test in pilot areas.	Peter Patton, Information Systems and Computing <i>(patton@vpisc.upenn.edu)</i>	To be determined; will include faculty, staff and students	<ul style="list-style-type: none"> <li>— Clarity of roles and responsibilities for computing at Penn</li> <li>— Framework for effective deployment of support close to those who need it</li> <li>— Substantial potential for cost containment and lower unit costs (Absolute costs likely to increase with rising campus demand.)</li> </ul>	5/95-5/97
<b>ISC-2 Computing Standards</b> Continue developing standards for networking, administrative systems, and desktop and workgroup computing—along with incentives and education programs.	Noam Arzt, ISC <i>(arzt@dccs.upenn.edu)</i>	Existing teams*: Network Architecture Task Force, Distributed Computing Task Force, Client/Server Security Task Force, E-Mail Task Force, Network Policy Committee, Cornerstone teams * For names, see PennInfo	<ul style="list-style-type: none"> <li>— More time and resources available to provide better support of fewer products</li> <li>— Fewer "islands" of data and technology that can't work together</li> <li>— Substantial potential for cost containment and lower unit costs (Absolute costs likely to increase with rising campus demand.)</li> </ul>	6/93-ongoing
<b>ISC-3A Help Desk</b> Consolidate ISC help desks to improve customer service.	Michael Kearney, ISC <i>(michael@udcemail.udc.upenn.edu)</i>	Phase I: Lori Ratajczak, Don Montabana, Erica Garriest, Ron Cohen, Al D'Souza, Donna Milici, ISC Phase II will draw on ISC Clients	<ul style="list-style-type: none"> <li>— Better customer service; more calls resolved at time of first contact, fewer busy signals, faster problem resolution</li> <li>— More problems resolved at the source, problem patterns fed back to other ISC units, slowing growth in demand for help-desk services</li> <li>— Improving service the goal; startup costs of \$165,000 will be incurred</li> </ul>	12/94-9/95
<b>ISC-3B Data/Voice Communications</b> Restructure Data Communications and Computing Services (DCCS) and Telecommunications departments.	Laurie Cousart, Business Services <i>(cousart@a1.benhur.upenn.edu)</i> ; Daniel Updegrove, ISC <i>(updegrove@dccs.upenn.edu)</i>	Ray Becker, Tom McCoy, Donna Petrelli, Margie Sjo-din, Business Services; Noam Arzt, Mike Palladino, George McKenna, Mark Wehrle, ISC	<ul style="list-style-type: none"> <li>— Better service</li> <li>— Ability to leverage advances in data/voice/ video communications technologies</li> <li>— Potential for substantial long-term savings if Penn decides to shift from Centrex to PBX phone service</li> </ul>	1/95-1/96
<b>ISC-3C University Data Center</b> Complete the consolidation of UDC with ISC.	Peter Patton, ISC <i>(patton@vpisc.upenn.edu)</i>	Carl Abramson, Ray Davis, Bonnie Gibson, Roy Marshall, ISC	<ul style="list-style-type: none"> <li>— UDC staff will contribute significant expertise to their new ISC department</li> <li>— Reassigning staff to open positions will save \$200,000/year. Transfer of other staff allows ISC to improve its service offerings</li> </ul>	9/94-3/95
<b>ISC-3D Machine Room</b> Consolidate machine rooms.	Russell Carroll, ISC <i>(carroll@umis.upenn.edu)</i>	Mel Benson, Leo June, Ray Davis, Ed Barnes, Roy Marshall, ISC; Wilson Dillaway, Library	<ul style="list-style-type: none"> <li>— Improved reliability for Library systems</li> <li>— \$212,000/year savings (after initial one-time investment of \$296,000)</li> </ul>	9/94-6/95

Division of Human Resources				
Initiative	Leader(s)	Team	Benefits	Time Frame
<b>HR-1 Employee Transition Program</b> Develop and implement an Employee Transition Program to assist managerial, technical and clerical staff respond to organizational consolidations and process reengineering.	Phyllis Lewis, Human Resource Services ( <a href="mailto:lewis@a1.benhur.upenn.edu">lewis@a1.benhur.upenn.edu</a> )	Jack Heuer, Staff & Labor Relations; Carol Horne Penn, Staff Relations; David Smith, Employment and Compensation; Joseph Marro, Compensation	<ul style="list-style-type: none"> <li>Cost savings \$400,000-\$500,000 (estimated)</li> <li>Maximize opportunities for employment within the University through Inplacement Assistance Program (IAP)</li> <li>Provide career counseling and outplacement services with fair and consistent assistance to employees unable to be redeployed within the University</li> </ul>	9/94-4/95
<b>HR-2 Assessment</b> Complete assessment of entire Human Resources function, implement short-term process improvements to better support University policy and improve specific service to HR customers.	John Wells Gould, Human Resources ( <a href="mailto:gould@pobox.upenn.edu">gould@pobox.upenn.edu</a> )	HR Staff and Coopers and Lybrand	<ul style="list-style-type: none"> <li>Cost improvement \$300,000-\$400,000 (est.)</li> <li>Realize short-term cost reductions</li> <li>Realize service improvements</li> <li>Prepare for reengineering of selected HR processes</li> </ul>	4/95-6/95
<b>HR-3 Salary Administration</b> Redesign salary administration function to better meet University objectives.	David Smith, Human Resource Services ( <a href="mailto:smithd@a1.benhur.upenn.edu">smithd@a1.benhur.upenn.edu</a> )	Joseph Marro, Compensation; Gary Truhlar, HRIM; Carol Horne Penn, Staff Relations; Susanne Iannece, Train'g & Org'n Devel.; Ben Hoyle, Budget; and others to be determined	<ul style="list-style-type: none"> <li>Cost savings of \$4,000,000-\$5,000,000 (est.)</li> <li>Refine Penn's compensation/reward philosophy</li> <li>Eliminate out-of-procedure practices</li> <li>Ensure viable labor market position</li> <li>Ensure pay equity and fairness</li> <li>Implement more efficient recruitment and staffing</li> <li>Develop more flexible position classification</li> <li>Standardize job descriptions</li> <li>Provide University decision makers with accurate, detailed compensation management information</li> </ul>	3/95-7/96
<b>HR-4 Flexible Benefits System</b> Conduct detailed cost/benefit analysis to in-source Flex benefits system from current administration vendor.	Fina Maniaci, Benefits ( <a href="mailto:maniaci@a1.benhur.upenn.edu">maniaci@a1.benhur.upenn.edu</a> )	Al Johnson, Benefits; Gary Truhlar, HRIM; Eileen Founds, HRIM	<ul style="list-style-type: none"> <li>Cost savings \$50,000-\$100,000 (estimated)</li> <li>Benchmarking to industry best practices</li> <li>Improved customer-oriented administrative processes</li> <li>Benefits record-keeping merged with larger Project Cornerstone initiative</li> </ul>	7/95-2/96

Division of Public Safety				
Initiative	Leader(s)	Team	Benefits	Time Frame
<b>PS-1A &amp; 1B Building Security</b> Develop minimum standards for contracted security services and internal building security in the areas of employee qualifications, training, hours, positions, inspections, alarm systems, and door/window locks.	Christopher Algard, Security Services ( <a href="mailto:algard@a1.police.upenn.edu">algard@a1.police.upenn.edu</a> )	Dave Bellamy, IBM; Roy Marshall, ISC; Tom Leary, Purchasing; Charles Bronk, SAS; Jacqueline Matthews, Wharton; George Forman, Medical; Don Fitzgerald, Museum; Caroline Femovich, Athletics;	<ul style="list-style-type: none"> <li>Increase personal safety for all people; deter crime and provide better protection</li> <li>Continuous improvement in level of security</li> <li>Consistency in level of campus security</li> <li>Development of professional security services</li> <li>Maximize value of guard services contract(s)</li> <li>Provide opportunity to reduce labor-intense security systems</li> </ul>	3/95-9/95
<b>PS-2A &amp; 2B Security Standards</b> Identify gaps between current security arrangements and minimum standards; develop short term strategies for losing gaps; begin to renegotiate multiple security contracts into a consolidated contract.	(Leader and team membership are the same for PS-1A & 1B, PS-2A & 2B)	Jim Atkinson, Penn Tower Hotel; Gigi Simeone, Residential Living; Al Glogower, HUP; Students and Co-chair George Palladino, Safety & Security Committee; Titus Hewryk, Facilities Management	<ul style="list-style-type: none"> <li>Consistent application of security to campus facilities and grounds</li> <li>Reduce risk of security incidents in facilities</li> <li>Reduce risk of founded law suits</li> <li>Leverage cost savings for security of all facilities</li> <li>Promote a proactive security culture</li> <li>Raise level of security service and satisfaction for customers and stakeholders</li> </ul>	3/95-12/95
<b>PS-3 Public Safety Initiatives</b> Assess cost/benefit of various short-term public safety improvements, including increased bike patrols, enhanced public education program, increased lighting and expansion of escort services, and implement most advantageous alternatives.	John Kuprevich, Public Safety ( <a href="mailto:kuprevich@a1.police.upenn.edu">kuprevich@a1.police.upenn.edu</a> )	George Clisby, Public Safety; Maureen Rush, Victim Support/Crime Prevention; Chris Algard, Security; Lou Visco, Facilities; Bob Furniss, Transportation and Parking	<ul style="list-style-type: none"> <li>Reduction in number of incidents on campus</li> <li>Positive perception of increased safety</li> </ul>	3/95-8/95

**Note:** The charts on these pages are summaries of extensive reports available on PennInfo and on the University's WorldWideWeb Home Page (<http://www.upenn.edu>). Also on PennInfo is the original Coopers and Lybrand Report on Administrative Restructuring, which appeared in an Almanac Supplement January 17, 1995. (Search under "Restructuring.") Some printed copies of the January report are available; call Ext. 8-5274.