Strategic Conversations, Part II: Budget & Cost Efficiencies

October 2020
Agenda

Today’s conversation intends to cover the following topics—

- Process overview—Use of Multiple Criteria (& Data) Decision Analysis [MCDA]
- Reduction targets
- Data used for Round 1 decision-making (cost-efficiencies, investments)
- Decision—5 Strategies to reduce costs for Year 1
- Current reductions
- Next Steps
Process Overview

Part I: Leadership Budget Notifications & Initial Discussions
- June–Budget Shortfall
- July/Aug–VC Reduction Conversations

Part II: Initial Campus Conversations (September)
- 6 Campus-wide
- 10 Individual/Small Group
- 70 emails

Part III: Initial Leadership Deliberations (October)
- MCDA
- Data Gathered
- Deliberation
- 5 Strategies

Part IV: 2nd Round Campus Discussions (October)
- 6 Campus-wide & small group
- Web-based information
- Web-based input

Part V: Initial Leadership Decisions (October)
- Tactical Year 1, 2, 3 Plans–determination
- Campus information

Part VI: Year 1 Plan Rollout (November, 2020–?)
- TBA
MCDA—Multiple Criteria (& data) Decision Analysis:
Criteria used to determine cost-efficiency & investment strategies

- Optimization Formula [OF]—use of resources on tactics that strategically align with UH System and UHWO plans and diversify to increase revenue streams.
- Customer Value Proposition [CVP]—support of educational experiences that enhance the 21st Century learner-leaders through engaging, dynamic, state-of-the-art collegiate environment.
- Value Chain [VC]—recognition of ways that reduce costs, optimize effort, eliminate waste, and increase prosperity.
- Strategic Positioning [SP]—maximize UHWO‘s position through cost-leadership, improving differentiation/uniqueness, and advancing competitive advantage.

From: 2018 Strategic Action Plan, Business Model (p. 24)
MCDA—Process Stages

**Stage 1**
Intro to MCDA Process

**Stage 2**
Criteria & Weighting Discussions /Decision
Utilizing the 4 components of the Business Model in the Strategic Action Plan (OF, CVP, VC, OP), generate weights for each (=100%).

**Stage 3**
Data Collection of Possible Strategic Tactics
Gather Data on 30+ possible Strategic Tactics (Cost effective and/or investment).

**Stage 4**
1st Round Review of Strategic Tactics
Decision Point—reduce Strategic Tactics to 10-20; prepare for Stakeholder Vetting.

**Stage 5**
Stakeholder Vetting of Strategic Tactics
Vet Strategic Tactics with Stakeholders—collect input.

**Stage 6**
2nd Round Review of Strategic Tactics
Decision Point II—determine implementation of Strategic Tactics for Yrs 1, 2, and 3; ensure budget requirements are met.

**Stage 7**
Final 3-Year Tactical Plan and Budget
Final Decision Point (III)—prepare and present tactical plan and budget to UH system; communicate plan and budget with UHWO stakeholders.

Sept. 29, 2020

Oct. 27, 2020
Initial Decision—5 Strategies to reduce costs in Year 1

- Faculty Workload (Adjusted course load)
- Streamlining/Centralizing Support Functions (Campus and System-wide)
- Increasing Minimum Course Enrollment
- Facilities—increase building temperature, telework, hybrid/distance education
- Adjustment to Concentrations (Merging/Streamlining/Refocusing)
## Initial Decision—5 Strategies to reduce costs in Year 1

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Questions</th>
<th>Possible Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty Workload (Adjusted course load)</td>
<td>• What is the plan?  &lt;br/&gt;• How and when will the plan be implemented?</td>
<td>• Calculations are being made to determine the cost savings.</td>
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# Initial Decision—5 Strategies to reduce costs in Year 1

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| Streamlining/Centralizing Support Functions (Campus and System wide) | • Which functions (e.g. Administrative, Student support) will be streamlined (e.g. position and cost)?  
• Which functions will help UHWO reduce costs?  
• How will the streamlining/centralizing be executed? | • Conversations at the UH system and with the State Legislature are occurring; determination of streamlining-centralizing will be sent to us. |
# Initial Decision—5 Strategies to reduce costs in Year 1

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<td>Adjustment to Concentrations</td>
<td>• How will the merging/streamlining help us to be unique and more self-</td>
<td>• Conversations to determine which of the concentrations will be impacted will occur</td>
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<tr>
<td>(Merging/Streamlining/Refocusing)</td>
<td>sustaining?</td>
<td>soon; more information to come.</td>
</tr>
<tr>
<td></td>
<td>• How will determination of which concentrations to be merged/streamlined/</td>
<td></td>
</tr>
<tr>
<td></td>
<td>refocused be made?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• How and when will the plan be implemented?</td>
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- Merging: Combining existing programs or concentrations.
- Streamlining: Simplifying processes without eliminating services.
- Refocusing: Redirecting resources to focus on core areas.
## Initial Decision—5 Strategies to reduce costs in Year 1

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| Increasing Minimum Course Enrollment          | • What are the general guidelines for this strategy to occur?  
• Will there be extenuating circumstances that could alter the guidelines?  
• What is the minimum course enrollment threshold and how will this guide be implemented? | • Calculations are being made to determine the cost savings at various levels of course enrollment.  
• Leadership discussions with units and at the campus level will continue. |
## Initial Decision—5 Strategies to reduce costs in Year 1

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| Facilities—increase building temperature, telework, hybrid/distance education | • What is the optimal building temperature—during the pandemic, beyond the pandemic era?  
• How will telework be implemented? How will this impact the functioning of our facilities?  
• How will hybrid and distance education work to reduce costs and increase our value to our students and their families? | • Already occurring is a facilities/energies cost analysis; the report should be available to leadership soon.  
• Telework and Hybridity analyses will soon start. |
Next Steps

- Calculations
- Campus leaders holding conversations
- Exploring partnerships with other campuses
- Development of Tactical plans to execute cost reductions & investments
- Others