


Managing Your Office Through Difficult Economic Times

*NCURA Region IV Meeting
Senior Forum Session
April 26, 2010*



Introductions- Faculty Panel

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Is It Going to Get Better?

“We are hoping for a revenue recovery in the second half of the year. But I said that same thing six months ago and I have lost my confidence in my ability to predict the future.”

Chief Financial Office, Oracle Corporation
Reported in the Wall Street Journal, June 2002

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Institutional Case Studies

- Southern Illinois University, Edwardsville
- Washington University in St. Louis
- University of Wisconsin-Madison
- Your institution

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SIUE Grad School & Research Budget

How to cut \$56 K ?

1. Grad School (\$1,003K)		
Salaries	\$ 247 K	
Fellowships	\$ 141 K	
Support	\$ 27 K	
Office of Research (\$254K)		
Salaries	\$ 249 K	
Support	\$ 7 K	
Research General	\$ 262 K	Internal Grants
Curriculum Development	\$ 52 K	Internal Grants
Recruitment	\$ 15 K	Support
2. Center 1	\$ 151 K	
3. Center 2	\$ 371 K	
4. Center 3	\$ 350 K	
5. F&A Recovery	\$ 500 K	Faculty Support

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Priorities

- Avoid layoffs
- Save direct student support (fellowships)
- Maintain grad student enrollment
 - ❖ Revenue generation
- Protect internal faculty grants
 - ❖ Serve as incentives
 - ❖ Important for morale

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Lessons Learned

- Never waste a good crisis
- Keep momentum (avoid siege mentality)
- Avoid budget envy
- Be clear on priorities

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Washington University

- Private University with \$567 M of sponsored funds
- Lost 25% of endowment
- Budget Shortfall of 20-25M
- Tuition revenue falling
 - ❖ More student aid
- Loss of Philanthropy

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Washington University

- Hold compensation flat for FY10
- Reduce non-compensation expenses 2-5%
- Delayed or postponed construction
- University lay-offs (25)
- Unoccupied positions eliminated (25)
- Other Cost Saving Measures
- Prepare FY11 Budgets with 2%, 5% or 10% reductions

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WU Research Administration Priorities

- Maintain ability to deliver key services
- Support Faculty research efforts
- Avoid Staff Reductions
- Retain Key Staff

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WU Research Administration Lessons Learned

- Recognize and Avoid the Siege Mentality
- Transparency/Communication
- Focus on the Core Business
- Focus on the Individual
- Embrace Change
- Celebrations

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Leadership Responses

WE ARE HUMAN TOO!

- Own personal siege mentality
- Share facts, not personal fears or prejudices
- Monitor own stress levels
 - ❖ Exercise
 - ❖ Rest
- Avoid Fighting among Peers for Resources
- Accept Help from Unexpected Places

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UW – Madison

- UW – Madison
 - ❖ 42,000 students
 - ❖ 17,000 faculty and staff
 - ❖ FY09 Awards = \$1.13B
- Budget shortfall of ~\$6 M in 2009-10
- 1% across-the-board reduction
- Pay Plan repeal – No raises for 2009-11
- Furloughs!
 - ❖ Approximately a 3% salary cut for 2 years

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UW Furloughs


- 4 fixed plus 4 floating furlough days
- Exempt staff treated as non-exempt in weeks with furloughs
- Established 17 groups with specific rules
- Faculty took 3.065% reduction in every paycheck for 2 years
- Exemptions
 - ❖ H-1B and E-3 visa holders
 - ❖ Students

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Lessons Learned – So Far

- Evaluate the circumstances
- Make realistic decisions
- Use all the tools available to you
- Communicate, communicate, communicate
- Nurture staff

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BUCKY'S GAME SHOW CHALLENGE!
UW-Madison Homecoming • October 8-17, 2009

**Research and Sponsored Programs
Schedule of Events**

Monday, October 12 **"Are You Smarter Than a 5th Grader"**
Can you wear your clothes from 5th grade? If not, wear your gear from your alma mater. Show off your school pride by wearing your 5th grade, high school or college alma mater gear.


Tuesday, October 13 **"What's Behind Door Number 1"**
Decorate your office door with a Wisconsin badger theme. Prizes will be awarded for the two best most spirited decorations.

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Wednesday, October 14 **The Tallest "\$10,000 Pyramid"**
It's the even numbered offices against the odd numbered offices. Who can bring in the most non-perishable food items to build the tallest pyramid. All food will be donated to the Second Harvest Foodbank.

Thursday, October 15 **"Family Feud" Finals**
Come and be in the audience while RSP "Families" compete in the Family Feud Finals over the 1 and hour in room 6427. Who will be the winning "Family" and what will be their prize. Sign up sheet will be located in the back by the refrigerator.

Friday, October 16 **Red and White Tailgate Lunch**
Sign up sheet for salad, munchies, and desserts will be located in the back by the refrigerator. Try to bring red and white foods. We will also be looking for volunteers to bring in the flin's for BBQ sandwiches. Beverages will also be served. Lunch will be from 12:00 – 1:00 p.m. if a room still to be determined.




Crowning of the 2009 RSP King and Queen
Wear only your best red and white gear or homecoming spirit wear. Judging will take place throughout the morning with the 2009 King and Queen announced during lunch. A short parade around the building and through Bude will follow.

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The Role of Process Review at UW

- Wisconsin
 - ❖ Administrative Process Redesign (APR)
 - ❖ LEAN Six Sigma
- APR Approach
 - ❖ Campus-wide teams and buy-in
 - ❖ Processes are not just in RSP
 - ❖ Education about RSP obligations
 - ❖ United front on process improvements
- Fits nicely with a reorganization


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FORUM DISCUSSION


1. What strategies or techniques have worked for you?
2. What are some problems that you have faced that have not been addressed?
3. Where in the organization do you go for help to resolve some of these problems?
4. Will we ever go back to "normal"

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QUESTIONS

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References

- Chabotar, Kent John, "Crisis Fatigue in a Difficult Economy: 5 Mistakes to Avoid," The Chronicle of Higher Education, December 4, 2009, page A76
- Wheatley, Margaret, Finding our Way – Leadership for an Uncertain Time, Berrett-Koehler Publishers, Inc., 2005

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