CHALLENGES

- Operational inefficiencies
- Inconsistent policies and processes across the system
- Uneven IT resources across the system
- Negative perceptions of common processes (e.g., loss of control/autonomy)
- Need for collaborative leadership

SOLUTIONS

- Conduct BPMS sessions across all functional areas
- Establish performance benchmarks
- Construct future state process models
- Validate process models
- Provide consulting and project management for implementation
- Identify resource needs

RESULTS

- Provide a more consistent student experience
- Evidence of strong collaboration for process standard adoption
- Institution-specific evidence of BPM benefits
- Impact varies by process
- Impact varies by institution
- Opportunities for collective gains in efficiency
- Address Complete College Tennessee Act (CCTA) requirements

Strata Information Group
Information Technology & Management

3935 Harney Street, Suite 203
San Diego, California 92110
619-719-0170

Establishing standardized business processes across Tennessee Board of Regent's community college system

The Tennessee Board of Regents (TBR) was created in 1972 by the General Assembly as the governing body of the State University and Community College System of Tennessee. At that time, the member institutions of the system consisted of 6 state universities and 10 community colleges, formerly governed by the Tennessee Board of Education. In 1983, the General Assembly transferred the technical institutes and area vocational schools (now called Tennessee Colleges of Applied Technology) to the Tennessee Board of Regents.

TBR is the sixth largest system of public higher education in the nation, with 46 campuses, over 200,000 students, and 15,000 benefit eligible employees. Currently, the system consists of 6 universities, 13 community colleges, 27 technical centers, and the Central Office.

The 13 community colleges in the system comprise all 2-year public institutions in Tennessee, ranging in size from over 11,000 students to less than 3,000 students, with more than 65 campuses across the state of Tennessee, offering more than 480 academic programs.

Profile

The Business Process Model Standards (BPMS) project was established to standardize select administrative processes across Tennessee's community college system, consisting of 13 community colleges. The Business Process Model (BPM) Project was guided by the Complete College Tennessee Act of 2010 (CCTA) TCA 49-8-101(c), through which TBR was tasked with merging the 13 Tennessee community colleges into a "comprehensive statewide system" of coordinated programs and services.

The project objectives included standardizing how institutions conduct business and interact with students to provide a common experience regardless of which institution they attend. The BPMS project approach was intended to create value for both students and stakeholders, as well as realign operational processes to be more effective, transparent, and agile.

As the result of an RFP, SIG was selected as the Business Process Modeling consultant for TBR. SIG made recommendations and assisted TBR in implementing revised and standardized processes across 13 community colleges.

Results

Huron Consulting performed an analysis of the benefits of this project, detailing findings in the Business Process Model Project Efficiency Impact Report. Conclusions include the following:

There is preliminary evidence of significant gains in efficiency across the community college system. The potential estimated gains in efficiency total more than $2.8 million in annual savings for the community college system. From a soft savings perspective, the impact of the BPM Project could potentially save the community college system more than 16,000 hours annually, reduce errors for certain processes, and increase the capacity to accommodate future growth and demand. To validate the outcomes of these estimates, each functional area was sent a summary table showing the calculations for each process, and asked to verify the validity of these estimates. To date, the responses have affirmed the validity of these estimates.

While the outcomes of this study show evidence of improvements in efficiency, the assumptions made about how these improvements can be realized at each campus must factor several constraints and realities: 1) The cost savings (estimated) reported in this study come mainly from a reduction in some form of consumption—part-time hours, user fees, materials, etc. These savings may be repurposed in other areas, which may not be clearly apparent from a budgetary perspective; 2) The reduction of hours spent managing these processes may not result in lower part-time costs or an elimination of a position. This may be due to an absorption of these free hours by other resource-strained processes within a particular office. 3) The ability to realize gains in capacity will be highly dependent on the probability of production volumes increasing

in the future. For small institutions and functional areas with stable volume loads, the probability of experiencing these gains is low. As an overall measurement of potential gains, the level of efficiency improvement will vary due to (1) the level of preexisting inefficiency at each campus, (2) the required technical skill and expertise within each office, and (3) the extent of procedural change necessary to adopt these new process standards.

BPM Implementation & Efficiency Assessment

	BPM Efficiency Savings (Annual Estimates per Campus)			
	Cost Savings (Hard Savings, Totals)	Saved Hours (Workload, Totals)	Quality (Error Rate, Avg.)	Capacity (Marginal Volume: Marginal Costs, Avg.)
Finance	$(9,883)	-118	0.4%	15
Financial Aid	89,826	5,800	5.2%	510
HR/Payroll	77,001	-76	1.5%	2
SAR	19,300	1,437	4.5%	179
Student	$39,902	8,961	2.0%	676
Total	$216,146	16,004	2.7%	276

TENNESSEE BOARD OF REGENTS

From BPM Implementation Update/Huron Efficiency Study – December 2014

Overall, the results show good evidence of a positive impact from the BPM Project. The initial investment for this project totals close to $1.5 million. Given the projections of more than a $2.8 million reduction in system-wide annual cost, not including the reduction in hours and increase in capacity, the investment could be more than covered after the first year of full implementation across the system. Moving forward, the savings realized from this effort show promise of providing campuses with excess capacity to improve customer service, and allowing them to better accommodate new initiatives related to student success. Equally as important, the effort has produced a culture of continuous improvement necessary to realize even more savings in the future, as well as accommodate new administrative demands.

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This case study includes excerpts from Huron Consulting's Business Process Model Project Efficiency Impact Report, *which analyzed the benefits of the project.*