Action Project

Institution:	Indiana University Northwest		
Submitted:	2009-04-01	**Contact:**	David Malik
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Timeline:

Planned project kickoff date: 04-01-2009

Target completion date: 03-31-2011

Actual completion date: --

A. Give this Action Project a short title in 10 words or fewer:

Transition to Responsibility Centered Management as a Continuous Improvement Tool

B. Describe this Action Project's goal in 100 words or fewer:

This project seeks to transition the campus budgeting method from a centralized, campus-level responsibility center to a unit-based center. Requiring a concerted effort by all units on campus, the RCM model requires improved communication with stakeholders on fiscal policy (with a joint administration-faculty budget hearing process) to ensure broad feedback is used to shape decision-making. In order to achieve the overall goal, a set of principles and assumptions are under construction where budgets will be analyzed and "right-sized" within responsibility centers, and unit managers will be educated and trained in best practices to ensure efficacious use of income.

C. Identify the single AQIP Category which the Action Project will most affect or impact:

Primary Category: Planning Continuous Improvement

D. Describe briefly your institution's reasons for taking on this Action Project now -- why the project and its goals are high among your current priorities:

In 2007 IU Northwest began an Action Project titled Creating a Culture of Continuous Improvement, which sought to analyze and revise structures and processes at every unit level in order to "help integrate the continuous improvement process into all relevant processes on campus, making it a "driver" rather than a separate process. As the campus proceeded with this work, it became clear that commitment and motivation to move in this direction was uneven on campus. In fact, in our recent Reaffirmation Recommendation it was noted, "IUN has committed itself to the continuous improvement process; however, the commitment has not become campus wide or embedded itself into the culture of the institution." Under the current budget system, improvement in processes does not always translate into any tangible reward for units (other than improvements in stakeholder satisfaction, etc); unit managers do not see revenue, and monies remaining at the end of the year are returned to the central campus fund for re-allocation. Additionally, IU Northwest has recently developed a goal of increasing its enrollment 20% by

the year 2013, with each unit subsequently developing its own goals for contributing to this increase. However, some academic units especially question how they will directly benefit from increased enrollment since increases in tuition revenue would not be reflected in their unit budgets. Changing to an RCM model would enhance both responsibility for collective action in units to improve processes for efficiency, provide a range of incentives that focus administrative and faculty attention on strategies that result in increased enrollment and student success, and support a culture of distributed accountability reinforcing a wider range of strategic use of income.

E. List the organizational areas - -institutional departments, programs, divisions, or units -- most affected by or involved in this Action Project:

Every organizational area will be affected by this project. Income-generating academic units become the focus of the institution and the service units provide essential support in achieving academic and institutional objectives.

F. Name and describe briefly the key organizational process(es) that you expect this Action Project to change or improve:

1. Communication. Transition to an RCM environment requires education of the entire campus on developing unit and campus priorities. 2. Accountability. Units develop strategic plans consonant with campus mission and priorities. 3. Fiscal judgment. Units now assume greater decision-making judgment in purchasing and re-allocate when needed. Fungibility of resources allows for real-time decision-making. 4. Incentivizing priorities. Units have greater control in developing projects that result in increased income to unit for better judgments. 5. Budget hearing reviews. Administration and faculty budget representatives review progress, priorities, outcomes, and performance improvements of all units and future plans are presented. Feedback from major constituencies is considered.

G. Explain the rationale for the length of time planned for this Action Project (from kickoff to target completion):

The time line is in three parts: (i) education, (ii) application, and (iii) re-evaluation. Education (awareness of principles and processes development) will require 3-4 months. Application (in situ monitoring of expenses and possible decisions) involves within the mirror-RCM process during the first semester up to budget hearings in January. Re-evaluation (achievement of goals, re-evaluation of priorities, outcomes analysis, and budget considerations) occurs as part of the budget hearing process. At this point new campus priorities are established for individual units. The final completion of the project, completing the re-evaluation phase, rests with the formal transition date to RCM, which we currently expect to be July 1, 2010 with ongoing evaluation through March 31, 2011 and beyond.

H. Describe how you plan to monitor how successfully your efforts on this Action Project are progressing:

Written statements on principles and operational details will be reviewed at conclusion of phase 1. Feedback during the Application phase will be used to identify bottlenecks and conflict in any allocations. Budget hearing outcomes will consider administrative responses for budget re-alignments with consideration of faculty Budgetary Affairs Committee recommendations.

I. Describe the overall "outcome" measures or indicators that will tell you whether this Action Project has been a success or failure in achieving its goals:

Since this is a recursive process annually, it is, by default, continuous improvement. Reports

from individual academic units will opine changes in the process and actual allocation considerations. Recommendations for change will also be sought from the Budgetary Affairs Committee. The outcome measures will largely be based on responses from these bodies. We will develop two instruments for assessment purposes involving before and after questionnaires. These will reflect learning, level of familiarity, and other issues that can shape the overall process. Satisfaction "learning" will help validate a successful project. We will also at that time identify gaps in the "transition education" phase to fortify any lingering uncertainties in the process.

J. Other information (e.g., publicity, sponsor or champion, etc.):

Co-project Leader: David Malik, Interim Executive Vice Chancellor of Academic Affairs

K. Project Leader and contact person:

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