

Minutes of September 3, 1997 meeting

2:30 p.m., Union Room 405A/B



PRESENT:

Julie Andrews, Charlene Baker, Cyndi Baskett, David Blackmarr, Brenda Brannan, Onice Carter, Mary Chrestman, Buster Clark, Thelma Curry, Sondra Davis, David Elmore, Mary Harrington, Gene Hartley, Willie Hilliard, Ellawee Ivy, Virginia Kesler, Floyd Klepzig, Jonnie Manning, Joe Maples, Traci Mitchell, Donna Patton, Lucienne Savell, Whitman Smith, Norman Sneed, Steve Stricker, Doug Stuart, Michael Vanderlip, Lesley Werner

GUESTS:

Rex Deloach

EXCUSED ABSENCES:

Woodson Boyden, Martha Deal, John Schuster

UNEXCUSED ABSENCES:

Debbie Chinault, Ben Flemmons, Eldrid Hodge, Conny Parham

1. Jonnie Manning, President, called the meeting to order and introduced Mr. Rex Deloach, Interim Vice Chancellor for Administration and Finance who addressed the Council regarding the upcoming re-engineering process at the University.
2. Mr. Deloach began his presentation with background information on his association and retirement from Arthur Andersen and told how he became associated with the University at the request of Chancellor Khayat.
 - A. His objectives for his tenure at Ole Miss include:
 - I. Find ways to provide for recurring source of income of \$2.5M above the state appropriations for the operation of the University (including salaries and wages). Possible means to garner these additional funds are:
 - a. Bookstore - outsourced with Barnes/Noble (savings of \$200,000 per year)
 - b. Forest Lands
 1. Improve operations in order to increase income
 2. Sell to Forest Service for permanent long-leaf forest. If this happens (in Spring of 1998) \$30-35M would be obtained for a permanent endowment to supplement the University budget.
 - c. Possible sale of surplus land in Oxford area owned by the University by the end of 1997.
 - II. Maintain the financial integrity of the University.
 - III. Improve the flow of assets by:
 - a. Selling of surplus property
 - b. Reduce costs
 - c. Present a better case for appropriations. (Forty percent of the University's budget is appropriated funds.)
 - B. **What re-engineering is.** Fundamental re-thinking and radical re-designing of business processes to achieve dramatic improvement in cost, legality, quality, and speed. This is talking about 80-100% improvement.
 - C. **What re-engineering is not.** Re-engineering is not restructuring and downsizing. Those things happen when you lose your customer base and can't compete.
 - D. Three kinds of organizations which undergo re-engineering.
 1. organization which is in trouble and has to downsize
 2. organization which is operating okay but sees changes coming which could cause financial problems
 3. organization which is performing well and wants to continue to do so.

Ole Miss falls somewhere between the second and third definition.

E. **Funding for the re-engineering process.** \$16.5 million was given to Ole Miss by the Reynolds Foundation with \$8 million going to the Library; \$6 million to the School of Accountancy; and \$2.5 million for re-engineering process. Details of the process.

1. It will be disruptive to all employees
2. It means we start over regarding systems and processes--a clean sheet of paper
3. It will bring the University from a series of functional departments to a series of processes
4. It will mean a new financial accounting system and software

F. **What about the people?** The process will cause disruption and displacement. Jobs will change. Employees will be asked to do different things in different ways. There will be a reduction of jobs which will cause staff to be relocated. If their job is terminated, they would become a part of the re-engineering team and would be eligible to apply for other positions on campus. Training for the new positions would be provided. It is believed that everyone can be placed in a new position.

G. Objectives of the re-engineering process.

1. Help Ole Miss become the most efficient university in America
2. Create more satisfying and challenging jobs for employees
3. Pay higher salaries and wages.

The University is committed to making this initiative successful.

H. Logistics of the process.

1. A 2.5 day, off-site meeting of the chancellor, vice chancellors, deans, and provost will be held to define what it means to be a great university
2. Arthur Andersen will provide a consulting team to begin Phase I (October 1 through mid-December) by talking with appropriate people at the University
3. In January 1998, process will begin to be implemented on the top 5 or 6 priorities. The entire project will take from 1 to 2 years.

I. How will transfers affect current salaries? Each will be looked at according to the available positions and the individual's salary. Are there any more areas to be outsourced? Mr. Deloach has told his division that if there is a function that cannot be performed with equal or less cost and the same quality, then outsourcing will be considered.

J. Processes. Flow charts will be utilized with department heads reviewing them. The charts will then be sent to operating groups (vice chancellors and other individuals) to assess the recommendations and forward to the strategy group (chancellor, provost, Deloach).

K. Will faculty and staff be involved? Not in the initial planning stages.

L. Will only high-profile areas such as Financial Aid, Bursar, etc. be involved? No. All areas will be involved, but prioritization will be needed.

M. Will scholarships be cut? Criteria for scholarships will need to be reviewed. This does not include athletic scholarships.

N. How will the Morris Study come into play? The Morris Study will become obsolete as this process unfolds.

O. Mr. Deloach agreed to return to the Staff Council to provide updates as requested by the staff. **He encouraged any staff member to call him at 7201 with questions or concerns.**

3. Jonnie announced that the Executive Committee had a very productive meeting with Chancellor Khayat this week. The following items were discussed:

1. Dr. Khayat has agreed to increase the amount of the Outstanding Staff Awards to equal the amount of the Outstanding Faculty Award (\$4,000). This money will be divided among the EEO categories as designated by the Council.
2. Chancellor Khayat will work on an individual basis to seek scholarship opportunities at another institution in the State for children of staff members who want to obtain a degree that Ole Miss does not offer. He cannot guarantee a scholarship but will work with the individual as requested.
3. The Day Care Center initiative is still actively being considered.

4. Onice Carter mentioned a concern regarding staff who have purchased football tickets for years and who have lost their seating priority this year because they are not members of the Loyalty Foundation. Pete Boone was

contacted and replied with a letter stating that without contributions from Loyalty Foundation members *"we would have no athletic program at Ole Miss...I have no magic formula to make everyone happy. While you may not agree with our process, I hope you understand."* If you would like a copy of the letter, you may contact Onice Carter at x7447 or for additional information, contact Mr. Boone.

5. Jonnie announced that the campus-wide staff meeting on October 7 has been moved to Fulton Chapel and will begin at 9:00 a.m. All staff members are urged to attend.
6. Mary Harrington, Membership Committee Chairperson, reported that three members were dismissed from the Council because of excessive absences, and the following staff will replace them: Michael Vanderlip, Woodson Boyden, and Charlene Baker. They were welcomed as part of the Council.
7. The MASCO (Mississippi Association of Staff Council Organizations) will meet on our campus on October 9. Details are being finalized for the meeting. If you are interested in attending the meeting, please let Jonnie Manning know.
8. There being no further business, the meeting was adjourned.

Respectfully submitted,
/s/Donna Patton, Secretary
/s/Jonnie Manning, President
/s/Onice Carter, President-Elect

The TV program, Firing Line, is again coming to Ole Miss.

When: October 14, 1997

Where: Tad Smith Coliseum

Ushers are needed for this event.

Contact Jonnie Manning at ext. 5021 (or email her at dpjasm@olemiss.edu) to volunteer.