Report of the Re-engineering Advisory Committee
v7: 10-31-09

A. OVERVIEW

The Re-engineering Advisory Committee (RAC) was set up in June 2009 to review recent and current re-engineering efforts at NYU. The impetus for these efforts was twofold:

- address the budgetary shortfalls NYU faces as a result of the current economic climate;
- continue to identify places where NYU can improve the quality, timeliness, and other aspects of the services and activities it performs—while, if possible, simultaneously saving on cost.

There have been two phases of re-engineering efforts to date: Re-engineering I (REI) and Re-engineering II (REII). The RAC was asked to review both phases, and to offer comments and advice to the NYU administration.

We recognize that we were brought into the re-engineering process as an extra sounding board, after some re-engineering was already under way, and that we did not have the time or resources to analyze in detail every proposal that has come out of the re-engineering process. Nevertheless, we hope that our report can help in evaluating steps that have already been taken, steps currently being taken, and steps that may be taken in the future.

There are two main components to the present report:

- a checklist against which we hope current and future re-engineering proposals can be evaluated by everyone involved in or affected by the proposals;
- a list of areas where we believe additional study and analysis could lead to additional financial, operational, and strategic gains for NYU.

The two lists are in Sections C and D below. Coming before these two sections in Section B is a statement of a ‘philosophy’ towards organizational change at NYU which emerged from our discussions. Our message here is that we recognize the opportunities that re-engineering at NYU can create, but, nevertheless, we advocate a very careful approach.

There are four appendices to this report. Appendix 1 lists the committee members. Appendix 2 lists the meetings we held. Appendix 3 contains more information on REI and REII, and links to more details on both. Appendix 4 gives comments we have on some specific elements of REII. A supplementary report to come will contain our comments on three especially sensitive areas covered in REI—Retiree Benefits and Retirement Plans, Housing, and Tuition Remission.
**B. OUR PHILOSOPHY**

Complex institutions, like complex organisms, often react to change in unpredictable ways. Decisions which seem straightforward propagate through organizational pathways, sometimes creating outcomes entirely different than planned. For this reason, changes to an organization need to be made thoughtfully, based on the broadest understanding of the whole and the interrelationships of its constituent parts, planned and implemented by a broad group of people, reflective of the best research on the experience of comparable institutions, and sensitive to the intangible as well as mechanical aspects of the enterprise.

Such protections are particularly important when the organization involved is filled with people for whom unpredictability is not just a risk, but essentially a prerequisite of their work. People in a university are expected to break the bounds of accepted paradigms, reacting to the commonplace with uncommon creativity and a willingness to experiment. For this reason, the responses to organizational change are especially complex in world-class research institutions such as NYU.

Given this complexity, the changes being proposed by the re-engineering committees should be implemented carefully. We need to monitor any gaps between the planned impact and the actual effect, not only with an eye toward understanding what mid-course adjustments should be made, but also in order to turn this entire effort into the kind of learning experience at which NYU excels. If we watch ourselves evolve through this process and learn from the experience, we will end up not only a more effective institution, but a wiser one.

**C. CHECKLIST AGAINST WHICH TO EVALUATE RE-ENGINEERING PROPOSALS**

1. **Protecting Academic and Community Goals**

We believe that all re-engineering recommendations should be evaluated first and foremost with a view to how they might affect the academic and professional experience of everyone at NYU, and how they might affect our ability to meet our responsibilities to the community at large. Specifically:

- **Does a set of recommendations support our aspirations?** As an institution, we hold many aspirations for the future which are affected by what we do now. Current actions set the stage for the students, faculty, administrators, and staff we are able to attract, and for the quality of NYU tomorrow.

- **Does a set of recommendations risk undermining our academic mission?** At our core, we are an academic institution, with an obligation to protect the quality of the academic experience, from the classroom, to research, to the work environment.

- **Does a set of recommendations recognize and share burdens?** Potential gains to the University from re-engineering recommendations should be carefully weighed against the burden any particular constituency—faculty, students, administrators, or staff—is being asked to carry. Also, while all constituencies at NYU are affected by the current budgetary
challenges, some are bearing a greater burden than others. As members of one community, we each need to be mindful of this and be prepared to take on some of the burden.

- **Does a set of recommendations run counter to reasonable expectations?** We think it is very important, in assessing any recommendations, to ask if they could run counter to a reasonable expectation that people both within and outside NYU may hold about the University's future actions. Implicit as well as explicit understandings are part of the glue that holds a community together.

### 2. Communicating Recommendations

We believe that re-engineering recommendations can best be understood and refined, and will meet with the greatest success, if they are scrutinized via a creative conversation with all members of the NYU community. We know that there have been various e-documents produced about re-engineering, and also some University-level and local presentations on the aspirations of the University (NYU 2031) and on the current fiscal challenges. Still, we suggest some guidelines against which to test future communications from re-engineering committees. Specifically:

- **Does a communication express key University values?** A communication should pass the tests of showing respect for others, of encouraging collaboration, and of promoting active two-way listening and learning.

- **Does a communication explain how a proposed change helps us achieve NYU goals?** A communication should explain how a proposed change will bring us closer to achieving our common goals for NYU. This is especially important given that a number of changes already made, and, no doubt, a number of changes to be made, will impose significant human costs today and in the future.

- **Does a communication reach all relevant constituencies?** Re-engineering has led to, and, no doubt, will continue to lead to, multiple changes in many different parts of the University. This is not surprising—NYU is an extremely complex institution. Nevertheless, if the nature and purpose of a proposed change is not understood by the relevant constituencies, its chances for success are surely much diminished.

- **Does a communication bring members of the University together?** Again, NYU is a large institution. If members of the community can understand, at least in broad terms, the challenges being faced elsewhere in the University, they may be able to identify opportunities for joint problem-solving that work to the benefit of all.

### 3. Balancing University vs. Local Decision-Making

We believe that the changes being brought about by re-engineering should be carefully examined for how they affect the balance between more University-level and more local decision-making at NYU. A number of the changes proposed in REI and REII specifically target aspects of the balance between the University administration and the various schools, while others will affect that balance in ways we cannot yet foresee. The positions of institutes, centers, departments within schools, etc. may also be affected. While there is no reason to assume that the current balance at NYU is optimal, we nevertheless recommend paying attention to how re-engineering will change it. Specifically:
Does a recommendation respect the benefits of control at the local level? Departments, schools, institutes, centers—and the people who work in them—have local knowledge which they can use to make effective local decisions. Such local entrepreneurship and innovation should be actively encouraged. Also, when people have freedom to make decisions at the local level, this in itself brings obvious and significant intrinsic benefits to the community.

Does a recommendation facilitate appropriate control at the University level? The President, the Provost, and their colleagues at Bobst are concerned with NYU’s mission as a whole—more precisely, with NYU’s multiple missions of teaching, research, and service—and are uniquely able to coordinate the schools’ actions in the desired direction.

Does a recommendation shift resources to the University as a whole or to the periphery? Encouraging entrepreneurial behavior by departments, schools, institutes, centers involves allowing people to benefit from their efforts to garner new resources or save on existing resources. But, failure to share the fruits of these efforts with the University as a whole weakens the University’s ability to make strategic decisions on the allocation of resources.

D. LIST OF AREAS FOR ADDITIONAL STUDY, ANALYSIS, AND ACTION

1. Make the Message from the Leadership Clear, Concise, and Consistent
As the University proceeds with the implementation of the many specific actions flowing from re-engineering, there is an increasing need for the core leadership team to present a coherent and clear message about the rationale. These are difficult actions in many cases, and they fall on an institution already aware of the challenging economic context. Communication with the University community is, of course, essential. It is also essential, in our view, that all such communications receive very careful attention to ensure that they are comprehensible and to the point. They should not be clouded by excessive complexity or length. We also feel strongly that each message needs to be delivered by the core leadership in several formats—electronic, print, and face-to-face—in a number of different forums, in front of the diverse audiences that make up our community. We see a critical need for the leadership team to tell a compelling story clearly and repeatedly.

2. Test How the Message Is Received
In a community of several thousand people with a very wide range of backgrounds, there must be a sincere emphasis on listening as well as informing. We recommend that the leadership team use a variety of tools to measure the effectiveness of its messages on a routine basis, so that it can learn and revise accordingly. For this to work, members of the community need to know who is involved in the formulation and implementation of a particular re-engineering idea, so that they can direct their reactions to the right people.

3. Create a Review Process to Monitor and Evaluate the Effects of Re-engineering
We recommend that a group be set up to monitor and report progress on closing the current budgetary gap. One reason is that—as emphasized in Section B (“Our Philosophy”)—there are likely to be some unintended consequences. We would like to see continuous evaluation of the effects of the various
changes that are being implemented, and of the response to them from all constituencies affected. In 
order that the University and its leadership be able to evaluate the current changes and come up with 
effective changes in the future, it is vital that the University be able to learn from current re-engineering. 
This will require building a capability in “self-research”—with accompanying capabilities in data 
collection and evaluation. We also note that re-engineering has led to identifying some opportunities 
which are “wins” (independent of current economic conditions). A capability to learn—from ourselves 
and from other organizations—should help us find more wins in the future.

4. Encourage More Entrepreneurship in Support of NYU’s Goals
We recommend that the administration study how to engage everyone in the NYU community in “out- 
of-the-box” thinking about ways to enhance the University’s mission. Some areas to explore might be 
creating new continuing-education and summer offerings, giving the faculty incentives to teach at times 
of lower demand (to improve classroom usage), and finding new ways to reward faculty who obtain 
grants. A dialog is needed—especially between administrators and faculty—to ensure that new ventures 
are cost-effective. However, done right, such new ventures could not only help create future revenues, 
but also, in a time of slower salary and benefit growth, provide a cost-effective way to reward those 
involved for doing what they love.

5. Find New Ways in Which Student Talent Can be Harnessed
As a university, we are privileged to teach young people filled with ideas and hopes for the future. We 
believe that there is a big opportunity to engage students in generating ideas for additional momentum at 
NYU. One area where we suspect there are especially big opportunities is Information Technology. 
Our students have grown up in the digital era, and many of them—as in all universities—are actively 
creating the digital world of tomorrow. We can envisage very significant student involvement in design 
and running of IT (reserving, say, security and privacy issues for “professional” management). We 
encourage additional study in this area—and the exploration of other areas for greater student 
involvement.

6. Reduce Institutional Barriers to Innovation
Central to encouraging entrepreneurship and involvement is trying to identify and eliminate 
impediments to such activity. We suspect that certain longstanding features of the NYU school-focused 
system may work against innovation. A good example is the mismatch across school calendars. Cross-
school teaching and enrollment, and multidisciplinary studies more generally, are all impeded by this 
factor. Another example concerns tuition movement across schools. The current system may encourage 
efforts by schools to attract students. But, it may also act to discourage curricular innovation and cross-
school course registration, since each school has an interest in keeping tuition within its own borders. 
We recommend that the University continue to work on creating “rules of the road” for how schools 
interact with one another, so that they are encouraged to see the broader picture.
APPENDIX 1: COMPOSITION OF THE COMMITTEE

Chair: Adam Brandenburger, Stern

Members:
Sally Blount, Stern (Deans Council Representative)
Leslie Brown, Steinhardt (AMC representative)
Craig Calhoun, FAS
Jim Hinojosa, Steinhardt (alternate FSC representative)
Katherine O’Regan, Wagner
Whitney Petrie, SSC (student)
Carol Shoshkes Reiss, FAS (FSC representative)
Anthony Shorris, Wagner
Tom Tyler, FAS
Jerome Wakefield, Silver School of Social Work
Anthony Welters, NYU trustee

APPENDIX 2: MEETINGS OF THE COMMITTEE

To date, the RAC has met on July 1, July 30, August 27, September 21, October 12, and October 26. Tony Jiga (VP for Budget and Planning) came to our July 1 meeting, to present the overall University budget and give us some context for the current budgetary challenges. Steven Donofrio (Chief of Staff to EVP and VP for Administration) came to our July 30 meeting, to go over some examples of how the Re-engineering Study Committee (see below) was arriving at its recommendations. Dean Charles Bertolami and Katie Casey (VP for Human Resources) attended our September 21 meeting. Minutes are available for all meetings.

APPENDIX 3: RE-ENGINEERING TASKFORCES

There have been two phases of re-engineering efforts to date: Re-engineering I (REI) and Re-engineering II (REII). Under REI, the following taskforces were created

- Construction and Facilities Management Optimization
- Information Technology
- Revenue Programs
- Human Resources Policies
- University Finance Systems
- Housing

See http://www.nyu.edu/task.forces.

Under REII, the Re-engineering Study Committee was created to refine and add to recommendations that came out of REI. See https://jira.nyu.edu:8443/confluence/display/REENGINEERII.
APPENDIX 4: SPECIFIC COMMENTS ON ITEMS IN REII

Our committee reviewed the 15 recommendations coming out of REII. We found the recommendations to be broadly consistent with the principles we articulated in Section C above. Any specific comments we had are noted in the table below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Specific Comments</th>
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<tr>
<td>1. Outsourcing email</td>
<td>We recommend creating a University consortium to monitor the relationship with Google (financial terms, privacy issues, etc.)</td>
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<td>2. Outsourcing components of Advertising and Publications</td>
<td>We think a University-level core should remain, in order to identify and monitor brand look and to manage key messages</td>
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<td>3. Reorganizing Payroll Services and implementing a time &amp; labor system</td>
<td>We would like to see monitoring—e.g., of wait-times for special items—to assess this change</td>
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<td>4. Outsourcing administration of retirement plans</td>
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<td>5. Creating HR &amp; Finance service clusters</td>
<td>We think some pilot programs will help inspire and teach others around the University</td>
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<td>6. Consolidating Office of Academic Appointments and HR</td>
<td>We recommend that sensitive faculty matters continue to receive special consideration under the Provost’s auspices—and we recommend monitoring to ensure that current “high-touch” service is not lost</td>
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<td>7. Consolidating Institutional Research and Strategic Assessment</td>
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<td>8. Consolidating Environmental Services and Operations</td>
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<td>9. Reconfiguring phone services in student housing</td>
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<td>10. Replacing computer labs with wireless lounges and collaborative software</td>
<td>We recommend that the SSC engage in conversation with students and the administration in order to address concerns that students have expressed (about changes in printing policy and in hours of operation of computer/printing labs)—and to brainstorm about achieving the same savings via other solutions</td>
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<td>11. Renegotiating all supply and service contracts</td>
<td>We would like to see monitoring to assess if high-touch is present/absent—and also recommend that appropriate bypass rules are formulated</td>
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<td>12. Changing benefits for future employees</td>
<td>We deferred discussion of this item</td>
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<td>13. Reducing benefits representatives in favor of more self-service</td>
<td>We think that significant improvements in web-based information will be required to accompany this change</td>
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<td>14. Adopting and implementing design standards and guidelines</td>
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<tr>
<td>15. Merging Residential Education and Housing Administration</td>
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