

Campuses – Each campus should consider return on investment from adequate staffing levels and an efficient organizational structure, along with encouragement of creative and entrepreneurial thinking.

Conclusion

Streamlining Revenue-Generating Business Contracts represents an excellent source of potential new income for all UC campuses. By encouraging and supporting campus level entrepreneurial activity and endorsing this recommended approach, UC campuses can unlock the value of their rich expertise to generate additional resources, while reducing both administrative costs and the potential for risk.



UC-CORO SOUTHERN CALIFORNIA COHORT

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EXECUTIVE SUMMARY

Recommendations for
UC Revenue-Generating
Business Contracts

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UC-CORO SOUTHERN CALIFORNIA COHORT FINAL REPORT
RECOMMENDATIONS FOR UC REVENUE-GENERATING BUSINESS CONTRACTS
NOVEMBER, 2015

Executive Summary

Background/Definition

In spring 2015, the UC-CORO Leadership Collaborative Southern California Cohort accepted the invitation to develop a capstone project: review of University of California (UC) systemwide Revenue-Generating Business Contracts (RGBCs). The focus is to gain better understanding of market-driven engagements involving the external use of University facilities and services on a fee-for-service basis. These RGBCs are distinguished from regular external engagements as they are privately funded through a contracted rate rather than through reimbursement for costs incurred to the University for completing the work. Additionally, and unlike research, they do not result in discovery or invention but can support the University's mission by providing needed funds directly to our campuses.

Project Scope

The UC-CORO team worked with our project sponsor, UC Riverside Vice Chancellor Ron Coley, and the newly formed UC Business Contracts Collaborative to define the project scope as an examination of the many and different ways revenue-generating business contracts are presently managed throughout the UC system. The team engaged in thorough research of industry best practices and consultation with key university stakeholders from across the UC system to identify and recommend more streamlined, collaborative and policy-compliant approaches for producing better contracts that will both increase revenue and reduce risk to the university.

The Case for Change

As the UC-CORO team researched and learned more, it became clear there are tremendous opportunities and that in order to achieve the objective of increasing revenue and reducing risk, there needs to be some fundamental changes. Three key themes emerged:

Revenue Enhancements – Throughout the UC, there are facilities and services that could be offered on a fee-for-service basis; however, the potential for individual campuses to generate revenues from RGBCs significantly beyond current levels may be inhibited by current administrative support, delivery models and frameworks.

Administrative and Bureaucratic Barriers – Extensive bureaucratic processes compounded by lack of clarity about relevant UC policies and requirements can often unnecessarily delay or stall projects and proposals. This directly reduces the ability for campuses' to embrace entrepreneurial thinking and originate strong partnerships with external parties.

Varied Levels of Risk Exposure – Authority to sign RGBCs is assigned by “Delegation of Authority” documentation. Administration of RGBCs is highly decentralized on most campuses. The general lack of uniform guidance and clarity of relevant policies and requirements increases the practice of individuals without delegated authority signing contracts, thus creating the potential for risk exposure to the university.

Findings

To arrive at our findings, the UC-CORO team undertook interviews with Chancellors, their cabinets, and other UC officials responsible for RGBCs, and analyzed and assessed all of the information gathered. Team members then added insights and analysis drawn from their expertise – professional training, knowledge, and experience – including a combined 265 years of service at UC schools.

Notably, we discovered there is no “enterprise-wide” process or standard for RBGCs; each campus has its own model for administration. Importantly, while campuses' were unanimous they would welcome guidance concerning best practices, templates and tools, they also emphasized the need for autonomy, the ability to leverage unique strengths and assets, and retaining responsibility for local processes. There is broad acknowledgment of the advantages of a UC-wide one-stop-shop orientation (such as websites, list-serves, or other gateways) for those seeking clarity and guidance on the RGBCs process. But success will lie in a “light touch” from the UC Office of the President that supports the efforts and encourages campus level innovation.

Overall, it is clear that throughout the UC system there are resources, motivated people, and expertise which, through collaboration, entrepreneurial thinking, and integration, could be further utilized to capture awaiting opportunities for additional and new risk-appropriate sustainable revenue streams.

Recommendations

The group recommends the President approve, and the Chancellors consider, the following three levels of systemwide recommendations:

President and Chancellor's – Encourage a new mindset that promotes and supports entrepreneurial thinking across our campuses by recognizing and strengthening the potential of this initiative proposing a systemwide focus on RGBCs to provide revenue streams for all UC campuses. This would require supporting and recognizing the UC Business Contracts Collaborative (UCBCC) in the same manner as other systemwide collaborative groups. The UCBCC could be recognized as the entity that will initially drive this new process of change.

Office of the President – Establish a Business Contracts coordinating function to support the activities of the UCBCC and serve as a resource to campuses. Provide services akin to the Alumni Associations of UC, such as regular meetings and coordination of a shared systemwide resource for business contracts resources.