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Read Article

Commentary by Cory Harms

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- Cory Harms, NAEP President

Read Article

From the Editor

For about as long as I can remember, change has been part of the discussion within higher education. Decades ago, computerization began incrementally and individually changing student life, instruction, research, and business management on campus at an accelerating rate. In relatively recent years, there has emerged a growing consensus that, while change in virtually every area had significantly reshaped the delivery of educational services, higher education had grown a bit like Topsy, and institutions needed a new, integrated plan to thrive, or maybe even survive.

Last August, many of higher education’s chief business officers gathered in Seattle at the NACUBO annual meeting to discuss common concerns and find better ways to manage the business affairs of their institutions. Apparently, there was general agreement it was well past time to take a comprehensive look at how, or how well, and at what cost their institutions were delivering educational services. Cost was probably the central issue and many believe the economic viability of some institutions will be determined by decisions made in the near future. NACUBO has called on its members to provide the leadership required to deliver the needed change. Just as NAEB played a key role in the founding of NACUBO years ago, I think NAEP members can play a key role now in shaping change on campus. Take a look.

Commentary: Bill Gates at NACUBO

By: Neil Markee

I don’t know what Bill Gates understands about the business side of higher education, or what he thinks needs changing within higher education, but given his resume and ability to influence change, I’d walk the proverbial mile to hear what he had to say. According to an article in the August 1, 2014 issue of the Chronicle of Higher Education, something like 3000 higher-education business-administrators attending the National Association of College and University Business Officers’ annual meeting in Seattle turned out to hear the billionaire businessman. There is at least a fair chance that the audience head-count included staff members of other associations, VIP guests, representatives of the national media, and many of the business leaders among exhibitors supporting the meeting. If for no other reason, what Gates has to say is important, because of the audience he commands.

According to Don Troop, the author of the Chronicle article, Gates’ remarks apparently calling for change in how, and at what cost, institutions deliver educational services struck a responsive note with NACUBO members. Troop speculated that this might not have been the case if the meeting had been with a faculty group. Gates saw the specific changes he mentioned as inevitable and
called on the business officers seated before him to prepare the way. Other speakers at the meeting were reported to have expressed similar opinions on what needed to change, and Troop thought some of those speakers were not likely to have endeared themselves with faculty members back on campus. It's probably safe to assume that at least some faculty might see the changes as unnecessary, wrong-headed or even a threat. I wasn't on hand, and the article didn't provide specifics, but the article's general tenor suggested that what was proposed by Gates and others was a more rational business-like approach to decision-making affecting the delivery of educational services.

At 4:15 a.m. on the last day of the meeting, author Troop waited for airport transportation out side the Seattle hotel and casually exchanged views with an unidentified vice president for finance, who was also waiting. According to Troop, "The college vice president agreed that some of the proposals discussed for fixing the broken financial model for higher education might alienate some faculty members. But, they don't see what we see," he said. In essence, the administrator was conceding that our current approach isn't serving institutions well – that change is needed, but stymied, because the faculty does not view the challenges or the viable options and the resulting need for change as we do.

Karen L. Goldstein, a presenter, executive search consultant and former chief financial officer at Davidson College, was concerned about professors who "refuse to engage." She is quoted as saying, "Don't they understand that if they don't participate in this, not only are they not going to get raises, they're not going to have a job." She suggested the need for ongoing dialog between faculty and high-level administrators was a requirement for the institution to succeed. She said, "Now, more than ever, chief business officers must be great communicators, be strategic, be visionary – qualities that before the 2008 crash were commonly sought in presidents and provosts."

Goldstein had recently led a survey of college presidents that asked, "...what qualities they desired in a chief business officer. High on the list was that the CBO needs to be an educator in the sense of helping the trustees, cabinet members, and staff to understand the financial status of the institution." As reviewed in the article, she wondered about, but didn't explore, why faculty had not joined what she saw as the necessary dialog. Her solution focused on the need for business leaders to become more effective communicators.

According to the article, "Rick Staisloff, another presenter, identified as principal of the consulting firm RPK and an authority on higher education finance, said the sector was undergoing a fundamental shift from a budget balancing focus to a model that takes advantage of marginal returns." Staisloff is quoted as saying, "It's not just How can we spend less?" It's How can we get more for the money we already spend?"

Purchasing professionals have been dealing with both questions on campus and in the commercial world for about as long as there has been anything close to central purchasing and might be able to productively contribute to the conversation. His comments suggest maybe we need to be more visible.

In the same issue of the Chronicle, another article titled "At Butler, a Corporate Way to Manage Change and Groom Leaders," discusses a small-college president's efforts to help his institution thrive by using lessons learned and approaches developed within the business community and elsewhere off campus, to better evaluate their own performance and manage change on campus. Butler's president had clearly signaled everything was on the table. "He had formed a team, the Blue Sky Group, which was charged with imagining what the university would look like if it were being built from scratch."

From the perspective of a long-term observer, it seems clear that colleges and universities are organizations with high levels of institutional inertia that some might refer to as stability. Significant changes within higher education institutions require a great deal of persistence, patience, and preparation. Selling a more business-like approach is especially likely to require a well-structured, sustained effort at Butler and elsewhere. Clearly, not everyone involved in the discussion was prepared to embrace the changes on the table.

According to the Butler article, one of the key participants in the discussion, concerned about how a more business-like approach might adversely affect her institution, cautioned that "Butler's growth should be tempered with respect for the university's higher-order mission. Butler has a fundamental responsibility to teach students to think critically and to instill in them a sense of civic duty," she said "and, it is important not to stray from those core responsibilities." Getting her on board may require a bit of enlightened educating.

"The jury is out, she said on whether the president can infuse academe with some hard-nosed business sense while upholding Butler's values."

"If one's business background enables one to pay bills more effectively, great," she said. The challenge is, you can't throw the baby out with the bathwater."

During an interview shortly after the association's meeting in Seattle, John D. Walda, the president and CEO of NACUBO, supported Goldstein's remarks about the evolving role of the financial officer. He was leery of any discussion of the business model and argued that the elements of any business model considered by an institution must be determined by the probably unique characteristics of the institution involved. He noted, "The revenue side of college finances is the one that gets the most attention. But the other half of the equation, the expense side, is
increasingly important. There’s a robust discussion about how to constrain costs. It goes from more profound things, like combining academic programs or sharing academic programs with other institutions, to using technology to reduce costs. And then there are simpler things, like outsourcing and realigning procurement.”

If the problem is a communications breakdown and the resulting lack of understanding among faculty, who has the responsibility for taking the initial steps to address this critical issue? If higher education’s business leaders have properly diagnosed the problem, understand the issues involved and have a viable plan to propose, I think the ball is in their court. The title of the article, “New Role for College Business Officers: Selling Change,” recognizes that reality. But characterizing “selling change on campus” as a new role is disconcerting. Assuming the vice president waiting for the limo was representative of compatriots on hand in Seattle, the group seemed to agree they had not made their case for change. The article goes on to suggest, “This may change if college business officers heed the command of the association known as NACUBO, to go forth and educate their campus stakeholders on the current realities of higher-ed financing.”

Where do those responsible for purchasing, procurement, supply chain management, etc. on campus fit in? And if part of the problem is a lack of understanding of the potential strategic role of purchasing, whose responsibility is it to proactively address the situation? To make a useful contribution and avoid marginalization, I think purchasing professionals can/must play a significant role in the needed discussion. Because of their access to the chief business officer and daily contact with both end-users and the marketplace, procurement officers are well placed to call attention to opportunities that may have been overlooked from another perspective. Few campus business leaders have more frequent contact with the faculty than do NAEP members. Obviously, the professionals involved must ensure that purchasing policies and procedures are effective and in line with changing institutional goals. In dealing with faculty and others on campus at all levels, they should be prepared to explain the strategic role of purchasing, discuss the issues involved, and actively support the message their chief business officer is seeking to send. None of the above is new. But as the chief business officers seem to have recognized a more urgent requirement for institutional change, now might be a good time to demonstrate your willingness and ability to meaningfully contribute.

What’s happening on your campus?

From the President: School’s Back!

Cory Harms M.S.
NAEP President
Iowa State University
Associate Director of Purchasing

Cory Harms, Iowa State University

School is back in session. Our campuses are alive with energy and optimism as students fill the classrooms. Many of us have shopped for school supplies and sent our own kids back to school these past few weeks. And still more of us have started on our own continuing education path this fall.

School is back in session at NAEP too. Your professional association can help you build your network and advance your career.

This February we will offer several topic specific institutes and our Procurement Academy. Read more about each one in the articles below. The Procurement Academy especially will help you master the critical knowledge, job skills and abilities no matter where you are in your career. If you want to earn that next promotion, attend the Procurement Academy.

Be sure to attend a virtual webinar this fall. Everyone has an hour at his or her desk from time-to-time. If you can’t attend live, webinars are recorded and available when you are. Take an hour at lunch one day to learn something new.

And of course, attend your local regional meeting. The learning and networking that happens every fall is invaluable. When you have a big challenge down the road, you’ll have a network of local colleagues to turn to for help and assistance. That alone is worth the investment in attending.

- Cory Harms, M.S.
Iowa State University
Dear NAEP Members,

Please take note of the following Public Service Announcement from the Multi State Information Sharing Analysis Center (msisac.org) regarding a "school impersonation" scheme and forward if necessary to appropriate individuals at your institution.

Opportunity Knocks for Members: Submit a Program for 2015 NAEP Annual Meeting

The Program Committee for NAEP’s 94th NAEP Annual Meeting in Atlanta [April 12-15, 2015] is starting to schedule educational sessions and needs your help!

Here is a unique opportunity for any of you NAEP Members to step-up your leadership profile by passing on the specific expertise you’ve gathered in your own purchasing career. Contribute your knowledge and best-practices techniques in one of the 40-plus Meeting presentations, and you become a valuable player—an educator, a mentor, a resource—in the educational procurement field. Proposals will remain open through October 17, 2014.

The final program will be shaped around the Meeting’s theme, “Explore, Engage and Innovate” and the Committee is looking for presentations that encourage Members to do the following:

• Explore new ideas and processes,
• Engage in best-practice discussions with a variety of stakeholders, and
• Innovate, in order to stay relevant and succeed in an ever-changing business environment.

To submit a presentation for consideration, use the online submission form. You will be asked to create a profile and upload one or more presentation topics for consideration. (You will need to create a profile even if you applied last year.) You will have the opportunity to review, edit, and change your submission up to the deadline of October 17, 2014.

Want to learn more about how to submit a successful program? Join in a webinar entitled Preparing an Engaging Program Proposal on September 30th.

Nominations for the NAEP National Office Now Open

Are you committed to NAEP? Do you have passion, vision, and a high-level strategic view of procurement’s expanding role in higher education? If you answered “yes”, then you may be the dynamic person NAEP is looking for!

The call for nominations for our 2015 Board of Directors is now open. NAEP is accepting nominations for the 2nd Vice President board seat along with Board of Director representatives from District I and District IV. Click here to read the specific criteria for nominating a potential board member.

The Board of Directors is looking for a visionary and strategic thinker. This is your opportunity to advance your profession and yourself.

We want and need to hear from you. If you are interested in serving—or if there are any NAEP Member colleagues you would like to recommend—please contact Valerie Rhodes-Sorrelle at rhodesv@gvsu.edu. Nominations are due by November 1, 2014.

Are you ready to get more involved but don’t know where to start? Actively participate in the regional meetings. If you can write, submit an article for publication in the Educational Procurement Journal or here in the Purchasing Link. Network at your local regional meeting this fall and at the Annual Meeting this spring in Atlanta. Talk to current board members; listen to their vision and share yours. You’ll soon find the best place to utilize your talents.

NAEP Announces New Staff Hire

http://localhost/plink/September2014/index.htm

3/8/2015
NAEP is pleased to announce the hiring of a new employee, Ashley Kmiecik, as our new Business Development Associate. In this role, Ashley will focus on building the NAEP sponsorship program with our vendors and NAeProcure, our new contract library repository.

Ashley brings more than 8 years of event management and business development experience to NAEP. Her career started at the YMCA of Greater Seattle where she began working on a successful $2 million capital campaign. Her passion for relationship building and project management grew as she started a new path at City of Hope Cancer Research Hospital. Ashley spent 4 years there working with the Pacific Northwest Food and Beverage Industry on various fundraising campaigns including galas, auctions, and golf tournaments. Another opportunity to further her career in project management came when she accepted a position at MRA Services as a Conference Experience Manager. Her knowledge of corporate events was utilized in the planning of trade shows and annual meetings. That is where she was first introduced to NAEP and instantly welcomed to the team. Speaking of team, when Ashley isn’t working in the office, the former USA Rugby standout is on the field with her Seattle Rugby teammates. Her love for rugby has taught her many lessons in hard work and determination. If there is any other free time in the day, you can find her paddle boarding, traveling or playing with her two dogs.

You can reach Ashley at 443.543.5543 or ashleyk@naepnet.org

Sunny Phoenix Will Host Three NAEP Institutes, February 8-12, 2015

Phoenix in February averages a daily temperature of 68 and 75 degrees—and that’s a good enough reason for NAEP to schedule its marathon week of three professional development courses there. Another reason is that, as a major airport hub, Phoenix will be fairly accessible to many course attendees. Registration and hotel information will be available in mid-September.

The NAEP Procurement Academy, Tiers I, II and III, run concurrently on February 8-10, 2015. Immediately following, the RFP Institute and the Federal Procurement Institutes run concurrently on February 10-12. All course attendees will assemble in the banquet hall on the day they overlap, February 10, for dinner and a grand-scale networking gathering.

So mark your calendars now, and maybe give a thought to bringing the family along for a mini-vacation to the Grand Canyon or Lake Powell. Here are additional details of each event:

RFP Process Institute, February 10-12, 2015, Phoenix, Arizona

The RFP Institute is a 1.5-day course facilitated by Nancy Brooks, MPA, Director of Purchasing at Iowa State University. The Institute provides specific information of the entire RFP process. It is designed to help procurement professionals determine when it is most effective to utilize an RFP process; how to develop an RFP; conduct evaluations; monitor vendor performance; handle disputes; and close out projects.

NAEP Procurement Academy–Tiers I, II and III, February 8-10, 2015, Phoenix

Whether you are relatively new to procurement in higher education or at a senior level, the Procurement Academy has a program that can meet your needs. Delivered in three Tiers—Foundation, Professional and Senior Professional—the NAEP Procurement Academy provides the best practices, insider intelligence and market knowledge needed to propel your career. Each Tier will teach the competencies expected of the purchasing professional in various career points. Want to advance your career? Click on the links below to review these course descriptions. Attend the Procurement Academy that is right for you.

Learning Objectives:

- Tier I: Foundation Course
- Tier II: Professional Course
- Tier III: Senior Professional Course

Federal Procurement Institute, February 10-12, 2015, Phoenix, Arizona

The Federal Procurement Institute provides specific information concerning Federal Government policies related to procurements for grants, contracts and cooperative agreements. It is designed to be a resource for procurement professionals who purchases goods and services in support of federally sponsored programs or research. The Institute will focus on the recently enacted Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which introduces new requirements in the procurement process for grants and cooperative agreements. The new policies are scheduled for implementation on December 26, 2014.
Calendar of Events

In-person events

- **NAEP Procurement Academy–Tiers I, II and III**
  February 8-10, 2015
  Phoenix, AZ

- **RFP Institute**
  February 10 - 12, 2015
  Phoenix, AZ

- **Federal Procurement Institute**
  February 10 - 12, 2015
  Phoenix, AZ

Webinars

- **NAEP 2015: Preparing an Engaging Program Proposal Webinar**
  September 30, 2014

- **Unimarket Complimentary Webinar**
  October 2, 2014

- **Diversity Among Supplier Diversity Programs in Higher Education**
  November 12, 2014

Regional Meetings

*Register for your regional meeting here*

- **Great Plains**
  September 14-17, 2014
  Ames, IA

- **TOAL**
  September 21-24, 2014
  Waco, TX

- **District VI**
  September 21-24, 2014
  Westminster, CO

- **Kentucky**
  September 28-30, 2014
  Jamestown, KY

- **TAGM**
  October 5-8, 2014
  Atlanta, GA

- **Upstate NY**
  October 7-10, 2014
  Albany, NY

- **Great Lakes**
  October 8-10, 2014
  Indianapolis, IN

- **New England**
  October 19-22, 2014
  Falmouth, MA

- **District II**
  October 26-29, 2014
  Atlantic City, NJ

- **Michigan**
  October 28-29, 2014
  Grand Rapids, MI
Talent Management: The Future of eProcurement

Universities need an enhanced procurement role to create strategic plans that will propel them forward to overcome new barriers and challenges. This new role requires a set of skills and competencies that are rare and hard to find.

In the past, effort and time was spent mostly on building business cases for investments in improved technology and processes. While this is important, people are the most important asset an organization can acquire, so the time is now to invest in them. Of all the initiatives a procurement group can embark on, nothing is as critical as acquiring and developing the right people to their full potential. CPO’s who are serious about talent management find that they wield greater influence in their organizations.

To learn more about recruiting and developing eProcurement talent, download the NAEP 2014 Innovators Forum White Paper. This a powerful tool for senior higher education leaders and procurement professionals to learn about the challenges confronting higher education in regards to procurement talent and how to effectively build a business case and plan to address those challenges.

SciQuest was a proud sponsor of the NAEP 2014 Annual Meeting

Paths to Progress in Procurement Processes for College and Universities

By SAP SI

As procurement professionals, you have dedicated your intellect and talents to providing the best possible services in a way that optimizes the business outcomes for your institution. We all share the same interest in continually improving procurement processes. One of the challenges that we face is deciding where to focus our attention. What areas will yield the best return for the effort expended and the funds invested? How do we even organize our efforts for such a large undertaking? It is worth reviewing examples that can be scaled for most institutions regardless of size, location, or academic emphasis:

- Unit price reduction – Although this is the most obvious, it can also be challenging to define goals. Collaboration with suppliers can help align your business strategies with them, so you can work together in lowering operating costs and driving unit prices down. Maximum gains depend upon an integrated approach to sourcing and procurement practices.
- Spend compliance – This requires collaboration and executive support. Gaining deep visibility on spending across multiple business units will help in evaluating supplier performance and the associated risks in various categories, thereby ensuring compliance. Executive support is critical to encouraging those who might be out of compliance to drop their “uniqueness” in favor of the greater organization savings.
- Process Improvements – In addition to having the right systems in place, the commitment to those practices must be pervasive. There are many products that can accelerate and regulate those activities, but it is more important to look for systems and appropriate user-friendly mobile devices that can help improve the proficiency and productivity of the people involved. Obviously, automation can remove a lot of the manual limitations and inefficiencies and improve procurement processes.
- Cash Management – This is one example of where collaboration across functional units can maximize benefits for the entire institution. Each institution has a strategy (even if not codified or known) concerning discounts and penalties. By working with our colleagues in Treasury and through the use of enabling technologies, we can optimize the selected strategy.
- Eliminate the Paper – Today’s systems are fully capable of automating significant controls while simultaneously eliminating all paper for most high-volume vendors. If you’re still spending significant time printing PO’s and receiving and entering invoices from vendors, you need to re-examine the priorities. Manage the exceptions, not the paper process.
• Information – The results that are ultimately obtained for individual transactions or a major system implementation are dependent upon a number of decisions that are made. The ability to have real-time information in an easily consumed manner makes it possible now for more people to have access to pertinent information, which impacts the outcome of the decision. A deeper body of knowledge as well as increased breadth of data also provides better resources for contract negotiations.

Procurement and sourcing solutions from Ariba, an SAP company, help achieve all of these goals and close the gap between what is being spent and what can be spent, so educational institutions can focus on delivering superior value to student education and research. Ariba has enabled leading universities and educational institutions achieve nearly $1 million in savings, and improve reporting and record keeping by streamlining sourcing processes (see case study here).

There are a number of market forces that pressure all procurement entities, including budget pressures and regulatory compliance issues; it’s all about choosing the right solutions to address these challenges, so we can focus on delivering quality education!

SAP SI was a proud sponsor of the NAEP 2014 Annual Meeting

Cooperative Purchasing Update
by National IPA, a Provista company

The idea of cooperative purchasing traces back to the 1800’s, and today exists across all sectors. Business, industry, government and educational institutions all over the country have recognized the benefits of leveraging group volume to save not only money, but time and valuable resources.

A recent survey of public agencies and educational institutions revealed that 95.2% utilize cooperative purchasing as part of their overall procurement strategy. 50% of those agencies indicated that their use of cooperative purchasing will increase, thus, creating a need for a comprehensive cooperative contract portfolio that will fit the needs of each unique customer.

In October, 2013, National IPA and Provista merged together resulting in a single organization that provides an unparalleled cooperative solution to the education marketplace. Provista and National IPA are committed to helping educational institutions lower supply costs and increase efficiencies. Through their robust networks of suppliers and service providers, and more than $48 billion in purchasing power, your organization has access to unique and innovative solutions. We provide personalized solutions, including advanced data and analytical tools that add value to the supply chains of schools from pre-K to universities.

National IPA, a leading cooperative purchasing organization dedicated to the public sector and education market, offers a cooperative contract portfolio of competitively solicited and publicly awarded agreements. Provista’s expertise lies in group contracting for education and healthcare through the Novation portfolio of competitive contracts from more than 700 suppliers.

National IPA, a Provista company has a dedicated team of account managers focused on the education market. These experienced professionals are available to assist you in identifying solutions which will efficiently meet your procurement requirements while effectively lowering costs.

National IPA was a proud sponsor of the NAEP Annual Meeting

Bringing Value Beyond Price

According to the Center for Education Policy, between 2007 and 2012, state appropriations declined 25%. Although the economy is rebounding, 60% of college presidents say budget shortfalls and declining state support will be a challenge for their institution in the coming year. With revenues declining and expenses increasing, if colleges and universities are to remain viable, they have three options: Find new ways to increase revenue, find ways to cut costs, or find ways to do both. Institution leaders are looking for new ways to simplify operations, increase productivity, add mobility and security, enhance sustainability while reducing costs? Sounds like a tall order but many college and universities are looking to Managed Print Services to help do just that.

Xerox has worked in partnership with over 1400 colleges and universities to help them manage change, control costs and enhance services offerings across the entire student lifecycle. We do so by helping clients move beyond print and managing information demands by printing less for less
cost, optimizing current technology, enhancing digital workflows, integrating with current IT infrastructure, and automating business processes.

We can help institutions boost enrollment and admission, satisfy demand for financial aid, improve retention, help improve student outcomes by leveraging E textbooks and digital course material, attract donors and control costs with the latest mobility and authentication solutions for managed print services and multimedia communications. Xerox is helping schools better support their students and faculty in an increasingly on-demand world. See how we helped Georgetown University and Cleveland State University do it.

Xerox’s Next Generation Managed Print Services offerings can help you assess where to cut costs and increase efficiency, whether you are a small, midsize or large institution. Find out more at www.Xerox.com or contact us at 1-800-275-9376 ext. 947.

Xerox was a proud sponsor of the 2014 NAEP Annual Meeting

**Quote of the Month**

“Never go to a doctor whose office plants have died.”

– Erma Bombeck.