

Auxiliary Services – Dashboard and Incentive Program

Wade G. Henley

The College of William and Mary

Charles A. Maimone

University of North Carolina – Wilmington

ABSTRACT

The Auxiliary Services Dashboard and Incentive Program developed at The College of William and Mary is a performance measurement system that incorporates unique drivers, growth initiatives, customer satisfaction and personnel incentives to maximize performance. The drivers are developed specifically for each operating unit. The performance budgets include innovative ideas for new growth generation. To maintain the balance between good customer service and financial performance, customer satisfaction drivers are included. Finally, each member of the staff participates in an incentive program based on the performance of the unit as a whole. This promotes teamwork and provides focus and direction for the unit.

INTRODUCTION OF THE ORGANIZATION

Over a three-year period, the Auxiliary Services unit, as well as, The College of William and Mary have benefited from the implementation of the dashboard program. The introduction of the program has caused new funds to flow to the university and there has been a resurgence of innovative thinking in the Auxiliary Services unit. The College of William and Mary's Auxiliary Services unit has a wide array of enterprises, including both self-operated and contracted units. All units are required to have a dashboard while only the self-operated units participate in the incentive program. Auxiliary Services includes the Bookstore, Dining Services, Parking Services, ID Office, Conference Services, Copy Services, Elderhostel, Transportation, Vending, Licensing and the Tennis Center. The growth initiatives that fuel the new cash flow for the university bring about new services and products for the students. The College of William and Mary does not have the luxury of an ever increasing enrollment to spur growth. In fact, under the dashboard program growth due to the raising of prices is not counted. These parameters cause for a manager to really stretch their abilities to come up with innovative business ideas.

The dashboard and incentive program has expanded into non-revenue producing units. Under this area of the program, units are challenged to do "more with the same". The premise of the program is the same where it is used to foster growth, productivity and innovative thinking while rewarding achievement.

Statement (restatement) of the Problem/Initiative

Auxiliary Services operated in a fiscally sound and prudent manner, but lacked growth and innovation. By using the saying, "you cannot improve what you don't measure" as the backdrop, a comprehensive performance measurement program was developed that incorporated the complete buy-in of the staff. To further complicate matters, The College of William and Mary is a state-supported university where the employees operate under a human resources system that is not a pay for performance evaluation program.

DESIGN

The Dashboard and Incentive Program was developed in phases so that by the end of the process the employees had been fully trained in the program and the rationale behind the program. It was clear from the beginning that the unit managers had to "sell" the program to the staff. However, the unit managers had to first fully believe in the program.

We initially met with each manager to discuss growth initiatives. This was an exercise where each manager was told to start with a blank piece of paper and come up with several business ideas that would generate new contribution (profits) for the university. The managers were not limited in their thoughts and were told that there were no constraints except the businesses needed to be related to their area of responsibility. Money needed to fund the enterprise was not a constraint. This process yields low hanging fruit for easy initial victories.

Next, we took a brief moment to teach accounting so that we could accurately record achievement in the performance measurement system. The issue was the accounting system used by the university was operating on a cash basis, while we wanted to use accrual basis for the new system. We did not want managers manipulating the program by not paying bills at the end of an evaluation period so that their financial contribution would be higher.

We built dashboards by asking the unit managers to develop the drivers. This bottom-up approach made sure that no manager could say that they were given a metric, but instead they had to claim ownership. The initial dashboards were used for one year prior to the incentive program being added. Each month all unit managers had to report in front of their peers their performance. Answering questions and showing that they understood their dashboards were elements of the process that began changing the culture of the department.

At the beginning of the second year, the incentive program was added and once the mid-year checks were cut, there was substantial buy-in from the staff. Interest from everyone in the units started to swell when they saw co-workers receiving the awards (cash awards or time off). By the end of the second year, all employees were eagerly anticipating the year-end results.

IMPLEMENTATION

There was significant time invested in the program. Just determining the drivers took many work hours with no immediate benefits. The incentive program is designed to overcome some concern that the managers are simply setting goals that are easy to achieve and thereby, personally benefiting. The budget goal which is used by the university to establish its financial budget is different from the incentive goal. The budget goal includes a growth goal that is placed on top of last year's performance and an inflationary goal. The inflationary goal takes into

consideration price increases. For example, if you sold 1000 parking decals for \$30 last year but you increased your price to \$35 this year, you get no credit for the \$5000 in additional revenue. From the \$35,000 in revenue you would add your growth initiatives (such as selling university car sun visors). Once you have your budget goal, you must exceed it by a multiple of the incentive award to receive a payout. In other words, if your incentive payout for the unit totals \$5000, the unit may need to exceed the budget goal by \$20,000 to receive a full payout. The university receives \$15,000 in money above the budget while the unit staff receives \$5,000. Plus, the university receives new money already accounted for in the growth goal (in the above example it was from car sun visors).

Initially, there were managers who did not understand nor believe in the new process. Some thought it was a phase that the administration would soon tire of and abandon. The process takes at least two years to implement. Senior management totally supported the program and that support continues today.

BENEFITS

As a result of the program there is increased customer satisfaction from the students while the campus enjoys new products and services. There is new revenue and bottom-line contribution for the university. However, this program develops an atmosphere of teamwork unlike any other since everyone participates in the rewards of success. Aside from major announcements, it is difficult to get everyone in the same unit to genuinely care about the same piece of paper. However, this program accomplishes it. Furthermore, this program provides focus and promotes accountability in an organization.

RETROSPECT

In retrospect, we only wish we had done this sooner!