Procurement's Role in Solving the Campus Revenue Problem

Presenters: Richard Taylor, Director, University of California Berkeley/San Francisco; Stacey Templeman, Buyer, University of California Berkeley

In 2011, the University of California, Berkeley was experiencing a decline in state funding, student fees were on the rise, and campus costs were adding up. Its solution at the time, among other things, was to cut expenditures to become more efficient. After these budget issues became a joke on late-night television, the institution realized it was in desperate need of a total reevaluation.

To begin, UC Berkeley needed to gain a better understanding of the value of its assets. The campus was undervaluing itself and really needed to expand its strategic sourcing efforts. It became clear that it needed to focus more on increasing revenue, not just cutting its way to success.

It began slowly by increasing its strategic sourcing efforts, developing a campus shared services center, and updating its administrative systems. Its efforts were a success, seeing an increase in revenue. As a result of this success, UC Berkeley created and implemented the University Partnership Program (UPP).

All About UPP

UPP connects world-class businesses and industries with the world's greatest public university to foster dynamic, meaningful partnerships. It is responsible for exploring, managing and advancing strategic university-wide collaborations that provide mutual benefit to the university and its partners. UPP provides Berkeley with the structured process to engage comprehensive business partners, which allows for deeper engagement from students, faculty and staff.

The old way saw each department—athletics, alumni, etc.—pursuing partnerships while sometimes working together and sometimes apart. Procurement was oftentimes working separately to secure a vendor within that same category, which led to multiple partners within the same category on one campus.

The new UPP model provided the infrastructure necessary for the campus to join together to create preferred partnerships that were mutually beneficial to the university as a whole. UPP also offered revenue generation support and partnership expertise to units across campus while providing a consistent, professional approach to the university's mission, values, and purpose, ensuring corporate partners the opportunity to have meaningful engagement with UC Berkeley.

Following are the four guiding principles of UPP:

1. Brand Alignment — shared mission and values;
2. Priority Campus Services — contributing to the UC Berkeley experience;
3. Impact — meaningful program support, sustainability and industry innovation; and
4. Revenue Growth — pursuing significant partnerships that unlock new campus revenues and program support.

For UPP to be successful, it needed the assistance of procurement, as well as other stakeholders on campus. Therefore, an Advisory Committee—including staff from different departments, at many different levels—was formed. The Advisory Committee advises on policies to guide UPP, consults on new opportunities, reviews working group recommendations, and sends opportunities that it endorses to the Executive Committee for approval. The Executive Committee sets the strategic vision and values of the program and reviews and approves partnerships.

Dynamic Partnerships That Are Mutually Beneficial

“UPP is able to provide the infrastructure for our campus to join together to create preferred partnerships that mutually benefit the institution as a whole,” said Richard Taylor, CPSM, CPM, UC Berkeley, Director, Supply Chain Management. “It offers revenue generation support and partnership expertise to units across campuses, while providing a consistent professional approach that adheres to the university’s mission.”

UPP has helped UC Berkeley realize $14 million in savings through its sourcing efforts in 2015, and $8 million so far in 2016. It has saved about $75 million since 2011 and will continue making its overall goals about the students, with future partnerships geared towards helping the campus increase revenue.

“It has taken time to get where we are today,” said Taylor. “Procurement is a journey not a destination. Not one size fits all. Implement what will work for your institution.”

For more information about UC Berkeley’s program, visit http://upp.berkeley.edu/

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