Five-Year Review
Self-Evaluation

John D. Petersen

January 30, 2009

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Overview

When I came to the University in 2004, the very difficult environment that existed reflected the fallout of two failed presidencies and a major leadership vacuum. Externally, the University image and credibility were in disrepair with critical stakeholders among the legislature, donors, alumni and media/public. Internally, morale was suffering from lack of direction. Communications suffered from a "bunker mentality," and there were no proactive programs in place to correct the lack of communication.

There were nine senior leadership positions either vacant or with senior staff moving toward retirement with no succession plan in place. My first year was spent assessing the needs, identifying new leadership and developing a strategy for moving forward.

The senior staff in place today reflects the same net number of positions that existed when I started—we have many new faces and some new titles. Included are key hires and restructuring to give important focus to areas where oversight previously was weak or lacking – Development, Finance, the ORNL relationship, Human Resources and IT, for examples.

Members of this team contributed to the development and implementation of a strategic plan begun in year two. As a result, the University achieved numerous distinctions in the past five years:

- Record annual research funding totals, including $65M from the National Science Foundation, the single-largest research award ever for any university in Tennessee
- A billion-dollar capital campaign well ahead of planned progress
- Relationships of unprecedented strength and goodwill with federal and state government representatives
- Key funding support for our joint institutes, Cherokee Farm Campus development and biofuels initiative
- Proactive, positive relationships with media across the state
- Innovative approaches to keeping employees informed

Today, we face new and real challenges posed by the economic downturn. Our ability to overcome these challenges is clearly enhanced by the progress made in the past five years. We are poised to go forward in continuing pursuit of our mission to deliver an educated workforce, drive economic development and enhance quality of life opportunities for all Tennesseans.

One way to approach performance evaluation is with the familiar question: "Are we better off than we were five years ago?" I sincerely believe that in these critical areas, the answer is yes. The following outline tracks initial assessments, action steps and outcomes from the five year period.

<u>Initial Weaknesses / Issues Identified</u>

The following represent critical areas of weakness or concerns that required attention in my initial assessment upon taking office.

1. Many senior administrators preparing to retire with no succession planning.
2. No coherent strategic plan
3. Disjointed state /federal lobbying efforts
4. No internal or external communication strategy
5. Flat (or declining) research funding assets
6. Minimal participation in management of major asset of ORNL with Battelle
7. Friend-raising that didn't result in appropriate level of fundraising
8. Support programs that had been frozen in time.
    a. Alumni programs (including engagement of constituency)
    b. IT infrastructure
    c. Human Resource/Equity and Diversity programs
9. Lack of strong management and direction in key areas such as HR and IT.
10. No Academic Synergy in system
    a. Distance Education
    b. Library collaborations
    c. Articulation agreements
    d. Joint curriculum and/or course sharing among campuses
    e. Consolidation of programs where appropriate

Goals, Priorities, Actions

Following are established goals and the series of steps taken toward achieving them.

Goal: **Restore Credibility – Establish Effective Leadership Team**
Priority   Improve Key Capabilities
Actions   Recruit top candidates

Three positions were vacant or occupied by five interims, and six staff members were preparing to retire or leave the University, with no succession planning in place. Critical areas of human resources and information technology were overseen by weak or dysfunctional leadership. Organization and structure of the leadership team was not positioned for a modern, comprehensive university system.

Identified re-organization steps necessary to improve oversight and direction – separating functions of executive vice president and chief financial officer (previously held in single position) – and began recruiting top candidates for vacancies and repositioning existing staff to optimize team. Key vacancies – vice president for research, and vice president for public and government relations were filled by prominent Tennesseans with strong UT ties – UT Chattanooga alumnus David Millhorn who was head of Genomics Research at the University of Cincinnati; and UT Knoxville alumnus Hank Dye, founder of Dye, Van Mol & Lawrence, one of the 25 largest public relations firms in the Southeast. Two chancellorships with interim office holders – at Chattanooga and Memphis – and chief human resources officer position were filled by highly qualified Tennesseans come home.

Installing Management Team
- Executive Vice President/Chief Financial Officer – separated two functions to enable distinct academic focus and financial focus.
  Appointed (then VP /Agriculture) Jack Britt (academic background) to EVP; hired Gary Rogers (finance background) as Chief Financial Officer.
- Public & Government Relations/Communication – Tom Ballard retirement left office vacant and lacking critical oversight for 10 months. Hank Dye hired, followed by addition of a full-time staff member in Nashville (Anthony Haynes) to bring unprecedented focus on State government relations; addition of full-time staff member (Gina Stafford) to coordinate internal/external communication strategy.
- Development and Alumni Affairs – Moved (then VP) Jack Williams to interim special assistant position; hired Henry Nemcik (from Texas A&M) as VP to enhance fund-raising efforts, lead unprecedented $1 billion capital campaign. Once Nemcik in place and Williams retired, moved Dave Roberts to interim special assistant position and Lofton Stuart to Executive Director of Alumni Affairs to rejuvenate programs.
- Research (and Economic Development) – National VP search to replace interim brought David Millhorn to the team. Upon Jack Britt retirement, Millhorn named EVP, and Research VP consolidated into EVP position and joint positions with ORNL.

- VP/Institute of Agriculture – Filled Britt vacancy (on his move to EVP) with Joe DiPietro (from U. of Florida).
- CIO – existing position redesignated VP /Information Technology. Filled by Jesse Poore (UT Distinguished Professor in Computer Science/IT leadership experience from Florida State and Georgia Tech) to establish a cohesive and efficient system-wide IT framework. Should be better-performing operationally and save money from:
  - Position efficiency
  - System-wide software purchases
  - Coordination of network security
  - Ability to share common platforms such as a single system-wide Student Information System for each campus
  - Consolidation of IT function into a single, distributed IT unit
  - Upon completion of integration process, a CIO with VP title is to be hired and report to Executive VP
- CHRO – Minimal human resource leadership was present in the system, with a predominantly reactive, not proactive, program. Changing that culture is extremely important at a time when budget cuts will substantially impact UT personnel.
  Linda Hendricks, a native Tennessean with substantial experience at UT, Vanderbilt and Duke, was hired and is implementing critical, positive change.
- VP Academic Affairs and Student Success – Bonnie Yegidis hired (from Florida Gulf Coast U.) to replace Bob Levy upon his retirement.
- Chancellors – In four years, turnover in all four positions. Chattanooga vacant on my first day. UTHSC had an interim. Native Tennessean Roger Brown hired (from UNC-Pembroke) at UTC. Bill Owen was hired at UTHSC, subsequently left and Pat Wall has taken over in the interim. We are preparing to search for a new UTHSC chancellor. Internal candidate Tom Rakes was selected following a national search to replace Nick Dunagan at Martin. Jimmy Cheek (of U. of Florida) was appointed from a national search to replace Loren Crabtree at Knoxville.

Outcome: Clearly, we have strengthened UT leadership and with the same number of management positions – though some have new designations or are held by new faces.
Current budget constraints, however, obviously necessitate compression and reorganization to reduce the number of vice presidents and consolidate service programs.

Goal: **Strategic Plan**

Priority   Consensus-driven direction for taking University forward

Action   Convene leadership from system, campuses and institutes to identify and establish framework; roll out plan; ongoing progress review against metrics

The University had no coherent strategic plan in place upon my arrival. My first year in office was spent listening, learning and observing constituencies at every level as I visited UT campuses and enterprises statewide; met and began building relationships with elected officials at the state and federal levels; and got to know and establish connections with alumni through dozens of chapter gatherings. At the start of my second year in office, I instituted a year-long planning process involving the leadership of the system, the campuses, and the institutes to develop a "master plan" framework for the system. This process led to six general areas of emphasis encompassing all we do as a system:

- Student Access
- Student Success
- Research
- Economic Development
- Outreach
- Globalization

In all of these areas, each campus and institute is responsible for uniquely appropriate, complementary and varying levels and types of engagement as part of contributing to our collective goals of delivering to the State of Tennessee and its people the following:

- Educated workforce (undergraduate/graduate/professional)
- Economic Development {through research, support for businesses (e.g., IPS, Ag Extension), creation of new industry (Biofuels, etc.), infrastructure support (e.g., computational access and expertise)}
- Quality of Life (health care, continuing education, cultural development, arts, humanities, science and technology, etc.)

Outcome: A comprehensive strategy that links system goals with campus/institute goals, and an integrated and coordinated campus/institute strategic process. Identification of priorities and investment opportunities; and analysis of our strengths, weaknesses, opportunities and threats. Also, measurable performance metrics that provide comparisons to THEC, are realistically achievable, and provide comparisons to our stretch peers; as well as a formalized planning process including a web-based reporting tool.

In addition, the process utilized guarantees:

- Campuses/institutes have broad involvement in the plan development.
- Strategic Plan and Scorecard will be communicated internally and externally.
- Staff will understand goals and objectives; their roles in achieving success; and will receive feedback on how their performance in meeting the goals and objectives.
- Implementation of current budgetary and spending guidelines linked to each campus/institute strategic plan.
- Annual performance reviews consider success of strategic plan implementation and goal progress.

Goal: **Maximize State/Federal Lobbying Efforts**
Priority   Centrally coordinate government relations and resource generation
Action   Place and charge key staff with responsibility for year-round, planned relationship management; issues monitoring; University advocacy

This was our first area to construct as a distributed function where the campus units report to the Chancellor but coordinate with the system VP to achieve consistency and focus.

1. Central coordination (control) of State and Federal lobbying efforts has led to some of our most successful years in constituency building and resource generation. Besides operational dollars from the State and a strong relationship-building effort, we have been able to have major projects funded.

a. State
These key state funding items involve monies received over and above regular state appropriations through the higher education system and can be attributed directly to specific proposals and extensive efforts by the system staff, led by the president's relationships and discussions.

i. Governor's Chairs program – commitment to $10 million of recurring state funds to be matched with $10 million from ORNL to jointly hire outstanding faculty.

ii. Biofuels initiative – $70 million from the State to build a demonstration plant to convert the cellulose in switch grass to ethanol and to pay for farmer subsidies to grow the crop and research to support to scale the project to the commercial level.

iii. Cherokee Farm Campus – $32 million for infrastructure for development of long-term footprint to enable expansion into 21st-century research, teaching and outreach programs. Design concept is complete and construction scheduled to start 5/09. This also involved working with the State to set up the ability to have public/private partnership with buildings as well as programs.

b. Federal/State- The joint funding of the Joint Institute for Advanced Materials building (UT/ORNL) to be built on Cherokee Farm Campus. Funding includes $20 million in federal dollars, which involved a specific effort and proposal by the President, working closely with Senators Frist and Alexander. The state portion is $10 million and involved a direct proposal by the president to the governor.

c. Federal –We have enjoyed continued success in project funding from Congress based on campus specific proposals as we have followed our priority system—gathering input from campuses, building a priority of asks centered around the key strategic elements biomass/biofuels, environment/climate, materials science and healthcare.

By following a strategy of leveraging the assets contained within the institutes, campuses, ORNL and UTHSC toward the four targeted areas, we can create a comprehensive approach to our federal requests that is uniquely situated to capture opportunities and target them toward core outcomes.

Outcome: Success in pursuit of key funding, and strong legislative relationships and credibility in Nashville and Washington.

Goal: **Effective External/Internal Communications, and Image/Reputation Management**

Priority: Proactive external communications, coordinated internal communications program, restore positive UT identity, tell the UT story.

Action: Place and charge key staff/resources with responsibility for research; implementation of communication campaign/plans; coordination of ongoing efforts.

   2. Branding Campaign and Communication Plan

   a. Branding Campaign developed to seize positive, forward momentum internally and externally, and to establish identity of UT as a statewide campus of "distinct but linked" enterprises within promotional efforts involving keyword of "Future," and adapting other "UT" words such as neutrons, computation, outreach, solutions, etc. Highly adaptable campaign enabling memorable use of words uniquely specific to individual units while sharing the common premise that UT is at the center of the future of the State of Tennessee. This campaign was rolled out with an internal preview in an unprecedented video simulcast to all campuses coordinated from Thompson-Boling Arena. It featured two novel, animated 30-second TV spots shown nationally during all televised Vol athletics games (as part of NCAA broadcasting package), and statewide in a paid campaign.

   b. Communication plan was developed simultaneous to the branding campaign to further establish and reinforce a system-wide (also state-wide) message of UT as comprised of components that are "Distinct but Linked." Advantage is that each unit maintains its integrity and individual personality but together engages every State and Federal legislator as a stakeholder in the University of Tennessee.

   c. Internal communications – By consensus among leadership team, a most critical need for improvement: "If our own employees don't understand and engage what UT is doing, it will be very difficult to engage our external constituencies in partnering for our success."

   Exhaustive research involving every employee constituency yielded a plan in which sources and greater types of information now shared correspond directly with expressed wishes system-wide. Coordinated messages are sent regularly to all employees so that they learn from the organization and not from the news media about what is happening from a global perspective. Direct communication to employees via electronic and printed material has been supplemented by "UTalk." This web-based, two-way communication vehicle enables employees to ask questions by email and receive answers by the same mechanism, with issues of broad concern summarized in related web postings for all employees to read.

Outcomes: Statewide research prior to and after the branding campaign showed awareness improved in several key areas, including a jump of almost 20 percent (from 44.9% to 65.7%) in those who said UT research impacts their quality of life, and a jump of more than 7 percent (from 40.2% to 47.9%) in those who said they would pay more taxes to have a nationally ranked university.

News coverage of the University is proactively managed, overwhelmingly favorable, has increased in volume and in frequency of national-level and prestige outlets, and with central coordination of information-sharing and alerts as needed among campuses, crisis events are more successfully contained.

Goal: **Maximize Research Funding Assets**

Priority: Invigorate ORNL relationship and increase awareness of the partnership; Collaborate with governor/legislative leadership on priorities where UT can make impact

Action: Integration between UT/Oak Ridge

Clearly the Oak Ridge partnership is one of the University's most valuable assets. That relationship was a primary factor in my desire to come to UT. After our first two years working to improve integration, I heard the improved relationship described informally by a senior leader at ORNL this way: "For five years, UT pretended to manage the lab and we pretended to let them. Today the partnership is real and we have unparalleled scientific/academic capability."

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In an unprecedented step toward that, we now have a joint appointee on the president's staff with renown computational authority Dr. Thomas Zacharia, serving as ORNL Associate Lab Director/ UT VP Science and Technology.

A major highlight of our combined success was the award last year of a $65 million super computing grant from the National Science Foundation—the largest grant every made to any university in the state. With that capability we now have achieved the distinction of the world's fastest open-source computer academic site. We likely would not have won the grant without ORNL and without the University, ORNL could not have competed. The value being created for the nation by leveraging the expertise and experience of the university and the laboratory has already worked in other collaborations—including bio-fuels—and illustrates the tremendous importance of this partnership.

Dr. Zacharia put it well in a recent media interview when he said, "I don't believe there is another place on this planet where you have this kind of infrastructure, but, most importantly, the people and now the co-mingling of the academic culture with the national laboratory research."

An important tangible in maximizing the partnership—and the immense value of super computation for economic development in the state is completion of access through a cyber-infrastructure network across the state, east to west. The next step in the undertaking is to make the final connection in Memphis which will occur in the next few months.

Last fall, ORNL, with joint participation with UT, was the site for roll-out of America Competes Act which is the Nation's template for scientific success for the future. We are seeing exciting prospects emerge from this launch, including potential new opportunities in high level scientific activity in weather and climate related studies. We believe the UT/Oak Ridge partnership will be on the cutting edge of leadership and opportunity in those important new arenas.

ORNL, in partnership with the UT biofuels initiative, was able to claim one of only three in the nation DOE Bioenergy Research Center designations (other two are UC Berkeley/Lawrence Livermore and U Wisconsin/Mich St U). In addition to more funding, this status has major impact on our joint positioning in the alternative energy arena.

The single-most transformational idea over the past five years is easily the project that has emerged as our widely acclaimed biofuels initiative which promises to boost economy in the state's most rural, economically disadvantaged areas. Our state-funded ethanol research center,

now under construction in Vonore, TN, will be the center piece for leading edge bio-mass research. This initiative will create new cash crop uniquely suited to Tennessee growing conditions and ultimately will allow Tennessee to lead the way in creating alternative fuel solutions to foreign oil dependence.

Cherokee Farm Campus. Another important research and economic development—as well as unique academic opportunity—is coming into place via our new Cherokee Farm Campus. This unique development will create conditions to bring together public/private funding and expertise in an environment to facilitate cutting-edge innovation.

This project involves state funding for infrastructure, combined federal/state funding for a Joint Institute for Advanced Materials facility (JIAM).   There is also the prospect for private investors to participate. It will also be an additional platform for supercomputing access/ engagement, and an avenue for greater integration of research assets across the system—UT Health Science Center, UT Chattanooga SimCenter, and ORNL.

The development will involve a potential 2 million square feet of building space in a template for 21st-century growth. Combination of these assets – world-class capabilities, expertise, engagement opportunity – helped persuade the VW site selection team in choosing Tennessee. We believe that is an indication of the kind of economic impact the University and its research partnerships can have on the state. Yet another key research and economic development factor that has grown in prominence and opportunity over the five year period is the University's leadership in the Southeast Transportation Consortium of universities to work to capture research and development for the multiple automobile manufacturers that are locating in the Southeast.

A parallel to that concept is possible in Memphis as we work in conjunction with the BioWorks Foundation on a medically oriented research /technology park.

Outcome: Highly visible UT-Oak Ridge partnership, reinvigorated relationship, transformational research initiatives and record research funding totals.

<u>Goal</u>:   Maximize Fundraising Capacity, Reinvigorate Alumni Programs
Priority – Change the culture, establish ambitious and compelling targets
Action – Place and charge key staff with responsibility for initiating a $1 billion capital campaign; and with implementing program modernization

Campaign Strategies
1. Entire change in the way we do major gifts solicitations. A single proposal to a major donor that encompasses multiple areas of support as a way to ask once instead of individual development officers. On gifts of $5M or more, the typical presentation team has been the President, one of the development officers and a volunteer. The proposal serves as a starting point for working with each donor to develop the gift.
2. Incentive compensation program – Team approach to success set up by VP Nemcik to enhance the success of our programs. One result to date is that our D.O.s are generating (on average) $3M/yr in donations.
3. Family campaign – Asked Dr. Joe Johnson, former UT president, to chair for system and has resulted in ~$50M in donations to the Capital Campaign from our employees. This is substantially more than most any other institution or system has obtained in any campaign.
4. Branding – "The Campaign for Tennessee – A spirit – A vision – A plan."
5. Other creative ways to use the UT Foundation such as real estate donations, annuity gifts.
6. Success of Campaign – The amount of funding generated by development has substantially increased. Our numbers are reported on a calendar year basis. Contributions for the year prior to my arrival in July of 2004 totaled $80M. We officially began the campaign in January of 2005.

     Following are the yearly totals to date:
     2005 $157M (largest year ever, with 2004 being about the previous max)
     2006 $271M
     2007 $204M
     2008 $180M
   Each year has exceeded targets toward generating $1 billion in a seven-year campaign.

7. Campaign volunteer engagement: Being held with campaign leadership.
   Topics: Campaign progress, effects of economy.
8. Foundation Study Committee: UT BOT Foundations Study Committee reviewing best practices, affiliation agreements and potential funding models for staff growth.
9. Strategic Planning: Alumni Association developing first ever strategic plan to provide its vision, role and areas of focus moving forward.
10. Annual giving: phone and mail appeal in Fall 08 to all alumni on behalf of campuses. In Spring 09, alumni will be asked to support "The Fund for the Future," the UTAA awards programs.
11. Wealth Screening: Plan to run alumni and friends wealth screening process to identify new potential leadership donors, calendar year 09.
12. Campus Specific:
       *UTHSC: Supporting an effort to grow alumni programming and coordinating it with development.
       *UTC: Developing a model affiliation agreement with the UC Foundation, along with improving accuracy of the database for UTC alumni.

*UTK: Involving deans, along with chancellor staff on the potential impact of a foundation-supported development staff and supporting the growth of the new campus alumni program.

*UT Athletics: Coordinating an effort for athletics to manage all tickets and eliminate an inefficient area in the system alumni/development unit.

Outcome: Scholarships, fellowships, and professorships. Pieces that take base funding and add the pieces together to go from good to great. UC (Chattanooga) Foundation is working better with the UT Foundation, which will hopefully lead to pooled investment and more return-on-investment for all.

<u>Goal</u>: Maximize IT Infrastructure Effectiveness, Economy
Priority – Consolidation of IT function into a single, distributed IT unit; optimal IT functioning, efficiency and security system-wide.
Action – Place and charge key staff with responsibility for strong management and direction.

Master reorganization plan – Assessed annual IT expenditures, data centers, and functions, and identified employees in IT operations system-wide in building three-year roadmap toward optimization. The comprehensive assessment began with Business Office to improve fidelity of budgets, contracting and personnel. Substantial progress was made and continues in 2009 in operations and immediate functions, with 2010 bringing focus on long-range planning for major outsourcing and consolidation. Plan development will be explored with all vice presidents and chancellors and tailored to local needs as built out in 2009 and 2010.

Infrastructure changes have improved interaction among systems, security and communications – including removing UT from "bad citizen" lists (with RIAA, government agencies, others), achieved by successfully blocking student illegal downloading and effective protections against spammer hacking.

SAP is necessarily the core of enterprise applications since it holds information on personnel, vendors, contracts, organization, chart of accounts, business warehouse, etc. Work is under way to make better use of SAP and better integrate applications. This includes major cost-saving SAP improvements such as ramping up new, common Student Information System (Banner) system-wide, and new Research Administration, each a major undertaking.

Work on foundational elements such as identity management, secure directory service, segmented networks, etc., also is under way.

An inventory and database of all servers – currently five small, deficient data centers exist – was started, and virtualization of servers and other efforts to remove devices from service are under way. By 2010, we will have a strategy and plan for a first class data center.

Enterprise systems are undergoing major changes at the same time safeguards are in place to keep the University running well.

Costs saving measures also include personnel analysis for position efficiency, system-wide contracts to maximize UT buying power, and statewide software licensing management.

Outcome: Cost savings, improved functioning and enhanced security already achieved simultaneous with long-term plan development for ongoing improved efficiency in expenditures and operations.

<u>Goal</u>: **Maximize HR operations, ensure employee perspective in strategic decisions**
Priority – Position HR as one of four key operational areas system-wide (Operations; Finance; Government Relations & Communications; HR)
Action – Place and charge key staff with responsibility for strong management and direction

Prior to designating a Chief Human Resources Officer at the vice president level, HR decisions were viewed from operational, legal, and financial standpoints, but virtually never from the perspective of the impact on employees. With current budget constraints and the necessity of layoffs, it is critical that HR have a voice on the president's staff and that employee impact is weighed in every decision.

In anticipation of the need to eliminate positions or otherwise reduce payrolls, HR developed guidelines and already has trained all Human Resource Officers and HR lead individuals for all campuses and institutes on reduction-in-force measures that include providing sample notification letters, benefits transition fliers, manager-to-subordinate discussion models for one-on-one or group settings. In addition, a "toolkit" for workforce cost-cutting measures has been provided to leadership for all campuses and institutes and contains guidelines for the following: retirement incentives, voluntary buy-outs, furloughs, retirees returning to work, and salary reductions.

Immediate steps taken by the CHRO in approximately 8 months in office include development of plans to guide key priorities.
- Technology plan to fully utilize/leverage SAP, enhancing data collection, workflow, tracking and reporting while also cutting time and costs through process automation.
- Workforce strategic plans for each campus, institute and IT statewide – with an overall, statewide workforce strategic plan addressing common issues impacting all enterprises and targeted initiatives specific to single units.
- (Early stages of developing) Five-year compensation plan – covering philosophy, policies, pay practices, performance management, incentive compensation and bonuses. The plan also will update policies and practices, develop career paths and programs to focus on internal development and promotion of the University's strong performers. Its foundation will be the development and implementation of a performance management system statewide.

Additional immediate and substantial effort has gone into ensuring compliance with complex new federal 403(b) fiduciary regulations. An "HR dashboard" also is in development to share key measures of the health of the employee organization with the Board and senior leadership. The Employee Satisfaction Survey (ESS), previously administered 2003, 2005 and 2007, is key among these. Plans are to recommend ESS be administered by the Gallup (polling) Organization, which guarantees 84 percent response, compared to last in-house version and 20 percent response. A statewide redesign of the recruitment process is under way, including possible tools, guidelines, and statewide recruitment branding and marketing procedures. This effort looks long-term at maintaining or improving the University's position in the employment market.

Outcome: The most recent (2007) biennial Employee Satisfaction Survey, which assesses attitudes about work environment, communication, compensation and benefits, found

overall satisfaction steady with 74 percent of participating employees reporting feeling satisfied with the University as a place to work. Ratings for learning and growth opportunities, and for timely recognition of performance – traditionally rated highly, made slight gains to even higher levels.

The immediate focus on the employee impact of workforce reduction has been critical; preparation to enhance and maximize existing resources for optimal performance continues for the long term.

<u>**Goal:**</u> **Academic Synergy**
Priority – Facilitate functioning, viable distance education program; Eliminate redundancies, consolidate programs for optimum cost efficiency, effectiveness
Action – Detailed below:

Distance education – A system-wide infrastructure is being developed to provide technological and human resources necessary to mount an effective distance learning program. Plans call for expanding undergraduate program offerings in high-need areas to include business, engineering and nursing.

Library synergies – We are purchasing our first system-wide license for the most widely-used library database throughout UT: Web of Science. A negotiated contract with the vendor will reduce costs and provide universal access to students, faculty and staff. We will evaluate the costs and benefits of system-wide licenses for selected additional library databases. We also are examining potential partnerships with TBR libraries to maximize access to electronic library holdings and minimize costs to individual institutions.

We are planning to develop a system-wide approach to educational programming in nursing and engineering. Both disciplines are high-need in Tennessee and will benefit from system-wide collaboration and support.

Articulation throughout higher education is one of the key issues noted by the Governor and the legislature. We have responded by emphasizing first improving articulation among our campuses and with a direction to coordinate with THEC and TBR to expand that coordination throughout both higher education systems. This is a challenging undertaking, but it is critical to maximizing effectiveness and we are committed to achieving success. We currently have study groups among the academic leadership at the system and campus levels and have made good progress in the past six months.

Each UT undergraduate campus has developed, or is in the process of developing, educational policies to ensure that students who have completed a general education curriculum from a TBR institution will get full credit for general education at UT. These policy changes are expected to be in place by fall 2009. On other collaborative fronts, our campus provosts are meeting regularly under the leadership of the system vice president for academics. This regular communication and common purpose is enabling synergy that will serve us well.

Our first joint program has been established in engineering management. We now have an agreement for collective distance education which will speed our ability to grow on-line initiatives. A viable on-line program is a critical part of continued growth, as well as lower cost delivery of the education product and a key opportunity for new revenues and subsequent improvement of bottom line funding.

Across the UT system, we are consolidating academic programs and services to cut unnecessary processes and redundancies while ensuring students can persist in their majors and graduate in a timely manner.

We have also established a strong private/public collaboration with the City of Kingsport, Tennessee. A consortium consisting of Northeast State Technical Community College, Carson Newman College, King College, Lincoln Memorial University and UT, are working together to provide higher education opportunities to the residents of the Kingsport region.

UT has hired an advisor who lives in Kingsport and works with community college students who wish to transfer to The University of Tennessee. UT is offering online undergraduate and graduate programs to students in Kingsport. By fall 2010, UT and the other consortium members will share office and classroom space in a new facility called the Kingsport Higher Education Center.

Issues for Improvement

The past five years have seen a very large turnover in management and growth in the areas that are important to us as a university (i.e., quality and quantity of students, research, fundraising and economic development initiatives). The five years have not been perfect, and there have been challenges, disappointments and situations that could have gone better. I would submit the following as areas still in progress and as priorities for improvement going forward:

Organizational structure

The University's organizational structure was dramatically changed during the Gilley tenure, moving to an alignment called Big Orange U. During the Shumaker tenure, that alignment was altered substantially, including a very scattered, multi-layered structure. As a result of all these realignments, I inherited a very complex and somewhat hybrid structure. We have struggled to finalize an organization chart that appropriately places direct reports and operational responsibilities. That will be a priority focus going forward with an increased academic focus and central coordination of shared infrastructure assets (e.g. IT, HR and others) which will get us where we need to be from an organization standpoint.

Team-Building

Despite assembling a very talented team of senior managers, we continue to struggle in the areas of trust and cooperation. I take full responsibility for providing the right leadership going forward to resolve that issue. My approach will revolve around clear direction, accountability, consistent communication and strong engagement. To that end, a series of six intensive, three-hour work sessions to enhance team cohesion and function has been scheduled, to commence on Feb. 17.

Internal Communication

We made great strides in general over the past 18 months – coming from a virtual zero position. There is still much to be done. We have a solid plan, and staff and technology in place. We will initiate increased emphasis. Priorities will include better communication with trustees.