

2013-2014 Unit Report

Business Services Department

Mission: The mission of the Business Services Department is to provide leadership and expertise in the development, implementation, and continuous improvement of auxiliary services essential for Kean University to fulfill its mission. The Department acts as an institutional liaison with the major vendors that provide such services to the University, including food services, campus bookstore, vending machines services, cash management, banking services, and treasury operations. The Department also serves as a resource with regards to University travel, risk management, capital financing, and petty cash.

Vision: The vision of the Business Services Department is to be a premiere business services organization in higher education and to set the standard by which other comparable departments measure success.

Goals and Objectives

A) 2013-2020 Strategic Plan Goal #2: ***“To attract and retain more full-time, first-time undergraduate, transfer and graduate students”***

- 1) **Objective A.1:** Improve the satisfaction level of students over the course of the academic year relative to the variety and selection of food offered by the University’s food services operation. Based on feedback received in the University’s Food Service Committee meetings, many students, particularly resident students, have voiced their concerns over the variety and selection of food being offered, citing that it had an impact on their overall campus life experience. We’ve even had students who have written complaints stating that they were transferring to another college largely, in part, to their dissatisfaction with the quality of the food services program. In addition, data collected through the annual food services survey conducted on campus identified food variety and selection as the greatest area of concern that needed improvement.

- a)The food services provider will offer at least two themed related events as well as introduce two new food choices per month over the course of the academic year thereby enhancing the students’ overall dining experience. The new food choices will be rotated accordingly on the existing menu from month to month based on popularity.

With a highly diverse student population that is expanding each year, the University continues to strive to accommodate their needs with regards to food services in an

effort to contribute to the students' quality of life. This demonstrates our commitment to further promote the University's mission of providing a world-class, global education while strengthening the effective utilization of resources in the delivery of food services.

Adding two themed related events as well as two new food choices to the existing food services program was deemed an attainable goal given that Gourmet Dining is currently providing an average of four special food events per month along with the weekly themed events including Meatless Mondays, Soulful Tuesdays, and Sweet Wednesdays. The objective was to further expand the menu selection to include more options without compromising the overall level and quality of food services being provided campus-wide.

- b)*Measures:* An annual survey conducted by the Kean University Food Services Committee will be used to determine if the food services operation is meeting the students' needs with regards to the variety and selection of food being offered.
- c)*Timeline and milestones:* By the end of each academic year, at least 80% of those students who participate in the surveys will be "satisfied" or "very satisfied" with the variety and selection of food offered.

Prior year surveys have indicated that an average of approximately 60% of student participants were satisfied with the variety and selection of food offered. 80% was deemed an attainable goal and a significant improvement in customer satisfaction to achieve in the time period given.

Food satisfaction as it relates to student retention is a relatively new area of research, but recently published articles such as the two examples listed below would indicate that there is a direct correlation between the two. Specific data can be extracted from these articles to substantiate these goals and objectives.

Syed Saad Andaleeb PhD & Amy Caskey (2007) Satisfaction with Food Services, Journal of Foodservice Business Research, 10:2, 51-65, DOI: 10.1300/J369v10n02_04

Influence of institutional DINESERV on customer satisfaction, return intention, and word-of-mouth, International Journal of Hospitality Management, Volume 28 Issue 1, March 2009, pages 10-17.

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- d) *Data collected:* The Office of Business Services utilized four (4) years' worth of data from the food service survey. This survey is generated by the University Center. The survey is taken mainly by students with the average number of participants per year being 996 respondents and 94% of those being full time students. We focused specifically on questions that relate to variety and selection of food for the two main food venues for the analysis: the University Center Food Court and New Upper Class Dining Hall. Our goal is to reach at least 80% of the participants being "satisfied" or "very satisfied". In combining the two values the results are as follows.

In summary, based on the variety of food for the University Center food court, the level of satisfaction was maintained at 73% for FY2014, 72% for FY2013, 64% for FY2012¹ and 73% for FY2011. In addition, for the variety of food for the New Upper Class Dining Hall, the level of satisfaction resulted in 44% for FY2014, 31% for FY2013, 20% for FY2012 and 43% for FY2011. For the selection of vegetarian food for the University Center food court, the level of satisfaction was maintained at 71% for FY2014, 71% for FY2013, 73% for FY2012 and 73% for FY2011. Also, the selection of vegetarian food for the New Upper Class Dining Hall, the level of satisfaction resulted in 58% for FY2014, 49% for FY2013, 31% for FY2012 and 44% for FY2011. When reviewing the data for the selection of ethnic food for the University Center food court, the level of satisfaction was maintained at 69% for FY2014, 72% for FY2013, 44% for FY2012 and 66% for FY2011. As to the selection of ethnic food for the New Upper Class Dining Hall, the level of satisfaction resulted in 58% for FY2013, 19% for FY2012 and 48% for FY2011. It should be noted that approximately 66% represented the average response to the University Center Food Court compared to 34% being the average response for the New Upper Class Dining Hall.

e) *Action taken based on data collected:* While our goal to increase the level of satisfaction as to the variety of food served in the University Center food court fell slightly short of our target of 80%, the level of satisfaction in the New Upper Class Dining Hall was somewhat lower than what we anticipated. Similarly, the selection of food in the University Center food court, while also short of our target, still fared much better than the New Upper Class Dining Hall. The data suggests that the level of satisfaction in the New Upper Class Dining Hall is relatively lower than expected across the board and, as such, we will continue to advise Gourmet Dining of the results in order to increase the level of satisfaction with regards to variety and selection in both food service locations. Effective Spring 2014, Business Services asked the Food Services Committee Chairperson for permission to have representation on the committee in an effort to help facilitate the changes the students are looking for as it pertains to variety and selection of food served on campus.

- 2) **Objective A.2:** Increase textbook rentals available through the campus bookstore as a means to generate savings for all students.

University students are extremely price savvy when it comes to textbooks and the availability of inventory in the market. They have no loyalty to any specific vendor and purchases are predominantly price driven. For many of our students, especially those who receive financial aid, cost containment can play a major role as to whether they are able to continue their academic studies from one next semester to the next or be forced to take time off in order to find other funding sources as a means for them to return to college.

Working closely with the campus bookstore, the University is committed to making textbooks not only assessable but also as affordable as possible. Textbook rentals are a viable option for students in that it allows them the ability to obtain their textbooks for a reduced rate that is lower than if they purchased them outright, plus it generates a savings to them and puts money in their pockets that could be used for other college related expenses elsewhere.

a)The campus bookstore will actively search for textbook rentals in order to expand its existing book list. Over 60% of the current book list is available to rent. Students who choose to rent textbooks through the campus bookstore save 50% off the price of a new book. Rental availability will be updated regularly on the campus bookstore web page and advertised accordingly to the campus community. The benchmark for success will ultimately be the increased savings to the students who

participate in the campus bookstore's rental program. An increase of 5% or more in bookstore rentals from one year to the next will be the performance indicator by which we will measure our success.

b)*Measures*: The campus bookstore will provide the University with a report at the end of the fall and spring semester with regards to textbook rental activity for new and used books, total savings broken down by student class, and the percentage of the book list that is currently available along with any corresponding increases to the book list if applicable. The campus bookstore will actively advertise and market its textbook rental program to the students, thereby increasing rental penetration as a percentage of overall textbook sales for the year.

c) *Timelines and milestones*: By the end of each academic year, the book list will increase by a minimum of 3-5%. Subsequently, savings generated by textbook rentals for students will increase in direct proportion to the increase in textbook rentals available. Based on my conversations with the campus bookstore manager, it is my understanding that a 5% increase is a safe but fair industry standard for this region of the country. Textbook rentals were implemented by Barnes and Noble during academic year 2012 as an incentive program to save money for the students. Current year-to-date figures for the campus bookstore indicate that they are currently at 13.5% in book rental sales, which is more than double the established goal and industry standard. The current rental availability for academic year 2013 is approximately 57.8% with a Rental Penetration rate of approximately 56.1%. The campus bookstore is currently ahead of its company targets this year for rental sales and rental penetration and anticipates that this trend will continue for the remainder of the academic year.

d)*Data collected*: The annual sales report was utilized from Barnes and Noble for academic years 2012, 2013, and 2014. The categories used for this analysis were New Textbooks, Used Textbooks, Textbook Rentals, and Digital Textbooks. The Textbook Rentals increased from 10% during year 2012 to 19% during year 2013, which represents a 9% increase from the prior year. When comparing years 2013 to 2014, Textbook Rentals increased to 27% during year 2014, which is an 8% increase for this year.

Sales (In Store & Online)	<u>2012</u>	<u>2013</u>	<u>2014</u>
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New Textbooks	2,848,535.00	\$	2,124,330.00	\$	\$ 1,778,133.00
Used Textbooks	464,364.00	\$	459,391.00	\$	\$ 273,018.00
Textbook Rentals	379,468.00	\$	628,094.00	\$	\$ 775,297.00
Digital Textbooks	23,945.00	\$	29,916.00	\$	\$ 28,823.00
Total Textbooks	3,716,312.00	\$	3,241,731.00	\$	\$ 2,855,271.00
\$Students Saved	565,708.00	\$	826,805.00	\$	\$ 743,910.00
%Students Saved	13.20%		20.30%		20.70%

e) *Action to be taken based data collected:* While textbook rentals were higher than last year, overall savings to the students was lower. Further discussions with bookstore manager revealed a number of anomalies that contributed to the data results. During the opening week for Spring 2014, a major snow storm occurred that caused a significant loss in sales that couldn't be captured. Also, last minute hires in adjunct faculty who were unfamiliar with the ordering process led to delays in the adoption of book orders. During academic year 2014, the Assistant Vice President for Academic Affairs served as a facilitator between the bookstore and the faculty in order to provide assistance in helping to submit all book order adoptions in a timely manner. Weekly meetings between the Assistant Vice President for Academic Affairs and the bookstore manager are now taking place to review the data on a regular basis over the course of every academic year. Since the University implemented this policy and procedure, the bookstore manager has seen an improvement in adoptions from last year to this year. Fall 2014 had 368 more adoptions than last year and Summer I is 14.1% ahead of last year's adoptions. For academic year 2015, it is anticipated that this trend will continue.

B) 2013-2020 Strategic Plan Goal #7: ***“To establish a revenue flow, and financial planning and resource allocation processes that are sufficient, dependable, and consistent to support Kean University’s ongoing financial obligations and future ambitions, in light of ongoing reductions in public funding”***

1) **Objective B.1:** Actively seek out refunding opportunities relative to the University's outstanding bond issues.

a) Working closely with the New Jersey Educational Facilities Authority, the Business Services Department will review and consider all refunding opportunities that will generate present value savings for the University.

b) *Measures:* Business Services will review all opportunities on a semi-annual basis in an attempt to identify any potential savings that could be generated within the fiscal year.

c) *Timeline and milestones:* All refunding opportunities that are selected and closed within the fiscal year will generate at least \$500K in present value savings to the University. The driving force is whether the cost of refinancing the bonds nets the University a savings in the long run. If the dollar amount of the outstanding bonds being considered for refunding isn't significant enough to offset the costs, then it wouldn't be fiscally responsible to proceed at that time. These types of transactions are often influenced by external factors outside of the University's control, so reliance on the recommendations and guidance of other State agencies such as the New Jersey Educational Facilities Authority is imperative in the decision making process.

d) *Data collected:* In April 2014, at the recommendation of the New Jersey Educational Facilities Authority, the University, along with various public and private colleges, refinanced a portion of its Series 2004 A bonds through the New Jersey Educational Facilities Authority via the issuance of the 2014 Higher Education Capital Improvement Fund (CIF) Refunding Bonds. Final closing documents provided by the New Jersey Educational Facilities Authority indicate that the University lowered its interest rate from an average coupon rate of 5.00% to 4.00% with the University's portion of savings amounting to 30% of total fiscal year savings. The total dollar amount of savings to the University was relative to refunded par amount of the Series 2004 A bonds that were refinanced collectively through the New Jersey Educational Facilities Authority.

e) *Action taken based on data collected:* University Administration will continue to work closely with the New Jersey Educational Facilities Authority going forward in order to identify potential savings opportunities.

C) 2013-2020 Strategic Plan Goal #10: ***“To develop, sustain and be ready to operationalize a forward-thinking culture of public health and safety awareness rooted in adherence to all external and internal standards (fire, safety, etc.), and reaching out to every aspect of Kean University life (personal, institutional, educational)”***

1) **Objective C.1:** Publish and distribute a semi-annual newsletter regarding risk management trends and initiatives in order to raise awareness in the campus community.

a)Business Services will be responsible for the preparation and content of the newsletter subject to the approval of Executive Administration. The newsletter will be circulated to the campus community electronically through a blast e-mail as well as through the University’s web site and Kean Exchange. Business Services is responsible for handling all University related tort claims, maintaining and renewing the University’s insurance policies relative to its operations, responding to questions from the campus community regarding liability issues, review of all affiliation agreements and contracts on behalf of the University with regards to insurance requirements, and providing assistance to University Counsel and other State agencies regarding pending and active insurance claims.

b)*Measures:* Business Services will monitor viewing activity for the newsletter by utilizing the appropriate software applications that are available. After its publication, Business Services will gather the data collected from the viewing activity on a monthly basis to determine how many viewers have opened the document and read the contents. Data will be reviewed to determine which topics were of greatest interest to the campus community. The results from the data will ultimately allow Business Services to continually update its web page for informational purposes.

c)*Timeline and milestones:* After its first year of implementation, at least 40% of potential viewers will have opened the newsletter by the end of the fiscal year. Should this initiative achieve its target percentage, then the goal will be to improve viewing readership to 50% within the next two years or, at a minimum, sustain its first year percentage for the three-year period. The decision to go with 40% was made solely by Business Services, taking into consideration that this was a first time initiative of its kind with no established benchmarks to go by. With proper marketing through the University’s social media outlets, a 10% increase in readership from year 1 to year 2 of implementation should be achievable and a strong indicator of interest by the campus community. The choice to rely upon a

newsletter versus workshops was that we could reach a larger target audience that way.

d)*Data collected:* Business Services was unable to implement this initiative for FY2014 as originally anticipated due to unforeseen delays in a separate project to update the department's web page which was to be used in conjunction with the launch of the newsletter.

e)*Action taken based on data collected:* Business Services submitted its web page documents to University Relations for their review and approval in April 2014, and will continue discussions with them in summer 2014 in order to develop a draft for the web page for editing purposes in fall 2014. Business Services will coordinate with University Relations as to any necessary edits and revisions in order to upload the new web page by the end of the fall semester. Once the new web page is successfully up and running, Business Services will then resume its newsletter initiative.