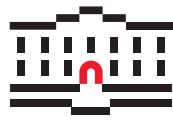


HIGHER EDUCATION & OUTSOURCING:

# THOUGHTS FROM TOP INFLUENCERS





Following COVID-19, higher education institutions in the United States face this conundrum: They must reduce operating costs, but at the same time, update and innovate their campuses to attract and retain students and support revenue goals.

Many universities and colleges have forged strong business relationships with outsource partners to not only survive but also thrive during these challenging times. An outsource partner can help manage the crisis in critical facilities and dining services — so administrators are free to focus on delivering high-quality curriculums to students.

*How are private and public institutions managing assets, enhancing the student experience and achieving sustainable growth?*

**Many are adopting a business mentality and embracing outsourcing.**

# OUTSOURCING **IN** HIGHER EDUCATION

A recent Aramark survey of 175 higher education leaders revealed that 86 percent of respondents currently outsource some area of services.



Those in favor of outsourcing say that it cuts costs, increases capabilities and enables operations to function more efficiently and economically. But skeptics question putting a vendor between themselves and their employees. They aren't convinced that a third party will result in better services, improved retention, higher morale, or cost savings and increased revenue. Some believe the cost of failure is more than they're willing to risk.

Given the many perceptions of outsourcing, it is helpful to learn from those that deploy this delivery model every day. We collected firsthand experiences from top influencers in higher education. Here's what they had to say.

**53%** Campus Dining

**22%** Campus Dining and Facilities Management

**6%** Custodial

**14%** None





## DIANE REYNOLDS

Assistant Vice President for Business Services  
Virginia Commonwealth University, Virginia

### BACKGROUND:

Reynolds has worked with an outsourced partner for more than 25 years. Virginia Commonwealth University outsources dining, custodial, printing, the student bookstore and mail.

Reynolds is a firm believer in the value and advantages of outsourcing — especially as it relates to her dining program.

“As university leaders, our core competency is academics, not cooking food. To be cutting edge; to be the best of the best, you have to go out and find the experts,” she said.

By enhancing food services at VCU, Reynolds saw a positive return in student recruitment, retention and the university’s bottom line.

### Execute Business Plans to Increase Revenue

Reynolds sees higher education through the eyes of her students. From their perspective an institution is a shoppable commodity. They can choose between two- and four-year private or public institutions, or they can certify their vocational skills in other more affordable ways, like online courses.

“Most students have three or four options, and if academics are comparable, they will base their enrollment decision on amenities like on-campus housing and dining,” Reynolds explained.

In Reynolds’ experience, an outsourced partner was vital to executing business plans that would help VCU transform its dining program into a revenue-generating on-campus attraction.

“Back in 1998 when I first joined Business Services at VCU, we had a population of vegan and vegetarian students with hardly any options for food. And our freshman students living in residence halls are required to buy a dining plan, which left these students stranded.”

VCU built an award winning dining hall in the center of their urban campus and transformed their dining program. They raised the rates of their dining plans by 23 percent to fund the new construction while keeping dining plan rates competitive with other Virginia colleges and universities. Despite raising rates, dining plan sales have grown dramatically due to increased

dining options, freshly prepared meals by the culinary team in front of customers and served in a beautiful dining center. They also offer plenty of vegan and vegetarian options. “We have about 2,500 mandatory meal plans each year, but now, we sell about 9,000 meal plans,” she explained. “And the retail restaurants we brought in generate millions of dollars in revenue each year. Starbucks and Chick-fil-A do over \$3 million annually, and Raising Cane’s does about \$1.36 million.”

### Cut Costs

According to Reynolds, the value of an outsourcing partner isn’t just in the money it helps institutions generate, but also in the expenses it helps institutions completely eliminate.

For example, if your institution needs to fill a position, it must advertise for it, recruit, interview, hire, train and compensate that new employee. But if that department is outsourced to a partner, the cost of personnel and the overhead associated with onboarding, training and compensation is the responsibility of the partner, not the institution.

“Personnel costs account for a massive percentage of an institution’s budget,” she said. “And because dining isn’t necessarily a year-round source of employment, there’s a high cost associated with turnover. For us, privatization was the most efficient and cost-effective way to get the best of the best.”



## SCOTT MILLER

President  
Virginia Wesleyan University, Virginia

### BACKGROUND:

Miller spent the last 30 years as a college president and considers himself an early adopter of outsourcing. VWU currently outsources housekeeping, grounds and maintenance operations.

“I’m sold on outsourcing. Twenty-seven years as a president of four colleges/universities and I have found tremendous efficiency and quality improvement through outsourcing key areas of our operation,” Miller said. “When you outsource, you’re utilizing the expertise of a national network. If I have a particular need, my outsourcing network will find the resources and resolve the situation.”

Miller detailed several instances where he has benefitted in four presidencies from his outsourcing partners’ vast experience and network.

### Cost Savings

A significant financial advantage of outsourcing that frequently gets overlooked is the opportunity for institutions to purchase goods in volume at a lower cost through their partner’s network.

“When I was president of Wesley College, we decided to do a complete renovation of the football stadium and depended on our outsourcing partner to head the project,” Miller explained. “The plan was to install artificial turf, a new track, new lights, new stands and a new press box. At that time, our rep was also working with four other institutions. We were able to coordinate the cost of our renovations with two other schools, who were also making upgrades to their stadium, which resulted in a much better deal for us.”

Beyond savings, Miller also talked about the opportunities outsourcing created for financial gain.

### Convert to a 365-Day Operation

Some institutions accept summer as a quiet season. Classes let out, students move home and the campus slows down until fall. But outsourcing transformed each of his institutions into year-round revenue producers.

“Nationally, our outsource partner promoted that our campus was available to book camps and conferences. We became a remote location for bands and athletic teams to condition during the summer months, live in the residence halls and eat in the cafeteria. Locally, our partner also promoted the use of our facilities for events like weddings and conferences.”

These ancillary activities became a valuable source of revenue to grow programs.

“We became a 365-day operation with enough new revenue to fund necessary facilities updates and programs.”

Revenue benchmarks weren’t the only goals that outsourcing helped VWU meet and exceed. Key improvements also helped VWU deliver on student expectations.

### Consistently Meet Student Expectations

“You only have one chance to make a great first impression. If prospective students come to the campus and they see grass that’s too high, weeds that aren’t pulled, parking lot lines that aren’t painted, buildings that are peeling...these are all signs of poor health.”

More specifically, Miller said today’s college-bound students are the toughest consumers yet. Having been raised on the internet and with instant access to media, they know their options and they’ve set lofty expectations for their education and college experiences. If the campus culture and environment don’t meet their vision for the future, they have no problem attending one that does.

“Outsourcing enables us to look at current trends and be agile enough to adapt when they change. And because our partner has benchmarking data available from other institutions in their network, we’re able to see what trends are occurring elsewhere and what the next big trend will be.”



## DR. DANA HOYT

President  
Sam Houston State University, Texas

### BACKGROUND:

Sam Houston State University has been outsourcing its dining program since before Dr. Hoyt began overseeing operations in 2009.

“Outsourcing our dining program helped us sustain 3 percent growth, year-over-year for the last decade,” Hoyt said. “If you compound that percentage, we’re talking about a *lot* of growth.”

Three advantages helped her university’s dining program achieve this degree of success, the first of which parallels Miller’s account above.

#### **An Alliance With a National Network**

“Outsourcing in higher education is a genuine business partnership,” Hoyt explained. “Because of our partner’s experience and visibility over the entire state of higher education across the country, they see the long-term benefits of specific business moves, like updating the kitchen or implementing a nutrition program.”

Hoyt also credits this national network as the reason for her top-notch managerial staff.

#### **Recruit & Retain Top Talent**

Ninety percent of higher education leaders who outsource campus dining consider “quality of food” and “student satisfaction” as their top two concerns.

According to Hoyt, food quality and student satisfaction start with having the right people in place.

“It’s difficult to recruit a genuine expert, and if you do succeed, the nature of top talent is always to look for new opportunities for advancement,” she said. “An institution can only offer so much regarding compensation and career growth, and their career path often takes them someplace else. With outsourcing, these experts and high-caliber chefs are joining an accredited national team with the ability to nurture their careers for the long-term.”

Of course, running a full-service dining program for 20,000 students doesn’t happen without a few missteps. But Hoyt explained that her outsourcing partner provides the training and resources needed for her staff to think on their feet and resolve issues quickly.

“There have been times where we’ve had an issue related to food delivery. But we still pulled off a phenomenally good dinner,” she said. “Many times, something happens in the background, and we don’t even know about it until it’s already been resolved.”

#### **Generate New Revenue**

By outsourcing their food service staff, SHSU was able to free up enough of its budget to open a second dining hall, which has helped it sustain revenue growth year over year.

“We now have quality, fresh food concepts in two locations. We don’t hear students complaining about the food options like we hear on other campuses. And our staff is engaged and welcoming to the students,” she said. “This contributes to a positive student experience and higher food sales.”

# THE BENEFITS OF OUTSOURCING IN HIGHER EDUCATION

In the experiences of these top influencers, outsourcing proved to be highly beneficial in several key areas of operation.

Leaders were able to protect valuable staff members and provide training and career advancement opportunities. By shifting personnel costs to their outsourcing partners, these institutions also attracted and retained top industry experts to lead their departments.

Outsourcing facilities resulted in a noticeable shift from reactive maintenance to proactive management. With support from a national network, ambitious business plans were successfully executed, like upgrading athletic stadiums or dining experiences to increase revenue. In some instances, project expenses were decreased thanks to cost sharing among other school partners.

Ultimately, each institution experienced the optimization of processes, new channels of revenue, and a greater capacity to update programs or facilities and improve the overall campus environment. With specialized expertise in place and nationwide benchmarking data, student expectations are consistently met, and recruitment and enrollment rates are directly impacted.



# WHAT TO LOOK FOR IN AN OUTSOURCING PARTNER?

Outsourcing is about forming a genuine partnership to achieve higher-level outcomes you cannot attain independently. Before you can identify your ideal partner, you must pinpoint what areas of your institution would benefit from outsourcing. Reacquaint yourself with the top challenges your school faces and redefine your goals. *What do you need an outsourcing firm to deliver for it to be a valuable and sustainable investment?*

You can develop your standard by visiting schools that are successfully outsourcing services to see first-hand how their operations compare to others. This is also a great way to survey for ideas and generate partner referrals.



When you are ready to accept proposals, not all requests are the same. Instead of a Request for Proposal (RFP), which doesn't always align with the complexities of outsourcing initiatives, you may want to consider a Request for Solution or Request for Partner. Learn more about how to draft these requests by clicking the button below.

[LEARN MORE](#)

The partner you choose should have an established reputation and proof its processes can drive real change. While vetting potential partners, be direct about your concerns and ask hard-hitting questions.

- ▶ **How will they treat your current employees?**
- ▶ **How will they hire new employees?**
- ▶ **What systems, processes and tools will they use to truly understand your students' needs?**

Most importantly, *how specifically will the outsourcing partner resolve your institution's pain points?* The right partner is capable of providing a detailed plan, including what changes will be implemented, how they will execute changes, and what their long-term vision is for the partnership.

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**IF YOU ARE CONSIDERING  
OUTSOURCING, LEARN MORE  
ABOUT A PUBLIC-PRIVATE  
PARTNERSHIP, TRANSITIONING  
YOUR EMPLOYEES, AND HOW  
TO GET THE PROCUREMENT  
PROCESS RIGHT WITH THIS  
EDUCATIONAL BUNDLE.**

**GET THE BUNDLE**