



Board of Trustees Budget Committee (BBC)

Discussion Material – June 21, 2018

IV. C. Centralization of Services

Source: <http://www.evansincorporated.com/centralizing-and-decentralizing/>

Centralized	Decentralized
Potential Benefits	
Consistency: Different branches use similar processes/products and common language	Tailored: Adapted to unique needs of each branch and able to react faster
Consolidation: Expertise and information is kept in one unit; People know where to go for this function	Nimble: Easier to make changes at branch levels and less bureaucracy
Efficiency: Processes become more repeatable; redundancies are reduced; easier to document lessons learned	Autonomy and Empowerment: Branches take more ownership over developing an effective function or process
Stature: Function has a voice closer to, or at, the top of the organization, as opposed to fragmented	Builds local capacity: Local units develop skills to solve the functional problem
Alignment: Decisions more likely to be aligned with overall organizational strategy and priorities	
Authority: More clarity on who owns and makes decisions in the functional area	
Leverage: Easier to leverage personnel if they report centrally	
Potential Risks	
Relevancy: Out of touch with needs of local users or communities	Reporting: Difficult to monitor and report disparate processes and functions
Resistance: Branches may resist being told how to do things	Resources: Local teams may not have the resources or expertise to be fully effective
Bureaucracy and inertia: More difficult to change the function’s role in the organization if the organization changes its strategy	Brand: Inconsistent experiences or products can compromise the brand of the organization