SOUTH DAKOTA MINES

STRATEGIC INVESTMENT FUND AND OPERATING SYSTEM

How South Dakota Mines will align resources, test ideas, make decisions, maintain accountability, communicate progress, and learn from implementation.

HOW

STRATEGIC PLANNING PACKAGE
DOCUMENT THREE

I. Purpose

The Strategic Operating System is the management process South Dakota Mines will use to turn strategy into action, align resources with priorities, and learn from implementation. It connects long-term direction, annual priorities, strategic investment, quarterly execution, and institutional communication.

The Strategic Operating System is designed to:

- Translate the strategic plan into a focused annual body of work
- Align budgets, staffing, fundraising, partnerships, and operational plans with institutional priorities
- Create a disciplined process for testing, funding, scaling, and sunsetting strategic initiatives
- Maintain accountability while allowing the university to adapt as conditions change
- Make progress, tradeoffs, and results visible to campus and external stakeholders

The Strategic Investment Fund is a standing part of this system. It gives the university an annual mechanism for identifying resources and directing them toward initiatives with the greatest potential to advance the strategy.

II. Planning Horizons

Horizon 1: Long-Term Direction (10 Years)

Defines the university's identity, differentiation, aspirations, and major strategic directions.

Update cadence: refreshed every five years, with annual environmental scanning.

Horizon 2: Strategic Outcomes (5 Years)

Defines institutional goals, major metrics, capacity-building priorities, and multi-year strategic initiatives.

Review cadence: reviewed annually and adjusted when conditions or evidence warrant.

Horizon 3: Annual Institutional Priorities (1 Year)

Defines the limited set of institution-wide priorities that require cross-functional coordination, executive attention, and resource alignment during the year ahead. The university will ordinarily identify no more than five to seven annual priorities so that focus is preserved and capacity is not overcommitted.

Update cadence: developed annually through the strategic cycle.

Horizon 4: Operational Execution (Quarterly)

Defines projects, milestones, owners, key performance indicators, barriers, and tactical decisions.

Review cadence: reviewed quarterly, with adjustments made during the year.

III. Annual Priority and Investment Framework

Each year, Mines will identify a focused portfolio of annual institutional priorities and funded strategic initiatives. Annual priorities describe the work that matters most for the year; the Strategic Investment Fund helps resource selected ideas, pilots, and initiatives that can move those priorities forward or build long-term institutional capacity.

Annual priorities and funded initiatives should:

- Advance one or more strategic directions
- Require cross-functional coordination or institutional-level support
- Have a clear executive sponsor and implementation owner
- Include measurable outcomes, milestones, and reporting expectations
- Identify required resources and potential sources of support
- Create learning that can inform future decisions, even when a pilot is not scaled

IV. Strategic Management Cycle

Phase 1: Strategic Review and Theme Setting (December/January)

Leadership reviews progress, institutional metrics, environmental trends, campus feedback, financial position, and emerging opportunities or risks.

Outputs:

- Strategic assessment and lessons learned
- Preliminary annual themes and areas of emphasis
- Initial estimate of available strategic investment capacity

Phase 2: Idea Solicitation and Concept Development (January/February)

The university invites ideas from divisions, departments, faculty, staff, students, and cross-functional teams. The process should be simple enough to encourage participation and structured enough to support fair comparison.

Short concept proposals should identify:

- The problem or opportunity being addressed
- The strategic direction or annual priority supported
- The proposed approach, owner, collaborators, and timeline
- The resources requested and any matching, external, or reallocated support
- Expected outcomes, measures, risks, and a proposed scale, sustain, or sunset path

Phase 3: Screening, Shaping, and Selection (February/March)

Executive Council, with input from the Strategic Leadership Council and relevant subject-matter leaders, screens concepts and shapes the strongest ideas into a proposed investment portfolio.

Selection criteria should remain high-level and consistent across cycles:

- Strategic alignment: the initiative clearly advances the strategic plan or annual priorities
- Institutional impact: the work could improve student success, research growth, enrollment, reputation, operational effectiveness, revenue, cost savings, or mission differentiation
- Readiness and feasibility: the owner, partners, timeline, and implementation path are credible
- Leverage: the investment can attract external funding, partnership support, philanthropic support, savings, or future revenue
- Scalability and sustainability: the concept can be scaled, incorporated into operations, externally funded, or deliberately sunset after learning
- Learning value: the initiative will produce useful evidence for future institutional decisions

Outputs:

- Recommended annual priorities
- Recommended Strategic Investment Fund portfolio
- Funding levels, conditions, owners, and reporting expectations

Phase 4: Alignment and Launch (April/May)

Selected priorities and funded initiatives are incorporated into budgets, operating plans, leadership goals, dashboards, fundraising strategies, and communication plans.

Outputs:

- Final annual priority portfolio
- Funded initiative charters and implementation schedules
- Public strategic update and campus communication

Phase 5: Quarterly Review and Adaptation

Quarterly reviews assess progress, barriers, resource needs, risks, and early evidence of impact.

Outputs:

- Quarterly strategic reports
- Resource or scope adjustments
- Decisions to continue, accelerate, pause, combine, or stop funded work

Phase 6: Year-End Learning and Portfolio Decisions

At year's end, leadership reviews results and determines whether successful initiatives should be scaled, sustained, externally funded, incorporated into base budgets, redesigned, or sunset.

Outputs:

- Annual progress report
- Lessons learned for the next planning cycle
- Recommendations for the next Strategic Investment Fund portfolio

V. Strategic Investment Fund

Purpose

Mines cannot become more future-ready through aspiration alone. Innovation requires resources, and resources must be intentionally created, protected, and directed toward the university's most important opportunities.

Beginning in FY2027, Mines will establish a $1 million annual Strategic Investment Fund. The fund will provide seed capital for high-priority initiatives that advance the strategic plan, support annual priorities, test new ideas, and build institutional capacity.

The fund is not a permanent pool of discretionary spending. It is an annual process: identify available resources, select a focused portfolio of initiatives, review evidence, and reinvest in the work most likely to move the university forward.

Potential Funding Sources

The fund may be built through a combination of:

- Cost savings and operating efficiencies
- Revenue growth or internal reprioritization
- One-time institutional funds
- External grants and contracts
- Philanthropic support
- Industry, community, or government partnership funding

Eligible Uses

The Strategic Investment Fund may support pilots, capacity-building work, and initiatives in areas such as:

- Educational innovation and experiential learning
- Student success, enrollment growth, and pathway development
- Research translation, entrepreneurship, and industry engagement
- Operational effectiveness, process improvement, and technology-enabled change
- Strategic communication, reputation building, and institutional differentiation
- Faculty and staff capacity needed to implement strategic change

Operating Principles

- Fund a portfolio, not a collection of unrelated requests
- Favor time-limited seed investments with clear learning goals
- Use evidence and milestones before making long-term commitments
- Require every funded initiative to name an owner, outcomes, timeline, and exit path
- Connect funding decisions to the budget cycle, fundraising strategy, and quarterly operating reviews
- Scale what works, redesign what shows promise, and sunset what does not advance the strategy

Initial FY2027 Outcome

By December 2026, Mines will have established the framework for the Strategic Investment Fund, including funding sources, governance, proposal criteria, selection process, and reporting expectations. The first portfolio of projects will be selected and funded in the third quarter of FY2027, reviewed at the Q4 executive review, and reported in the annual strategic progress report.

VI. Governance and Accountability

Board of Regents

Focus:

- Long-term institutional direction
- Major metrics and financial sustainability
- Strategic differentiation
- Presidential accountability

Review cadence: semiannual strategic review and annual strategy update.

President and Executive Council

Focus:

- Strategic execution and institutional coordination
- Annual priorities and Strategic Investment Fund portfolio decisions
- Resource alignment, tradeoffs, and budget integration
- Quarterly review and adaptation

Review cadence: monthly strategic reviews and quarterly KPI reviews.

Strategic Leadership Council

Cross-functional leadership group responsible for:

- Strategic initiative coordination
- Idea screening support and implementation alignment
- Barrier identification and change management
- Strategic communication and campus engagement
- Funded initiative review and learning

Meeting cadence: monthly.

Finance, Advancement, and External Engagement

Responsible for:

- Identifying and validating potential fund sources
- Connecting promising initiatives to fundraising, grants, partnerships, or matching opportunities
- Integrating funded work into budget planning and long-term sustainability decisions

Institutional Research

Responsible for:

- Defining every institutional metric and annual indicator, including data source, calculation method, and reporting frequency
- Establishing baselines for all indicators in the strategic plan by December 2026 and setting proposed targets with the relevant executive sponsor
- Producing the quarterly strategic dashboard and the data underlying the annual progress report
- Maintaining the public-facing institutional metrics

Reporting cadence: quarterly dashboard to Executive Council; annual metric review with the Strategic Leadership Council.

Division and Unit Leaders

Responsible for:

- Aligning division plans with institutional priorities
- Developing and sponsoring strategic concepts
- Executing funded initiatives and tracking milestones
- Engaging faculty, staff, and students in implementation and continuous improvement

VII. Resource Allocation Principles

Resource allocation will increasingly align with:

- Strategic differentiation
- Institutional priorities and demonstrated outcomes
- Growth potential and workforce relevance
- Financial sustainability
- Cross-functional impact
- Faculty and staff support capacity

The university will:

- Periodically sunset lower-priority activities
- Reallocate resources toward strategic directions
- Maintain strategic investment capacity
- Prioritize scalable initiatives
- Use pilots before broad implementation
- Invest in the institutional systems required to sustain change

Opportunities to sunset, defer, consolidate, or redesign lower-priority activities will be identified through two standing mechanisms: the annual search for Strategic Investment Fund sources, in which divisions identify savings, reprioritization, and revenue opportunities that can be redirected to strategic work; and the cross-campus process improvement teams established under the One South Dakota Mines priority, which surface duplicative processes and inefficiencies. Identified opportunities will be reviewed by Executive Council during Phase 3 and reported in the annual strategic progress report.

VIII. Institutional Design Principles

Mines will make decisions using the following principles:

Principle 1

Favor intentional design over inherited structures.

Principle 2

Move faster where institutional size creates advantage.

Principle 3

Prioritize meaningful experiences over bureaucratic complexity.

Principle 4

Treat industry and external partners as core collaborators.

Principle 5

Use data to inform decisions while maintaining human judgment.

Principle 6

Invest disproportionately in areas of strategic differentiation.

Principle 7

Encourage experimentation and responsible risk-taking.

Principle 8

Continuously reassess assumptions about higher education.

Principle 9

Recognize that student learning occurs both inside and outside the classroom.

Principle 10

Support faculty and staff as essential infrastructure for institutional transformation.

IX. Strategic Communication and Learning

The university will maintain a transparent strategic communication system that keeps priorities, funded initiatives, progress, and lessons learned visible throughout the year.

This includes:

- Annual strategic progress reports
- Quarterly dashboard updates
- Campus strategy forums
- Board strategy presentations
- Public-facing institutional metrics
- Strategic initiative updates and pilot reports

The goal is to create:

- Institutional alignment
- Shared understanding
- Transparency
- Adaptability
- Continuous engagement
- Ongoing campus participation in institutional evolution