

NEW SIGHTS, GREATER HEIGHTS

EACUBO 2018 ANNUAL MEETING

OCTOBER 21-24 | BUFFALO NIAGARA CONVENTION CENTER | BUFFALO, NY

# Good Strategy Requires Good Data

EACUBO 2018

## Your Hosts



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### **Michael Gower**

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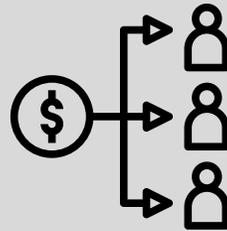
# Great business officers do (at least) three things well

## Assess



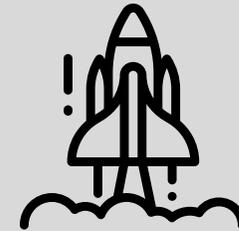
- University
- Units
- Programs

## Allocate



- Strategy
- Budget
- Engagement

## Act



- Assignments
- Tracking
- Improving

Good Data



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Let's start with a question...



*I wish we had more reliable internal and external benchmarking data to evaluate performance*

- A) Strongly agree
- B) Agree
- C) Disagree
- D) Strongly Disagree

How do you measure performance at your university?



# Discussion topic – evaluating performance on your campus

	What metrics do you use to evaluate performance?	What data sources do you use?	What challenges do you have?
University			
Units			
Programs			

# Develop a New and Economically Sustainable Model for Rutgers

## *Vision Statement:*

Working across academic, research, healthcare, public service, and administrative functions, Rutgers will develop a model for higher education that meets the challenges of the future; demonstrates clear and compelling value to the students, patients, and communities we serve; and reflects changing needs of our stakeholders.

Through use of this adaptable model, Rutgers will significantly enhance its long-term economic sustainability by aligning the effective use of resources.

# Rutgers: Evaluating University Performance - Academic

University Dashboard - Annual as of Q3 (Privileged - Incentive Compensation)										
Unit / Category	Metric	Status / Unit	Peer Institutions (1)	Aspirant Institutions (2)	Rutgers University FY 2014	Rutgers University FY 2015	Rutgers University FY 2016	Rutgers University FY 2017	Rutgers University FY 2018	
Academic	Enrollment	Undergraduate Total Headcount (Fall of FY)	New Brunswick							
			Newark							
			Camden							
		Graduate & Professional Total Headcount (Fall of FY)	New Brunswick							
			Newark							
			Camden							
	Enrollment Profile	First-Year Enrollment Yield %	New Brunswick							
			Newark							
			Camden							
		First-Year Enrollment Headcount (Undergraduate)	New Brunswick							
			Newark							
			Camden							
		Incoming Transfer Enrollment Yield %	New Brunswick							
			Newark							
			Camden							
		Incoming Transfer Enrollment Headcount (Undergraduate)	New Brunswick							
			Newark							
			Camden							
	Average SAT Total (M+CRI)	New Brunswick								
		Newark								
	Retention and Graduation	1-Year Retention Rate (Fall to Fall)	New Brunswick							
Newark										
Camden										
6-Year Graduation Rate (IPEDS 2011 Incoming First-Year Full-Time Cohort)		New Brunswick								
		Newark								
		Camden								
6-Year Graduation Rate (IPEDS 2011 Incoming Transfer Full-Time Cohort)		New Brunswick								
		Newark								
		Camden								
Actual vs. Predicted 6-year Graduation Rate (3)		New Brunswick								
		Newark								
		Camden								

Academic	Financial Aid	Percentage of Incoming First-Year Full-Time Students Receiving Pell Grant Aid	New Brunswick							
			Newark							
			Camden							
		Percentage of Incoming Transfer Full-Time Students Receiving Pell Grant Aid	New Brunswick							
			Newark							
			Camden							
	Percentage of Undergraduate Students Receiving Grant Aid	New Brunswick								
		Newark								
		Camden								
	Student Satisfaction & Outcomes	Overall Academic Satisfaction (4)	New Brunswick							
			Newark							
			Camden							
Overall Social Satisfaction (5)		New Brunswick								
		Newark								
		Camden								
Diversity	Full-Time First-Year Students	Percentage of All New First-Time (Full Time) Underrepresented Minority Students (1)	New Brunswick							
			RBHS							
			Newark							
	Full-Time Transfer Students	Percentage of All New Transfer (Full Time) Underrepresented Minority Students (1)	New Brunswick							
			RBHS							
			Newark							
	Faculty	Percentage of Underrepresented Minority Full-Time Faculty (2)	New Brunswick							
			RBHS							
			Newark							
	Staff	Percentage of Underrepresented Minority Full-Time Staff (3)	New Brunswick							
			RBHS							
			Newark							
Camden										

# Rutgers: Evaluating University Performance – Non Academic

University Dashboard - FY18 Quarter 3 (Privileged - Incentive Compensation)						
	Unit /Area	Metric		FYTD16 Q3	FYTD17 Q3	FYTD18 Q3
<b>Financial</b>	<b>Balance Sheet</b>	Long Term Investments (\$Millions)				
		Operating Funds (\$Millions)				
		Days Cash on Hand (Operating Funds)				
		Total Debt Outstanding (\$Millions)				
<b>Research and Economic Development</b>	<b>Rutgers AAU Research Metrics</b>	Total Grant and Contract Expenditures (\$Thousands) <sup>(1)</sup>	(NB - RBHS)			
		Total Grant and Contract Awards (\$Thousands)	(NB + RBHS)			
	<b>Total Rutgers University Research Metrics</b>	Total Grant and Contract Expenditures (\$Thousands)				
		Total Grant and Contract Awards (\$Thousands)				
		Grant and Contract Awards (Units) <sup>(2)</sup>				
		Patent Licensing Revenue (\$Thousands)				
<b>Clinical</b>	<b>RBHS</b>	Clinical Patient Revenues (\$Thousands) <sup>(3)</sup>	(Excludes UBHC)			
		wRVU's per Clinical Faculty FTE <sup>(4)</sup>	(Where Applicable)			
<b>Fundraising</b>	<b>University Foundation</b>	New Gifts and Pledges (\$ Thousands)				
		Cash Received (\$ Thousands)				
	<b>Facilities</b>	Safety Accidents on the Job (injuries/year/100 FTE)				
		Deferred Maintenance Annual Stewardship Target				
<b>Central Services</b>	<b>Human Resources</b>	Days To Hire (total # of days from request to hire)				
		UHR Customer Satisfaction Index (1 - 10)				
	<b>Information Technology</b>	Unplanned Downtime Per 1000 Hours				
		Oracle Planned Downtime (hours for appl+database by quarter)	Contract maximum: 30 hrs/quarter			
		Oracle Unplanned Downtime (hours for appl+database by quarter)	Contract Standard: 10.5 hrs/quarter			
		OIT Help Desk Dropped Calls				
	<b>Public Affairs</b>	Policymaker Contacts/Professional/Month				
		Combined Effectiveness Index <sup>(11)</sup>				
	<b>Communications</b>	Client Satisfaction (1 - 10)				
		Production / FTE (weighted)				

# The Academic Benchmarking Consortium (ABC) is providing data and insights for administrative costs evaluation (spend and FTE)

## Standard Activity-Based Cost Categories Model ("SAM™")

### Mission:

*Improve decision-making in higher education by providing reliable benchmarking data*



#### FINANCE

- Accounts Payable
- Budget and Financial Planning
- Financial Reporting
- General Accounting
- Payroll Processing
- Procurement
- Student Accounts



#### HUMAN RESOURCES

- Benefits
- Classification and Compensation
- Employee and Labor Relations
- Hiring
- Training



#### INFORMATION TECHNOLOGY

- Application Development
- Education Technologies
- Infrastructure and Operations
- Security and Privacy
- User Support



#### FACILITIES

- Capital Planning and Management
- Construction Services, Building Maintenance and Repair
- Dining Services
- Energy and Utilities
- Environmental Health and Safety
- Grounds
- Housekeeping
- Public Safety
- Transportation



#### RESEARCH ADMINISTRATION

- Pre-Award
- Post-Award
- Research Compliance



#### COMMUNICATIONS

- Marketing and Communication
- Media Relations



#### DEVELOPMENT

- Alumni Relations
- Fund Raising
- Prospect Management, Research and Analytics



#### STUDENT SERVICES

- Academic Advising
- Admissions
- Career Services
- Diversity
- Financial Aid
- International Programs
- Recreational Services
- Registration
- Residential Services

### Members:

UNC Chapel Hill  
 UT Austin  
 University of Florida  
 Florida State University  
 NC State University  
 University of Delaware  
 University of Colorado-Boulder  
 Rutgers University  
 University of Oregon  
 UT Dallas  
 University of Wisconsin-Madison  
 Oregon State University  
 San Francisco State University  
 Auburn University  
 University of Houston  
 University of Alabama  
 University of Utah  
 Miami University of Ohio  
 Temple University  
 Virginia Tech University  
 Loyola University Maryland  
 Tennessee Tech University  
 Kent State University  
 Florida Atlantic University  
 Arizona State University  
 University of Mass. - Amherst  
 Washington University  
 University at Buffalo (SUNY)

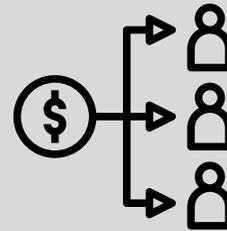
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- Program

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- Improving

**Good Data**



Another question...



*We are considering serious changes to our budget model*

- A) Strongly agree
- B) Agree
- C) Disagree
- D) Strongly Disagree

# Strategy statements are intended to guide decisions

## Mission Statement

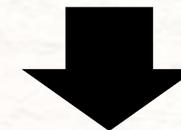
Statement which specifies a firm's purpose or "reason for being" and the primary objective toward which the firm's programs & plans should be aimed. Statement specifying the firm's key constituents and how the organization will serve them. It must be clear and understood. It makes you "proud."

## Vision Statement

Statement describing what the organization strives to be at some future time. It should be specific and motivating. It makes you "excited."

## Values

It is what we believe in, our guiding principles, and how we interact. It makes you "belong."



Dr. Paul Friga

# EACUBO Strategy

## EACUBO Envisioned Future Elements

**Mission:** *We prepare and support financial and administrative leaders as pivotal strategic partners enabling their academic institutions to thrive.*

**"Leaders"** are defined as less about a role or title and more about a mindset. Anyone can have a leadership mindset regardless of position and title. Institutions that cultivate a leadership mindset among their staff are creating a culture of higher performance. EACUBO, in fulfilling its mission, equips and furthers a leadership mindset among financial and administrative employees regardless of their position or title in the institution.

**"Strategic"** is a way of thinking that can and should occur at all levels within the institution. It's about foresight, unorthodox perspectives, challenging the obvious or the norm and divergent thinking. Being strategic is not relegated to the board room or upper echelons of the institution. While strategic thinking may result in different questions being asked at different levels of the institution, anyone can be strategic by asking, "What if...?," "Why?," "Who Cares?"

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### Core Values:

- Career Long Learning
- Sense of Community/Collegiality
- Integrity and Ethical Behavior
- Respect for Diversity

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**Core Purpose:** *We care about the formation of leaders to strengthen education which contributes to a better world.*

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### Envisioned Future:

#### Vivid Description

EACUBO is a vibrant, energized community and the best and brightest leaders want to be a part of it. We are an incubator and a network where our members collaboratively tackle some of the most significant challenges and opportunities facing higher education. We understand that developing solutions and learning happen simultaneously and this drives all we do.

#### 10 – 30 Year Goal

EACUBO is known for fresh, innovative thinking that is transforming the performance of higher education.

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**Value Proposition:** *We help our members increase their capacity to embrace and foster new thinking, create opportunities and generate solutions.*

# The Mission for UNC Chapel Hill

## Mission

The University of North Carolina at Chapel Hill, the nation's first public university, serves North Carolina, the United States, and the world through teaching, research, and public service. We embrace an unwavering commitment to excellence as one of the world's great research universities.

Our mission is to serve as a center for research, scholarship, and creativity and to teach a diverse community of undergraduate, graduate, and professional students to become the next generation of leaders. Through the efforts of our exceptional faculty and staff, and with generous support from North Carolina's citizens, we invest our knowledge and resources to enhance access to learning and to foster the success and prosperity of each rising generation. We also extend knowledge-based services and other resources of the University to the citizens of North Carolina and their institutions to enhance the quality of life for all people in the State.

**With lux, libertas — light and liberty — as its founding principles, the University has charted a bold course of leading change to improve society and to help solve the world's greatest problems.**

# The UNC Chapel Hill Vision and Values

## Vision

To be the **leading global, public research university in America** with outstanding educational programs at the most affordable price, to conduct game-changing research and innovate for the public good, and to bring health and prosperity to the citizens of the state, nation, and beyond.

## Values

- Above all, we are **human, inclusive, and humane**: we build a highly capable community, care how we treat one another, provide for each other's well-being, and facilitate personal success.
- We embrace the **evolving diversity of the people of North Carolina** and the broader community we serve.
- We lead as a **proudly public institution**: in collaboration with the people and our partner organizations in North Carolina, nationally, and internationally.
- We focus on **population health and prosperity**.
- We **embrace change and possibility**; we prize beauty and art; we are aspirational, energetic, creative, and willing to take risks.

# Blueprint For Next Pillars and Strategic Initiatives

## Pillars



### Of the Public, For the Public

- Educating for Democracy and Change
- Partnering with the Public



### Innovation Made Fundamental

- A New Mindset
- Strategic Choices

## Strategic Initiatives

### The New Graduate

...may be young, middle-aged, or older, having completed Carolina coursework at home, at work, or on campus. Both young, residential and non-traditional students will be guided by savvy advisers and prepared to be more effective leaders, lifelong learners, and competitive professionals.

### The Great Convergence

...is a campus-wide call for collaboration across disciplines at Carolina. The groundbreaking work of the future will occur at these intersections of expertise, and we will make funding, support systems, and spaces available for researchers to work together on practical, solutions-focused projects.

### Carolina Whole Health

...is an initiative designed to promote the well-being of the whole person and the health of the entire state of North Carolina. Applying our considerable strengths in the health sciences, Carolina will tackle the problems where disease, historic behavior patterns, inadequate access and numbers of providers combine to create exceptionally complex challenges.

### Scaling Global

...means scaling up Carolina's best ideas and initiatives to take on interrelated local and global issues, and leaving our impact both at home and in other countries where we can make a difference.

### Culture of Innovation

... is fundamental to the successful execution of all of Carolina's strategic initiatives and must reach to the operational level in all University functions.

# NACUBO Framework for Economic Sustainability is a strategy tool



Visit the NACUBO Website for more information: <https://emp.nacubo.org/>

# MISSION



What is our college's purpose, and what should it be five, 10, or 20 years from now?

What individuals and communities do (will) we serve?

What outcomes do (will) we produce – for example, certificates, badges, degrees – and in what fields and disciplines?

Visit the NACUBO Website for more information: <https://emp.nacubo.org/>

# STRUCTURE



Is the current organizational structure relevant to current needs? Does it create barriers to improvement?

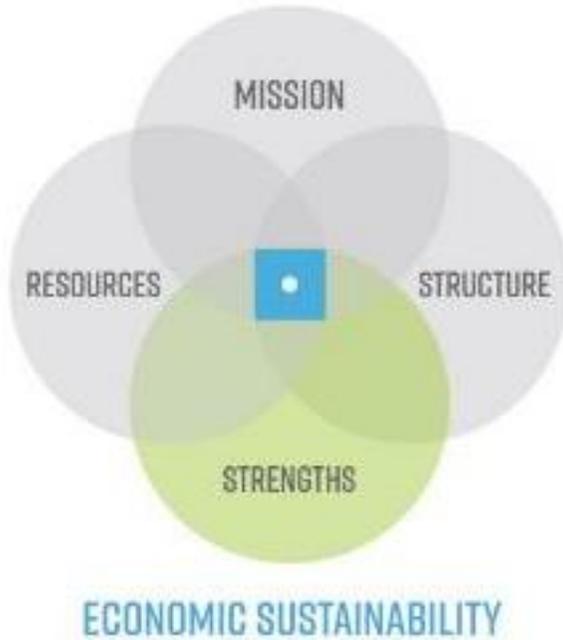
What opportunities exist for shared services and programs, and partnerships/collaborations within our institution and with others?

Do institutional policies support or hinder the mission? Are processes underway to abate conflict?

Is leadership willing to take strategic risks to better position the institution?

Visit the NACUBO Website for more information: <https://emp.nacubo.org/>

# STRENGTHS



What are the unique strengths of the college or university?

How do these strengths capitalize on local, national, or global trends now and in the future?

How do we maintain and improve core programs and services?

Visit the NACUBO Website for more information: <https://emp.nacubo.org/>

# RESOURCES



Are resources allocated in ways that support institutional strengths and mission?

Do we attract and retain necessary human resources and train and deploy them effectively?

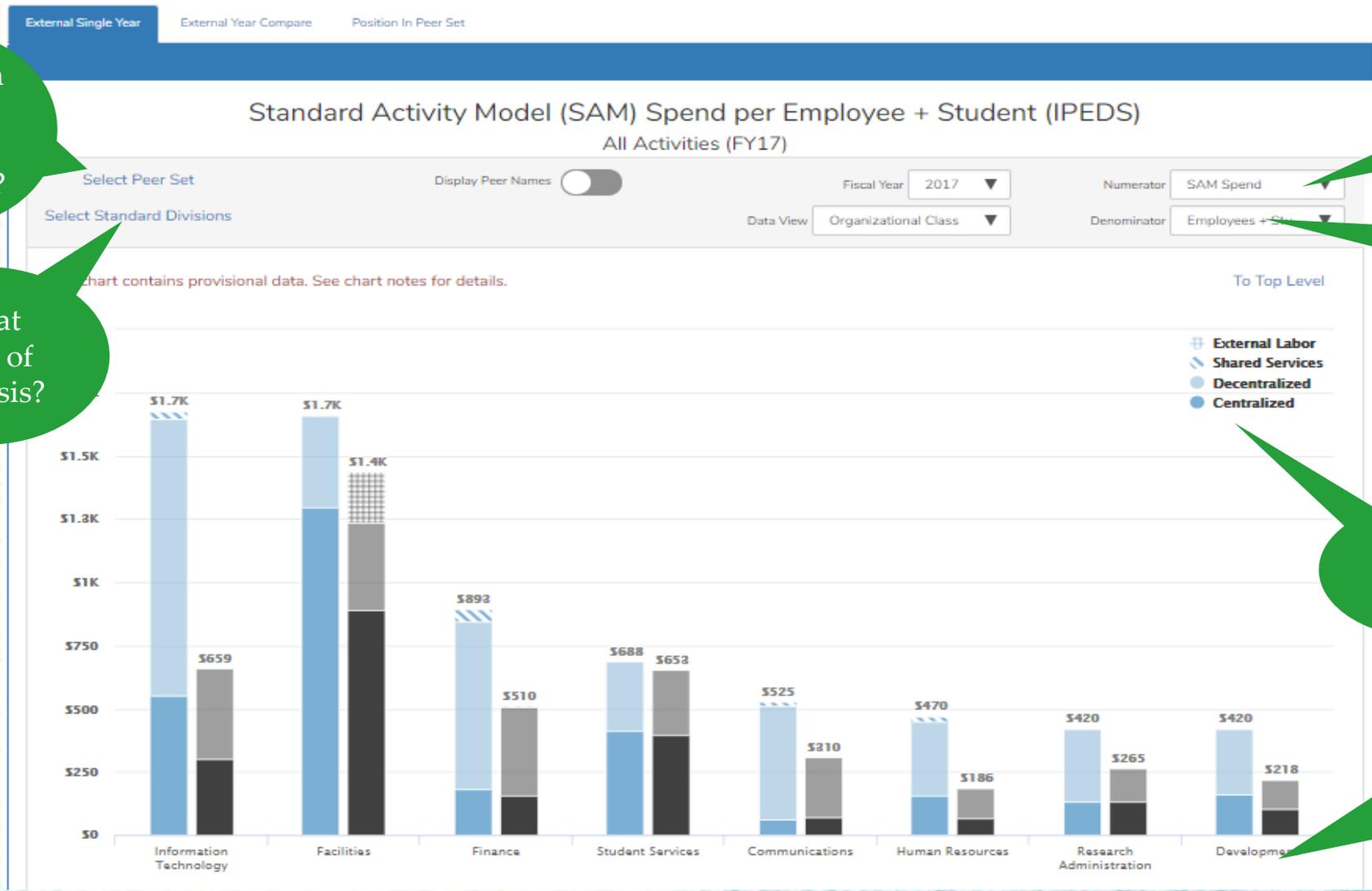
Are we progressing in using data resources to analyze problems, predict outcomes and prescribe solutions?

Visit the NACUBO Website for more information: <https://emp.nacubo.org/>

# Rutgers: Steps to the Economic Model

- RCM Budget Model
- New Financial System
- New Chart of Accounts
- Cost Accounting
- Data Quality and Governance (*troubles ahead!*)
- Analytics
- Financial Modeling
- Business Planning
- *REPEAT....*

# The ABC Platform compares normalized performance at the university, unit, and activity level (spend & FTE)



To whom should we compare?

What level of analysis?

Adjustment for local labor rates?

How do we normalize?

Where costs are located?

Which activities to analyze?

# of students, # of faculty, # of FTEs, # of acres/ft. sq, % OpEx, research \$, development \$, etc.

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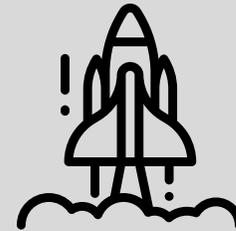
- University
- Units

## Allocate



- Strategy
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## Act



- Assignments
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**Good Data**



Another question...



*I am comfortable with the linkages of spending to strategy at my campus*

- A) Strongly agree
- B) Agree
- C) Disagree
- D) Strongly Disagree

# Why a Data Culture Matters – 7 Key Principles McKinsey (2018)

1. Data culture is decision culture and must be embedded
2. Commitment from the top leadership is critical
3. Get data in front of the right people to generate excitement
4. Encourage but also mitigate risk with the data
5. Involve people in the operations in the data culture
6. Consider outsourcing but also proactively manage the use of data
7. Strike the right balance of transforming existing people and new people in data roles

# Rutgers: Data Quality and Governance

## *(Troubles Ahead....)*

- Complex cost accounting requires reliable data
- Definitions need to be *clear* and *logical* for departmental managers to use
- Payroll system must support cost distribution
  - Has to be easy to change
  - Estimates of time must be reasonable and understandable
- Must be prepared to change design if assumptions do not work "in real life"

# Rutgers: Analytics and Financial Modeling

- If COA is being used consistently and *generally correctly*:
  - Use Cost Accounting model to drive costs
  - Determine cost and revenue variables
  - Develop financial model for projections
  - Test for reasonableness
  - “Perfect is the enemy of good enough”
  - **REPEAT and change variables or business designs to see impact**

# Rutgers: Business Planning

- Do new programs fill a real need and contribute to margin?
- What are the assumptions?
  - Market for program – demand
  - Variable costs
  - Pressure on fixed costs

# Rutgers: Other Considerations

- Involve academic leadership
  - Offer analytics for understanding economics of programs – value back to the departments and schools
  - Get cooperation for improving data quality
  - Make available models for new programs, changes in programs and structure, and retirement of programs
- Determine critical variables and “businesses” to model
- Incorporate capital plans, strategic initiatives, and the balance sheet (what-if analyses)
- Test reasonableness of models (what really happened?)
- THIS IS A WORK-IN-PROGRESS.....

# ABC Members: Tangible Use Cases

## \* Improve Strategic Alignment

- Improve the quality of discussions and collaboration with senior leadership around the topic of optimal resource allocation across both central and academic units.
- Provide peer-based evidence for the effective use of funds to support the academic mission.
- Adequately prepare for significant cost reductions and / or strategic initiatives.



# ABC Members: Tangible Use Cases

## \* Improve the Budgeting Process

- Help to justify the allocation of centralized spending to academic units as your university moves to or evolves the RCM (Responsible Center Management) budget model.
- Set appropriate targets for the % of administrative FTE as a % of all FTE in an academic unit based on peer analysis and strategic intent.
- Proactively monitor resource allocation trends across years to improve overall operating results.



# ABC Members: Tangible Use Cases

## \* Evaluate Technology Investments

- Build the business case for technology investments by revealing the depth or deficit of available resources needed for core administrative activities.
- Build a data driven business case to support investments for technology to reduce processing costs that can benefit multiple areas of the university.
- Evaluate the resource savings that were promised as part of significant technology investments.



# ABC Members: Tangible Use Cases

## \* Demonstrate Progress vs. Multi-Year Initiatives

- Proactively monitor and trend progress against targeted improvement initiatives.
- Ensure staff resource allocations are aligned to achieve desired outcomes within your strategic plan.
- Prove to key stakeholders that the human capital investment is properly allocated and aligned to mission and determine (with multi-year trending) if allocations require adjustments.



# What ABC Members are saying about using data...

*Evaluate*

*"The platform allows us to identify the internal trends within our human capital investments and evaluate how these trends support the University's academic aspirations. It also helps us show our trustees that we are effective stewards of resources."*



**Brian Fairhust,**  
Director of Continuous Improvement, Florida State University



FLORIDA STATE  
UNIVERSITY



University of Colorado  
Boulder

*"Benchmarking our university to others from a financial and operational efficiency perspective has always been nearly impossible to do well, but I think ABC Insights along with their (growing list of) university members is finally on track to crack it. The platform is top notch and more importantly, the data they are collecting, and curating is hugely valuable for decision making."*



**Steve Vassallo,**  
Assistant Vice Chancellor – Office of Data Analytics

*Compare*

# ABC Members are saying about using data...



*"The ABC Insights platform has enabled us to analyze processing costs and help build the case for complex centralized technology investments that will enable us to improve efficiency and improve the quality of service across campus."*



**Laurent Heller,**

Vice Chancellor for Finance & Administration, University of Wisconsin

*ROI*

*Report*

*"The benchmarking graphs within the ABC Insights platform help build a data driven narrative that helps us convey information to trustees and other stakeholders that we are optimizing the use of funds and aligning the right level of resources to our multi-year strategic plan."*



**David Ellis,**

Associate Vice President Budgeting & Analysis, Miami University of Ohio



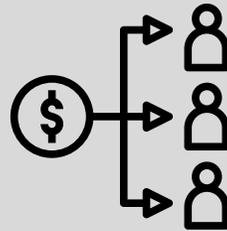
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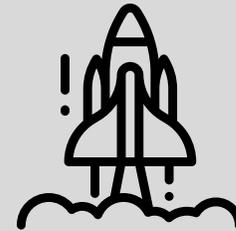
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## Questions/Suggestions/Recommendations?



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