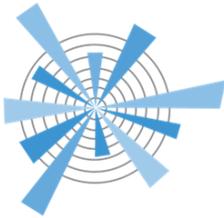




National Association of College and
University Business Officers



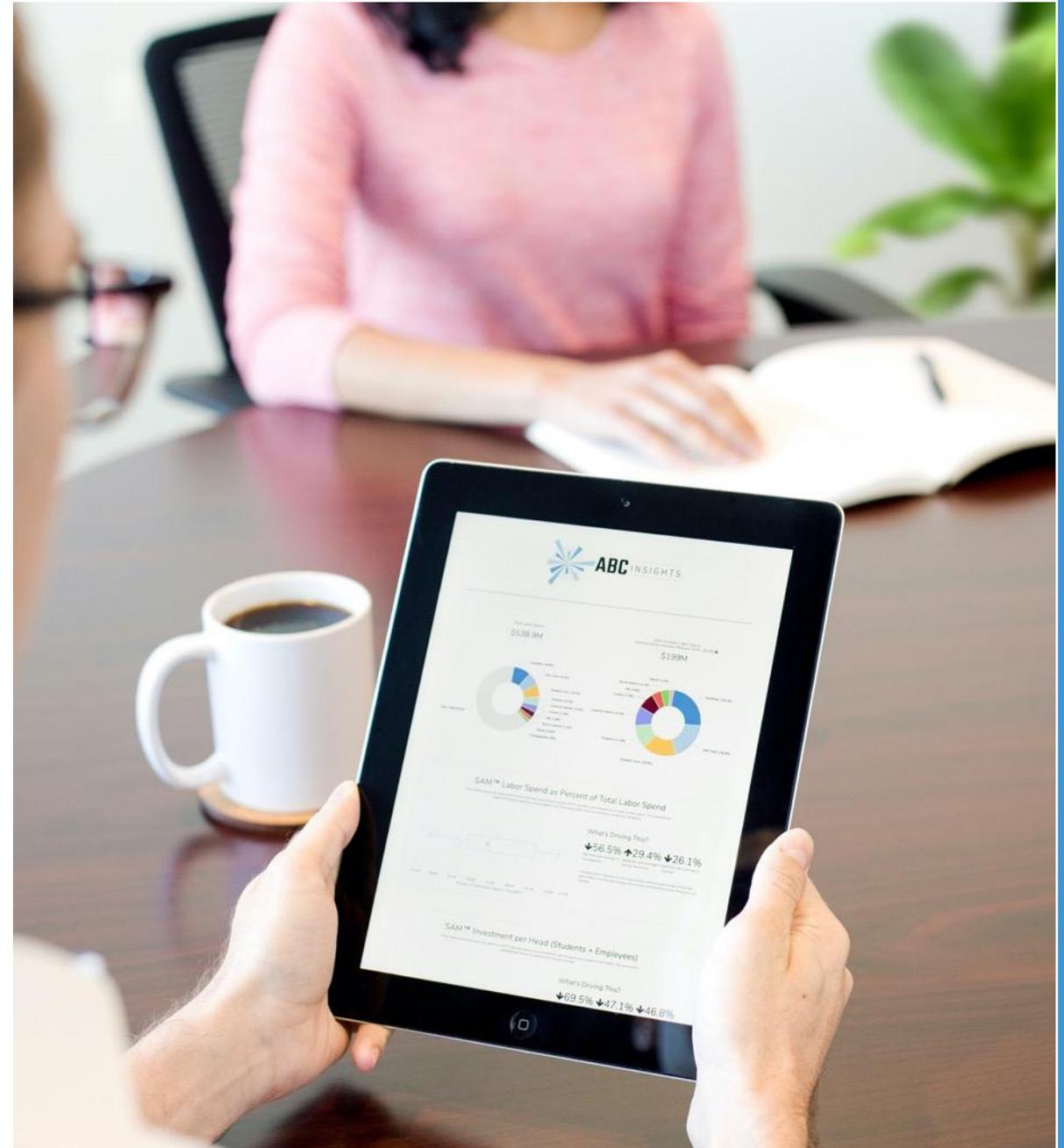
ABC INSIGHTS
A HelioCAMPUS COMPANY

Master Class Series - Financial Transformation During COVID-19

An Exclusive Opportunity for only CBOs

October 9 – December 2, 2020

Class Session Material #4 – Nov 18, 2020



Discussion topics



- Introductions and Overview
- Driving Efficiency and Effectiveness in Administrative Services
- Report Outs

Discussion topics



- **Introductions and Overview**
- Driving Efficiency and Effectiveness in Administrative Services
- Report Outs

Meet your Subject Matter Experts



Oct. 9 3:30-5pm EST

Understanding and Managing Financial Realities



Kasia Lundy
Managing Director in the Education Practice, EY-Parthenon



Haven Ladd
Managing Director in the Education Practice, EY-Parthenon

Oct. 21 3:30-5pm EST

Drive Greater Operational Efficiency & Organizational Effectiveness



Laura Yaeger
Higher Education Client Service Leader, Huron Consulting



Kurt Dorschel
Senior Director in the Higher Education Sector, Huron Consulting

Nov. 4 3:30-5pm EST

Aligning Faculty Effort to Institutional Mission: Leveraging Traditional Scholarship to Optimize Academic Resources



Peter Stokes
Managing Director in the Higher Education Group, Huron Consulting



Mike Cogan
Strategy and Ops Consultant in the Higher Education Group, Huron Consulting

Nov. 18 3:30-5pm EST

Driving Efficiency and Effectiveness in Administrative Services



Jonathan Fry
Managing Director, Head of NA Education Practice, Accenture



Natalie Sisto Means
Managing Director, Strategy & Consulting, Accenture

Dec. 2 3:30-5pm EST

Post-Pandemic – The Future of Higher Education



Samantha Fisher
Managing Director, NA Education Practice, Accenture



Aneel Delawalla
Managing Director/Senior Partner, Accenture Strategy

Each Session Hosted By:



Jim Hundrieser, Ph.D.
Vice President for Consulting Services, NACUBO
Focus on student success and strategic business models
B.S. from Northern Michigan University, M.Ed. from Plymouth State university, Ph.D. from Barry University



Paul Friga, Ph.D.
Strategy Prof. at UNC CH, Co-founder of ABC Insights
Focus on university strategy and efficiency/effectiveness
Previously with PwC and McKinsey
B.S. St Francis University, MBA & Ph.D. UNC-CH

Welcome Master Class Participants!



Community Colleges

Allen Bottorff	Polk State College
Anabel Cunha	Community College of Rhode Island
David Kuntz	Cuyahoga Community College
Elizabeth Argiri	Macomb Community College
Jeffrey West	Salt Lake Community College
Kathryn Kaoudis	Community College of Denver
Lisa Watson	Northwest College
Maria Elizondo	South Texas College
Nathan Langstraat	Whatcom Community College
Olivia Padilla-Jackson	Central New Mexico Community College
Pam Harrison	Meridian Community College
Roberta Remias	Oakland Community College
Susan Coulston	Southwestern Michigan College
W. Leatherman	Hopkinsville Community College

Small institutions - Public

Kari Gaswick	Chadron State College
Veronica Paulson	Northern State University
William Spindle	South Dakota School of Mines and Technology

Small institutions - Private

Amy Bosio	Georgian Court University
Andrea Young	Ripon College
Ann Spall	Fontbonne University
Anna Arvay	Geisinger Commonwealth School of Medicine
Beth Mcgrath	Clarke University
Christopher Gardner	Wofford College
Claudette Smith	Stillman College
David Carson	Flagler College
Debra Martin	Mount Saint Mary's University
Debra Polley	The College of Saint Rose
Denton Stargel	Centenary University
Donna Nance	Texas Wesleyan University
Jeff Scaccia	Presbyterian College
Jerry Silberman	Elizabethtown College
Jodie McGaughey	Hardin-Simmons University
John Risboskin	Lackawanna College
Kim Kvaal	St. Edward's University
Lezlie Hukill	Wayland Baptist University
Linda Allen	Evangel University
Lorraine Atwood	Vermont Law School
Meghan Kass	Wheaton College
Michael Poster	St. Ambrose University
Michele Smith	Brite Divinity School
Rhonda Shirazi	Spring Hill College
Rick Gilbertson	University of Sioux Falls
Sarah Mouch	Methodist Theological School in Ohio
Stacie Scott	Beloit College
Stephanie Ourada	Hastings College
Steven Alderman	South Texas College of Law Houston

Comprehensive – Public

Beth Reissenweber	Midwestern State University
Claire Stinson	Tennessee Technological University
Jennifer Potter	Stockton University
John Carmichael	The Evergreen State College
Kathleen Eichelroth	Worcester State University
Lori Beaty	Tarleton State University
Pratima Gandhi	University of Wisconsin-Stevens Point
Rick Anderson	University of Texas Rio Grande Valley
Russ Hannah	Arkansas State University

Comprehensive – Private

Cathleen Kenny	Pratt Institute
Hania Ferrara	Fairleigh Dickinson University
Laura Sander	Suffolk University
Linda Gilbert	Widener University
Rosana Lopez	Universidad Del Sagrado Corazon

Research – Public

Allyson Easterwood	University of Southern Mississippi
Cathy Anderson	University of Utah
Jean Vock	University of Nevada, Las Vegas
Karin Hegstad	North Dakota State University
Kelli Shomaker	Auburn University
Kelly Fox	Georgia Institute of Technology
Lynne Schaefer	University of Maryland Baltimore County
Noel Sloan	Texas Tech University
Stacy Pearson	Washington State University

Research – Private

Danielle Manning	Clark University
Leslie Brunelli	University of Denver

Our unique format for the Master Class Series



Master Class Sessions

<p>Friday, October 9th 3:30 – 5:00pm</p> <p>Understanding and Managing Financial Realities</p> <p>Featuring EY Parthenon</p>	<p>Wed, October 21st 3:30 – 5:00pm</p> <p>Drive Greater Operational Efficiency & Organizational Effectiveness</p> <p>Featuring Huron Consulting</p>
<p>Wed, November 4th 3:30 – 5:00pm</p> <p>Aligning Faculty Effort to Institutional Mission</p> <p>Featuring Huron Consulting</p>	<p>Wed, November 18th 3:30 – 5:00pm</p> <p>Driving Efficiency and Effectiveness in Admin Services</p> <p>Featuring Accenture</p>
<p>Wed, December 2nd 3:30 – 5:00pm</p> <p>Post-Pandemic – The Future of Higher Education</p> <p>Featuring Accenture</p>	

Workshop Flow

15 Minutes	Overview	Jim Hundrieser and Paul Friga
30 Minutes	Plenary Presentation	Led by a Monthly Topic Subject Matter Expert From Consulting Firm
30 Minutes	Breakouts & Case Studies (led by University CFOs)	Facilitated by NACUBO Team, ABC Insights and Consulting Firm SMEs
15 Minutes	Report Outs	Led by Jim Hundrieser and Paul Friga

Session Four – Driving Efficiency and Effectiveness in Administrative Services



Nov. 18 3:30-5:00pm EST



Jonathan Fry

Managing Director, Head of NA Education Practice, Accenture



Natalie Sisto Means

Managing Director, Strategy & Consulting, Health & Public Service, Accenture

Description

The pandemic has brought additional financial stress to the industry which requires business officers to consider solutions that may not have been seen viable before. This session will focus on actions that CFOs can take to define creative models that institutions should consider for administrative functions. We will discuss frameworks for identifying processes that can be automated and/or standardized, and the necessary technology enablers.

Learning Objectives

1. Defining what the future of administrative work look like
2. Identifying processes and steps can universities automate and/or standardize
3. How to identify the technology enablers required

15 min

Introductions

30 min

Plenary Presentation

30 min

Breakouts & Case Studies

15 min

Report Outs

Key Readings

- [The Hard Choices Presidents Will Have to Make](#)
- [How to Steer Your Campus Through a Recession](#)
- [A Reboot For Financial Stability In Higher Education](#) (Accenture)
- [Back To College: Fluid, Frictionless & Safe For Students](#) (Accenture)

Key Asynchronous Webinars

- [Optimizing Academic Programming In The Post Coronavirus Era](#) (Chronicle)
- [Change Management In Higher Education](#) (Chronicle)
- [The Financial and Structural Impact of New Title IX Regulations During the COVID-19 Pandemic](#) (NACUBO)
- [Are Endowment Spending Levels Sustainable? Trends and Best Practices for Higher Ed Institutions](#) (NACUBO)
- [Coronavirus: Practical Considerations for Your Campus](#) (NACUBO)

Updates on financial impacts, strategies and centralization



- By Paul Friga, Co-founder of ABC Insights

Source: AGB Consulting and Rick Beyer

Rationale as to the need for major change in higher education



- \$1.6 Trillion of student debt
- An industry with poor quality of earnings
- Nine consecutive years of enrollment decline on a national basis
- An industry that is slow to change
- More supply of brick and mortar colleges than student demand
- More than 1,200 colleges that are either at or approaching – “not financially viable” status according to DOE Financial Composite Scores
- Changing consumer behaviors
- Migration from degrees to credentials and certificates
- Corporate workforce development influence on higher education
- Technology requirements, substantially increasing
- New entrants impacting student demand
- Economies of scale will become an important attribute of the business model

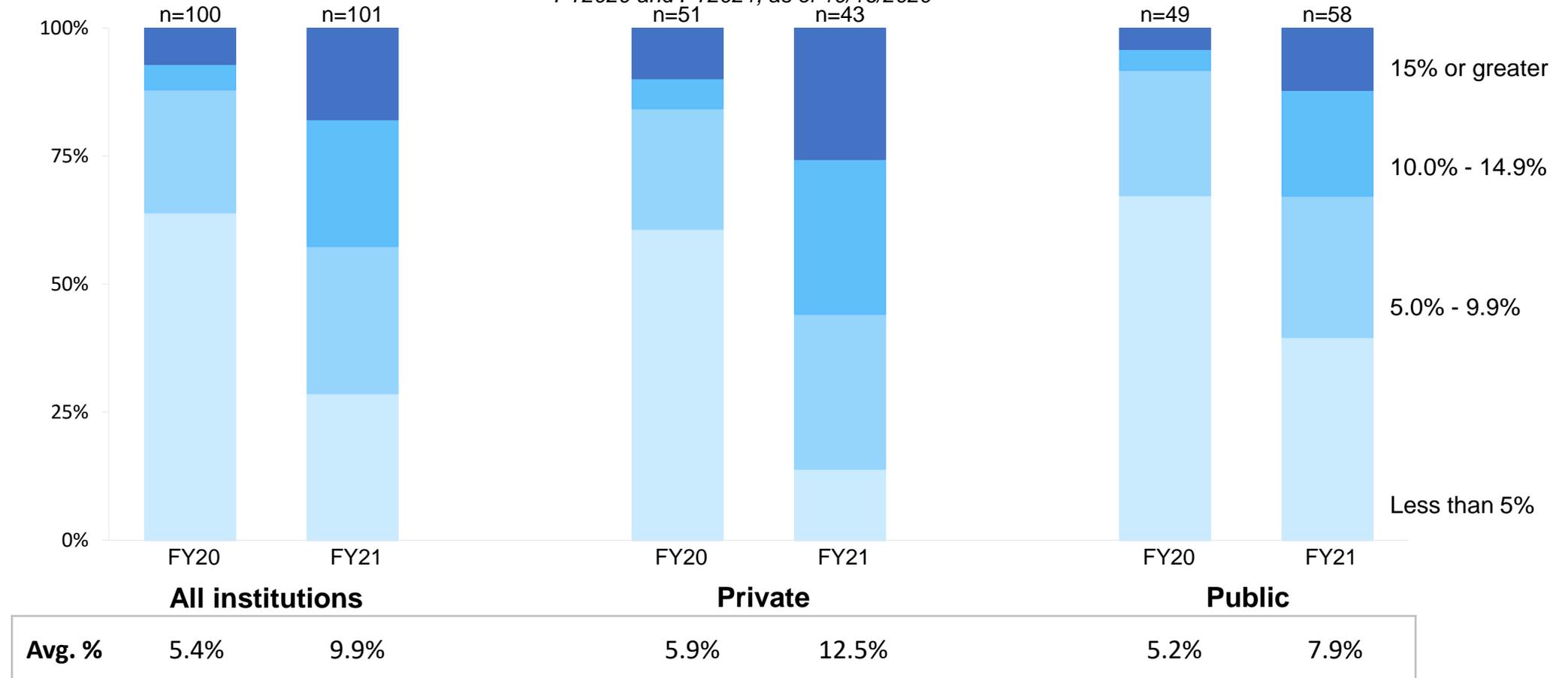
Source: AGB Consulting and Rick Beyer

An update on the estimated financial impact

Higher education models are experiencing significant volatility that is creating new risks and opportunities



Estimated COVID-19-related revenue loss as a percentage of 2018 revenue by fiscal year, FY2020 and FY2021, as of 10/16/2020

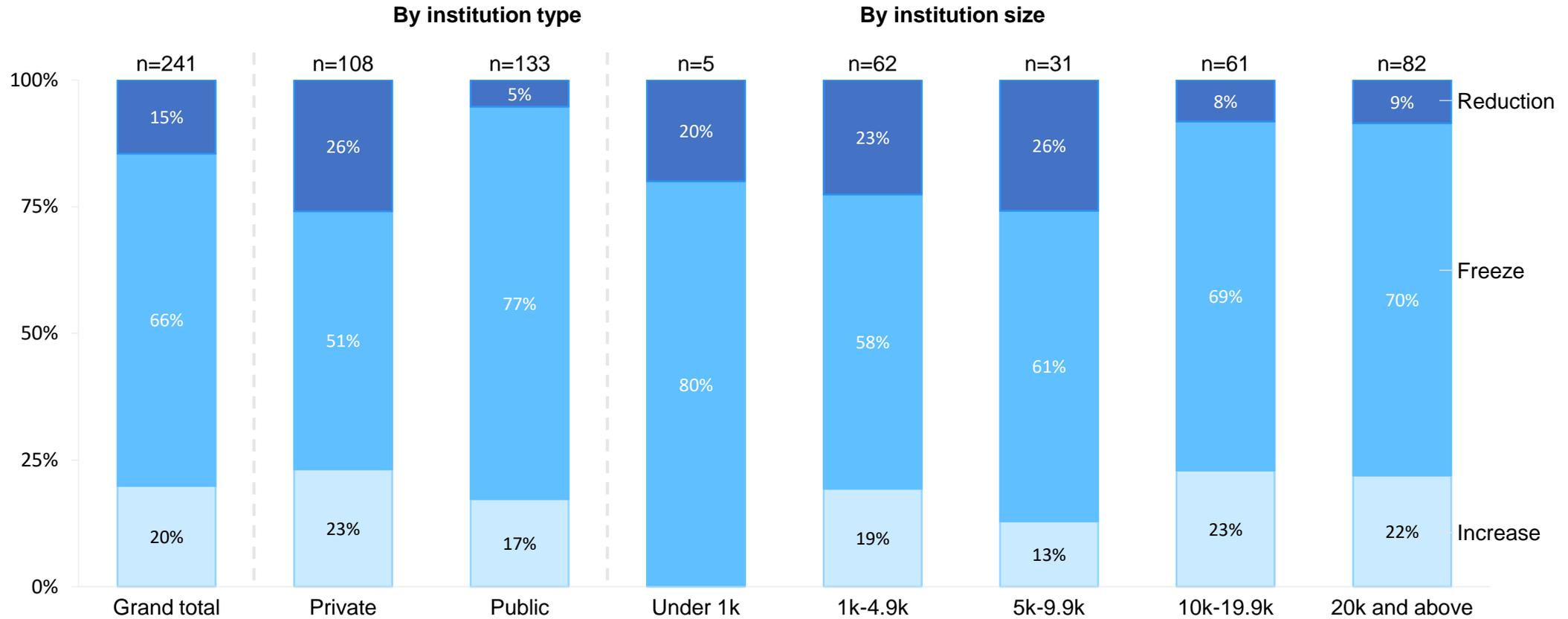


An update on pricing strategies

Some institutions have begun to change pricing. Majority of institutions in the analysis set have announced tuition freezes or reductions



Published tuition changes for Fall 2020 of top 500 universities by school type and size, As of 9/24/2020 (n=494)



	Grand total	Private	Public	Under 1k	1k-4.9k	5k-9.9k	10k-19.9k	20k and above
% reduction or freeze of grand total	66%	23%	43%	2%	15%	8%	17%	24%

Note: Top Universities includes Top 400 U.S. News and World Universities and Top 100 Liberal Arts Universities; preliminary, full data collection has been completed; data will be continually updated as school statuses change
 Source: EY-Parthenon and ABC Insights Analysis, US News & World Report, Chronicle, Inside Higher Ed, University Websites, Education Dive, Daily Pennsylvanian

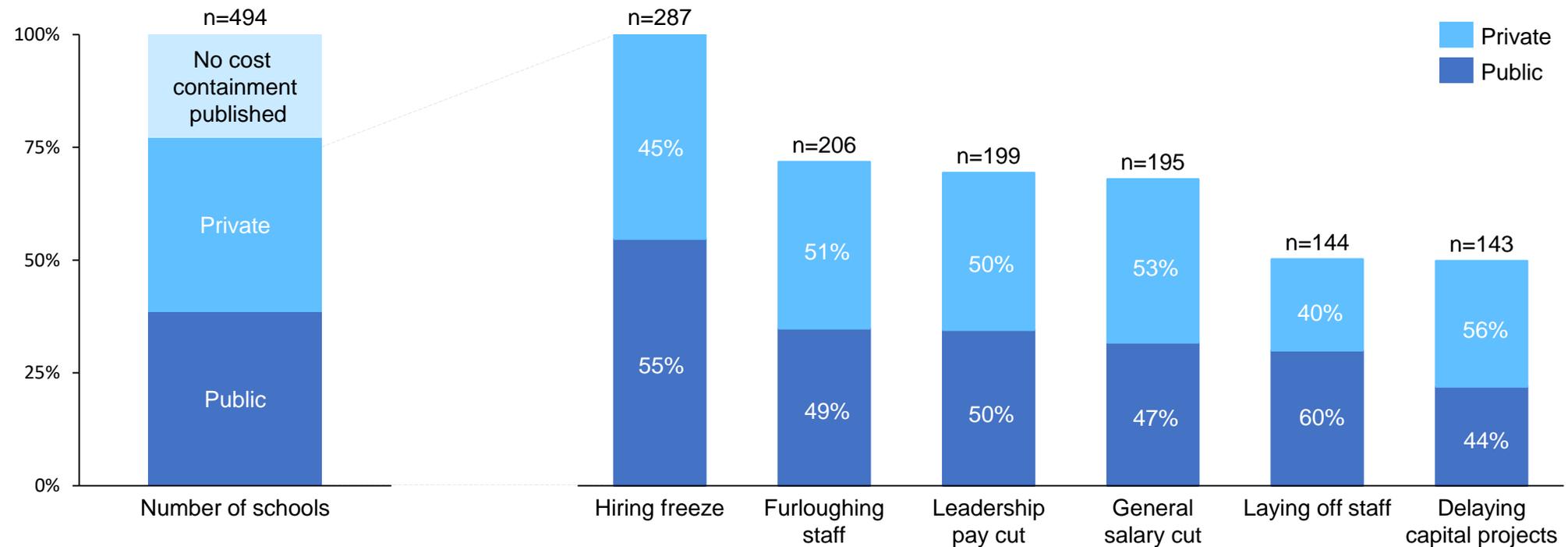
An update on strategic actions

Institutions are also undertaking cost-containment efforts in hopes of offsetting COVID-19-related revenue losses



Cost containment measures published by top universities, As of 10/16/2020

Type of cost containment measure taken as response to COVID, As of 10/16/2020 (n=381)



% institutions adopting out of n=381	77%	75%	54%	52%	51%	38%	38%
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Note: Represents 22% of participating institutions
Source: EY Parthenon and ABC Insights Analysis; National Student Clearinghouse Research Center

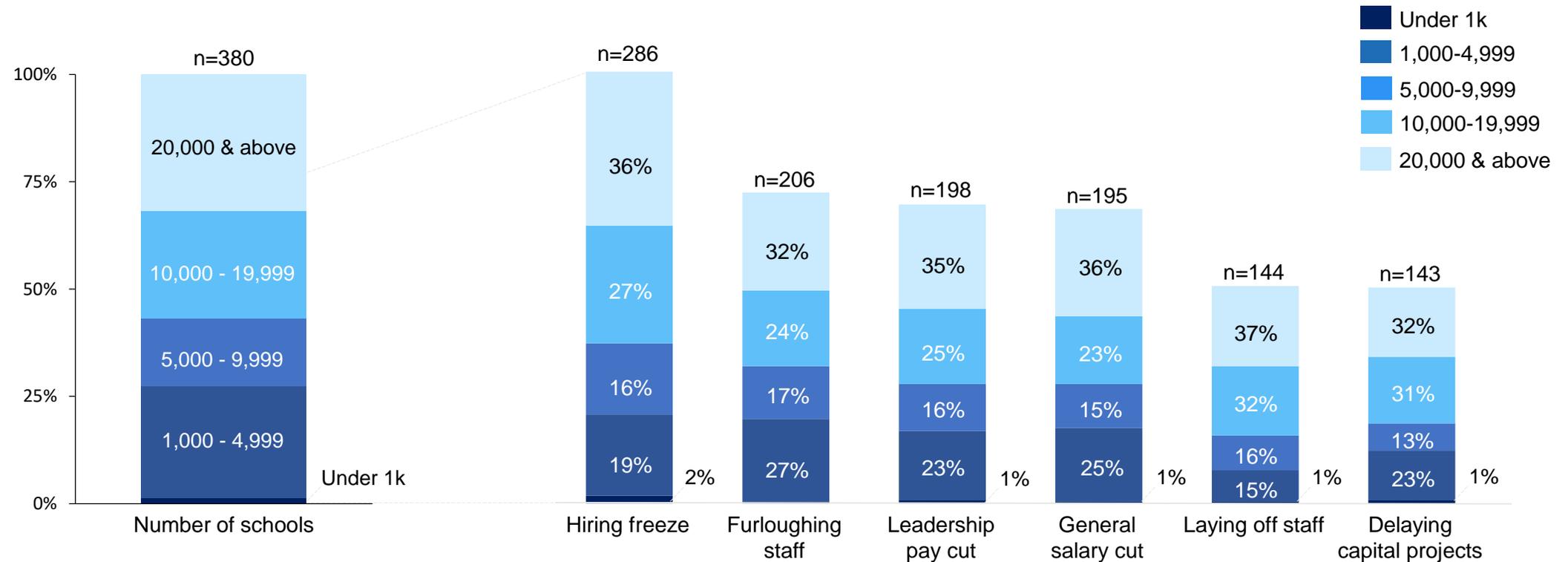
An update on strategic actions by size of institution

Institutions are also undertaking cost-containment efforts in hopes of offsetting COVID-19-related revenue losses



Cost containment measures published by top universities, As of 10/16/2020

Type of cost containment measure taken as response to COVID, As of 10/16/2020 (n=381)



% institutions adopting out of n=381	Hiring freeze	Furloughing staff	Leadership pay cut	General salary cut	Laying off staff	Delaying capital projects
75%	54%	52%	51%	38%	38%	

Note: Represents 22% of participating institutions
Source: EY Parthenon and ABC Insights Analysis; National Student Clearinghouse Research Center

Examples of Restructuring, Realignment, and Consolidation



Restructuring

Realignment

Consolidation

The Challenges

- Ohio cut higher ed budget FY21 by \$110M
- Declining enrollments
- Anticipated budget deficit (operating revenue approx. \$759M) of approx. \$300M over the next 5 years

- Decreasing enrollments at the 7 universities (2K fewer students over the past 8 years)
- Campuses struggled to maintain departments with fewer majors
- Increasing deficits

- Enrollments decreased 20% in the last decade 120K to 95K
- Union arrangements with generous compensation
- Operating losses and increasing debt

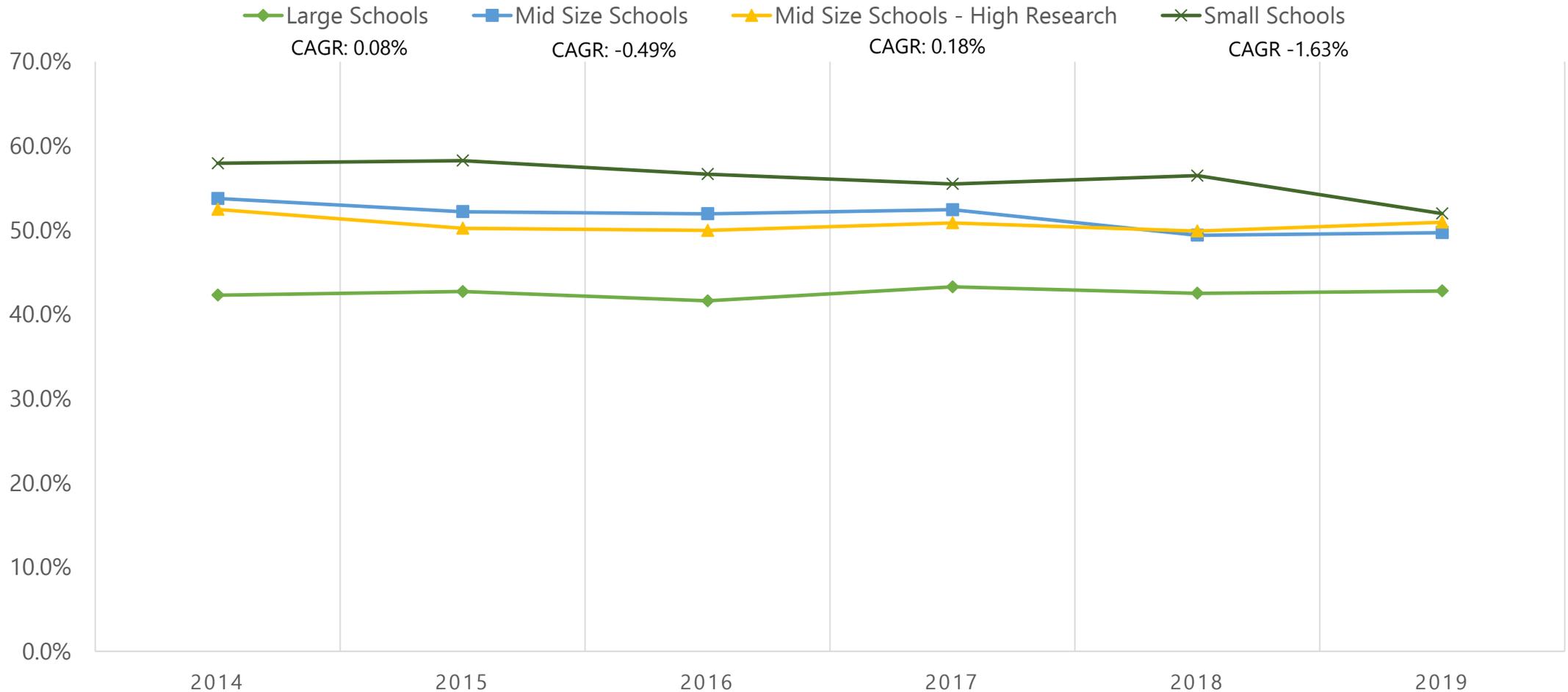
The Actions

- 3 rounds of layoffs, non-renewals, buyouts, and cuts (over 334 positions, including 82 faculty members)
- Furloughing administration, faculty and non-bargaining employees
- Salary reductions of 10 percent or more for FY21

- Pursued a unified system-wide accreditation
- Centralizing operations (e.g., IT and purchasing)
- Managing academic programs across the system as a portfolio
- University of Maine at Orono merged with The University of Maine at Machias

- Consolidating across the system: Clarion University, California University, Edinboro University will affiliate
- Faculty layoffs, at least 112
- Modifying governance structures, increasing data transparency, and finding operational efficiencies

Level of centralization varied over time based on size of university - ABC Insights Members



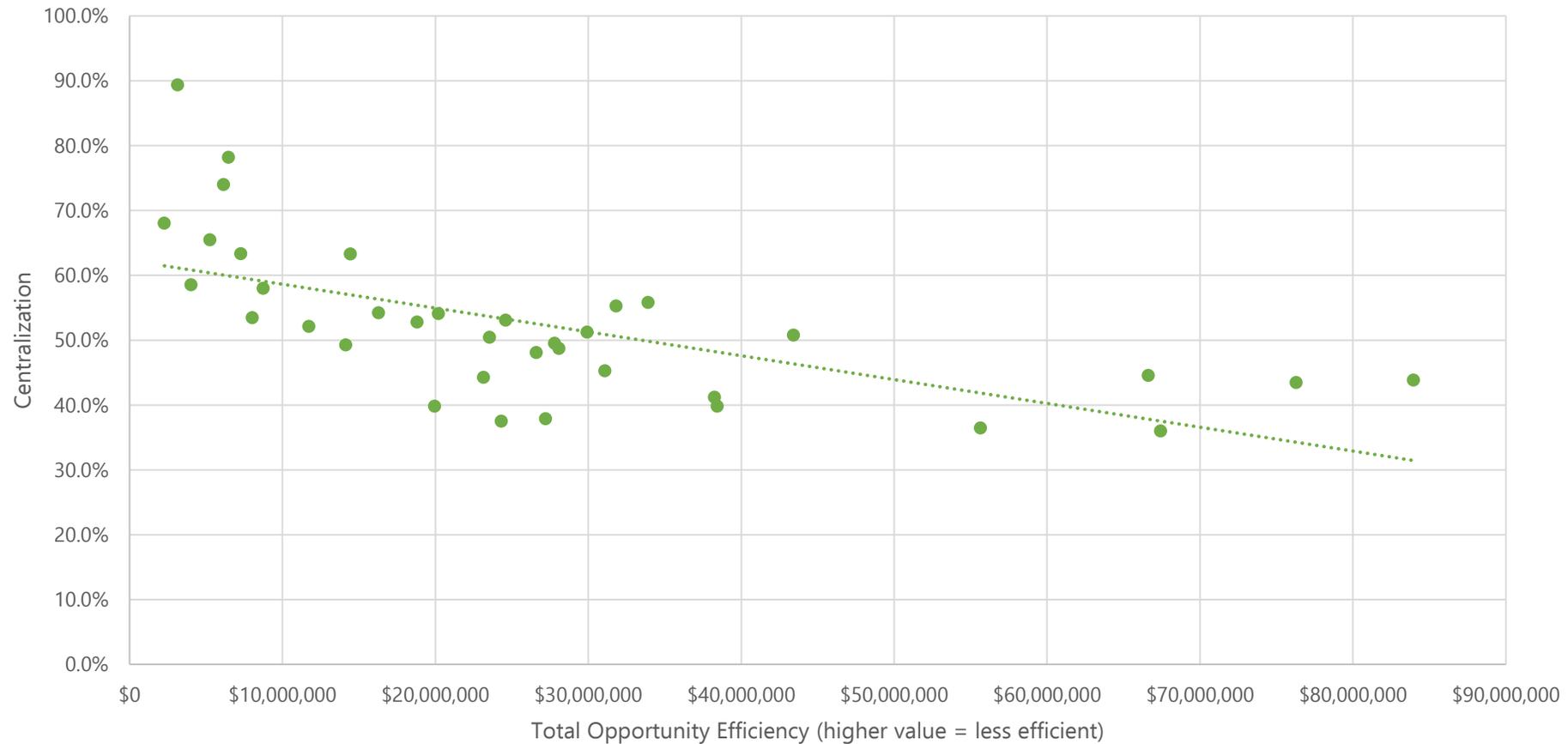
Note: University size categories were determined based on operating expenses (IPEDS) and externally sponsored research expenses (NSF HERD survey).
 Large: operating expenses > \$1.3B; Small: operating expenses < \$600M. Mid-size high research and mid-size operating expenses: \$600M - \$1.3B; Mid-size high research: research expenses > \$125M.
 All university data is FY19 unless otherwise noted. * indicates FY17; ** indicates FY18.

Findings reveal that the more universities are centralized, the more likely they are to be efficient – ABC Insights Members



2019 Centralization versus Opportunity Efficiency

• Pearson Correlation Coefficient: -0.0641



Participant Participation – Polling Question 1



We are planning to pursue a strategy of increasing centralization of administrative activities on our campus.

- 1 = Strongly Agree**
- 2 = Agree**
- 3 = Disagree**
- 4 = Strongly Disagree**



Discussion topics



- Introductions and Overview
- **Driving Efficiency and Effectiveness in Administrative Services**
- Report Outs

DRIVING EFFICIENCY & EFFECTIVENESS IN ADMINISTRATIVE SERVICES

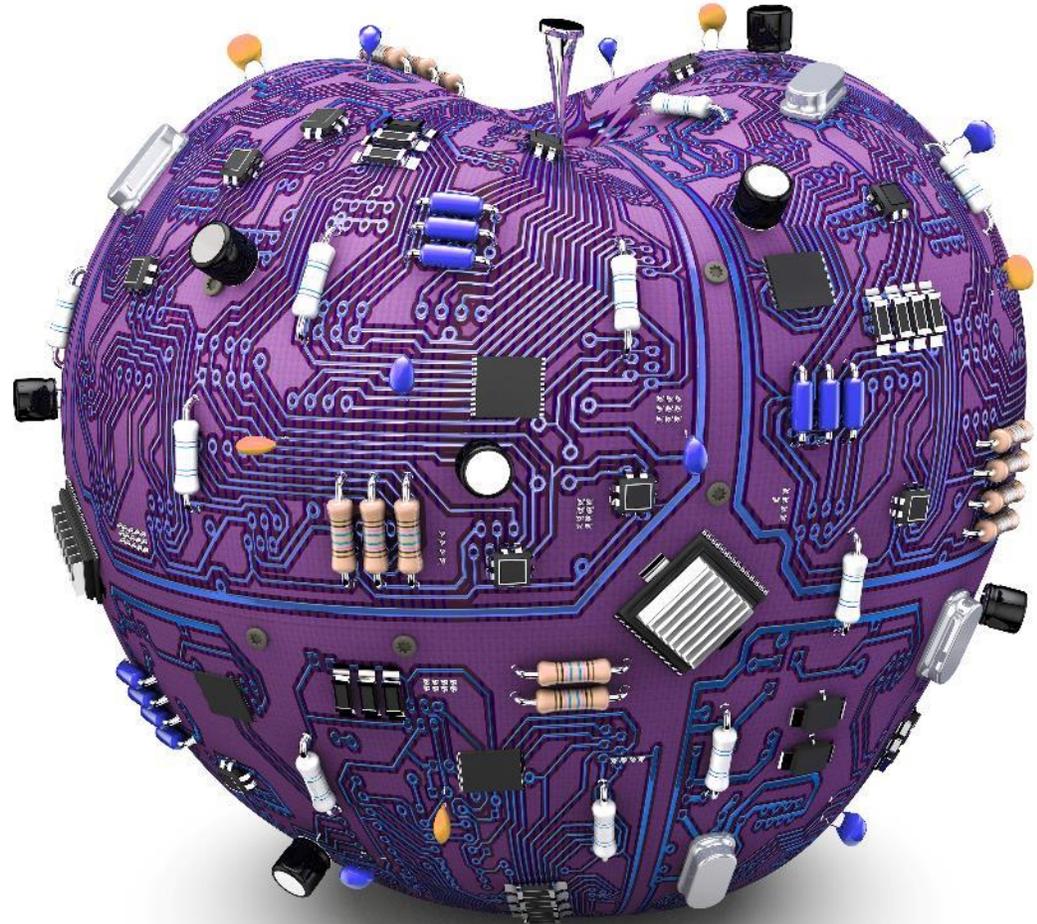
NACUBO and ABC Insights Masterclass

NOVEMBER 2020



AGENDA

- 1. How is administrative work changing?**
- 2. What processes might we standardize + automate?**
- 3. What technologies enable efficiencies?**



HOW IS ADMINISTRATIVE WORK CHANGING?

THE FUTURE OF ADMIN WORK

Our interview series with higher education leaders revealed **permanent changes** in how work will be performed.

Institutions have been spurred into exploring **new ways of operating**, from automation to shared services and outsourcing.

A more **remote workforce** and **rapid IT modernization** are removing barriers to change.

“WE TOOK SOME VERY ‘AGGRESSIVE’ ACTIONS THAT WE WOULD HAVE NEVER TAKEN WITHOUT THE PANDEMIC.”

REMOTE WORK IS HERE TO STAY, HELPING TO EVAPORATE ONE HURDLE TO TRANSFORMATION

All interviewees expected more staff to be more remote more often, with the most frequent response being that **20% of staff may not come back in person.**

“There are a couple of back office functions that we never thought could work remotely. And a couple of those...will never return to campus”

“We hear the ‘I walk down the hall and I sit with so-and-so’ [as an objection to shared services]. Now they definitely don’t walk down the hall.”



FOCUS ON AUTOMATION AND STANDARDIZATION WITH TECHNOLOGY

All interviewees who discussed the topic thought automation was critical to their future transformation plans. Of those, **60% cited modern technology as a driver of the automation potential.**

“My goal is to be highly standardized, so it doesn’t matter who is doing the function or where they reside.”

“Let’s get rid of work and standardize what you can’t get rid of.”

“If it can be automated, most people don’t feel very engaged in that kind of [work].”

“There will be tremendous workload reduction through automation.”



WHAT PROCESSES MIGHT WE STANDARDIZE + AUTOMATE?

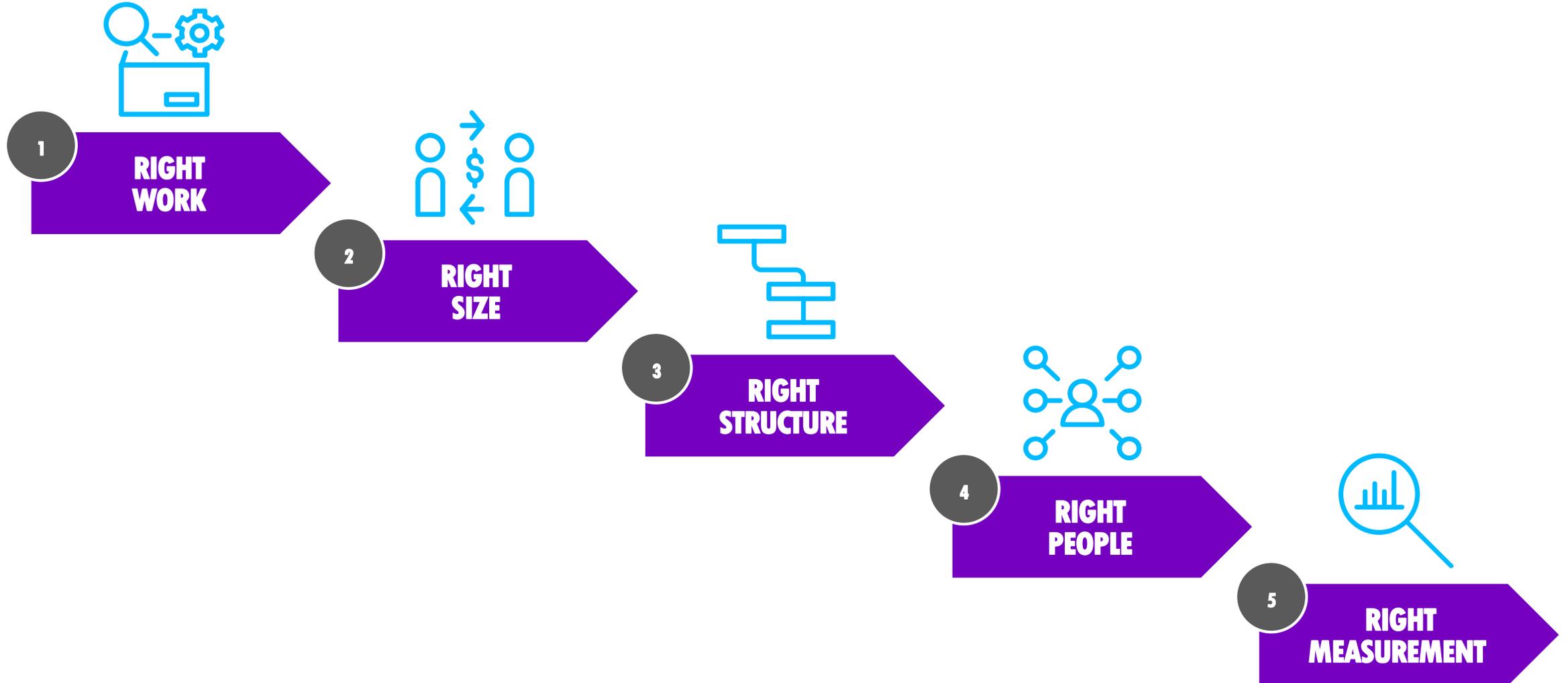
ADMINISTRATIVE EFFICIENCIES THROUGH TRANSFORMATION

Colleges and universities can use a variety of solutions to transform and optimize their operations based on the unique needs and vision of the organization.

Transformation Levers	Examples
Operating Model	<ul style="list-style-type: none">• Integrate common processes; create Centers of Excellence• Outsource to access skills/capabilities not available in-house
Business Process	<ul style="list-style-type: none">• Identify and enforce standard processes to drive efficiency• Define and simplify to create lean processes and remove waste
Technology	<ul style="list-style-type: none">• Utilize workflow, doc. mgmt., self service and data warehouse• Reduce manual work with automation, shift focus to value-add

DECIDING WHERE AND HOW TO AUTOMATE + STANDARDIZE

When reviewing operations, a focus on the work that matters drives value and enables transformation.



COMMON PROCESS OPPORTUNITIES

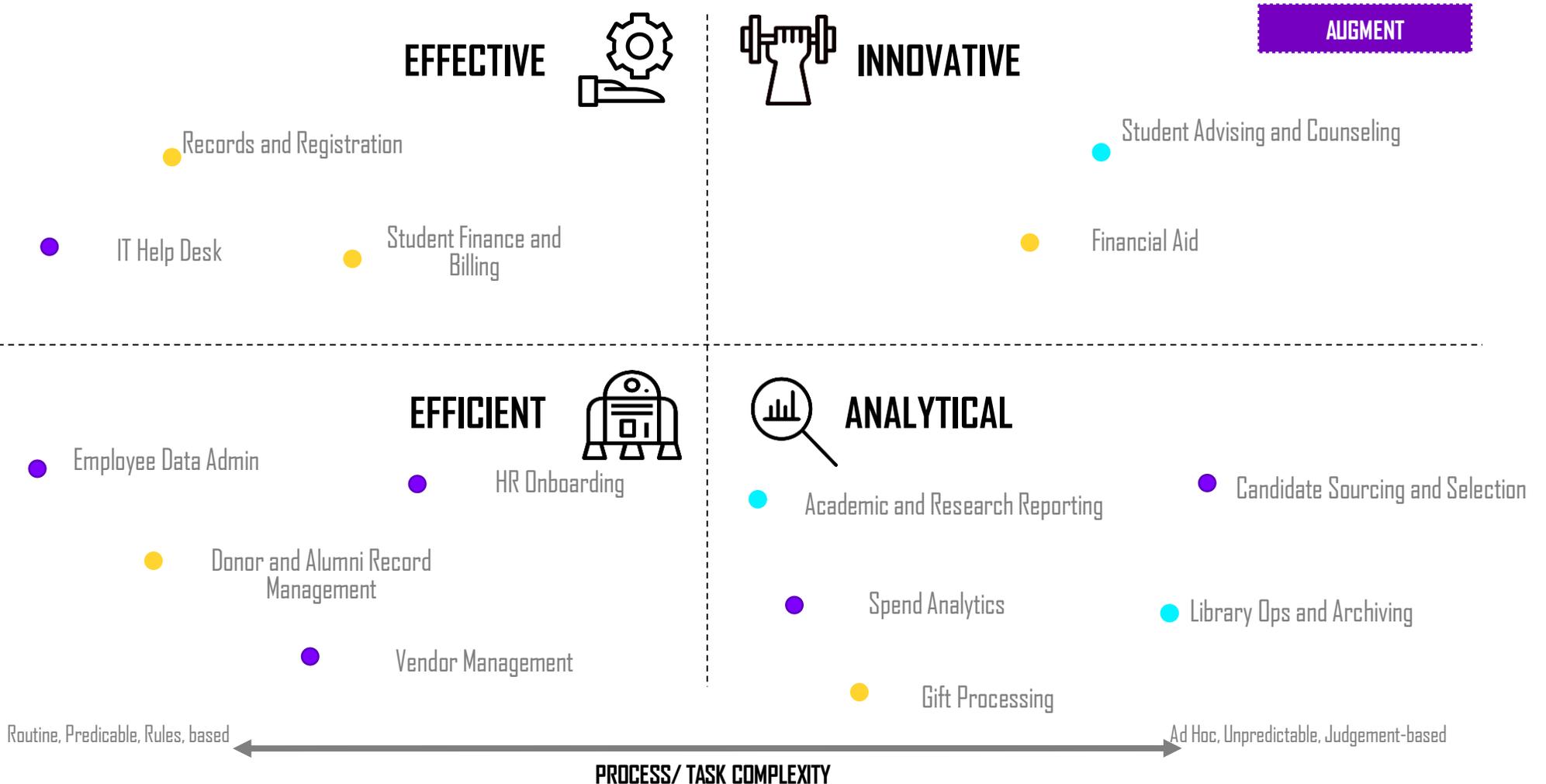
Example viable candidates for process efficiencies.

- Academic and Research Ops
- Administrative Services
- Student and Alumni Services

Unstructured, Volatile, High-Volume

DATA COMPLEXITY

Structured, stable, low volume



THE OHIO STATE UNIVERSITY...



People:

New HR Service Delivery Model



Process:

Standardized HR processes across the campus and medical center



Technology:

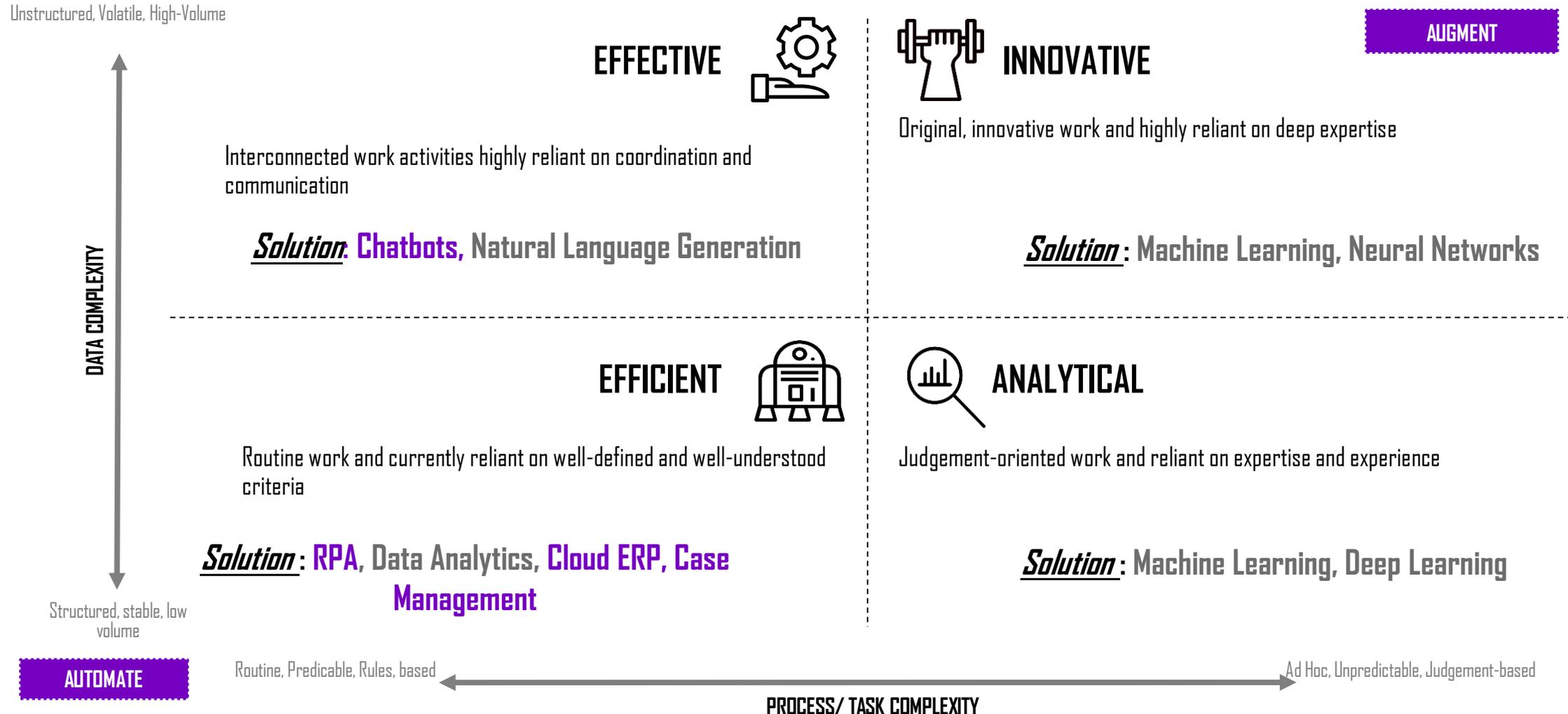
Workday
HR ServiceNow

...IS INCREASING HR SERVICE QUALITY AND ADMINISTRATIVE EFFICIENCY

WHAT TECHNOLOGIES ENABLE EFFICIENCIES?

AUTOMATION CAN BE DRIVEN BY MODERN TECHNOLOGY

No one solution fits all: efficiency depends on transformation of people, process, and technology.



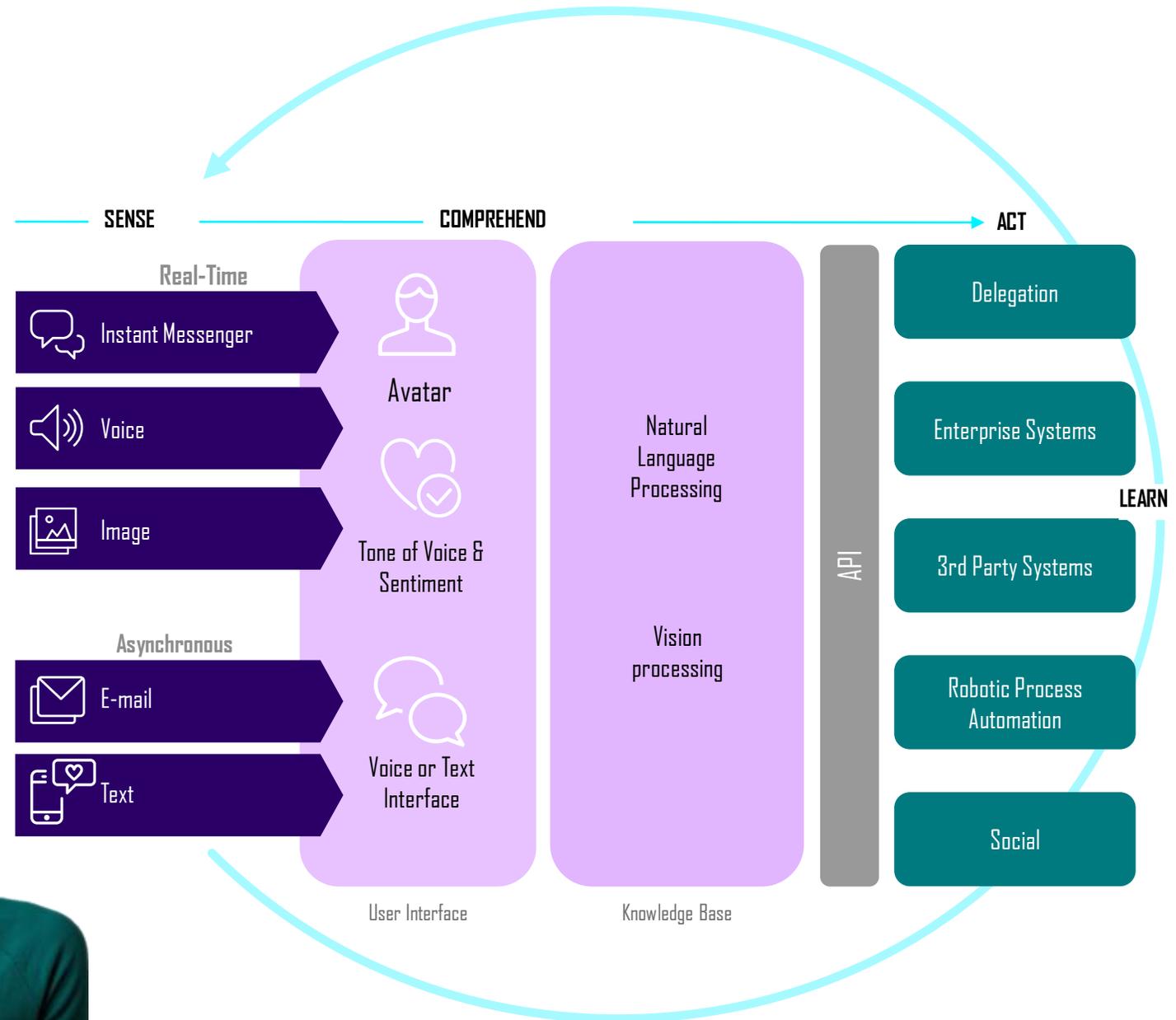
WHAT IS A VIRTUAL AGENT?

OUR DEFINITION

A smart assistant that interacts with people and machines, harnessing the power of **Artificial Intelligence*** to inform, support and advise, helping them with their tasks, challenges and goals



*Artificial Intelligence: Smart machines that extend human capabilities by sensing, comprehending, acting and learning – allowing people to achieve much more.



RPA: UNIVERSITY EXAMPLE

Accenture delivered a 4-week discovery phase to review systems and processes used by the HR department.

Accenture conducted an elimination process to understand the key areas of most manual inputs. This led to the identification of the below 5 candidate processes for Automation, **>75% of the department currently perform manual repetitive tasks to complete – diverting time from higher value tasks**

1. Terminations
2. New Starters
3. Sessional Contracts
4. Maternity and Paternity Leave Requests
5. Flexible Working Requests



**87% TIME SAVINGS
ACHIEVED**

- **SAVE >115 DAYS EACH YEAR**
- **INCREASE ACCURACY**
- **INCREASE CAPACITY OF HR TEAM TO DELIVER TRULY HUMAN SERVICES**

Participant Participation – Polling Question 2



We are likely to increase our investment in IT for automation and efficiency over the next 12 months.

1 = Strongly Agree

2 = Agree

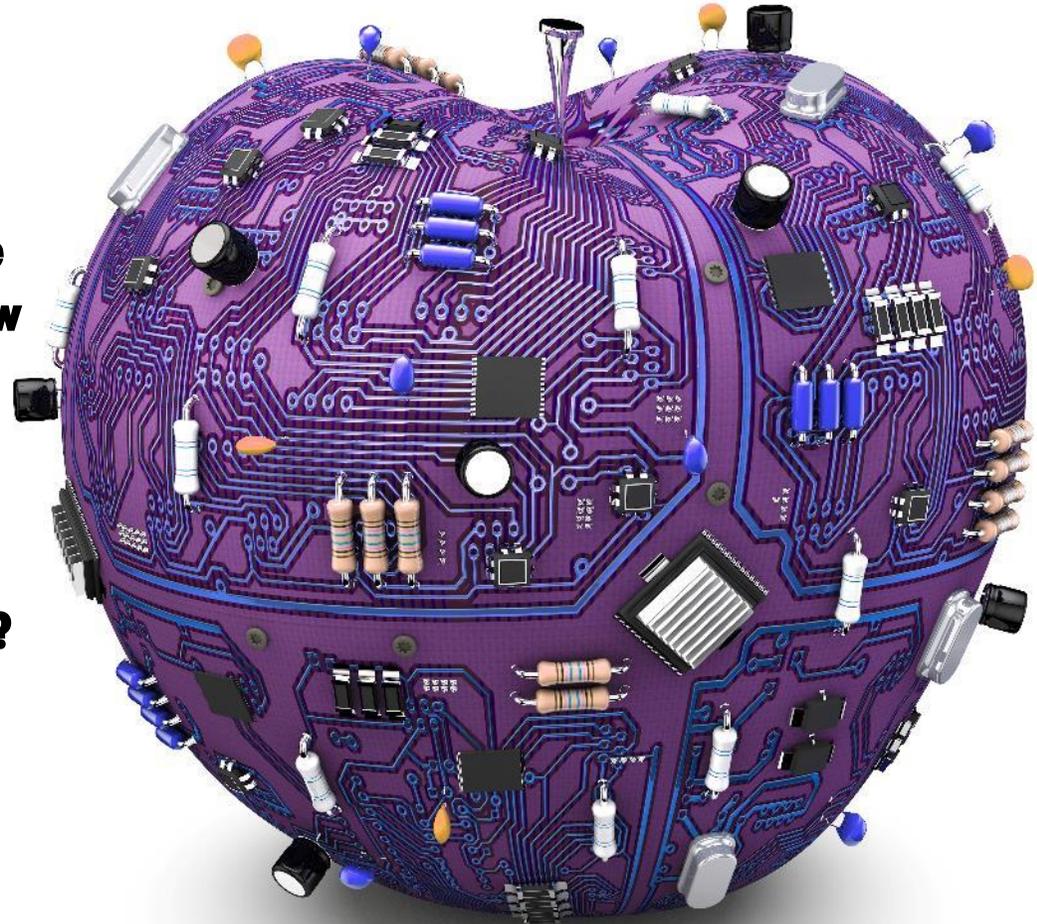
3 = Disagree

4 = Strongly Disagree



Key Takeaways for Breakout Discussion

- 1. The administrative landscape is changing to be more technology-enabled and ready for remote work. How far along is your institution on this trend?**
- 2. Design of operating model and process standardization must occur to maximize automation opportunities. What next steps are you considering?**
- 3. Various technology solutions exist to enable efficiencies and can be selected based on data and process complexity. How are you determining which solution is best for you?**



Discussion topics



- Introductions and Overview
- Driving Efficiency and Effectiveness in Administrative Services
- **Report Outs**

Teams report out key topics, insights, and recommendations



Participant Participation – Polling Question 3



We plan to adopt a much more flexible work-from-home policy even after COVID-19.

- 1 = Strongly Agree**
- 2 = Agree**
- 3 = Disagree**
- 4 = Strongly Disagree**



A preview of next week's class and SME guests



Oct. 9 3:30-5pm EST

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