



July 9, 2011

Tampa, FL

CHALLENGE 2010 DEBRIEF SESSION



AMERICAN UNIVERSITY

W A S H I N G T O N , D C

Nana An

Executive Director of Budget & Payroll



Institutional Profile



American University (AU), Washington, D.C.

- Private, four-year university; founded in 1893, chartered by an act of Congress
- Fall 2010 enrollment: 13,047 undergraduate, graduate, and law students
- 1,300 full-time staff; 750 full-time faculty; and 500 adjunct faculty
- Strategic plan: American University and the Next Decade: Leadership for a Changing World (adopted in November 2008)
- Biennial budget for FY2012-2013 exceeds \$1 billion in revenue and expenditures
- AU is known for its international orientation and politically-active/socially-responsible student body
- Project sponsor: Finance Division

PROJECT DESCRIPTION/SUMMARY

*American University: Getting Ahead of the Storm –
Creating Significant Change in Budget and Finance Processes
in the Absence of a Crisis*

- Mixed blessings
- Maximize AU's strong position and adopt best practices
- Led by University Budget Office in collaboration with unit budget and financial managers across campus
- Think tank sessions: Twenty-six potential solutions identified using the Baldrige/EHE Framework
- Project implementation phase: Eight of the twenty-six projects are being implemented this academic year

- AU Strategic Plan Goal #9: Encourage Innovation and High Performance
- Enhance and improve services in the absence of a crisis
- Areas of improvement in AU's budget and finance processes:
 - Improve skills training
 - Encourage excellence and accountability
 - Better coordinate across departments
 - Improve institutional effectiveness
- Anticipated outcomes:
 - Meet the strategic direction of the university
 - Achieve operating efficiencies
 - Manage complex business operations
 - Meet the increasing demands of academic deans
 - Manage long-term resource needs effectively

- Primary Objective:

Encourage Innovation and High Performance

by identifying strengths and areas for improvement, considering exemplary practices, and adopting best practices that could be presented to, and potentially applied by, other institutions.

- Secondary objectives:
 - Enhance institutional performance
 - Improve staff and user satisfaction levels
 - Enhance professional development
 - Explore an alternative organizational model
 - Maximize resources
 - Become a model for application of the Baldrige/EHE approach



Use of Baldrige/EHE



- **Planning:**
 - Formulated a Work Plan for AU's initiative around the Baldrige/EHE Framework
- **Assessment:**
 - “Topics to be Considered” content for each EHE Category used to develop think tank session questions
 - Case study on AU's budget and finance processes
- **Project Implementation:**
 - EHE Category is identified for each project
- **Project Evaluation:**
 - Exemplary Practices for each EHE Category will serve as evaluative measures

EHE Process Phase	Stage of Planned Change	Timetable	Results
1) Assess	Attention	July – Oct. 2010	<ul style="list-style-type: none"> • Announcement by President Neil Kerwin to university community • Initiative highlighted in status report to Board of Trustees • Initiative introduced during standing/ad hoc meetings • Email to vice presidents, deans, and directors requesting nominations for <i>Baldrige Goes to College</i> workshop
	Engagement	Oct. – Dec. 2010	<ul style="list-style-type: none"> • Six budget/financial managers attended <i>Baldrige Goes to College</i> workshop to comprise working group • Assessment of budget and finance processes through a series of think tank sessions



Outcomes/Results, cont.



EHE Process Phase	Stage of Planned Change	Timetable	Results
2) Prioritize Areas for Improvement	Commitment	Dec. 2010 – Feb. 2011	<ul style="list-style-type: none"> • Twenty-six potential solutions identified during think tank sessions • Solutions prioritized based on stakeholder input
3) Plan Improvement Projects	Action	Feb. – May 2011	<ul style="list-style-type: none"> • Project Implementation Plan developed • Expansion of organizational structure to support initiative • Funding to support projects secured in FY2012-2013 budget • Communication of progress
4) Implement Projects	Integration	June 2011 – Dec. 2013	<ul style="list-style-type: none"> • Sub-group kick-off meetings • Development of action plans for projects • Implementation currently going on • Communication of progress
5) Complete Projects and Report Progress	Integration	Dec. 2011 – Dec. 2013	<ul style="list-style-type: none"> • Communication of progress



Think Tank Sessions



EHE Category	Potential Solutions
1) Leadership	<ol style="list-style-type: none">1. Revisit the obstacles and recommendations from the early work of cross-functional committees and implement several critical steps.2. Enhance cross-divisional collaboration and decisionmaking to achieve strategic goals and objectives.
2) Purposes & Plans	<ol style="list-style-type: none">3. Start the university and department goal-setting exercise earlier. Cascade institutional priorities across departments.4. Allow more time for development of divisional budget proposals by communicating the date by which proposals must be submitted to the President earlier.5. Increase focus and support for revenue growth in budgets (e.g., distance learning, global/DC, continuing education).
3) Beneficiaries & Constituencies	<ol style="list-style-type: none">6. Expand outreach and feedback opportunities to improve services.7. Solicit cross-divisional input when implementing new or revised policies, procedures, reports or software.



Think Tank Sessions



EHE Category

Potential Solutions

4) Programs & Services

8. Pilot a “Shared Services” program (e.g., one-stop business service unit for interdisciplinary research centers).

9. Provide additional budget & finance resources for special projects.

10. Improve process of incorporating research programs into operating budget, including staffing and space needs.

11. Reevaluate incentive structures (research overhead, IRC, graduate revenues, summer revenues).

12. Communicate clear service expectations for core services to increase effectiveness.

13. Update a preferred vendor list to include low-cost providers and sustainable products.

14. Enhance documentation of purchasing processes & procedures.

15. Expand electronic purchasing capabilities.



Think Tank Sessions



EHE Category	Potential Solutions
5) Faculty/Staff & Workforce	16. Develop budget and finance orientation for new unit managers.
	17. Hold periodic informal meetings (e.g., lunch-and-learn) for information sharing.
	18. Provide ongoing budget and finance-focused training opportunities.
	19. Implement cross-training/ membership program.
	20. Offer budget and finance sessions to faculty (e.g., budgeting for research activities) on a regular basis.
	21. Right source for the right positions to achieve a small, but high-performing, staff with competitive salaries.



Think Tank Sessions



EHE Category

Potential Solutions

6) Assessment & Information Use

22. Develop a comprehensive assessment program including quantitative and qualitative measures for effective decision making.

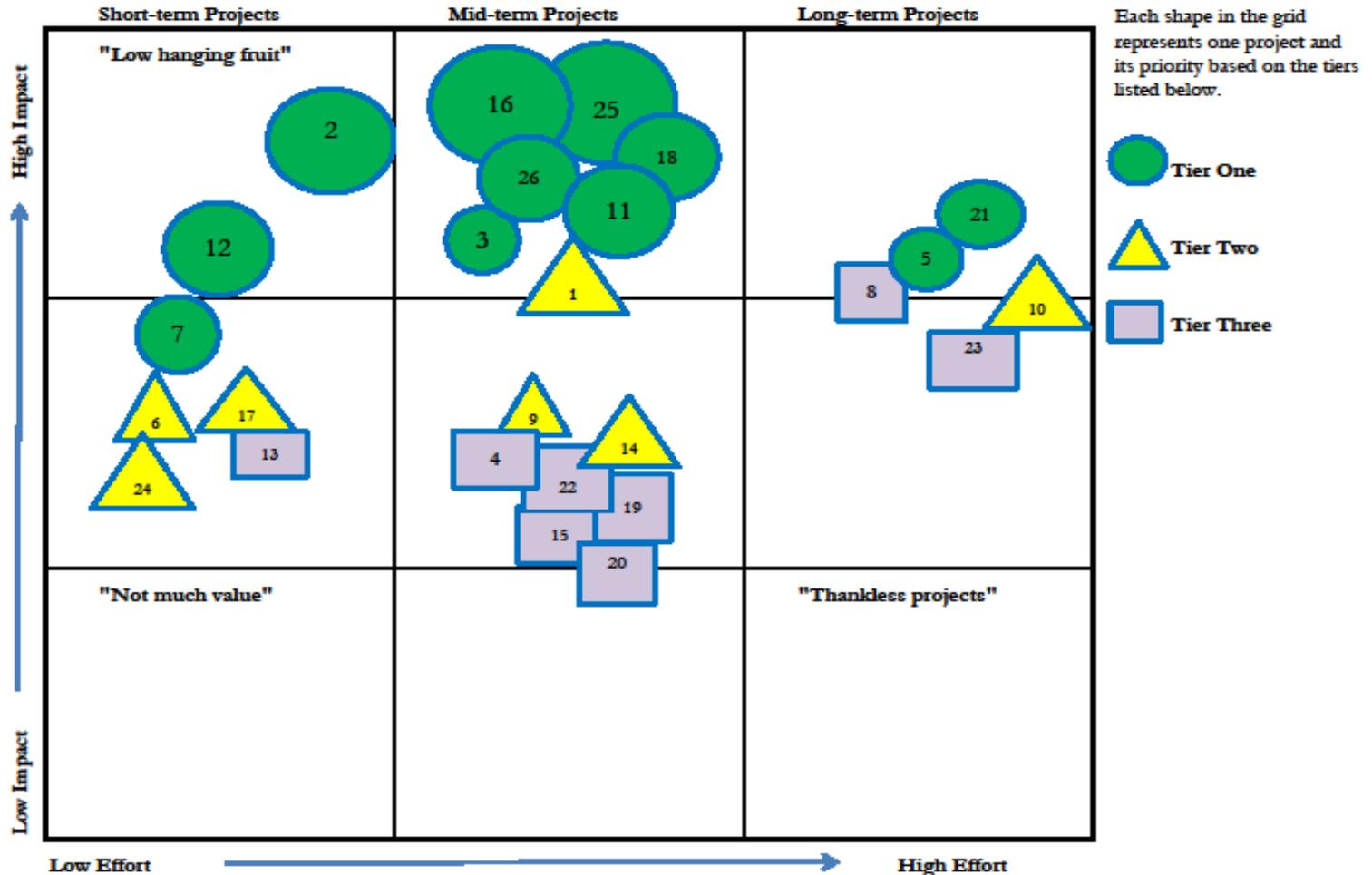
23. Establish an Office of Quality/Process Improvement and develop a set of performance measures to achieve operational effectiveness.

24. Consider academic and financial forecast when planning and evaluating academic programs.

25. Provide documentation and digital literacy training on reporting from Datatel.

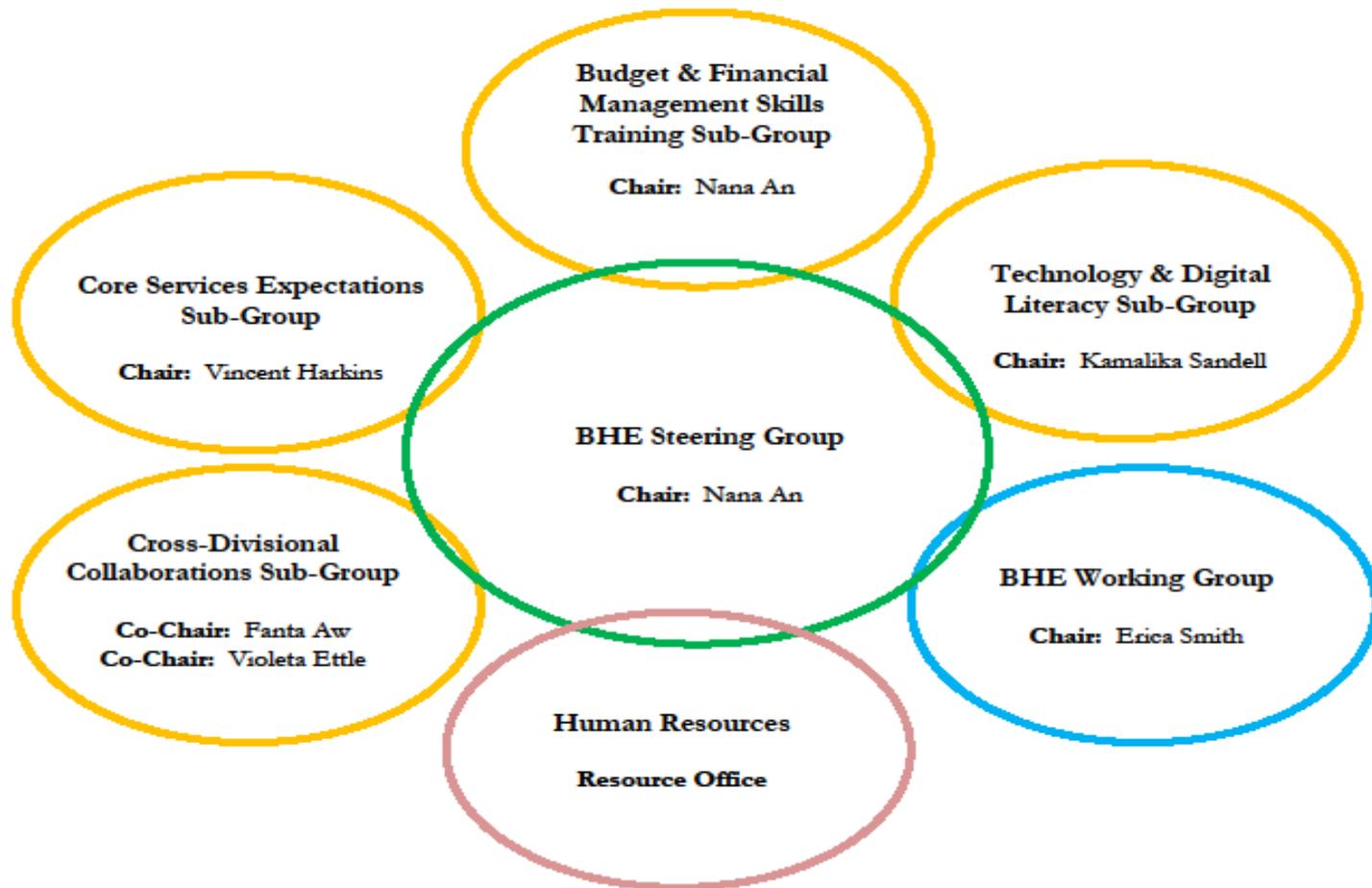
26. Augment current reporting tools for better efficiencies (e.g. grants management, forecasting).

Achieving a High Performing Organization in Budget and Finance Processes
Think Tank Project Priority Rating Results Grid



Achieving a High Performing Organization in Budget and Finance Processes

ORGANIZATIONAL STRUCTURE





Status/Future Plans



Status: Implementation of eight Tier One projects is in progress

Future deliverables expected to be complete during AY2011-2012:

1. First series of budget and financial management training sessions
2. Service level agreements on core services to support a transparent process of facilities chargeback activities
3. Cross-divisional collaboration discussions among campus leaders
4. Expanded enterprise systems training
5. Business intelligence tool



PROJECT ANALYSIS

Keys to Success

- Visionary initiative-level leadership, energizing leadership support
- Managing “up and down”
- Methodical planning for significant change when there is no burning platform
- Engaging key stakeholders (senior level and operational) systematically
- Meticulous assessment guided by EHE categories
- Attention to documentation, presentation and dissemination of information
- Ongoing communication



Baldrige/EHE Model



Value of the Baldrige/EHE Framework

Leadership	Support from AU's high-level leaders has been essential
Strategic Planning	Strategic plan linkage is vital
Beneficiaries & Constituencies	Stakeholder engagement resulted in a sound Project Implementation Plan
Programs & Services	Think tank session feedback underscored a pressing need to improve AU's budget and finance processes, as well as other services
Faculty/Staff & Workplace	Reinforcement of a workplace culture that encourages and values accountability and assessment
Assessment and Information Use/Outcomes & Achievements	Will be evaluated in the final phase of AU's initiative



Leading Change



- Grassroots initiatives require time and resources, but result in support and engagement
- Managing “up and down”
- Political buy-in and credibility at all levels
- Linkage to strategic plan
- A full cycle of assessment, planning, implementation and evaluation



Possible Next Steps



- Implementation of Tier Two and Tier Three Projects
- Application of Baldrige/EHE Framework to a new area
- Presentations to professional associations
- Challenge 2010 Grant: Opportunity to seek feedback and guidance as the project progresses