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

Institutional Profile

American University (AU) is a private, four-year university located in Washington, D.C. AU was established in 1893 when it was chartered by an act of Congress under the auspices of the United Methodist Church, and is well known for its politically-active and socially-responsible student body. Since 2006, American University's students have been recognized twice by *Princeton Review* as the most politically active in the nation. AU is also well positioned in the international education market. As of fall 2010, AU's enrollment totaled 13,047 students including undergraduate, graduate, and Washington College of Law. The university employs 1,300 full-time staff, 750 full-time faculty, and 500 adjunct faculty.

AU implemented a two-year budget cycle in fiscal year 2004, and the biennial budget for fiscal years 2012 and 2013 effective May 1, 2011 exceeds $1 billion in revenue and expenditures. The budget process is guided by AU's strategic plan, *American University and the Next Decade: Leadership for a Changing World*, which was adopted in November 2008. AU's financial position is strong, as evidenced by Standard & Poor's recent reaffirmation of an "A+" credit rating, positive enrollment and financial indicators, and the avoidance of budget reductions despite unfavorable economic conditions.

Project Overview

Purpose

Many articles have been published in the higher education press over the past couple of years about the responses to changing budgetary conditions that are occurring nationally. Often these crisis situations are mixed blessings, bringing stresses and pressures on one hand, but also creating opportunities for innovation, creativity, and advancement on the other. AU is fortunate to not be facing the budgetary crisis that is confronting many institutions. While it is very good news for AU, efforts must be made to maximize the university's strong position through continuous innovation and assessment to identify ways to enhance and improve services in the absence of an urgent need to rethink operations due to budgetary pressures.   For AU, this is a time of opportunity to look at the way the university works and to identify areas for improvement.

AU pursued the Challenge 2010 opportunity to assess and improve the university's budget and finance processes. The challenges that were evident at the outset of the project included a need to enhance the workplace culture for unit budget and financial managers to encourage excellence and accountability through professional development and training opportunities; a lack of coordination; and inefficiency.

Addressing these challenges through the *Achieving a High Performing Organization in Budget and Financial Management* Baldrige in Higher Education project (BHE project) with support through the Challenge 2010 initiative was a priority for several reasons. The project supports the university's strategic plan by advancing efforts to achieve Strategic Plan Goal #9: Encourage Innovation and High Performance. Enhancing budget and finance processes at the department level by increasing

business acumen, discipline, and accountability is essential to meeting the strategic direction of the university; achieving operating efficiencies; managing the complex nature of business operations; meeting the increasing demands of academic deans; and more effectively managing long-term resource needs. Realizing these goals requires a systematic assessment of strengths and weaknesses, areas for improvement, project planning, and project implementation due to the size and complexity of AU's operations.

Objectives and Evaluation

The primary objective of AU's BHE project is "to advance AU's efforts to achieve Strategic Plan Goal #9: 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." The secondary objectives identified to support achievement of this goal are to:

- Enhance institutional performance by improving the effectiveness of budget and financial managers;
- Improve staff and user satisfaction levels in budget and financial management areas;
- Enhance professional development for budget and financial managers;
- Explore an alternative organizational model to create a network of financial managers with central training and coordination;
- Maximize resources by redirecting potential long-term savings to strategic investments; and
- Become a model within the AU community and the broader higher education community through the application of the Baldrige/Excellence in Higher Education (EHE) approach.

Progress made in meeting the objectives of AU's BHE project will be evaluated through stakeholder feedback, gap analysis, and return on investment analysis. Measures will include staff satisfaction of unit budget and financial managers, user satisfaction on the part of vice presidents and deans, professional development opportunities, and documentation of core processes.

Staffing and Management

Direct leadership support from AU's CFO/Vice President and Treasurer Donald Myers is integral to AU's BHE project. The university's central Budget Office is leading the BHE project in collaboration with unit budget and financial managers. AU's Executive Director of Budget and Payroll, Nana An, is the project leader and is supported by cross-functional steering and working groups and sub-groups established to help guide planning and implementation of AU's BHE project, as well as Budget Office and Human Resources staff (the Organizational Structure for AU's BHE project is illustrated in Appendix One).

Work Plan

Planning for AU's BHE project was initiated in July 2010 upon receiving notice that the initiative had been selected to receive Challenge 2010 support. The essential first step taken was to develop a Work Plan to guide application of the EHE Framework to budget and finance processes at AU. The five phases of the EHE Process and the five Stages of Planned Change presented during NACUBO's *Baldrige Goes to College* workshop serve as the backbone of the Work Plan for AU's BHE project, which is attached as Appendix Two. A list of tasks is also delineated in the

Work Plan, along with columns that note the completion target date, responsible person(s), and status for each task.

Progress to Date

The first three phases of the EHE Process, i.e., 1) Assess; 2) Prioritize Areas for Improvement; and 3) Plan Improvement Projects, as applied through AU's BHE project have been completed and significant progress has been made in the fourth phase, 4) Implement Projects. The following are summaries of accomplishments attained to date for each phase.

EHE Process Phase: 1) Assess
Stage of Planned Change: A) Attention
Timetable: July – October 2010

Communication activities were the focus of this stage of AU's BHE project. Various groups of beneficiaries and constituencies were identified along with the most effective method of communication for introducing AU's BHE project. The initiative was presented during standing or ad hoc meetings with constituencies whose support for improvement projects is critical. Targeted communications also included an email sent to vice presidents, directors, and deans throughout the university requesting nominations for staff to attend NACUBO's *Baldrige Goes to College* workshop in October 2010, which generated a robust response, and a presentation during a quarterly Budget Forum, which is attended by unit budget and financial managers. Vice President Myers highlighted AU's BHE project in a status update report to the Board of Trustees, and AU President Neil Kerwin also introduced AU's BHE project to the entire university community in his Fall Semester Update in September 2010.

EHE Process Phase: 1) Assess
Stage of Planned Change: B) Engagement
Timetable: October – December 2010

The key accomplishments of this stage of AU's BHE project were centered on engagement of key beneficiaries and constituencies. Eight AU staff members from academic and administrative units throughout the university attended the *Baldrige Goes to College* workshop held in October 2010. The attendees comprise a cross-functional working group established to provide input on behalf of, and to liaise with, various university constituencies in the context of AU's BHE project. A work session was conducted with the working group following the workshop to review the EHE model and discuss its application to AU's budget and finance processes.

A series of think tank sessions held in December 2010 during which strengths and areas for improvement in AU's budget and finance processes were identified were successful in broadening the level of engagement for AU's BHE project. A list of questions was developed based on the "Topics to be Considered" content for each EHE Category included in the *Excellence in Higher Education Workbook and Scoring Guide* to foster discussion during the think tanks. Each session was facilitated by Brent Ruben and engaged a different university constituency at various levels spanning from deans and vice presidents to administrators to faculty and staff to students. Seventy-five campus leaders, managers, and student representatives attended the sessions, and the feedback they offered provided a strong foundation for the subsequent prioritization process.

EHE Process Phase: 2) Prioritize Areas for Improvement
Stage of Planned Change: C) Commitment
Timetable: December 2010 – February 2011

Building on the results generated during phase one, the critical outcome of this stage was the identification and prioritization of improvement initiatives to be included in the scope of AU's BHE project. The process by which the potential solutions were prioritized emphasized the Commitment Stage of Planned Change.

The information collected during the think tank sessions was condensed into a Summary Analysis (attached as Appendix Three) of areas for improvement and creative solutions, which is organized by EHE Category. The themes evident in the 26 potential solutions that span all six EHE Categories listed in the Summary Analysis include: communication; training and education; institutional culture; collaboration; technology; accountability; and operating efficiency.

The Summary Analysis was sent by email to stakeholders throughout the university who were asked to rate the priority of each project. The response rate was just below 70 percent, and the ratings received were tabulated and summarized in the Think Tank Project Priority Rating Results Grid and List, which are attached as Appendix Four and Appendix Five, respectively. As illustrated in the Grid and noted in the List, the priority rating assigned to each project by respondents and an analysis of each project's effort versus impact resulted in it being designated as a "Tier One" (high priority), "Tier Two" (medium priority), or "Tier Three" (low priority) project. The project planning phase was initiated based on these results.

EHE Process Phase: 3) Plan Improvement Projects
Stage of Planned Change: D) Action
Timetable: February 2011 – May 2011

A Project Implementation Plan, which is attached as Appendix Six, composed of the Tier One projects identified in the prior phase was developed and serves as the foundation for this phase of AU's EHE project. In addition to the target completion date, the Project Implementation Plan also identifies the offices and departments that will be essential in carrying each initiative out.

A second key accomplishment attained during this phase, which is also critical to the subsequent implementation phase, is the expansion of the organizational structure in place to support AU's BHE project. Rather than a top-down hierarchical construction, the organizational structure for AU's BHE project was designed to emphasize cross-functional collaboration in an effort to reflect the grassroots nature of the initiative. As shown in Appendix One, the organizational structure is comprised of the working group established during phase one of AU's BHE project, a steering group, and four sub-groups; Human Resources is also included as a resource office due to its role as a key partner.

EHE Process Phase: 4) Implement Projects
Stage of Planned Change: E) Integration
Timetable: June 2011 – December 2013

Although this phase is not yet complete, significant progress has been made to date. The timetable for completing the projects delineated in the Project Implementation Plan is as follows: Short-Term Projects – December 2011; Mid-Term Projects – December 2012; Long-Term Projects

– December 2013. One significant step toward project implementation that has been achieved is securing funding for several projects in AU's FY2012-2013 budget.

A steering group was established to spearhead the project implementation process; members of the steering group also serve as sub-group leaders. Each sub-group is closely aligned with the major themes that surfaced through the feedback obtained during the think tank sessions, and is charged with implementing the project(s) included in the Project Implementation Plan. The following overview outlines the charge and membership of the steering group, working group, and sub-groups, and provides a summary of the progress each group has made to date.

BHE Steering Group

- **Charge:** Oversee the "Achieving a High Performing Organization in Budget and Finance Processes" BHE project and lead BHE sub-groups

- **Members:** Nana An, Office of Finance and Treasurer (Chair); Fanta Aw, Campus Life; Violeta Ettle, Provost's Office; Kamalika Sandell, Office of Information Technology; and Erica Smith, Budget Office

- **Progress to Date:** The leader of AU's BHE project, Nana An, established the steering group upon completion of the Project Implementation Plan. The steering group's initial work has focused on transitioning AU's BHE project to the implementation phase by formalizing the initiative's organizational structure. The primary result of those efforts has been the creation, including identifying a general focus and recommended members, of four sub-groups tasked with implementing Tier One projects. Each member of the steering group is responsible for leading the working group or a sub-group and reporting on progress made toward project implementation.

(Note: steering group members are indicated by *italics* in the groups below)

BHE Working Group

- **Charge:** Provide input on, and support planning and implementation of, the "Achieving a High Performing Organization in Budget and Finance Processes" BHE project and participate in BHE sub-groups

- **Members:** *Erica Smith, Budget Office* (Chair); Jonathan Dudley, College of Arts and Sciences; Stefanie Dramé, School of International Service; Colleen Mahoney, University Publications; Joy Qian, Budget Office; Sally Swanson, Campus Life; Katya White, Provost's Office; and Gamze Zeytinci, School of Public Affairs

- **Progress to Date:** As stated above, members of the working group attended the *Baldrige Goes to College* workshop in October 2010 and subsequently participated in a work session to discuss application of the EHE model at AU. Members of the working group have also recently been

called upon to contribute the knowledge that they gained at the workshop as a member of one of the sub-groups created to implement Tier One projects.

Budget & Financial Management Skills Training Sub-Group

- **Charge:** Development of initial orientation and ongoing budget and financial management skills training with supporting documentation to include policies and procedures

- **Tier One Projects:** #16, 18 & 25

- **Members:** *Nana An, Office of Finance and Treasurer* (Chair); Dawn DePasquale, Human Resources; Colleen Mahoney, University Publications; *Erica Smith, Budget Office*; Sally Swanson, Campus Life; Katya White, Provost's Office; Frank Wilson, General Accounting; Frances Wrocklage, Human Resources; and Gamze Zeytinci, School of Public Affairs

- **Progress to Date:** A kick-off meeting for the Budget & Financial Management Skills Training Sub-Group was held in June 2011. Planning activities completed during the meeting included discussing the group's charge, developing initial action steps, and delineating expected project outcomes. One of the beneficial results of the meeting was the identification of initiatives in progress that support the Tier One projects the sub-group is responsible for implementing. Action steps identified during the kick-off meeting include developing core competencies for budget and financial managers, and conducting fact-finding focus groups with department managers to identify the skills and knowledge that training programs need to impart. The ACUBO Competency Survey completed in September 2005 will serve as a valuable resource to the sub-group's efforts to design a training curriculum.

Core Services Expectations Sub-Group

- **Charge:** Communicate clear service expectations and assess outcomes for core administrative services to increase effectiveness in the following areas: facilities; procurement and accounts payable; and space management

- **Tier One Project:** #12

- **Members:** Vincent Harkins, Office of Finance and Treasurer (Chair); Linay Foreman, Facilities Management; CJ Lucas, Facilities Management; Holly Mussatti, Facilities Management; and Tony Williams, Facilities Administration

- **Progress to Date:** The Core Services Expectations Sub-Group is tasked with implementing improvement initiatives with an emphasis on communication in multiple administrative areas. Consequently, the work of this sub-group will be completed in multiple phases; the various

services provided by AU's Facilities Management department are the focus of the first phase. During the sub-group's kick-off meeting, which was held in June 2011, members of the group identified the compilation of an inventory of Facilities Management services and how they are communicated to campus constituencies as an initial action step; work is underway to complete the inventory with a target completion date of August 2011.

Cross-Divisional Collaborations on Strategic Objectives Sub-Group

- **Charge:** Enhance and facilitate cross-divisional collaboration and decision-making to achieve strategic goals and objectives by soliciting cross-divisional input when implementing new or revised policies, procedures, reports, or software

- **Tier One Projects:** #2, 3 & 7

- **Members:** *Fanta Aw, Campus Life* (Co-Chair); *Violeta Ettle, Provost's Office* (Co-Chair); and Patricia Kelshian, Office of Finance and Treasurer

- **Progress to Date:** The members of the Cross-Divisional Collaborations on Strategic Objectives Sub-Group are working to refine the sub-group's charge in preparation for engaging a broader audience of beneficiaries and constituencies in August 2011. One preliminary action step identified by the group in support of Tier One project number seven is to revisit AU's Policy on Policies, which outlines guidelines and procedures for developing and issuing university policies.

Technology and Digital Literacy Sub-Group

- **Charge:** Inventory and augment current reporting tools to improve efficiency, and provide documentation and digital literacy training

- **Tier One Projects:** #25 & 26

- **Members:** *Kamalika Sandell, Office of Information Technology* (Chair); Nicole Bresnahan, Controller's Office; Joyce Deroy, Office of Information Technology; Stefanie Dramé, School of International Service; Jonathan Dudley, College of Arts and Sciences; Terry Fernandez, Office of Information Technology; Paul Langhan, Office of Information Technology; Jackie Palumbo, Office of Information Technology; and Marilyn Shields, Budget Office

- **Progress to Date:** The Technology and Digital Literacy Sub-Group held a kick-off meeting in June 2011. The sub-group identified an assessment of the university's current reporting tools to identify gaps where existing resources and processes do not meet the needs of budget and

financial managers, or available tools are not being effectively communicated, as its initial priority. One action step the sub-group identified is a survey to seek feedback on report activity and needs from unit budget and financial managers.

Each sub-group will be responsible for developing an action plan for the project(s) it is charged with implementing. A sample Action Plan for project number two is attached as Appendix Seven. Documents such as action plans will be shared through a team site that has been created for AU's BHE project to facilitate communication amongst and between the steering group, working group, and sub-groups. In addition to posting documents, group members will also have an opportunity to exchange ideas and report progress through the team site.

The advancements outlined above that have been made toward achieving the objective of AU's BHE project have been communicated to a number of key constituencies as the initiative has progressed. Project Leader Nana An delivered a presentation on AU's BHE project to the President's Council in April 2011. A memorandum and PowerPoint presentation outlining progress made to date and next steps was sent to deans, directors, and department heads in May 2011. Annual summer planning retreats have also been utilized as opportunities to report progress, and receive input and feedback, on AU's BHE project; the initiative was included on the agenda for AU's Finance Division senior staff retreat that was held in June 2011.

Next Steps

EHE Process Phase: 5) Complete Projects and Report Progress
Stage of Planned Change: E) Integration
Timetable: December 2011 – December 2013

Progress reports will be communicated regularly as the implementation phase of AU's BHE project advances. A formal progress report will be communicated to the university community in fall 2011 to precede the December 2011 target completion date for short-term Tier One projects.

The following deliverables are expected to be complete by the December 2011 target completion date:

- Cross-divisional collaboration discussions among campus leaders (Tier One Project #2);

- Service level agreements on core services to support a transparent process of facilities chargeback activities (Tier One Project #12);

- First series of budget and financial management training sessions (Tier One Projects #16 & 18); and

- Expanded enterprise systems training and a business intelligence tool (Tier One Projects #25 & 26).

As progress is made toward completing the Tier One projects that comprise the initial Project Implementation Plan for AU's BHE project, planning will be initiated to implement Tier Two and Tier Three projects. In addition to evaluating the outcomes of completed projects and planning new projects, assessment activities will recur to ensure AU's BHE project remains

responsive to the institution's changing needs in the area of budget and financial management. Areas for improvement beyond budget and finance processes will also be identified for application of the EHE model.

Application of the EHE Framework

The EHE Framework has been integrated throughout AU's BHE project. Explicitly formulating the Work Plan around the EHE Process ensured the effort was guided by the EHE Framework at a high level, and supported incorporation of the EHE Categories in several tasks and supporting documents. The use of "Topics to be Considered" content for each EHE Category to develop probing questions that were posed during think tank sessions resulted in the generation of potential projects spanning all EHE Categories within AU's budget and finance processes and beyond. The EHE Framework is also evident in project planning documentation in that the EHE Category supported by each project is identified. This integration will be highly beneficial when assessing project outcomes because the Exemplary Practices for the EHE Category linked to each project will serve as evaluative measures to gauge the initiative's success.

Value of the EHE Framework

Leadership

Support from AU's high-level leaders has been an essential element in the success of AU's BHE project to date. The inclusion of AU's BHE project in Vice President Myers's report to the Board of Trustees and President Kerwin's Fall Semester Update report to the university community served as strong signals of leadership support during the formative Attention Stage of Planned Change. Members of the President's Cabinet, which is composed primarily of the university's provost and vice presidents, have backed AU's BHE project by vocalizing support, participating in think tank sessions, and responding to the project priority rating survey. Similar support has been offered by deans and directors, who also demonstrated buy-in for AU's BHE project by nominating staff to attend the *Baldrige Goes to College* workshop.

Strategic Planning

AU's strategic plan plays a critical role in this initiative in that the project's ultimate objective is directly linked to Strategic Plan Goal #9: Encourage Innovation and High Performance. This linkage is vital because it reinforces that the initiative is a priority to the university, and consequently justifies the investment of resources to support AU's BHE project. Because resource allocation decisions made during AU's budget development process are directly tied to action steps earmarked to support achievement of the university's strategic goals, funding has been secured in AU's FY2012-2013 budget to support the implementation process of AU's BHE project.

Beneficiaries and Constituencies

Consistent with the Engagement Stage of Planned Change, stakeholder engagement was especially critical during the first phase of AU's BHE project and resulted in the formation of a sound Project Implementation Plan during the third phase. Mechanisms used to gather feedback from key constituents, which are described in greater detail in the Project Overview section that begins on page one, have included participating in groups specifically established to guide AU's

BHE project; attending think tank sessions; and responding to a project priority rating survey. The outcomes that have been realized as a result of these efforts include a survey response rate just below 70 percent and the identification and prioritization of 26 diverse initiatives across all six EHE Categories to be implemented in an effort to achieve the goal of AU's BHE project.

Programs and Services

Feedback provided during think tank sessions underscored a pressing need to address the challenges pertinent to AU's budget and finance processes delineated in the "Purpose" section on page one. As listed in Appendix Five, projects identified and rated as top priorities include: developing budget and finance orientation for new unit managers; providing ongoing budget and finance-focused training opportunities; and augmenting current reporting tools for better efficiencies (e.g., grants management, forecasting, running queries, etc.).

The feedback and solutions generated by the think tank sessions were not limited to AU's budget and finance processes, however. The assessment process prompted a broader discussion during which additional areas of improvement were identified, including implementation of AU's strategic plan, fostering a culture of innovation by saying "yes" and taking risks, increasing coordination between central offices and departments, and clearly outlining roles and responsibilities.

Faculty/Staff and Workplace

AU's BHE project has reinforced a workplace culture that encourages and values accountability and assessment by evaluating budget and finance processes through think tank sessions and the subsequent project priority rating survey. The initiative also provided eight AU staff members with a valuable professional development opportunity by attending the *Baldrige Goes to College* workshop. Expanded training and procedural documentation are priority projects included in the Project Implementation Plan, and will ultimately enhance professional development opportunities.

Assessment and Information Use/Outcomes & Achievements

Outcomes and achievements will be evaluated in the final phase of AU's BHE project.

Baldrige Goes to College in Action

The *Baldrige Goes to College* workshop held in Tampa in January 2010 is owed credit for the integration of the EHE Process and Framework throughout AU's BHE project. Stepping through the assessment process based on the Milestone University case study in Tampa provided a helpful baseline assessment model to mold to the objectives of AU's BHE project in the context of the university's unique institutional culture. One of the tools developed to support AU's BHE project, a case study on the university's budget and finance processes, was carried over from the *Baldrige Goes to College* workshop. The AU case study was used to provide context and an objective viewpoint on the university as part of the assessment phase. The *Excellence in Higher Education Guide* and *Excellence in Higher Education Workbook and Scoring Guide* have been referred to often over the course of AU's BHE project when carrying out project planning or developing document templates for assessment and communication purposes.

Lessons Learned

The first lesson learned to date from applying the EHE Framework is that **integrating the EHE Process and Categories from the outset of the project is highly beneficial**. If the EHE Framework is employed as the foundation of the planning process, transitioning to a project implementation process in which the EHE Categories are evident requires very little effort because the link has been firmly established. This point leads to the second lesson learned: **the EHE Framework provides a systematic and unified approach that prompts opportunities to pursue improvement initiatives in areas beyond the scope of the initial project**. Finally, the **knowledge gained in applying the EHE Framework is easily transferable to colleagues who wish to implement a project in their respective areas**.

Consulting Assistance

Brent Ruben's consulting assistance resulted in numerous benefits to AU's BHE project. Brent's guidance in project mapping was essential to the development of a sound project plan and clearly-defined expected outcomes. Brent's assistance was also helpful in gaining buy-in from AU's top leadership. In addition, his open communication and consistent feedback throughout the project has been extremely helpful.

Brent's facilitation of think tank sessions was also highly beneficial to AU's BHE project. In his role as facilitator, Brent was an effective catalyst who provided a degree of objectivity while also calling on the project leader when appropriate to contribute to the discussion and communicate with impact. Brent's EHE expertise and facilitation skills were essential in fostering discussion through which valuable feedback was acquired from key constituents.

The greatest opportunity for improvement in terms of consulting assistance lies in continuity beyond the Challenge 2010 grant period; specifically, having an opportunity to seek feedback and guidance as the project progresses.

Appendix

1. Organizational Structure
2. Work Plan
3. Summary Analysis of Think Tanks
4. Think Tank Project Priority Rating Results Grid
5. Think Tank Project Priority Rating Results List
6. Project Implementation Plan
7. Action Plan (sample) – Project Two

Appendix One: Organizational Structure

Achieving a High Performing Organization in Budget and Finance Processes

Budget & Financial Management Skills Training Sub-Group

Chair: Nana An

Core Services Expectations Sub-Group

Chair: Vinceh Harkins

Technology & Digital Literacy Sub-Group

Chair: Kamalika Sandell

BHE Steering Group

Chair: Nana An

Cross-Divisional Collaborations Sub-Group

Co-Chair: Fanta Aw
Co-Chair: Vic YUEttle

BHE Working Group

Chair: Erica Smith

Human Resources

Resource Office

Appendix Two: Work Plan

Achieving a High Performing Organization in Budget and Finance Processes

OBJECTIVE: To advance AU's efforts to achieve Strategic Plan goal #9: 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.

EHE Process	Stage of Planned Change	Tasks	Completion Target Date	Primary Responsible Person(s)	Supporting Person(s)	Status
1) Assess	A) Attention	Notify Budget Office Staff about receipt of Challenge 2010 grant	7/31/2010	Nana An		Complete
		Meet with key constituents to seek initial buy-in	8/30/2010	Nana An		Complete
		Announce Challenge 2010 grant to university community by President Kerwin	9/20/2010	Nana An		Complete
		Request nominations for "Baldrige Goes to College" workshop participation	9/30/2010	Nana An	VPs and deans	Complete
		Inform workshop participants of their selection	10/13/2010	Nana An		Complete
		Introduce initiative during Budget Forum	11/10/2010	Nana An		Complete
	B) Engagement	Attend "Baldrige Goes to College" workshop	10/25 - 10/26/2010	Working Group	Jeanne McCourt Joy Qian	Complete
		Develop questions to survey key constituents	10/27/2010	Erica Smith	Jeanne McCourt	Complete
		Survey key constituents (Tier Two - unit budget/financial managers)	11/1/2010	Erica Smith	Jeanne McCourt	Complete
		Seek input from Finance Senior Staff	11/1/2010	Nana An		Complete
		Develop role, responsibilities, and outcomes for Working Group	11/10/2010	Jeanne McCourt	Joy Qian Erica Smith	Complete
		Hold work session following workshop to review EHE model and complete analysis on AU case study	11/18/2010	Jeanne McCourt	Joy Qian Erica Smith	Complete
		Hold two think tank sessions facilitated by Brent Ruben (Tier One - deans, directors & department heads and Tier Two - unit budget/financial managers)	12/8 - 12/9/2010	Nana An Bent Ruben	Jeanne McCourt	Complete

Appendix Two: Work Plan

Achieving a High Performing Organization in Budget and Finance Processes

OBJECTIVE: To advance AU's efforts to achieve Strategic Plan goal #9: 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.

EHE Process	Stage of Planned Change	Tasks	Completion Target Date	Primary Responsible Person(s)	Supporting Person(s)	Status
2) Prioritize Areas for Improvement	C) Commitment	Communicate regular updates on progress to key constituents	Ongoing	Nana An	Erica Smith	Ongoing
		Identify potential projects based on survey data, think tank feedback, and documentation from strategic planning process	12/15/2010	Jeanne McCourt	Joy Qian Erica Smith	Complete
		Select project(s) to be included in the scope of initiative	1/1/2011	Working Group		Complete
3) Plan Improvement Projects	D) Action	Complete project planning: identify purpose; clarify the need; identify affected parties and key stakeholders; define the vision; complete environmental scan; and identify strategies	1/15/2011	Nana An Erica Smith	Steering Group Working Group	Complete
4) Implement Projects	E) Integration	Communicate progress to date and action plans to key constituents	1/31/2011	Nana An		Complete
		Initiate project implementation efforts	3/15/2011	Nana An Erica Smith	Steering Group Working Group Sub-Groups	In Progress
		Submit progress report to NACUBO	3/21/2011	Nana An	Erica Smith	Complete
5) Complete Projects and Report Progress		Advance project implementation	5/15/2011	Nana An Erica Smith	Steering Group Working Group Sub-Groups	In Progress
		Submit presentation for NACUBO Annual Meeting	6/15/2011	Nana An Erica Smith		Complete
		Present at NACUBO Annual Meeting	7/8/2011 - 7/10/2011	Nana An Erica Smith		Complete
		Communicate final report to key constituents including President's Cabinet	8/15/2011	Nana An	Erica Smith	
		Develop additional action steps	8/31/2011	Erica Smith	Steering Group Working Group Sub-Groups	
		Expand application of the EHE model at AU by identifying a new area for improvement	8/31/2011	Nana An	Erica Smith	

Prepared by University Budget Office, October 2010
Updated July 2011

Appendix Three: Summary Analysis of Think Tanks

Achieving a High Performing Organization in Budget and Finance Processes

OBJECTIVE: To advance AU's efforts to achieve Strategic Plan goal #9: 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.

A total of 26 potential solutions are summarized below based on several think tank sessions, common themes, and areas for improvement. Please rate the priority you feel should be given each of the projects using the following scale: 0 = Not a Priority; 1 = Low Priority; 2 = Medium Priority; or 3 = High Priority

Excellence in Higher Education (EHE) Category	Theme	Areas for Improvement	Potential Solutions	Rate Priority 0 = Not a Priority 1 = Low 2 = Medium 3 = High
1) Leadership	Institutional Culture	Create an environment to encourage risk taking and creativity.	1. Revisit the obstacles and recommendations from the early work of cross-functional committees and implement several critical steps.	
	Collaboration	Eliminate perceived silos that inhibit interdisciplinary projects and programs.	2. Reinforce "funding by strategic objective" and cross-functional decisionmaking and collaboration.	
2) Purposes and Plans	Communication	Planning for the next two years should be done well before budget requests.	3. Start the university and department goal-setting exercise earlier. Cascade institutional priorities across departments.	
		Budget planning timeframe, process at department level, and due dates could be better coordinated.	4. Communicate budget due dates to the President earlier to provide ample time to prepare unit budget proposals from the Cabinet.	
	Revenue Opportunities	Little emphasis on revenue growth during budget planning.	5. Increase focus and support for revenue growth in budgets (e.g., distance learning, global/DC, continuing education).	
3) Beneficiaries and Stakeholders	Feedback	Service culture in budget and finance areas could be better cultivated.	6. Expand outreach and feedback opportunities to improve services.	
		Input and feedback from stakeholders not widely solicited before new implementations.	7. Solicit more users' input when implementing new or revised policies, procedures, reports or software.	
4) Programs and Services	Shared Resources	Intermittent need for enhanced budget and finance support (e.g., grant management, scenario building, and trade-off decisions especially in small units).	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.	
	Research/ Innovation	Perceived barriers to research, innovation, and entrepreneurialism.	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).	
	Communication	Service deliverables are not clearly communicated (e.g., FSR - Facilities chargeback process)	12. Communicate clear service expectations for core services and increase accountability.	
		Procurement process could be enhanced.	13. Update a preferred vendor list to include low-cost providers and sustainable products.	
	Communication	Procurement process could be enhanced.	14. Enhance documentation of purchasing processes & procedures.	
	Technology	Procurement process could be enhanced.	15. Expand electronic purchasing capabilities.	

![American University Washington, DC]

Appendix Three: Summary Analysis of Think Tanks

Achieving a High Performing Organization in Budget and Finance Processes

OBJECTIVE: To advance AU's efforts to achieve Strategic Plan goal #9: 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.
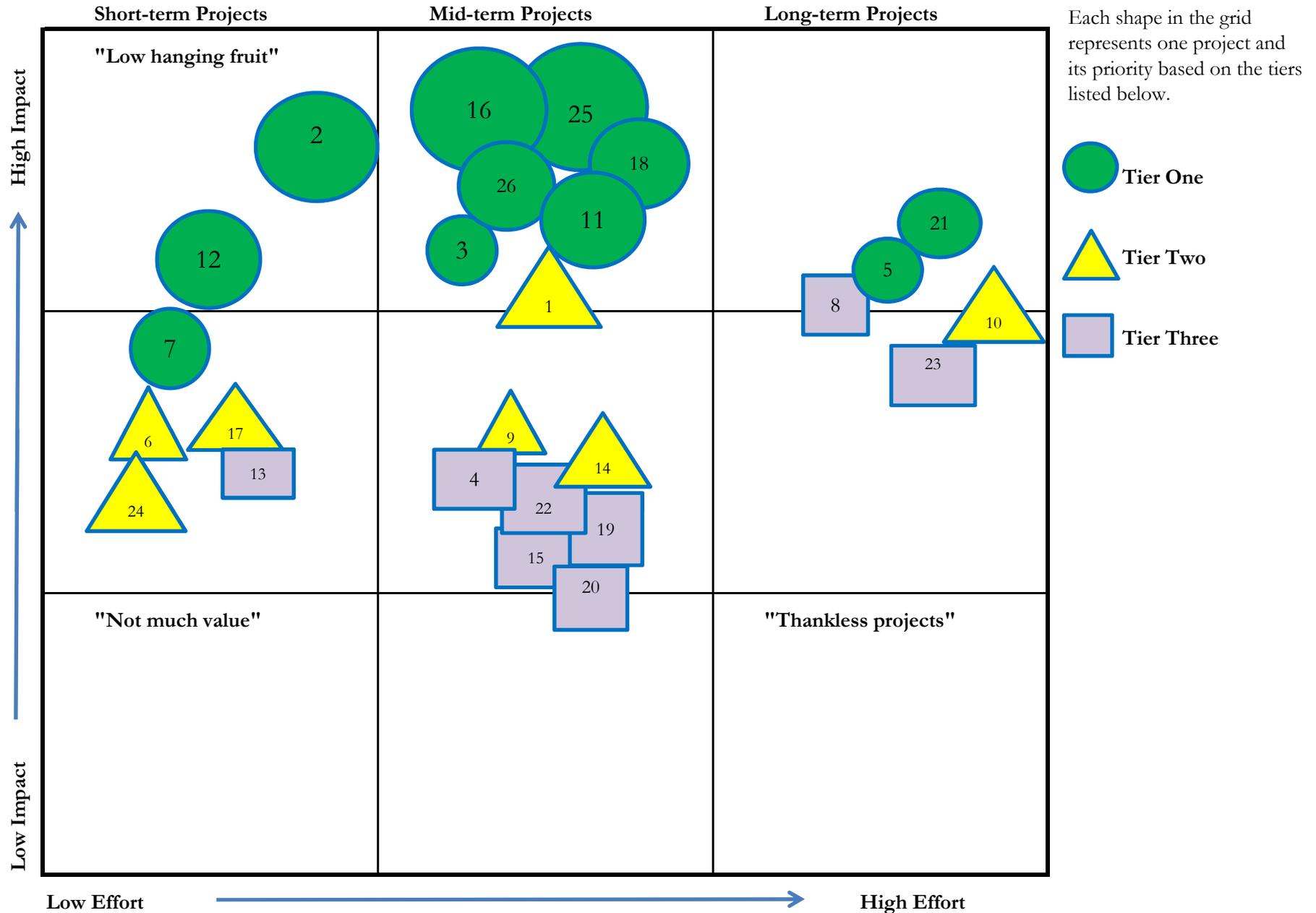
A total of 26 potential solutions are summarized below based on several think tank sessions, common themes, and areas for improvement. Please rate the priority you feel should be given each of the projects using the following scale: 0 = Not a Priority; 1 = Low Priority; 2 = Medium Priority; or 3 = High Priority

Excellence in Higher Education (EHE) Category	Theme	Areas for Improvement	Potential Solutions	Rate Priority 0 = Not a Priority 1 = Low 2 = Medium 3 = High
5) Faculty/Staff and Workplace	Training	Budget and finance processes and procedures are inconsistent across the university.	16. Develop budget and finance orientation for new unit managers.	
			17. Hold periodic informal meetings (e.g., lunch-and-learn) for information sharing.	
		Skill sets in budget and finance are inconsistent across units.	18. Provide ongoing budget and finance-focused training opportunities.	
			19. Implement cross-training/mentorship program.	
	Communication/ Education	Some faculty are not always knowledgeable about financial and administrative and financial processes.	20. Offer budget and finance sessions to faculty (e.g., budgeting for research activities) on a regular basis.	
	High Performance	Need a high performance operating culture.	21. Right source for the right positions to achieve a small, but high-performing, staff with competitive salaries.	
6) Assessment and Information Use	Accountability	Not enough emphasis on financial discipline and accountability.	22. Develop a comprehensive assessment program including quantitative and qualitative measures for effective decision making.	
	Operating Efficiency	Lack of an institutional strategy on process improvement for critical services.	23. Establish an Office of Quality/Process Improvement and develop a set of performance measures to achieve operational effectiveness.	
	Program Assessment	Assessment of academic programs could be more comprehensive.	24. Consider academic and financial forecast when planning and evaluating academic programs.	
	Reports	Financial reporting and analysis can be inefficient.	25. Provide documentation and training on reporting from Datatel.	
			26. .Augment current reporting tools for better efficiencies (e.g., grants management, forecasting, recurring queries, etc.)	

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

Short-term Projects **Mid-term Projects** **Long-term Projects**

Each shape in the grid represents one project and its priority based on the tiers listed below.

High Impact

Low Impact

"Low hanging fruit"

"Not much value"

"Thankless projects"

Low Effort → **High Effort**

Tier One
Tier Two
Tier Three

Appendix Five: Think Tank Project Priority Rating Results List
Achieving a High Performing Organization in Budget and Finance Processes

Project Number	Project Description	EHE Category	Effort	Impact
	⬤ TIER ONE			
16	Develop budget and finance orientation for new unit managers.	Five	Medium	High
25	Provide documentation and digital literacy training on reporting from Datatel.	Six	Medium	High
2	Enhance cross-divisional collaboration and decisionmaking to achieve strategic goals and objectives.	One	Low	High
11	Reevaluate incentive structures (research overhead, IRC, graduate revenues, summer revenues).	Four	Medium	High
18	Provide ongoing budget and finance-focused training opportunities.	Five	Medium	High
12	Communicate clear service expectations and assess outcomes for core services to increase effectiveness.	Four	Low	High
26	Augment current reporting tools for better efficiencies (e.g., grants management, forecasting, recurring queries, etc.).	Six	Medium	High
21	Right source for the right positions to achieve a small, but high performing, staff with competitive salaries.	Five	High	High
7	Solicit cross-divisional input when implementing new or revised policies, procedures, reports or software.	Three	Low	Medium
3	Start the university and department goal-setting exercise earlier. Cascade institutional priorities across departments.	Two	Medium	High
5	Increase focus and support for revenue growth in budgets (e.g., distance learning, global/DC, continuing education).	Two	High	High
	⚠ TIER TWO			
1	Revisit the obstacles and recommendations from the early work of cross-functional committees and implement several critical steps.	One	Medium	High
6	Expand outreach and feedback opportunities to improve services.	Three	Low	Medium
10	Improve process of incorporating research programs into operating budget, including staffing and space needs.	Four	High	High
17	Hold periodic informal meetings (e.g., lunch-and-learn) for information sharing.	Five	Low	Medium
9	Provide additional budget & finance resources for special projects.	Four	Medium	High

Appendix Five: Think Tank Project Priority Rating Results List
Achieving a High Performing Organization in Budget and Finance Processes

Project Number	Project Description	EHE Category	Effort	Impact
14	Enhance documentation of purchasing processes & procedures.	Four	Low	Medium
24	Consider academic and financial forecast when planning and evaluating academic programs.	Six	Low	Medium
■ TIER THREE				
22	Develop a comprehensive assessment program including quantitative and qualitative measures for effective decision making.	Six	Medium	High
19	Implement cross-training/mentorship program.	Five	Medium	Medium
13	Update a preferred vendor list to include low-cost providers and sustainable products.	Four	Low	Medium
15	Expand electronic purchasing capabilities.	Four	Medium/ High	High
4	Allow more time for development of divisional budget proposals by communicating the date by which proposals must be submitted to the President earlier.	Two	Low	High
8	Pilot a "Shared Services" program (e.g., one-stop business service unit for interdisciplinary research centers).	Four	High	High
20	Offer budget and finance sessions to faculty (e.g., budgeting for research activities) on a regular basis.	Five	Medium	Medium
23	Establish an Office of Quality/Process Improvement and develop a set of performance measures to achieve operational effectiveness.	Six	High	High

Appendix Six: FIRST TIER Project Implementation Plan
Achieving a High Performing Organization in Budget and Finance Processes

Project Number	Project Description	EHE Category	Tier	Office(s)/ Department(s)
**Short-Term Projects: Target Completion Date December 2011**			
2	Enhance cross-divisional collaboration and decisionmaking to achieve strategic goals and objectives.	One	One	Budget Office
12	Communicate clear service expectations and assess outcomes for core services to increase effectiveness.	Four	One	Begin with Facilities Management
7	Solicit cross-divisional input when implementing new or revised policies, procedures, reports or software.	Three	One	Functional offices
**Mid-Term Projects: Target Completion Date December 2012**			
16	Develop budget and finance orientation for new unit managers.	Five	One	Budget Office, Financial Management & Human Resources
25	Provide documentation and digital literacy training on reporting from Datatel.	Six	One	Budget Office, Financial Management & Information Technology
11	Reevaluate incentive structures (research overhead, IRC, graduate revenues, summer revenues).	Four	One	Budget Office, Provost's Office & Vice Provost Graduate Studies
18	Provide ongoing budget and finance-focused training opportunities.	Five	One	Budget Office & Financial Management
26	Augment current reporting tools for better efficiencies (e.g., grants management, forecasting, recurring queries, etc.).	Six	One	Budget Office, Financial Management & Information Technology
3	Start the university and department goal-setting exercise earlier. Cascade institutional priorities across departments.	Two	One	VP Direct Reports; Human Resources
**Long-Term Projects: Target Completion Date December 2013**			
21	Right source for the right positions to achieve a small, but high performing, staff with competitive salaries.	Five	One	Human Resources
5	Increase focus and support for revenue growth in budgets (e.g., distance learning, global/DC, continuing education).	Two	One	Provost & Washington Professional Development Programs

Appendix Seven: Action Plan – Project Two
Achieving a High Performing Organization in Budget and Finance Processes

Leading Office(s)/Department(s): Budget Office	**Project Leader:** Nana An

Project Description: Enhance cross-divisional collaboration and decisionmaking to achieve strategic goals and objectives.

Action Steps:	**Status:**
▪ Include "Highlights of FY2012-2013 Funding for Strategic Plan Goals" document in FY2012-2013 Budget Proposal	Complete
▪ Publish "Highlights of FY2012-2013 Funding for Strategic Plan Goals" document in President Kerwin's Special Report to the Community on the FY2012-2013 budget	Complete
▪ Indicate the strategic goal supported by each FY2012-2013 funding allocation in budget allocation worksheets distributed to vice presidents by President Kerwin	Complete
▪ Present "Highlights of FY2012-2013 Funding for Strategic Plan Goals" during the Budget Forum scheduled on March 23, 2011	Complete
▪ Create a mechanism for campus leaders (VP direct reports) to work jointly on strategic objectives, thereby requiring cross-functional decision-making and collaboration	
▪ Incorporate budget overview content in orientation for new faculty and staff	

Deliverables:
▪ "Highlights of FY2012-2013 Funding for Strategic Goals" document
▪ Special Report to the Community on the FY2012-2013 budget
▪ FY2012-2013 budget allocation worksheets organized by strategic goal
▪ PowerPoint Presentation for Budget Forum
▪ PowerPoint Presentation for faculty and staff orientation

Project Budget: Existing Budget	**Funding Sources:** n/a

Target Completion Date: December 2011

EHE Category: One - Leadership

Effectiveness Measure(s):
▪ Awareness of the linkage between resource allocations and strategic goals
▪ Metrics for successful delivery of cross-functional strategic outcomes