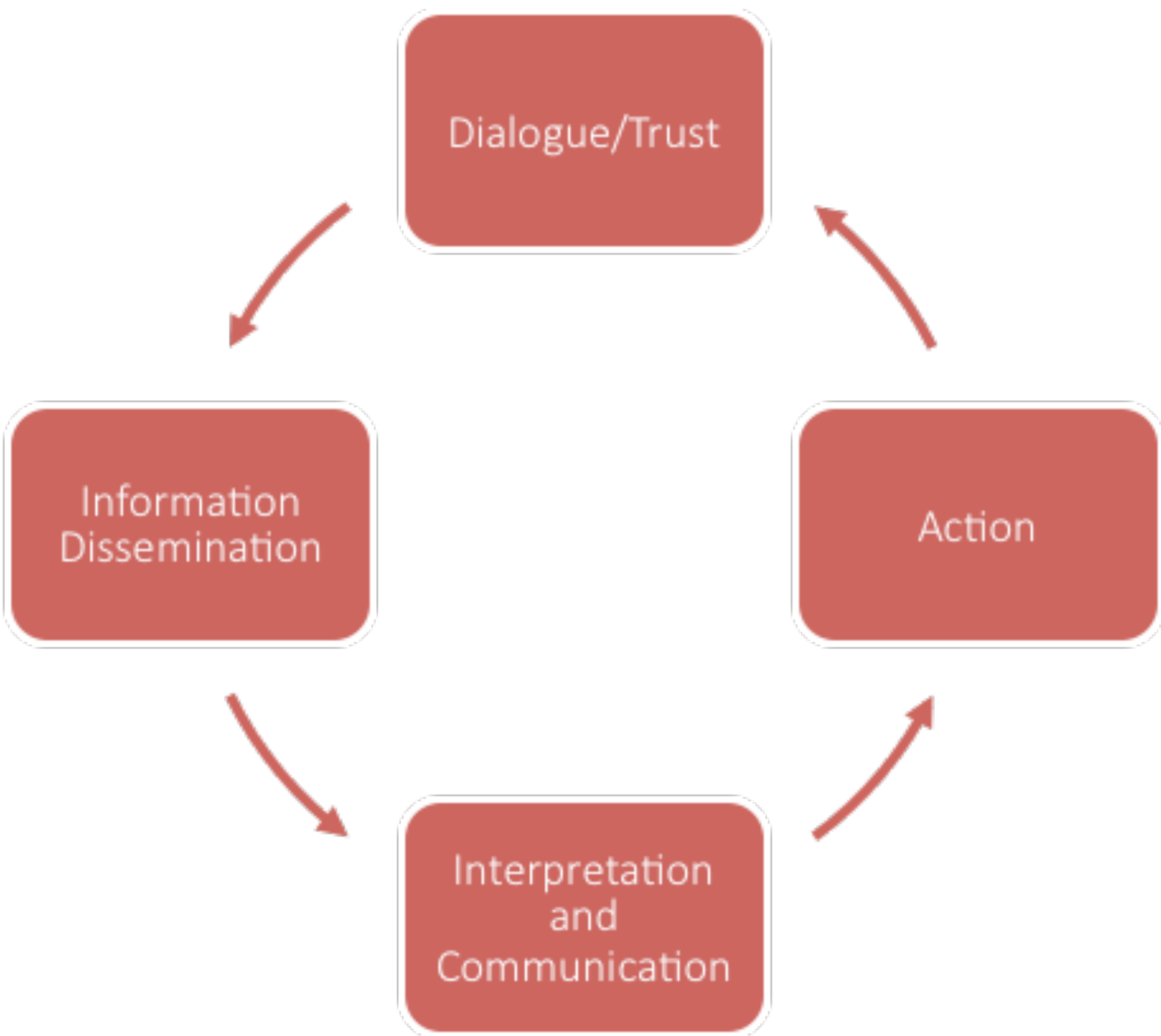
The CBO–CAO Collaboration Opportunity Cycle



NACUBO

NACUBO's CAO–CBO Collaboration Committee

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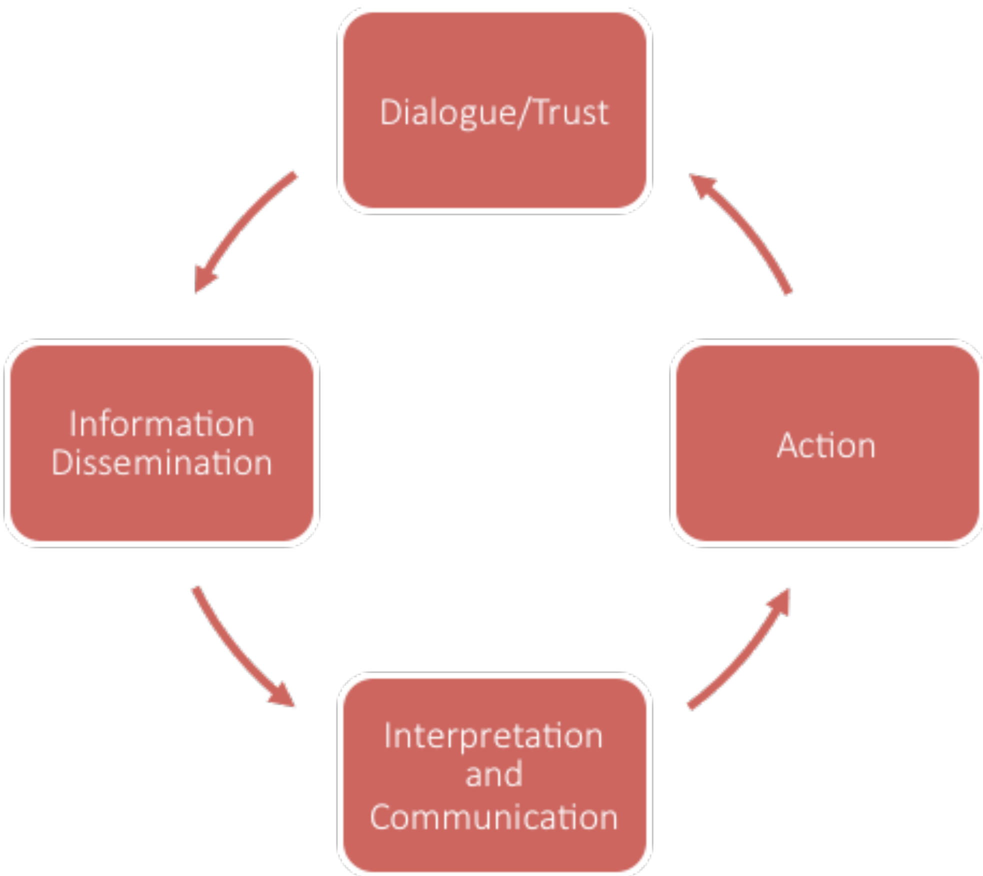
Recognizing that collaboration between the Chief Academic Officer (CAO) and the Chief Business Officer (CBO) is one key to institutional success, the NACUBO Board of Directors formed an ad hoc committee to study the issue. The committee—which consisted of chief business officers, other institutional financial leaders, a provost, and a president—developed the following model to explain, authenticate, and facilitate the collaboration process between the two institutional leaders and their respective organizations.



The collaborative cycle, which has four components, begins with ongoing, candid dialogue between the CAO and the CBO that, in time, builds trust. That trust deepens as the two institutional leaders communicate openly and engage in the forthright sharing of information among themselves and their staffs and within the entire organization. The third component calls upon both the CAO and CBO to articulate and deliver clear, concise, and cohesive messages about the institution's mission, vision, and strategic priorities. Lastly, a truly collaborative relationship between the CAO and CBO produces action that successfully propels the institution forward.

The following pages discuss each of the four components of the cycle. As its work continues, the committee plans to integrate this white paper into a comprehensive tool kit for facilitating the collaboration process illustrated above.

I. Dialogue and Trust

Increasingly, presidents and chancellors rely on their senior staff, or cabinet, to address the institutional challenges that crop up daily between themselves and across their organizations. As the institution's chief financial officer, the CBO must have knowledge of and engagement with every area of the institution—academic affairs, student affairs, advancement, athletics, research, auxiliaries, and so forth—in order to understand their financial challenges and opportunities and to provide timely and appropriate advice and consultation. Developing that understanding requires the CBO to have ongoing dialogue with the leaders of each of those divisions or departments.

The CAO and CBO have broad, intersecting, campus-wide roles that generally require them to heavily engage with one another more than with other cabinet members. Open dialogue and visible trust must exist between the CAO and the CBO, both in spirit and in function. Trust implies honesty, forthrightness, and the sharing of both the good and the not-so-good facts as challenges arise and opportunities emerge. Without it, an institution cannot function effectively and efficiently in meeting its strategic plan goals, for both its academic mission and its business operations.

Trust cannot be demanded, so it must be earned over time by both the CAO and CBO. The need for open dialogue is self-evident, given how frequently and rapidly regulations and emerging technologies can affect both the business functions and academic program development and delivery. Only through collaboration built on a solid and high level of trust can a campus leadership team survive all the economic and student demographic changes facing educational institutions today.

Challenges and Opportunities

Ironically, the evolving organizational structures that allow better academic interdisciplinary activity may create barriers because of silos and budgeting models. Still, they foster the opportunity to remove unnecessary barriers and engage in broader conversations and collaborative developments. Fostering greater faculty efficiencies and effectiveness in using online technologies, for example, creates opportunities to provide greater efficiencies in providing online technologies and support at the institutional level. It also supports faculty development and sharing across the institution.

At times the division of responsibilities between the CAO and the CBO can lead to a silo approach in mission development and attainment. Yet even with more than 75 percent of the institutional personnel services budget often spent on faculty, the missions of the two areas have much more in common than not. For example, when a CAO can establish a faculty support activity within the office, supported by the institutional budget allocation and based on an agreed-upon need, to meet the missions of both the CAO and the CBO, all parties emerge as winners, from the faculty and students to the institution and often the governing board.

Historically, a close and collaborative CAO/CBO relationship was not often necessary. Operations in silos were not uncommon because transparency through fiscal accountability was generally satisfactory, and there was little need for working together to get the best bang for the buck. Yet, in today's economy, a collaborative working relationship is paramount to attaining institutional transparency and success. As a result, CAOs and CBOs who spent their early careers working under a distant arrangement suddenly face a new model of economic reality that demands a deeper and closer relationship. The challenge is less for those who have managed to create such a working relationship over time and more for those who have survived in a silo mode but now must change their administrative vision to better serve the institution in every way.

In many cases, creating and fostering dialogue and trust that are both visible and functional takes a conscious effort. Doing so may force the CAO and CBO away from working at a desk through the lunch hour to periodically eating together at the student union or faculty club where they can readily be seen talking about the issues of the day while also enjoying the other's company. Rather than the CBO heading to a meeting surrounded by budget and accounting staff, the CBO might instead walk to the meeting with the CAO to talk about shared issues and concerns; each then gains the perspective necessary to keep their goals aligned with the institution's strategic goals. The CBO might consider joining the CAO once monthly at the Deans' meeting, and the CAO might consider attending the CBO budget meetings regularly.

When the CAO and the CBO practice what they preach, collaborative activities and discussions become an accepted way of life at the institution; a common practice will soon filter down throughout the institutional structure. The exchange of current, accurate, and timely data and information between the CAO and the CBO, whether meeting privately or within a mixed setting, fosters sound decision making in the best interests of the institution.

Illustrative Example

Suppose the CBO is exposed to the cost of participating in a multi-state, online academic collaboration that might result in additional student enrollments; the CAO must share the fact that the students may not pay the full going rate for tuition—and acknowledge the retention rate will likely be lower than normal if only the courses, but not the degree, are offered online. But strategically using the collaboration to open the doors to enrollment, plus a positive interaction and experience, may also entice more non-traditional and out-of-state students to enroll in other online courses and programs offered by the institution. Ultimately, the institution may be able to offer a joint online degree of high demand that it simply could not afford to do on its own.

Because the initial costs of participating may be high, the conversation might suddenly take a different tone. Faculty will have to be paid to develop their courses for online delivery using the most advanced and functional instructional design, on a new and different technology platform. In addition, TAs may be needed to ensure active student participation and maintain high academic quality in course delivery and feedback. There may be a need for authenticated online student testing and a valid assessment process for determining student learning outcomes. Additionally, payment delays and/or reduced tuition revenues may appear likely.

More than a decade ago, Montana State University (MSU) was invited to join the Great Plains Interactive Distance Education Alliance (GP-IDEA) headquartered at Kansas State University, an online consortium involving land grant institutions in six states. Initially, many issues and questions arose regarding the costs and revenue streams associated with offering a common-price graduate degree program online. Because the common price was significantly different than other online graduate programs at MSU, the CAO and CBO had many long conversations to help ensure that the costs were recouped over a reasonable period of time and the revenues appropriately distributed to support the institutional online instructional development and delivery costs. The resulting model, developed by the GP-IDEA in 2001, remains strong and vibrant, allowing the participating institutions to offer several online degrees in a collaborative mode that they would not likely be able to offer in a self-sustaining mode. The students and their institutions both reap great academic and business benefits from this collaboration.

The CBO must unquestionably trust the CAO's judgment that such an institutional investment will ultimately result in a stronger enterprise, both academically and financially. Continued trust and frequent discussions between the two are needed to not only initiate such an investment but also begin identifying and supporting the actions that will further help foster success for the students and for the institution. In today's emerging educational models, often two can present more comprehensively and more effectively than one, bringing diverse information and perspectives to the president's or chancellor's table to better achieve institutional success.

Tangible Actions

- Make dialogue between the CAO and CBO continuous, genuine, and visible.
- Keep dialogue non-colloquial in nature, so the CBO does not get lost in the CAO's academic jargon—and vice versa.
- Ensure the CAO and CBO work together to be proactive with information rather than reactive to rumors or the press.
- Encourage line staff members to foster dialogue across the CAO/CBO organizational lines.

Questions for Further Thought

- Do research models exist for assessing the impact of dialogue and trust between the CAO and the CBO on actions taken by either or both?
- When dialogue and trust between the CAO and CBO clearly exist, what direct relationship do they have on the success of the institution or its students?

II. Information Dissemination

In addition to being open and mutually supportive, the communication between the CAO and CBO must move essential information across organizational lines and deep into all organizational units. Effective information dissemination ensures that all parts of the organization receive complete, consistent, and appropriate messages. This component is not only critical to the development of trust but also a natural function of a well-designed and well-run system of shared governance. While the CAO and CBO set the tone of a trusting, collaborative working relationship, specific steps must be taken to develop that trust and collaboration throughout each of the organizations.

Challenges and Opportunities

More often than not, the CAO and CBO are peers reporting to the President, and each officer heads a distinct Vice Presidential area. Both areas are critical to the success of the overall organization. While the division of responsibilities may be essential from a structural and span-of-control perspective, the division can lead to silo mentality: units becoming so focused on their individual missions that they lose sight of the fact that they are working toward a common goal.

The development of a comprehensive shared governance model, accompanied by absolute transparency by both the CAO and CBO, provides an opportunity to strengthen the working relationship. Transparency is defined as full communication by both areas. For the CAO, this includes sharing information such as enrollment changes in colleges, growth plans, plans for new degrees or certificate programs, market influences on the demand for certain majors, changes to faculty policies, and all academic policy changes and conditions. This information should be communicated regardless of whether the CAO believes it will have a financial impact, because the full financial, legal, and business ramifications of such changes may not be readily apparent to those whose primary focus is academics. From the CBO's perspective, transparency should include disclosure of overall university finances, administrative policy changes, and budgetary challenges that impact academic, as well as non-academic, units.

A key element of transparency is consistency: All groups need to see the same data and all data relevant to their area of responsibility. It is also important that everyone from the Board to the Department Heads delivers a consistent message concerning the organization's purpose, direction, values, and policies. When information is not shared, the reasons should be clearly articulated and founded on sound, defensible reasons rather than vague notions of appropriateness. For example, when dealing with a reduction in force, the preliminary discussions might not be discussed and shared because of the potential impact on the people who may lose their jobs. Ultimately, there is transparency on the reasons for the decision, but sensitivity to employees would influence decisions on how and when to release specific information.

Developing a strong shared governance model will facilitate the dissemination of information both laterally and vertically within the organization. An effective shared governance model often includes a variety of committees made up of both academic leadership (Vice Provosts, Deans, Associate Deans, Department Chairs, and faculty members) and administrators (Associate/Assistant Vice Presidents and managers from such areas as Finance, Budgeting, Human Resources, and Auxiliary Services). If an institution's model does not include this cross-section of members, consider changing it to ensure broader representation. Many academic institutions already have groups in place that represent faculty and staff.

Fundamentally, the CAO and CBO areas conduct business in different ways. Their day-to-day challenges are different, and they communicate with one another differently. Simply put, the core mission of the CBO is to manage and safeguard the assets of the institution; the core mission of the CAO is to drive the institution's academic mission. Although a natural tension exists between the groups, it can be managed through a strong collaborative working relationship at all levels to produce a stronger, healthier organization.

Academics and administrators sometimes seem to speak different languages, but a shared, jointly developed set of metrics can help bridge the gap. A significant challenge faced by many CAOs and other academic leaders is the need for data to guide decision making, especially decisions that have an impact on the entire institution. Reduced resources and increased costs have impacted all areas of the organization and forced data-driven decision making.

Data-driven modeling helps ask—and answer—such questions as:

- What does it cost to deliver a degree program or an individual course?
- What is the break-even point on enrollment levels?
- Is growth economically sound in all programs, or should some programs shrink rather than grow?
- Do I need to develop some "cash cow programs" to subsidize the programs critical to academic success that don't make money?
- How do I manage research start-up?
- What is my ratio of tenure track faculty to non-tenure track/adjuncts?
- Have I moved into an unhealthy balance of tenure track faculty to non-tenure track/adjuncts?
- Should we outsource some or all of the facilities functions?
- Should we outsource some or all of the instructional technology or information technology?
- Do we need to change fringe benefits programs to lower costs?
- Can we enhance our procurement options to save money?

While some of these questions may initially be asked by either the CAO or the CBO, ultimately these issues need to be discussed by the broader institutional constituencies, because the impact of change will be felt by all.

In many cases, the knowledge and expertise necessary to answer these questions do not reside in the CAO's office but in the CBO's area. Jointly creating a cross-functional resource group, with input from both the CBO and CAO staff, can help develop trusting and collaborative relationships. This can be either a project-based ad hoc group or a more permanent functional area.

Illustrative Example

Midlands Technical College (MTC), a comprehensive two-year public institution located in central South Carolina, enrolls 18,000 credit students and serves 30,000 non-credit students annually. MTC, like many public institutions across the country, faced significant budget reductions over five years beginning in 2008. State funding of MTC's operating budget declined from near 60 percent to approximately 10 percent during this five-year period. To complicate the matter, demand for the college's programs and services increased significantly in the same timeframe, even as state resources declined.

The severe state budget reductions created an atmosphere of fear and anxiety among college employees, especially as they observed other public institutions implement reductions-in-force (RIF) and furloughs. Thanks to extensive media coverage of the state's budget crisis, students and employees were very aware of what was happening at the state level. What they did not know was how the college would respond.

The MTC Commission, the college's governing board, and the executive leadership of the college immediately decided that accurate information dissemination was essential to help mitigate fear, rumors, and mistrust. The president's cabinet met regularly to review factual data and discuss any anecdotal information heard indirectly in the college community.

The Commission met regularly in open session to strategize as new information became available. Faculty and staff leaders attending the Commission meetings were encouraged to actively participate in the discussions. Ultimately, the MTC Commission and executive leaders decided that the college needed to take three actions to ensure its long-term vitality: Reduce operating costs, change its approach to pricing programs and services (tuition and fees), and raise additional revenue from alternate sources.

The Commission, which decided that furloughs and a RIF were not alternatives, also adopted what became known as the Principles of Sustainability. The primary principle was a commitment to students, teaching and learning, and employees. By establishing these core values up front, the Commission mitigated distrust and provided a more effective environment in which to communicate and disseminate information.

For example, one decision—to increase faculty teaching loads—understandably caused concern among many faculty members. To moderate the impact of the load increase, the institution frequently provided explanatory information to faculty and others concerned. Fact sheets regarding the issues were disseminated, and PowerPoint presentations were given to diverse audiences and at regular faculty and staff meetings. The president, CBO, and CAO were present during each presentation. Additionally, information was posted on the MTC Intranet, and the president sent weekly email updates to all faculty and staff.

The relationship of trust and mutual respect that MTC's CAO and CBO had before the budget crisis facilitated the information dissemination process. Because of this existing relationship, there was a high level of confidence in the information each provided, as well as the facts each disseminated to peers, colleagues, and others within the institution. While skeptics remained among the faculty, the reaction to the increased teaching loads was generally positive, and the college met its goal to reduce academic costs.

Tangible Actions

- Be as inclusive as possible during the decision-making process.
- Review your shared governance model for inclusivity.
- Share information as soon as it is known.
- Communicate frequently and clearly.
- Establish boundaries, and identify the topics or issues that are off limits.
- Communicate a decision as soon as it is made to mitigate rumors and misinformation.
- Deliver messages from the leadership in a variety of formats to help ensure they reach as many people as possible.
- Educate and seek support of formal and informal leaders.
- Be transparent and consistent in your messaging.

Questions for Further Thought

- Can there be too much information?
- What should be the objectives when circumstances call for dissemination on a mass basis?

III. Interpretation and Communication

Ideally, the CAO and CBO partner to continuously communicate to their institution's community and stakeholders in clear, consistent, and informative ways. These communications are repeated and delivered via multiple media to ensure the messages reach and are appropriately understood by the largest proportion of the intended audiences. This ideal vision for effective communications may not be achievable; nonetheless, it should remain an essential duty of CAOs and CBOs.

CAOs and CBOs need a shared understanding of their institution's mission, vision, and strategic priorities. This does not mean they must always agree, but they should always collaborate in authentic peer-to-peer fashion in working toward common goals. Their collaboration requires trust and mutual respect, which leads to community building and institution-wide collaboration. Such an environment or culture allows for candid, authentic dialogue among all constituent groups in a mutual effort to advance their institution. If CAOs and CBOs do not collaborate, then others within their organizations are much less likely to collaborate.

College and university stakeholders are bombarded with an array of information from myriad sources, both internal and external to the institution. This information often goes through a filtering process that can be both informal and formal. For instance, the extent to which individuals are engaged with the subject matter will impact their interpretation of the message. Likewise, the perceived risks (for example, is my job at risk? Will my budget be reduced?) or their understanding/impression of "What's in it for me?" will influence their interpretation. The level of engagement and understanding of the subject matter is important to frame external communications, such as how government funding reductions or changes in compliance are communicated to agencies and the press.

Examples of internal communications coming through formal or informal channels could include institutional budget reductions or furloughs communicated by the president as well as policy changes released at the department level. Thus, it is essential that the CAO and CBO understand and respect the need for uniformity and consistency in interpreting and effectively communicating information that affects the organization. The CAO and the CBO are among the most influential individuals on campus, which engenders a need for them to have confidence in their ability to interpret and communicate information when it is needed and to those who need it.

Context matters. Without the right level of understanding of the information being communicated, the sharing of information can risk unintended outcomes. For example, discussing the need for budget reductions without a broader sense of the overall financial position of the institution might lead to stakeholders having an overstated sense of the issues, inaccurate press coverage, and other avoidable consequences. CAOs and CBOs must find the right balance between communicating continuously and in a timely manner with stakeholders and delaying certain communications until the right communication strategy is developed.

Challenges and Opportunities

Because the CAO and CBO receive and process a significant amount of information at a rapid rate, the two administrators require a common understanding of the meaning of information that will be the basis of a decision—especially one that will broadly impact individuals and the institution, such as demand for select programs, methodology for attributing revenue and expenses to responsibility centers (RCM), program costing models, key outcomes measures driving resource allocation decisions, and criteria and framework for establishing facilities construction and renewal project priorities, to list just a few. Consequently, the CAO and CBO should go to great lengths to discuss and analyze information and agree how to interpret it. Any differences in the interpretation of this information should be vetted extensively by the CAO and the CBO so that messages to the community remain consistent.

Information is often presented in discipline-specific vernacular. In other words, both academics and business officers express themselves through unique language and words. Language or terminology can derail a communication quickly, so it is helpful to avoid jargon and use simple universal descriptions. For example, rather than using accounting terms such as net assets or reserves, use resources and available institutional savings. Other phrases that deserve more careful descriptions include “discretionary funds,” “business model,” “operating margin,” “funded depreciation,” and “online learning.” Thus, the challenge is to agree on not only what the interpretation of information means but also how the information is communicated, with the knowledge that audiences will often receive and/or interpret the information differently.

Due care is required when explaining the need for operating margins and contingencies or complex decisions surrounding the strategic balance between program funds and capital needs. For example: Why is it more strategically important for the institution to invest in certain facilities versus add faculty and staff lines (balance of long-term and short-term needs; explaining the core principles of intergenerational equity relative to stewarding our facilities; explaining the dangers of lacking a strategy for managing facilities deferred maintenance/renewal; explaining how these decisions align with the mission and strategic plan)? When crafting the appropriate message, whether verbal, written, or a combination, using the mutually agreed upon words, tone, language, images, and other communication becomes an important part of the communication process.

Selecting the form(s) of communication is equally as important as deciding on words and language. Thus, understanding your audience(s) drives the selection of media used, pending the purpose and urgency of what is being interpreted and communicated. In some instances, such as when significant amounts of data and information are being shared, broadcast media (email or letters/memos, webcasts, and other electronic media) may be appropriate. In other cases, such as when a disruptive occurrence leads to the need for substantial budget actions, it may be appropriate to have campus-wide meetings or targeted group meetings. The campus-wide meeting enables everyone to hear the same message and provides more personalized, empathetic delivery of sensitive information and the guiding principles for decisions.

The media used may also combine mass communication and live meetings designed to link the issues, because a single approach rarely proves the most effective or reaches the broadest audience. In addition, no medium may be able to carry the entire message because of limitations, such as time and cost.

Deciding who delivers the message depends on the audience, the nature and complexity of the information, and when stakeholders must receive the information. Generally, the president will be the main player when communicating institutional wide messages, especially those that are negative or may impact people's livelihoods, teaching and learning, or students. The president will generally take the appropriate time and care to craft the message and has the most influence on the believability of the message being communicated.

Other institutional senior officers should also be involved in delivering the message(s), which must be consistent. The CAO and CBO certainly should deliver many of the institutional key messages, especially those that affect, directly and indirectly, the teaching and learning process and the financial stability of the organization. Often, the president, CAO, and CBO should appear together to deliver the message when conditions cause fear, anxiety, and uncertainty among stakeholders, including employees, students, the board, alumni, politicians or the greater community served by the college. This is especially true when it is necessary to eliminate jobs and/or programs, make significant strategic investments (new funds and resource reallocations) in select areas or new programs, or address other major strategic concerns raised by the community.

Having a basic understanding of the audience's stake and current understanding of what is being interpreted and communicated is essential. For example, different members of the community will perceive or fear different risks, such as loss of employment versus reduction of program funding. Thus, tailoring the message for various audiences requires the CAO and CBO to possess a specific skill set.

Illustrative Examples

Loyola University Maryland, located in Baltimore, offers a values-based education. It enrolls approximately 5,000 undergraduate and graduate students, fostering academic excellence and a life of leadership and service based in the Jesuit tradition.

Loyola University, like many in the higher education industry, faces the pressures brought about by unprecedented economic conditions. Pricing and affordability have placed pressure on budgets and prompted the institution to look closely at how it conducts business. In support of its strategic plan, Loyola must make significant decisions that will have a major impact on its key stakeholders.

The goal is to create a stronger university by enhancing the value and quality of a Loyola education and ensuring its continued competitiveness in the market. The university, through conversations with committees within the governance structure, established a Phase I and Phase II cost reduction/revenue generation initiative. Guiding principles for this initiative included effectivness and efficiency, innovation, collaboration, accountability, objectivity, and transparency.

As the communication program in support of this initiative was being developed, significant time was devoted to deciding who would report what and how. For example, the message from the CFO who chaired the university Budget Committee needed to be consistent with the report and update given by the CAO to the university's guiding governance committee. The President, CAO, and CFO presented information together at a number of faculty meetings, and periodic updates helped keep the university community informed in a clear and consistent manner.

Phase I concluded in Spring 2013, followed immediately by the launch of Phase II. The key administrators and President continue to send consistent and clear messages and updates to faculty and the entire campus community. Web sites, emails, and direct communications from the president have played, and will continue to play, a major role in the continued communications and success of this initiative.

Le Moyne College, located in Syracuse, New York, also fosters academic excellence and a life of leadership and service based in the Jesuit tradition. The college enrolls approximately 3,500 undergraduate and graduate students.

The President instituted semi-annual college-wide budget meetings where the President, CAO, and CBO present strategic and financial information. All faculty and staff are invited to attend these meetings. Each meeting ends with a question-and-answer session with the President and all vice presidents, followed by a campus reception. These meetings provide an opportunity for the entire campus to hear the same important messages and institutional updates.

Le Moyne recently faced constricted revenue growth and needed to reduce costs. Given the significance of such important budget decisions across the College, the President presented the information. The campus appreciated the President's authentic presentation of the facts, guiding principles for how decisions would be made, and information dissemination strategies. These sessions brought the Le Moyne community together as one to understand opportunities and challenges and to develop solutions.

Periodically, the President holds open sessions with faculty and staff to present information and answer questions on topics such as fund raising campaign goals and outcomes, integrated marketing strategies, new enrollment strategies, and facilities plans. These sessions begin with approximately 30 minutes for the community to socialize with refreshments, followed by opening remarks by the President. The respective content expert, usually a vice president, then gives a presentation followed by a question-and-answer period.

The CAO and CBO meet approximately five times per semester with the Faculty Senate Finance Committee to discuss big picture issues, Le Moyne's financial outlook, and major budget matters facing the College. These candid, collegial sessions lead to consultation with faculty and help keep the Faculty Senate informed about important financial matters. Other vice presidents are periodically invited to these meetings to provide updates from their perspectives (for example, enrollment management, institutional advancement).

The President's Cabinet, an advisory group, has been expanded to include the vice presidents, Faculty Senate President and President-elect, academic deans, the Director of Mission and Identity, and the Associate Vice Presidents for Human Resources, Marketing, and Athletics. The cabinet meets monthly and has three one-day strategic planning retreats per year. This structure offers an effective forum for seeking consultation on a broad range of topics. The senior administration, comprising the President and vice presidents, meets more frequently than the larger group.

The combination of open campus meetings, President's Cabinet, and senior leadership team meetings has greatly improved the transparency and community dialogue at Le Moyne. The President's leadership team continues to assess the effectiveness of these meetings and other modes of campus communication in an effort to improve overall effectiveness.

Tangible Actions

- Encourage the institution's President to hold the CAO and CBO accountable for forming and sustaining a trusting collaborative working partnership.
- Ensure the CAO and CBO come to a common understanding on how information is interpreted.
- Ensure the CAO and CBO agree on the language and communication style used in presenting the message.
- Exercise care when selecting the media and individuals for delivering the message.
- Take time to develop and understand your audience.
- Stay tuned to the campus to ensure the intended message is being interpreted the way it was intended.

Questions for Further Thought

- How can the CBO gain a more indepth understanding of other subcultures on campus, with special emphasis on the faculty and academic cultures?
- How can the CBO help other staff immerse themselves in other sub-cultures across campus, be it other administrative units or academic areas?
- What other actions can the CBO take to gain the confidence of other constituent groups and garner invitations to be a strategic partner throughout the institution?

IV. Action

Dialogue/Trust, Information Dissemination, and Interpretation and Communication provide the foundation for the fourth component of the Opportunity Cycle: Action taken by the CAO and CBO as a result of collaboration. The process is incomplete if action is not taken, and the opportunity to collaborate may be wasted.

Action becomes most important during times of reduced budgets, changing public perception, shrinking organizations, and higher levels of expectations from governing boards. The first level of taking action is often between the CAO and CBO, as they set the tone and direction for the organization. Yet it is at other levels within the organization that the desired action is often manifested. In many ways, the desired action must occur at the lower levels of the institution for the cycle to be sustainable and make an impact within the organization, especially day-to-day functions that move the organization forward.

Challenges and Opportunities

When all four elements of the Opportunity Cycle are in place, the organization is operating at a level that will help it succeed. If one or more elements is missing, however, the collaborative relationship between the CAO and CBO, as well as their productivity, may not be strong.

Often, institutional executives make decisions without getting broad-based input from other levels of the organization. Yet getting the organization to work collaboratively and toward the desired action takes commitment at all levels. Within organizations, people below the senior team—often at mid- and lower levels—typically do a significant part of the "heavy lifting." The knowledge and experience of people at non-executive levels may be valuable to the acceptance and success of the action. Thus, information, ideas, and experiences should be sought from as many people in the organization as reasonably possible. Failure to be inclusive can make it impossible for the two sides of the complex organization to move the institution forward.

While the CAO and CBO may be peers, the implementation or action often takes place at levels well below them and involves people who may not be peers themselves. For example, a person overseeing finance in an academic unit may need to work with someone in the budget office on the school's revenue projections. Quite often these individuals will not be peers, and they may be at different levels from a job position as well, but they need to work together to move the item to action.

It is critically important to properly prepare and empower individuals at the appropriate level to implement action strategies or tactics. Mandating an action without the proper education and adequate information on the basis for the decision may lead to confusion by those responsible for implementing the designed action and will likely result in wasted resources.

Preparation may also mean improving the decision-making, critical thinking, risk diagnostic, and technical skills of those responsible for implementing the planned action. For example, it would be helpful for the CBO's organization to identify which skills and training might be needed to complete specific analysis and/or discussion and then make sure those skills are in place or offer training as needed. Additionally, properly prepared people must be empowered to make decisions as an action is being implemented. Empowering people often leads to greater ownership of the action.

Preparing the respective divisions to collaborate on actions is often "where the rubber meets the road" for an organization because of the resources allocated, controlled, or managed by these two divisions. In many cases, action can happen within the CAO's or CBO's own organization at various levels that impact other areas, such as academic departments and administrative units that report under the CBO. Thus, as actions are designed, consider how those actions will impact other areas of the institution. Failure to communicate planned actions violates the other components of the Opportunity Cycle.

Illustrative Example

The University of Southern California operates under responsible center budgeting, a process whereby revenue flows to each school and is "taxed" back to create central campus funds for financial aid, administrative service, facilities, and provost initiatives. Consequently, actions taken by schools may significantly impact the entire university's academic and budget planning. While undergraduate unit allocation out to the schools is managed centrally, deans have the ability to stop and start other programs within the school. If a dean ended a program that was no longer needed, there would be a lessening of the "taxes paid" to the center, which could impact other university funding.

Academic units report up through the CAO, while the budget office for the university reports through the CBO. The CAO for the university and the academic leadership for the school need to coordinate and communicate any major or relevant changes to the school's direction because of the impact it could have. The school, University's CBO, and the business school budget and finance officials all must coordinate for the betterment of the university on the actions that have broad-based influence.

Aligning the budgets and finances with the academic and institutional needs has mitigated the issues that may arise in both the CAO's and CBO' areas of responsibility, as well as those in other areas of the university. For example, it is important that, at the university level, more units are not allocated overall than will be taken by all the undergraduates combined. Close collaboration between the school and the budget office ensures they understand how the projections at the school level were achieved; collaboration at the university level ensures that the overall number of units allocated are not greater than the total.

Recent budget challenges the university faced mandated that the CAO and CBO, as well as their respective units, collaborate on actions designed to alleviate the budget challenges faced by the university. Actions developed by the administration with significant input from the CAO and CBO, as well as with input from faculty and staff, included reducing cost, investing in technology to improve efficiencies over the long run, and increasing and diversifying revenue streams.

Tangible Actions

- Always be transparent when taking action.
- Include those you might be working with during the design and implementation of the action.
- Clearly articulate your views and expectations regarding the action.
- Empower subordinates to make decisions and modify action using their independent judgment to the degree possible.
- Provide timely and honest feedback.
- Focus on moving the institution forward rather than on whether the CAO or the CBO wins or loses.

Questions for Further Thought

- Does the model work for all interactions?
- What should be done when the CAO and CBO are not collaborating on the design and implementation of actions that have negatively affected others in the organization?
- Can effective actions be designed and implemented if other parts of the Opportunity Cycle are missing?