7 Steps to Finance Transformation with Dynamic Institutional Planning

Actions to overcome your higher education planning challenges
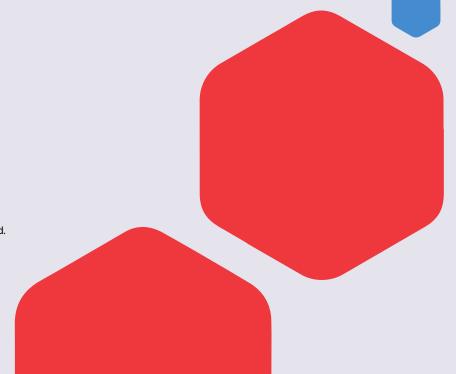
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Introduction

Universities are large, complex organizations composed of many divisions and departments. A university's effectiveness can be measured by how well the organization works together to foster continuous improvement, ensure financial health, and support the institution's mission.

Proper planning, which involves developing and managing enrollment, personnel, and other expenses, is key to institutional success. A comprehensive plan can help a university reach its goals, while a flawed plan can cause serious problems. Effective planning is paramount as colleges and universities continue to readjust their budgets to be more fiscally responsible.

The actions identified in this whitepaper will help you address your planning challenges head-on.

Benefits of Dynamic Institutional Planning

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Benefits of Dynamic Institutional Planning

By adopting the planning best practices in this whitepaper, you can:

- **Automate planning** by using enrollment as a driver for other revenue and expenses

- **Improve cross-functional communications and alignment**

- **Increase accountability and ownership of processes and outcomes**

- **Improve data-driven decision-making** by using past data to help inform current fiscal year planning

- **Streamline what-if scenarios** and look beyond the current fiscal year

7 Steps to Dynamic Institutional Planning

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7 Steps to Dynamic Institutional Planning

1. Define Your Planning Objectives

A well-defined planning process allows an institution to maximize outcomes for students, faculty, staff, and the broader community. Collaborative data-driven decisions connect an institution's mission and financial goals – supporting finance transformation.

Actions

- Identify everyone who contributes to your planning processes
- Understand your mission – identify what is important and what's not
- Ensure stakeholders agree on and support what is important

2. Identify the Infrastructure that Supports your Planning Process

A well-honed plan is an outcome of optimizing four key components, regardless of the size of your institution: employees, financial and project management skills, processes, and technology.

Actions

- Document your current planning processes
- Review your workflow to see how data is gathered, stored, modified, and/or analyzed
- Identify the financial and project planning tools used throughout the planning processes
- Pinpoint any gaps in required tools, skills, and resources to support the planning process

3. Define Your Planning Parameters

An effective planning process gives enough detail to make long-term resourcing decisions while still providing flexibility to modify day-to-day finances as needs change. By defining your planning parameters, you can reduce the time spent on creating and reviewing line items that have a limited impact on your institution's mission.

Actions

- Define the degree of detail required to make your plan practical and actionable

- Document these requirements to focus data collection, review, and analysis in your current planning process

4. Define Relevant Performance Metrics for Your Plan

Remain focused on your institution's most important drivers by defining key performance indicators (KPIs), the resulting plan, and related processes. Your plan will be a combination of metrics unique to your university or college and those used to measure the financial health of institutions, such as excess of fund revenues over fund expenditure, admissions versus enrollment rates, student retention rate, and administrative spending per student.

Actions

- Review industry analysts' reports to confirm relevant KPIs for your institution

- Identify metrics that are unique to your specific organization – given the nature of the institution and its stage of evolution

- Establish goals for your institution that will serve as benchmarks for future performance

5. Enable and Encourage Collaboration

When an institution structures its planning processes to be more collaborative, the resulting campus-wide conversations lead to enhanced communication, engagement, and transparency. Involving stakeholders in the planning process leads to improvement in expediency and higher accuracy. This improvement can have a significant positive impact on your ability to carry out your institution's mission.

Actions

- Determine which people within the institution (and beyond) who should direct, manage, contribute to, and review strategic plans

- Identify people who should validate the details and assumptions of your plans

- Use stakeholder meetings and feedback forums to encourage collaborative participation

6. Plan for Changing Conditions

Leading institutions have developed planning processes that anticipate and adapt to changes within and external to the organization. These changes can include declining enrollment, shifting student experience, learning platform demands, and organizational changes. Building agile processes decrease the cost and time spent on analysis while increasing the quality of decision-making.

Actions

- Conduct periodic re-forecasts of your plan to gauge performance against the budget and economic conditions

- Run what-if analyses to test assumptions and play out the benefits, risks, and costs of likely future outcomes

- Create multi-year forecasts for a forward-looking view that allows management to act on unexpected changes

7. Leverage the Advantages of Planning Platforms

Adopting a platform designed to increase efficiency, accuracy, and consistency of planning processes yields measurable time savings for higher education institutions.

Financial Performance platforms are one solution designed to help organizations automate planning processes.

Actions

- Choose a solution that automates time-consuming and/or repetitive tasks in your planning process

- Choose a platform that accommodates business intelligence data and insights

- Use the Choosing the Right Planning Platform checklist found in Next Steps

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Next Steps

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Next Steps

Financial Performance Management (FPM) can help organizations reduce the time spent on planning by automating time-consuming and repetitive processes.

To choose a financial performance platform that can help you reduce the time you spend on planning, use the following tool, the Choosing the Right Platform checklist.

Choosing the Right Platform Checklist

Use this checklist to determine if a financial performance platform can help you improve your planning process and reduce your reliance on spreadsheets.

Identify processes that would benefit from a financial performance platform		
Actions	**Look within your company**	**Ask a FPM vendor**
Identify bottlenecks in your planning and/or reporting processes	✔	
Identify when planning outputs have been compromised because you had incomplete and/or inaccurate data	✔	
Quantify the amount of time spent on manipulating spreadsheets within your organization	✔	
Confirm your confidence with the outcomes of your forecasting and/or 'what if' analysis	✔	
Identify the quantifiable benefits your organization could achieve if the time required to analyze financial and operational data was reduced	✔	✔

Outline structures that would benefit from a financial performance platform

Actions	Look within your company	Ask a FPM vendor
Confirm your institution has more than one program or operates in more than one geographic location	✔	
Identify if your organization is increasing, or planning to increase, the number of students, programs, or employees in the next 12 to 18 months	✔	
Confirm whether you have multiple stakeholders your business is accountable to	✔	

Create a plan to implement a financial performance platform that reduces the time spent on planning, budgeting, and forecasting

Actions	Look within your company	Ask a FPM vendor
Define immediate/short-term goals that you would like a FPM platform to solve	✔	✔
Document the processes that you would like to improve/automate with a FPM platform	✔	
Confirm the process for integrating data from your ERP, CRM, HRMS, or payroll system into a FPM platform	✔	
Identify the area(s) within your organization where you would like to increase collaboration	✔	
Identify people within your institution that would be initial users of a FPM platform	✔	

Research platforms (FPM) that reduce the time spent on planning, budgeting, and forecasting

Actions	Look within your company	Ask a FPM vendor
Review industry analyst reports about FPM solutions	✓	✓
Speak with colleagues in your industry about their experiences with FPM solutions (including total cost of ownership)	✓	
Attend FPM vendor presentations and product demonstrations	✓	✓
Identify a wish list of qualities and functionalities of a FPM platform that would help you reduce the time spent on planning, budgeting, and forecasting	✓	✓

About Prophix

Your business is evolving. And the way you plan your business activities and report on them should evolve too. To empower mid-market companies to achieve their goals, Prophix provides an integrated, cloud-based platform to the Office of Finance; one that delivers planning, budgeting, reporting, forecasting and consolidation solutions. With Prophix, finance leaders improve profitability and minimize risk and puts the focus back on what matters most – uncovering business opportunities. Prophix supports your future with AI innovations that adapts to meet your strategic realities, today and tomorrow. Over 2,500 active customers around the globe rely on Prophix to transform the way they work.

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