An Aligned Approach: Linking Planning With Resource Allocation and Assessment

CBMI
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Session Agenda

- Alignment
- Operational planning
- Key principles for resource allocation
- Assessment
- Other issues
- Questions, comments, and reactions
Alignment

- The different forms of planning must be integrated with each other
  - Strategic, infrastructural, & operational planning
- All planning must be aligned with resource allocation and assessment
- True alignment requires sharing and coordination of
  - Information and data
  - Perspectives
  - Action / Execution
Strategic Planning

• One-year effort conducted by a Strategic Planning Task Force (SPTF) representative of the institution’s diversity
• Fully engages all stakeholder groups
• Establishes the vision—a “picture” of the institution’s preferred future and a path to get there over five years
• Identifies a limited number of goals with pre-defined success measures
Infrastructural Planning

- Fills the gap between strategic plan and operational planning for areas not addressed in strategic plan
- Sample *programmatic* infrastructural plans
  - Academic plan
  - Student engagement plan
  - Learning resources plan
  - Auxiliary enterprises plan
  - Athletics plan…
Infrastructural Planning (Contd.)

• Sample *support* infrastructural plans
  ◦ Enrollment management plan
  ◦ Institutional advancement plan
  ◦ Facilities plan
  ◦ Information technology plan
  ◦ Administrative plan
Operational Planning

- Strategic plans are not implemented by a Strategic Planning Department.
- Strategic plans get implemented through the day-to-day actions and activities of the various operating and capital units.
- Being intentional about these efforts will enhance results.
  - Operating plans detail the efforts needed to carry out mission and move toward vision.
Financial Plans

- Final and overarching element
  - Wraps around the strategic plan, infrastructural plans, and operational plans
  - Five-year financial plan tied to strategic plan
    - Must also address the infrastructural plans
    - Guides and is influenced by operating and capital budgets
Strategic Planning

Infrastructural Planning

Operational Planning

Assessment

Resource Allocation

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QUESTIONS?
OPERATIONAL PLANNING
**Premise**

- Planning is the hardest part
  - When it’s done well, resource allocation and assessment become *relatively* easier
- Effective planning identifies what’s important and *what’s not*
- All resource allocation decisions should support what’s important
- Similarly, assessment should focus on what’s important
Overall Objectives

- Achieve vision while honoring values
- Overall improvement while accomplishing specific goals
- Maintain financial equilibrium
  - Balanced budget
  - Develop and nourish human capital
  - Preserve physical assets and technology infrastructure
  - Protect endowment purchasing power
Institutional Effectiveness Committee

- Campus-wide operational planning / resource allocation / assessment committee
  - Accountable to steering committee or designated individual(s)
    - President
    - Chief academic officer
    - Chief financial officer
    - Cabinet?
Medium-size Institution Committee / Task Force Structure

SPTF

IE Committee

= Group Leadership
= Staff
= Senior Leadership
= Faculty
Committee Staffing

- Chief accounting officer
- Chief budget officer
- Chief human resources officer
- Chief institutional effectiveness officer
- Chief institutional research officer
- Chief planning officer
  - Or those with related responsibilities
    - Functions as executive committee
    - Directs overall efforts
Representation

- From all stakeholder groups and organizational areas
  - Faculty
  - Staff
  - Students?
  - Academic departments
  - Student affairs
  - Service departments (e.g., IT, facilities)
  - Business units (e.g., auxiliaries)
QUESTIONS?
KEY PRINCIPLES FOR RESOURCE ALLOCATION
What Really Matters?

- Resources
  - Dollars
  - Positions
  - Space
  - Technology
  - Equipment
Effective Resource Allocation

- Implements plans
- Responds to assessment data
- Combines top-down guidance informed by bottom-up knowledge / realities
- Uses measures consistently
  - For example, budgets should align with **GAAP financial statements**
Ideal Approach to Resource Allocation

- Driven by integrated strategic, infrastructural, and operational plans
- Relies on a broadly participative process
- Aligned with operational planning and assessment
- Emphasizes accountability versus control
Budgeting

- Most familiar aspect of resource allocation
- There are many others such as the assignment of space or positions
- *All-funds* budgeting
  - Unrestricted
  - Restricted
Multiyear Budgets

- Planning horizons vary
- Budget period should be tied to strategic planning cycle—generally a five-year period
- Summary budgets matching strategic plan
- Detailed operating budgets for at least two years
- Capital budget covering lifecycle for all approved projects
Contingencies

- Recognize that projections will not be 100 percent accurate
- Establish a contingency to address revenue shortfalls, expense overruns, opportunities, other budgetary impacts
  - If contingencies don’t materialize, consider special year-end allocations linked to plans or additions to reserves
Budget Contraction

- No across-the-board reductions!
- Focus on plan(s) and priorities
- Selectively use reserves
- Resist temptation to increase deferred maintenance
- Less important programs take relatively larger cuts to protect priority programs
  - Maintain / publicize two lists
- Avoid cost-shifting within the institution
QUESTIONS?
ASSESSMENT AND RELATED ISSUES
Meaningful Assessment

- With accountability, what gets measured gets managed—*measure what’s important*
- Goals must have *pre-defined* measures
- Emphasize *outcomes* as much as possible
- Avoid focusing just on easy-to-calculate metrics
- Measure consistently across periods
- Make decisions based on assessment results!
Other Issues

- Monitoring financial health over time
  - Ratio analysis as a tool for strategic management
    - Composite Financial Index
- Periodic benchmarking against other institutions over time
  - Peers
  - Aspirants
- Strategic resource allocation (e.g., Dickeson’s prioritization model)
An Aligned Approach

Questions, Comments, and Reactions

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Carousel Design
• We’re going to tackle four important questions related to planning during this activity
• We’ll do this by *individually* answering the questions posted on the easels around the room
• You will have an opportunity to answer each question during the activity…
• You will be given a number between 1 and 4
• When asked, you will move to the station that corresponds to your number
• Be sure to take a marker with you
• This activity focuses on individual versus group work

**No talking…**
• Respond to the indicated question by LEGIBLY writing your response(s) on the flipchart
• If you agree with something written by someone else, place a checkmark (✓) next to the statement
• If you disagree, just ignore it
  ◦ No editing of others’ work…
- You will spend a few minutes at your first station writing your responses and adding your checkmarks
- I will call time and you will move to the next station—clockwise
- Start by reading what’s there
  - Add your checkmarks
  - Write your response(s) until I call time…
Our Carousel Questions

1. What are your institution’s strengths? For instance, its unique mission.

2. What are your institution’s weaknesses? For instance, shrinking enrollment.

3. What opportunities are available to your institution? For instance, increased philanthropy.

4. What threats are impacting your institution? For instance, competition from other colleges and universities.

   ◦ NOTE: strengths and weaknesses tend to be internal while threats and opportunities tend to be external
- You’re back at your original station
- Review what’s been added since you left
- Add your checkmarks •
• It’s okay to talk now!
• Discuss the information on the flipchart to generally agree on the 3 to 4 most important things captured
• The checkmarks help identify the things that garnered the most support—likely
most important
• Highlight the top items by circling them…
• Avoid temptation to cluster or combine items to fit more in
• We need discrete ideas
• Each group should identify a spokesperson who will report to the larger group •