

Performance Management & Metrics

What, Why & How?



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October 6, 2015



Today's road map



I. Importance of metrics to your stakeholders and external parties

- **Diane F. Viacava**
VP - Senior Credit Officer
Moody's Investors Service

II. Getting started: Why metrics and which ones?

- **Kate Walker**
VP for Finance & Treasurer
Grinnell College

III. As time goes by: Refining an established metrics program

- **Robert Munson**
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Importance of Metrics to Your Stakeholders and External Parties



Multiple Stakeholders Care About Financial Health

- State (for public universities)
- Federal government
- Board
- Faculty and Staff
- Parents and Students
- Alumni
- Donors
- Funders
- Creditors/Bondholders
- Rating Agencies



Planning and Accountability

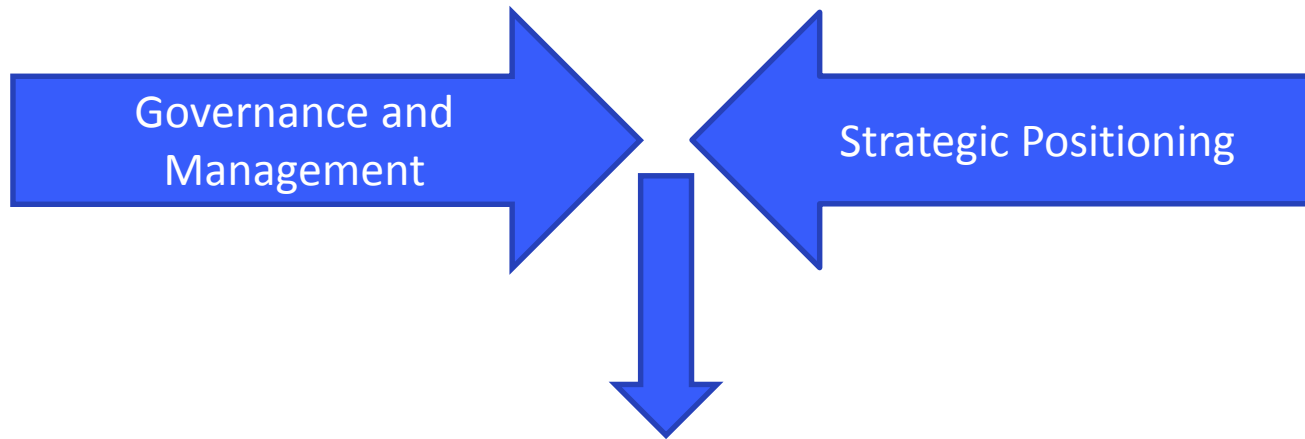


Credit Impact Substantial

Maintaining confidence of key stakeholders
essential to long-term credit health



Critical Component To Ratings



- Integrated strategic, academic, financial and capital plans
 - Informed by assessment of micro and macro environment, including competitive analysis and benchmarking
- Ability to execute on, and adjust as necessary, identified plans
 - Assessed via performance metrics
- Resources necessary to execute plans
 - Driven by stakeholder confidence, as well as internal management



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Today's road map



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Grinnell's path to a metrics program

Framing questions:

The What, Why & How?

- **WHY** should you care about performance metrics?
- **WHAT** are you trying to measure?
- **WHAT** is the right set of indicators to monitor your institution's performance?
- **HOW** can you introduce metrics to your institution?
- **WHO** is your audience and **HOW** can you best share your metrics with them?



Grinnell's path to a metrics program



2010:
New President

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Who we are

- 4-year residential liberal arts college in Iowa
- ~1,600 students
- Highly selective

New leadership in 2010

- Fresh energy
- New vision
- Change agent
- Data-informed leadership style



Grinnell's path to a metrics program



2010:
New President

“Strategic planning is a way of being.”

2011-2012:
Strategic Planning



With the Board, we asked:

- **Where are we headed?**
- How will we know if we're **successful?** What are our **targets?**
- What are our critical **enterprise risks?**
- What can and should we be **measuring?**
- What metrics will help us **anticipate** and adapt to future developments?
- **Who** needs to be in the know – and how?



Grinnell's path to a metrics program

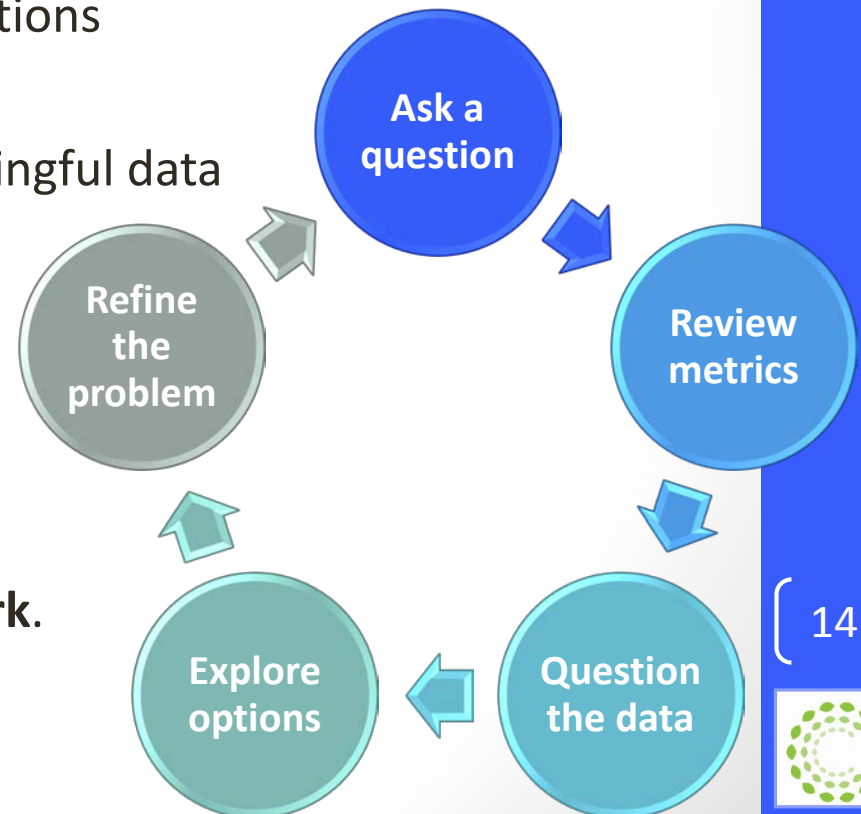
Moving to data-informed decision making

■ BARRIERS

- **Not natural** to use numbers to ask questions
- Accustomed to “**trusting our gut**”
- **Difficult** to assemble and present meaningful data

■ BENEFITS

- Add **credibility** to anecdotes.
- Can provide **early alerts**.
- Create an iterative **discussion framework**.



Grinnell's path to a metrics program



2010:
New President

2011-2012:
Strategic Planning



2012-2013:
Select metrics



Office of Analytic Support and Institutional Research

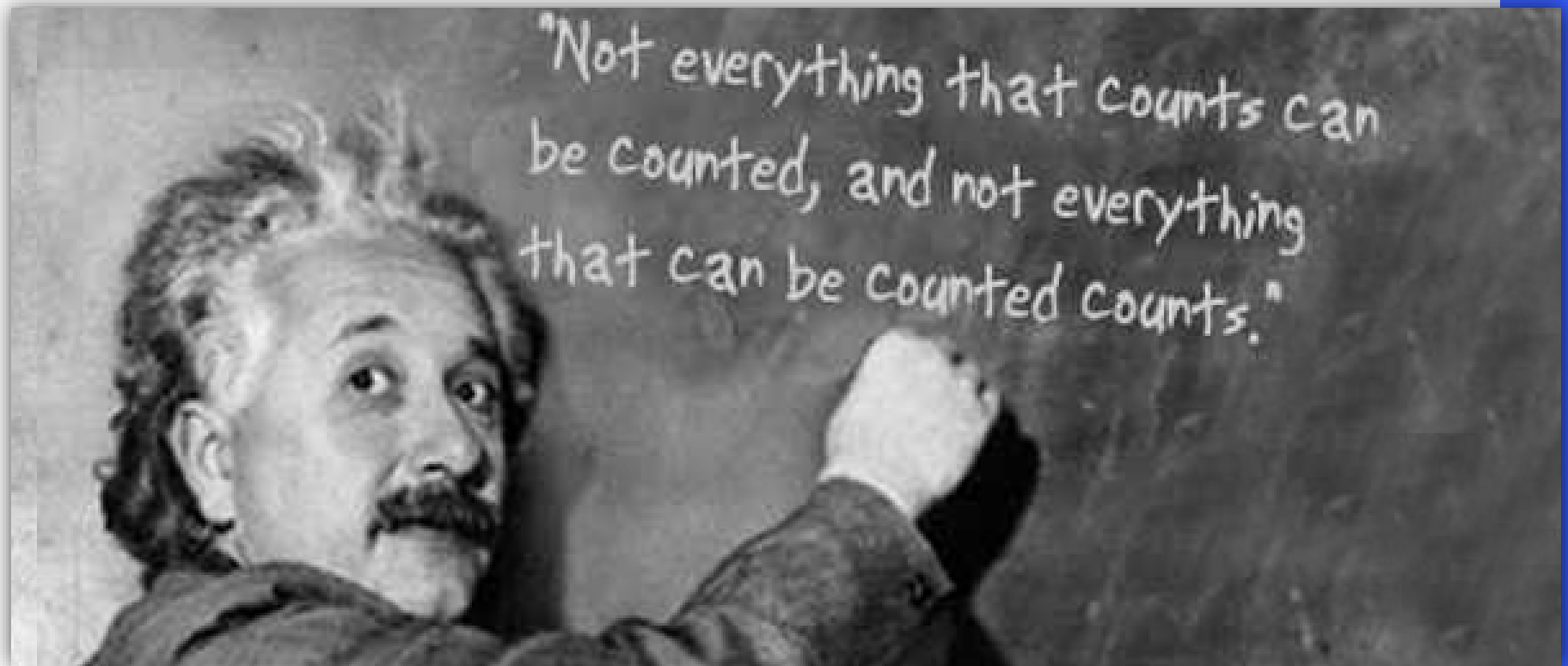
- Revamped and expanded old unit
- Built a skilled team to create an analytics infrastructure
- Worked with the Board and Committees to select meaningful metrics and benchmarks

Governance

- **Audit & Assessment Committee** delegated as governing body responsible for **ERM** and metrics



Grinnell's path to a metrics program



Institutional "core" metrics

- What **the Board** needs and wants to know
- Metrics that map to **mission** and strategic **priorities**
- Institutional **targets** and peer benchmarks



Grinnell's path to a metrics program



2010:
New President

2011-2012:
Strategic Planning



2012-2013:
Select metrics

2013-2014:
Report metrics



Institutional “core” metrics

- Quarterly **dashboard** to track progress toward institutional targets
- **Leading & lagging** indicators
- Point in time & **trending** indicators
- **Benchmarking** against peers

Committee level metrics

- Supportive of “core” metrics, but **more granular**
- Focused on **specific issues**, e.g. applications, net revenue per student, etc.



Grinnell's path to a metrics program



2010:
New President

2011-2012:
Strategic Planning



2012-2013:
Select metrics

2013-2014:
Report metrics



2014 ---
Monitor & refine
metrics

Refining the metrics field

- **Relevant** – Evolving to align with changing priorities
- **Clear** -- Not too much room for interpretation
- **Balanced** -- Leading and lagging
- **Reasonable** -- Targets that make sense
- **Dynamic** -- Static indicators don't tell you much

On-going attention to Enterprise Risk Management



Grinnell's path to a metrics program



2010:
New President

2011-2012:
Strategic Planning

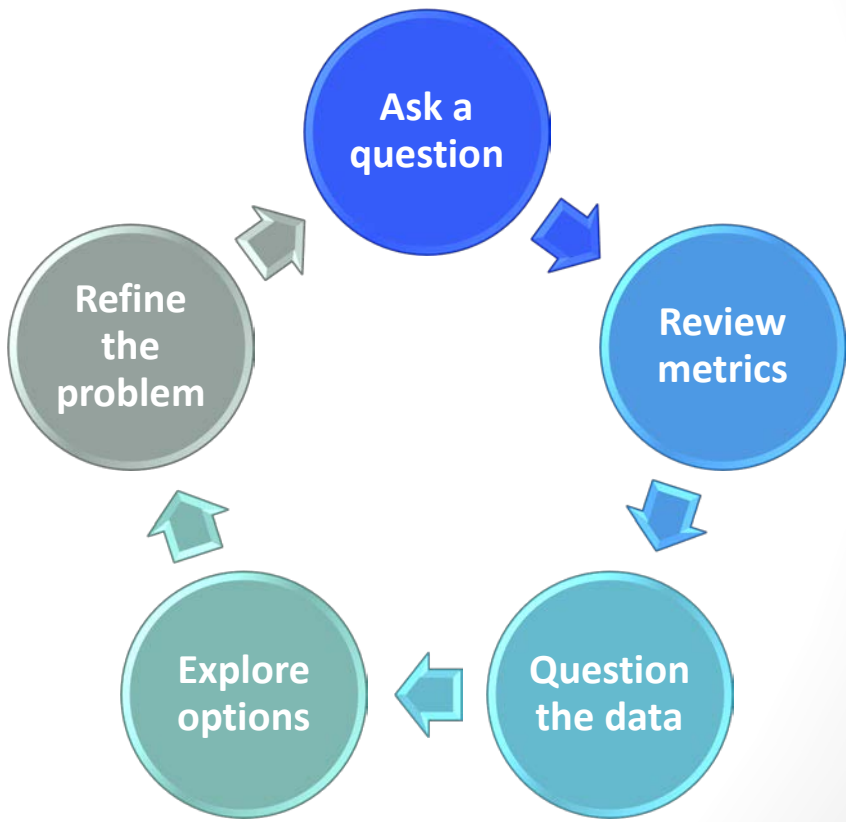


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Loyola's Legendary Turnaround

3rd Largest Independent Higher Education institution in Illinois

6 campuses

- Lake Shore Campus (Rogers Park, Chicago)
- Water Tower Campus (Downtown, Chicago)
- Health Sciences Campus (Maywood, IL)
- Loyola University Retreat & Ecology Center (Woodstock, IL)
- Cuneo Mansion & Gardens (Vernon Hills, IL)
- John Felice Rome Center (Rome, Italy)

16,000+ Students

One of 28 Jesuit Colleges and Universities in U.S.



Loyola's Legendary Turnaround

1995 to
2002:

A
Downward
Spiral

- Enrollment declined by ~ 2000 students
- Excess physical plant capacity
- Aggregated operating losses of ~ \$200M over 8 years
- No budget reductions or program adjustments
- Lack of funds for physical plant maintenance
- No debt repayment plan
- Lack of internal financial controls
- Lack of communications between operating units

Loyola's Legendary Turnaround

2002:
A New
Direction

- New management team appointed by Board of Trustees
- Focus on strategic plan addressing adverse financial results

Loyola's Legendary Turnaround

2003:
Key
Drivers
Towards
Success

- **Conservative budgeting implemented**
 - Unspent faculty salary dollars controlled by Provost
 - Unspent staff salary dollars added to favorable operating variance
 - Gifts supporting operations not budgeted
 - Used to fund President's strategic initiatives planning
 - Capital budgeting process starts with funded depreciation
- **Responsibility Accounting Model implemented**
 - P&L's by school
 - Teaching benchmarks

Loyola's Legendary Turnaround

Issue	Report/Metrics	Purpose	Audience
Enrollment Decline	<ul style="list-style-type: none"> Enrollment Funnel <ul style="list-style-type: none"> Applications Admits Deposits 	<ul style="list-style-type: none"> Regular updates Compare with past efforts 	<ul style="list-style-type: none"> Budget Review Team Deans Board of Trustees
Excess Physical Plant Capacity	<ul style="list-style-type: none"> Asset Schedule Campus Master Plan 	<ul style="list-style-type: none"> Evaluate property usefulness 	<ul style="list-style-type: none"> Budget Review Team
Operating Losses	<ul style="list-style-type: none"> Statement of Activities <ul style="list-style-type: none"> Macro Segments 	<ul style="list-style-type: none"> Monitor Progress Compare Actuals, Forecast and Projections 	<ul style="list-style-type: none"> Budget Review Team Board of Trustees

Loyola's Legendary Turnaround

Issue	Report / Metrics	Purpose	Audience
Lack of Programming or Budget Reductions	<ul style="list-style-type: none"> • School P&Ls • Delaware Study • Teaching Benchmarks 	<ul style="list-style-type: none"> • Track faculty productivity • Evaluate fiscal health of individual schools 	<ul style="list-style-type: none"> • Budget Review Team • Deans
Lack of Funds for deferred maintenance	<ul style="list-style-type: none"> • Capital Budget • Schedule of projects 	<ul style="list-style-type: none"> • Prioritize capital projects and funding 	<ul style="list-style-type: none"> • Budget Review Team • Board of Trustees
No debt repayment plan	<ul style="list-style-type: none"> • Debt Repayment Schedule 	<ul style="list-style-type: none"> • Timeline for interest and principal payments schedule 	<ul style="list-style-type: none"> • Budget Review Team • Board of Trustees

Loyola's Legendary Turnaround

Enrollment Management Recruitment: 2015 Funnel as Of 8/17/15

Undergraduate: Fall 2015

Undergraduate: Fall 2015												
Freshmen	Applications				Admits				Net Deposits			
	2014 YTD	2015 YTD	% Change	2014 Fnl Apps	2014 YTD	2015 YTD	% Change	2014 Final	2014 YTD	2015 YTD	% Change	2014 Enrolled
Arts & Sciences												
Engineering Sci.												
Business												
Communication												
Education												
Nursing												
Rome Start												
Social Work												
Total:	0	0	N/A	0								0
Transfer	Applications				Admits				Net Deposits			
	2014 YTD	2015 YTD	% Change	2014 Fnl Apps	2014 YTD	2015 YTD	% Change	2014 Final	2014 YTD	2015 YTD	% Change	2014 Enrolled
Arts & Sciences												
Business												
Communication												
Education												
Nursing												
Social Work												
Total:	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
ABSN	Applications				Admits				Net Deposits			
	2014 YTD	2015 YTD	% Change	2014 Fnl Apps	2014 YTD	2015 YTD	% Change	2014 Final	2014 YTD	2015 YTD	% Change	2014 Enrolled
Accelerated Nursing												
Total:	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Total	Applications				Admits				Net Deposits			
	2014 YTD	2015 YTD	% Change	2014 Fnl Apps	2014 YTD	2015 YTD	% Change	2014 Final	2014 YTD	2015 YTD	% Change	2014 Enrolled
Arts & Sciences	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Engineering Sci.	0	0		0	0	0		0	0	0		0
Business	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Communication	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Education	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Nursing	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Rome Start	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Social Work	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Total:	0	0	N/A	0	0	0	N/A	0	0	0	N/A	0
Grad/Profess School	Applications											
	2014 YTD	2015 YTD	% Change									
Arts and Sciences												
Biomedical Sciences												
Business												
Communication												
Dual												
Education												
IPS												
Law (MJ, LLM, DLaw)												
Nursing												
SCPS												
Social Work												
Total:	0	0	N/A									
Law School	Applications											
	2014 YTD	2015 YTD	% Change									
Full-Time												
Part-Time												
Total:	0	0	N/A									
Stritch School of Medicine	Applications											
	2014 YTD	2015 YTD	% Change									
M.D. Program												
Total:	0	0	N/A									
JFRC	Applications											
	2014 YTD	2015 YTD	% Change									
Loyola												
Visitors												
Total:	0	0	N/A									
Arrupe College: Fall 2015												
Arrupe	Applications				Admits				Net Deposits			
	2014 YTD	2015 YTD	% Change	2014 Final	2014 YTD	2015 YTD	% Change	2014 Final	2014 YTD	2015 YTD	% Change	2014 Final Enr.
Arrupe			N/A				N/A				N/A	

Loyola's Legendary Turnaround



LOYOLA UNIVERSITY CHICAGO

LOYOLA UNIVERSITY CHICAGO
Consolidating Statement of Activities
University Academic
FY 2014 Actual to FY 2016 Projection
(\$000s)

Preparing people to lead extraordinary lives

	FY 2014 Actual			FY 2015 Forecast			FY 2016 Projection		
	Lakeside	HSD	Total	Lakeside	HSD	Total	Lakeside	HSD	Total
Operating Revenues:									
Tuition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	-	-	-	-	-	-	-	-	-
Scholarships									
Funded	-	-	-	-	-	-	-	-	-
Unfunded	-	-	-	-	-	-	-	-	-
Total Scholarships	-	-	-	-	-	-	-	-	-
Net tuition and fees	-	-	-	-	-	-	-	-	-
Grants and contracts	-	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Auxiliary services	-	-	-	-	-	-	-	-	-
R&E & SSOM incentive - NAR for operations	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	-
Total Operating Revenue	-	-	-	-	-	-	-	-	-
Operating Expenses:									
Salary	-	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-	-
Non-salary operating expense	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Depreciation and disposals	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Expense reductions	-	-	-	-	-	-	-	-	-
Total Operating Expenses	-	-	-	-	-	-	-	-	-
Results of Operations	-	-	-	-	-	-	-	-	-
Market impact on pension liability	-	-	-	-	-	-	-	-	-
Market impact on investments	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-
Net assets released to operations	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



The Takeaways

Metrics are...

- **Good for your institution**
 - Indicators of where you've been, where you are, and where you're heading
- **Good for responsible governance**
 - Catalysts for meaningful discussions with trustees and institutional leaders
- **Good for stakeholders**
 - Powerful story tellers for internal and external audiences
- **WORTH THE EFFORT**



Thanks for listening. Questions?



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