

EMORY UNIVERSITY
2015-2017 Assessment Report for Administrative and Educational Support Units
Assessment Period Covered: September 1, 2015-August 31, 2017

Unit: Finance Division	Date Submitted: October 2, 2017
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I. MISSION STATEMENT

The Finance Division's mission, vision, and values guide us to (i) unify under one purpose and agenda, (ii) our goals and intent for the future, (iii) practice behaviors and beliefs under one collective culture, and (iv) develop and deliver against strategic business plans. Our mission and vision are defined below.

Mission:

To further a sustainable financial framework which fosters innovation by finding new ways to provide the University with superior financial services and which pursues appropriate resource deployment to best support the academic and research success of Emory University.

Vision:

A finance "organization" that has fewer boundaries and fosters alliances and partnerships among schools, units, and supports unit finance leaders to work effectively by:

- Fostering financial investment which demonstrates return on value and/or investment to guide resource management decision making
- Embracing a talent development and succession planning systems which results in career paths
- Guiding and implementing business plans driven by strategic plans and executed with annual budgets

II. OUTCOMES

1. As Finance continues to evaluate our business in order to best serve the mission and vision of both Finance and the University, implement organizational changes that are relevant in achieving our mission and vision.
2. Establish Performance Management for the Finance Division.
3. Improve effectiveness of resource planning and advance processes and resource optimization for efficiency and effectiveness.
4. Continue to establish and promote talent management and diversity.
5. Maintain Emory University's credit rating in FY17.
6. Continue to meet the established Market Disruption Reserve funding targets by achieving the FY16-17 funding goal.

III. ASSESSMENT SUMMARY

OUTCOME #1:

As Finance continues to evaluate our business in order to best serve the mission and vision of both Finance and the University, implement organizational changes that are relevant in achieving our mission and vision

Supports School/Division Strategic Goals:

Continuously evolve our Finance expertise and offering to support the mission of Emory and embrace technology and new systems to maximize resource capabilities.

Supports University Strategic Goals:

Emory stewards its financial and other resources to drive activities that are essential and those through which Emory can demonstrate excellence and provide leadership.

FIRST METHOD OF ASSESSMENT FOR OUTCOME #1:

Method of Assessment:

Demonstrate progress in at least two areas of organizational improvements which serve to realign staff to support the University mission – execute organization transformation.

Achievement Target:

Implement organizational changes which further the university mission and provide improved services to the Finance Division's customers which includes establishing high performing teams which demonstrate process, system, and customer improvements.

Summary of Assessment Results:

In 2015, the Office of Finance Systems and Data Analytics (OFSDA) was created to align financial systems and business processes for improved performance and resource management. To maintain the purpose of OFSDA, we began executing several initiatives. The Finance Support Center was created by consolidating customer support from all departments within the division in to one singular support center. To streamline and provide consistent, timely customer support, an investment was made in a CRM to collect data on our support levels, consolidate our issues, and identify areas for optimization.

We partnered with Emory Learning and OD and a human capital consultant to develop a career pathing framework and tool for all positions within the Finance Division. The competency model aligns all Finance Roles with the skills and competencies necessary to meet the needs of our stakeholders. The Career Pathing tool allows staff to identify roles of interest in their career progression and clearly identify how to work towards those goals and future positions.

As part of the Procurement Services' Transformation Roadmap, the Finance Division is forming the Enterprise Procurement Network (EPN) which consists of University wide procurement practitioners who will work together to develop effective sourcing and procurement strategies through the creation of campus-wide standards leading to increased cost reductions and avoidance for schools and units.

Finance is partnering across the enterprise to continue to improve broad reporting and internal business processes by providing enterprise-wide oversight for preparation of Tax returns, specifically the Forms 990 for Emory University and related entities which fall under University Board oversight.

We enhanced the Awards Management Department by realigning operations staff to better partner with the Research Administration Services Centers (RAS) and serve all areas of award management, allowing for a seamless, end-to-end approach versus a task oriented model.

Use of Assessment Results to Improve Unit Services:

OFSDA has provided collaborative business intelligence and analytics and enhanced tools for finance leaders. Specifically, the Finance Support Center provides a single point of entry into a single repository, streamlining our business processes, allowing us to implement effective

service level agreements and take advantage of robust reporting and dashboard capabilities to provide visibility into support management.

The Career Pathing initiative provides the tools for the Finance Division staff to create development plans and enables succession planning, development, and growth. Additionally, the framework and tools can be replicated as best practices in other schools and units increasing the return on value of the investment.

The Enterprise Procurement Network will ensure collaboration and connectivity between Procurement and University-wide practitioners. This group will aid the development and strategies and drive transformation efforts across the enterprise as well as effective sourcing and supply chain practices.

By partnering across the enterprise, the Tax team coordinated earlier completion of Healthcare Form 990 schedules in conjunction with University deadline in order to allow adequate review by board committees prior to filing.

Award setup transformation of automated award setup improved cycle time. This team implemented a quality assurance implementation which has served to support less re-work and errors. Due to these improvements, Finance completed 500 award setups in 10 business days and currently maintain a pace of issuing around 100 electronic notification of awards (eNOA) with zero errors.

OUTCOME #2:

Establish Performance Management for the Finance Division.

Supports School/Division Strategic Goals:

Continue to implement and execute the Performance Management System within Finance and utilize this as a decision making tool to highlight and communicate areas of improvements, opportunity, efficiency, and value.

Supports University Strategic Goals:

Emory stewards its financial and other resources to drive activities that are essential and those through which Emory can demonstrate excellence and provide leadership.

FIRST METHOD OF ASSESSMENT FOR OUTCOME #2:

<p>Method of Assessment:</p> <p>Develop value mapping, business plan actions, and KPI and metrics dashboards focused on the customer and aligned with the mission, departmental goals, and stakeholder needs which measure progress toward targets.</p>
<p>Achievement Target:</p> <p>Establish specific KPIs to measure effectiveness during FY16 -17.</p>
<p>Summary of Assessment Results:</p> <p>Completed value mapping which allowed Finance to identify departmental vision, goals, and priorities. The next steps was a framework for and identification of our key performance indicators (KPI) and metrics. In 2016, we leveraged existing resources to engage consultants to build this framework and metrics aligned with our value mapping outcomes and stakeholder needs.</p> <p>To implement Finance Performance Management, we reallocated existing resources to appoint a Chief Performance Officer (CPO) who is guiding the framework implementation and its integration into our planning and resource management processes.</p> <p>Each department now has multi-tiered metrics dashboards with annual targets. The dashboards are being built as EBI reports to allow for robust analytical and data visualization capabilities. The metrics are tracked and reviewed monthly.</p> <p>As part of enhanced performance management and communication, the Finance Division has provided leadership and the Finance Committee clear information on reporting financial performance by delivering quarterly reports. The Finance Division also developed a new model for multi-year budget presentation which clearly articulates Finance Division strategies and their connection to the mission and resource needs.</p> <p>Additionally, EBI has been enhanced through its reporting and capabilities. Four new reports have been created including the Financial Outlook Reporting Tool, Investment Funds Spending and Market Value Dashboard, Faculty Finance Summary, and Business Officers Performance Management Dashboard.</p>
<p>Use of Assessment Results to Improve Unit Services:</p> <p>The multi-tiered metrics dashboards with annual targets will guide decision making, issues resolution, and resource allocation. Metrics data will be shared with key stakeholders across Emory to report performance, ensure alignment with key stakeholder needs, and identify</p>

partnership opportunities to create efficiencies and reduce cost. Some metrics findings include:

- Overpayment metric identified root causes by department of most frequent and costly overpayment types: Later termination dates – representing 40% of total. High performance team to work with departments to reduce instances lowering resources dedicated towards overpayment collections.
- Awards underspent by 25% and ending in 90 days metrics, not previously tracked broadly, is now being shared with Chief Business Officers to ensure Emory is reducing amount of unspent award funding returned to sponsors.
- Finance Support Center metric found reduction in call volume due to root cause analysis review which informs training and new procedures.

The performance management framework and tools can be replicated as a best practice in other Emory schools and units, increasing the return on value of the investment.

The enhanced financial reporting provided clearer information and enhanced decision making by the quarterly reports reflecting performance of financial operations of Emory University versus General Accepted Accounting Principles (GAAP) reporting alone. The multi-year budget model has been shared with the Chief Business Officers across the University and is being used as the new budget presentation format.

The enhanced EBI dashboards give greater insights to business officers and allow for better resource decision making.

OUTCOME #3:

Improve effectiveness of resource planning and advance processes and resource optimization for efficiency and effectiveness.

Supports School/Division Strategic Goals:

Enhance operational effectiveness and resource decision making.

Supports University Strategic Goals:

Emory stewards its financial and other resources to drive activities that are essential and those through which Emory can demonstrate excellence and provide leadership.

FIRST METHOD OF ASSESSMENT FOR OUTCOME #3:**Method of Assessment:**

Finance identified four areas to increase operational effectiveness: shared services, creating standards, high performance teams, and operational models.

Improved effectiveness, advancing processes, and resource optimization can also be viewed through the launch and implementation of the ERP, Compass Upgrade to PeopleSoft 9.2

Achievement Target:

Increased effectiveness and overall positive return on investment.

PeopleSoft 9.2 launch on November 14, 2016 and a stable system within 6 months. (Stable is defined as open issues are no greater than 10% of the baseline equivalent in the PeopleSoft 9.0 environment as defined in September 2016.)

Summary of Assessment Results:

The Award Setup team, Compass project team, Office of Sponsored Programs, and the Office of Tech Transfer joined forces to identify a quick solution to address a backlog of 500 awards set ups.

A cross-organization, cross-functional team is addressing the issues of timely cash application for clinical trials and other sponsored research awards when the RAS issues a manual invoice to the sponsor. The team is reviewing the entire process from invoice generation to cash application to identify process and system improvements and efficiencies.

The Compass Upgrade was successful and launched PeopleSoft 9.2 on November 14, 2016 and was stable within 6 months. The timeline and workplan included listening tours, designing, building, and testing the system, training, going live, and stabilizing.

The Enterprise Finance Network (EFN) has become fully operationalized and the EFN and Financial Officers Network (FON) created a workplan which focuses on leadership development and operational excellence topics. The EFN meets bi-monthly and addresses at least one leadership development topic and one operational excellence topic during each meeting.

Use of Assessment Results to Improve Unit Services:

The clinical trials invoicing efforts have improved timeliness of cash collections applications for sponsored research. Controls are in place to allow delegation to the Office for Clinical Research to use the system to generate invoice through compass grant module versus manual.

The Compass Upgrade had several measurable benefits including reduced cost of ownership, improved financial controls, improved revenue recognition, improved user satisfaction, and improved proficiency.

One of the EFN's Operational Excellence topics focused on developing common and consistent reporting dashboards. The EFN engaged in a Design Thinking session, facilitated by a consulting firm, which will ultimately produce several common reporting standards which can be used across the University's schools and units. This efforts will help prioritize the data and reports on which Financed should focus. Further, the improved dashboards will enable the school and unit business leaders to make better decisions.

OUTCOME #4:

Continue to establish and promote talent management and diversity.

Supports School/Division Strategic Goals:

Continue to establish and promote talent development among finance leadership team and create an awareness of diversity among the Finance Division.

Supports University Strategic Goals:

Emory's social and physical environment enriches the intellectual work and lives of faculty, students, and staff.

Emory stewards its financial and other resources to drive activities that are essential and those through which Emory can demonstrate excellence and provide leadership.

FIRST METHOD OF ASSESSMENT FOR OUTCOME #4:

Method of Assessment:

Finance Division employees creating development plans, engaging in talent management and diversity activities and events, and launching talent management diversity programs.

Achievement Target:

The Career Pathing initiative will be launched and new 100% compliance expectation for development plans for all Finance employees.

Talent management and diversity programs will be in various stages due to the nature of an ongoing effort.

Summary of Assessment Results:

Finance partnered with Learning and Organizational Development, Business Practice Improvement, and human capital consultants to develop a competency model that aligns all 118 Finance positions with new skills and competencies necessary to meet the needs of our stakeholders as identified through our value Mapping and Performance Management process. The process is complete and produced a Career Pathing Toolbox. The Toolbox has been launched and is currently being utilized by the division's managers.

We established and launched a year-long new manager training program for the Finance Managers. The training includes quarterly sessions and will continue quarterly after the pilot year. The program will provide management training and guidance on how to maximize the impact of the new career pathing tool.

The Business Leaders Program (BLP), which originated out of the EFN has been developed, finalized, and launched in June 2017. The first cohort of participants has been selected and begins in October 2017.

We launched finance recognition programs including professional accomplishment emails and the BOLD Award for innovative team thinking to increase awareness and engagement among internal stakeholders.

Finance deployed an engagement survey and focus groups with a 89% participation rate. Based upon results, Finance is implementing improving communication and trust.

Use of Assessment Results to Improve Unit Services:

The Career Pathing initiative provides a clear understanding of expectations for each role in finance; guidance for potential career advancement, tools, resources, and guidance to prepare employees for their next role and beyond; and regular manager and employee discussions. This framework and tools can be replicated as a best practice in other schools and units across the enterprise.

The manager training program will equip managers with the skills they need to be effective managers both within Finance and for the university. It will provide manager training and guidance on how to use the career tool for development and planning.

The BLP cultivates the next generation of business leaders. This program provides experiential and exposure opportunities, hands on mentoring and coaching, and customized learning sessions to prepare and grow our business leaders.

The diversity initiatives provides a forum for knowledge experience sharing, leadership development, and maximizing and recognizing our diverse skill set and experiences.

<p>OUTCOME #5:</p> <p>Maintain Emory University's credit rating in FY 17.</p>
<p>Supports School/Division Strategic Goals:</p> <p>Foster financial investment which demonstrates return on value and/or investment to guide resource management decision making.</p>
<p>Supports University Strategic Goals:</p> <p>Emory stewards its financial and other resources to drive activities that are essential and those through which Emory can demonstrate excellence and provide leadership.</p>

FIRST METHOD OF ASSESSMENT FOR OUTCOME #5:

<p>Method of Assessment:</p> <p>Maintain Emory University's credit rating during FY16-17</p>						
<p>Achievement Target:</p> <p>Maintain Emory University's credit rating during FY16-17 of:</p> <table> <tr> <td>S&P</td> <td>AA</td> </tr> <tr> <td>Fitch</td> <td>AA+</td> </tr> <tr> <td>Moody's</td> <td>Aa2</td> </tr> </table>	S&P	AA	Fitch	AA+	Moody's	Aa2
S&P	AA					
Fitch	AA+					
Moody's	Aa2					
<p>Summary of Assessment Results:</p> <p>As part of Emory University's Series 2016A/B bond issuance executed in September 2016, Standard and Poor's, Fitch and Moody's all conducted interim reviews of Emory University's credit profile as it relates to long-term bonds and short-term commercial paper programs.</p> <p>Standard and Poor's affirmed Emory's long-term bond rating of AA with a stable outlook and short-term rating of A-1+ for Emory's taxable and tax-exempt commercial paper programs. The rating reflects Emory's strengths including:</p> <ul style="list-style-type: none"> • Healthy demand for comprehensive academic programs and student quality • Strong financial profile highlighted by maintenance of full accrual surpluses and solid available resources • Strength of healthcare operations • Historical fundraising and philanthropic success 						

Moody's affirmed Emory's long-term bond rating of Aa2 with a stable outlook and short-term rating of P-1 for Emory's taxable and tax-exempt commercial paper programs. The rating reflect Emory's strengths including:

- Strong financial position including ample balance sheet reserves, moderate financial leverage and notable fundraising
- Very good strategic position reflecting excellent student market
- National research position
- A leading regional market role of the healthcare enterprise
- Notable management and governance

Fitch affirmed Emory's long-term bond rating of AA+ with a stable outlook. Fitch does not provide a short-term rating. The rating reflect Emory's strengths including:

- Strong balance sheet, manageable leverage and excellent operating profile across both the academic and healthcare units
- Regular cash surpluses, successful fundraising and sound investment management
- Low debt burden with strong coverage from operating cash flows

Manageable capital plans due to prudent facilities planning and philanthropic support

Use of Assessment Results to Improve Unit Services:

Maintenance of Emory's AA/Aa2/AA+ credit rating allows for continued investor confidence and is one of many factors that contributes to Emory University's reputation. In addition, Emory's high credit rating ensures continued access to capital markets at very attractive rates when needed to invest in resources to further Emory's mission and vision.

OUTCOME #6:

Continue to meet the established Market Disruption Reserve funding targets by achieving the FY16-17 funding goal.

Supports School/Division Strategic Goals:

Foster financial investment which demonstrates return on value and/or investment to guide resource management decision making.

Supports University Strategic Goals:

Emory stewards its financial and other resources to drive activities that are essential and those through which Emory can demonstrate excellence and provide leadership.

FIRST METHOD OF ASSESSMENT FOR OUTCOME #6:

<p>Method of Assessment:</p> <p>Evaluate and assess continued contributions to the Market Disruption Reserve in FY16-17 in accordance with the funding schedule approved by the University Ways and Means committee (WAM) in FY15</p>
<p>Achievement Target:</p> <p>Continue to make progress against the approved framework and funding schedule of the Market Disruption Reserve with the goal of achieving funding levels in the reserve of \$100 million.</p>
<p>Summary of Assessment Results:</p> <p>The cumulative Market Disruption Reserve funding goal through FY 17, based on the approved framework, is \$80 million. We have achieved 75% of that funding goal.</p>
<p>Use of Assessment Results to Improve Unit Services:</p> <p>The Market Disruption Reserve was established to protect the operational liquidity and to support continuity of institutional operations and momentum in periods of extended economic and market downturn.</p>

IV. What outcomes will your unit assess next year?

<p>Outcome:</p> <p>Enterprise Procurement Network implementation and effectiveness.</p>	
<p>Method:</p> <p>Formation of network and collaboration between University-wide procurement practitioners to develop effective sourcing and procurement strategies.</p>	<p>Achievement Target:</p> <p>Creation of campus-wide standards leading to increased cost reductions and avoidance for schools and units.</p>

Outcome: Development of an enterprise-wide capital investment plan.	
Method: Development of an enterprise wide capital investment plan.	Achievement Target: Implementation of plan and transparency among the executive leaders and linkages to the University master plan and framework which will inform the annual operating budget defining capital allocation.

Outcome: Continue to develop and enhance Performance Management for the Finance Division.	
Method: During FY18 we will implement hard target setting and division-wide strategic metrics measures across the Finance Division departments. We will also launch our annual division wide customer satisfaction survey.	Achievement Target: Fully operationalize target setting and division-wide metrics within the first quarter of FY18. Launch annual customer satisfaction survey and have 90-100% metrics data reporting availability by end of FY19.

Outcome: Measure the success of the Enterprise Finance Network (EFN) by adoption of standardized practices.	
Method: Collaboration between schools and units and the adoption of standardized practices.	Achievement Target: Adoption of the career pathing framework established by Finance in another school or units as well as the creation and implementation on standard reporting dashboards.

V. SUPPORTING DOCUMENTATION

Please remember to attach supporting documentation such as surveys, questionnaires, charts, tables, spreadsheets, and detailed descriptions of assessment findings. If you have questions about what should or should not be included with the report, please contact the Office of Planning and Budgeting.

VI. REVIEW PROCESS

Please forward your 2015-2017 assessment report to the head of your administrative unit for review and signature. This review will ensure that the information included in this report is accurate and that your unit is engaged in a systematic process of continuous improvement.



Signature

10-2-2017
Date

VII. SUBMISSION OF REPORTS

Please email reports and supporting documents to David Jordan, Director of Institutional Effectiveness (David.M.Jordan@emory.edu) by Monday, October 2, 2017.