Welcome to today's University Business web seminar

How Enterprise Performance Management (EPM) Can Help Institutions Adapt and Overcome in Challenging Times

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How EPM Can Help Institutions Adapt and Overcome in Challenging Times

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Agenda

- Out of crisis, an opportunity for transformation
- Oracle connected finance (EPM)
- Q&A

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Out of crisis, an opportunity for transformation

Nicole Engelbert
Vice President
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An industry on the brink

16.1% YoY decline in FAFSA completion

252k COVID-19 cases on college campuses

484k Institution jobs lost since COVID-19

$120bn ACE estimate of COVID-19 cost

9.5% Community college enrollment decline

43% Drop in new international students

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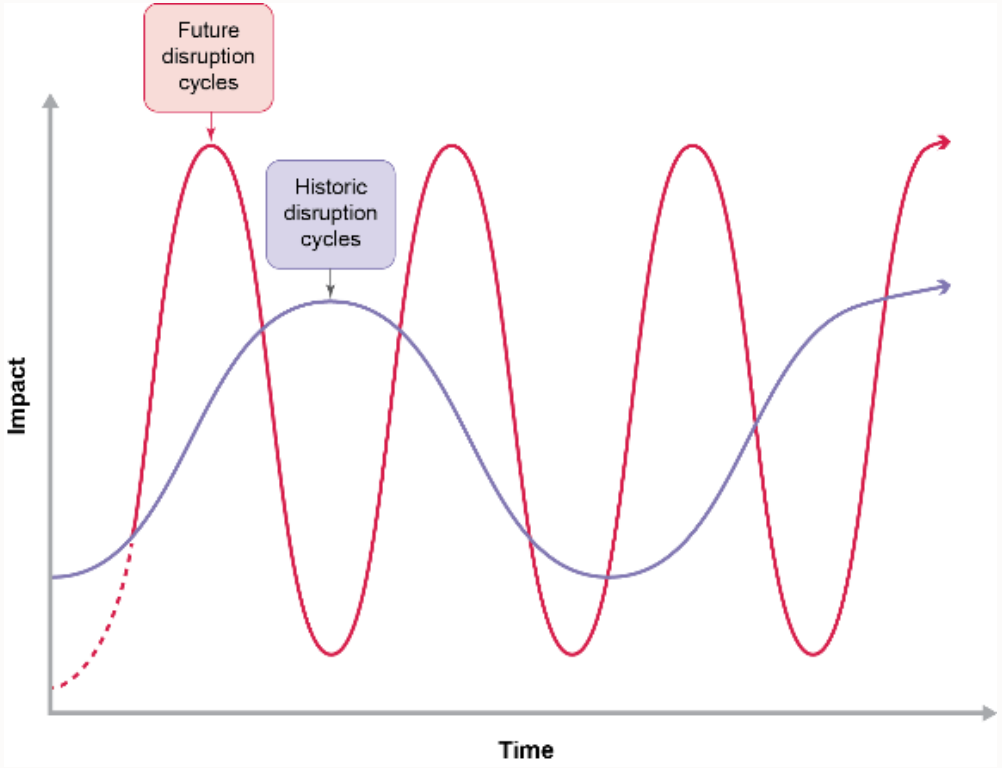
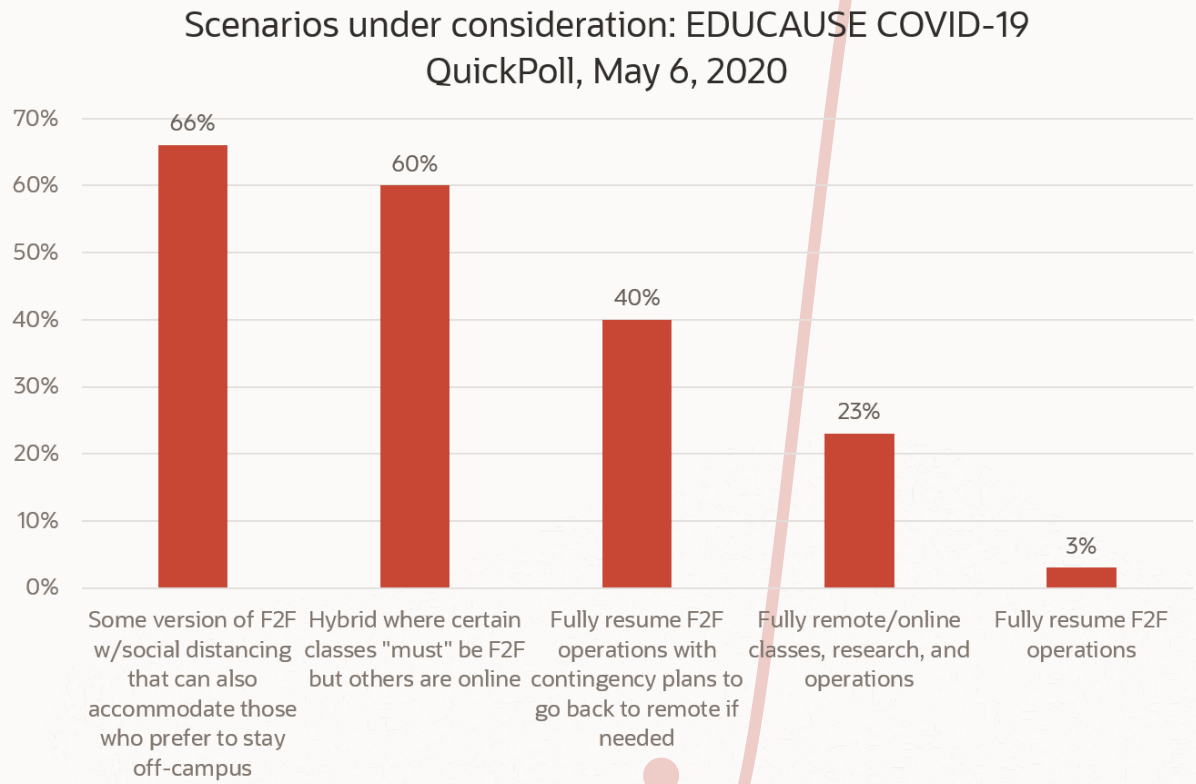
Forecasted change cycles no longer apply

Pre-March 2020 change cycles



Ovum, Digital Economy 2025: A view from the industry perspective

Post March 2020 change cycles



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Disruption for the few to dislocation for the many

+ COVID-19 =

Slow growing student dislocation drives disruption at the margins

Sudden industry-wide dislocation destabilizes its economic & cultural position

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But planning should be for dislocation, not disruption

Disruption	Dislocation
Change as a wave	Change as an avalanche
Process change	Systemic change
Technology offers new ways	Industry value questioned
Shifts in customer expectations	New customers and new expectations
A return to normalcy	A new, unknown normal

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Possible scenarios

Closures & consolidation

- Public budgets contract driving consolidation and closures
- Private institutions on the precipice close or merge

New operating models

- Beloit College moves to 7-week terms, Bentley trimester
- Intentional hybrid or fully online, Cambridge University
- Academic networks

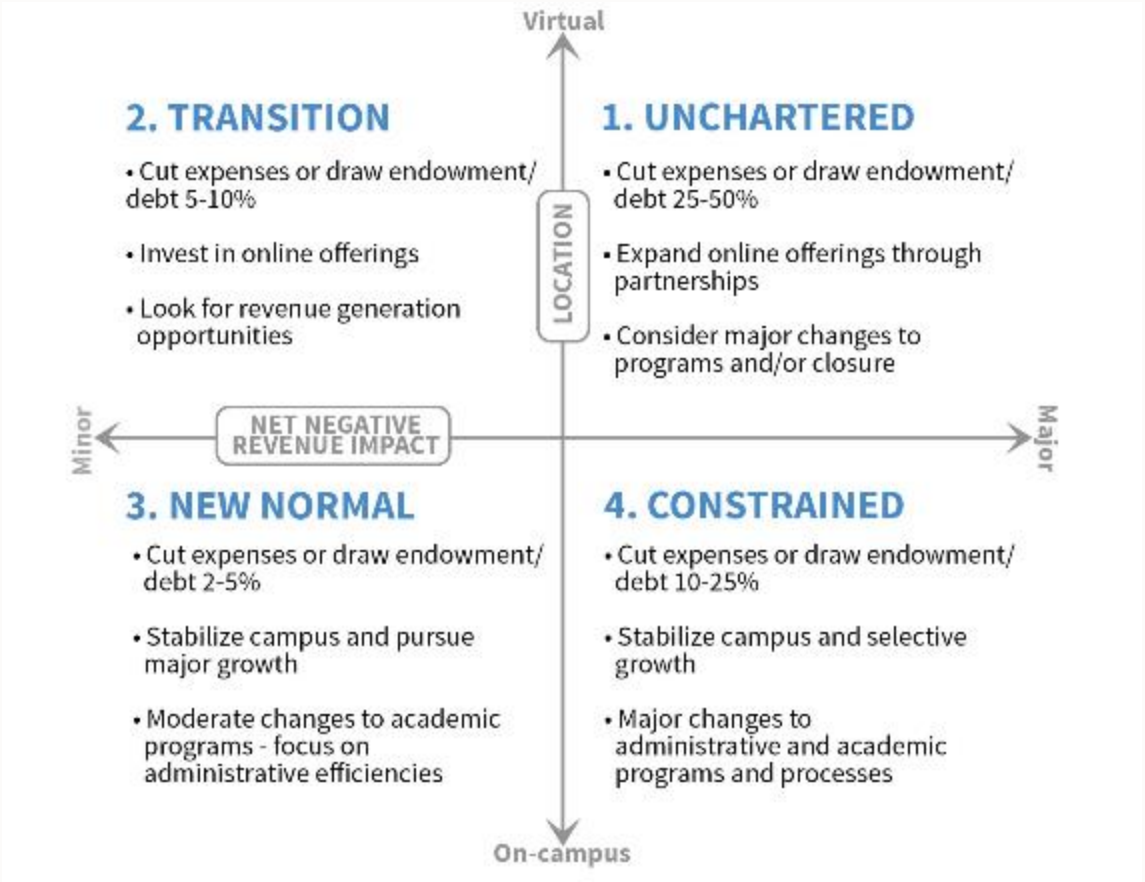
Shifting enrollment patterns

- Who will arrive “on campus” this fall?
- Growth of mega-universities accelerates
- Fiscal priorities shift – “keeping the lights on” vs “shining city on a hill”

A new kind of student experience

- Lower order Hierarchy of Needs
- First year students less wed to their institution

ABC Insights, Preparing Your budget with Coronavirus in Mind



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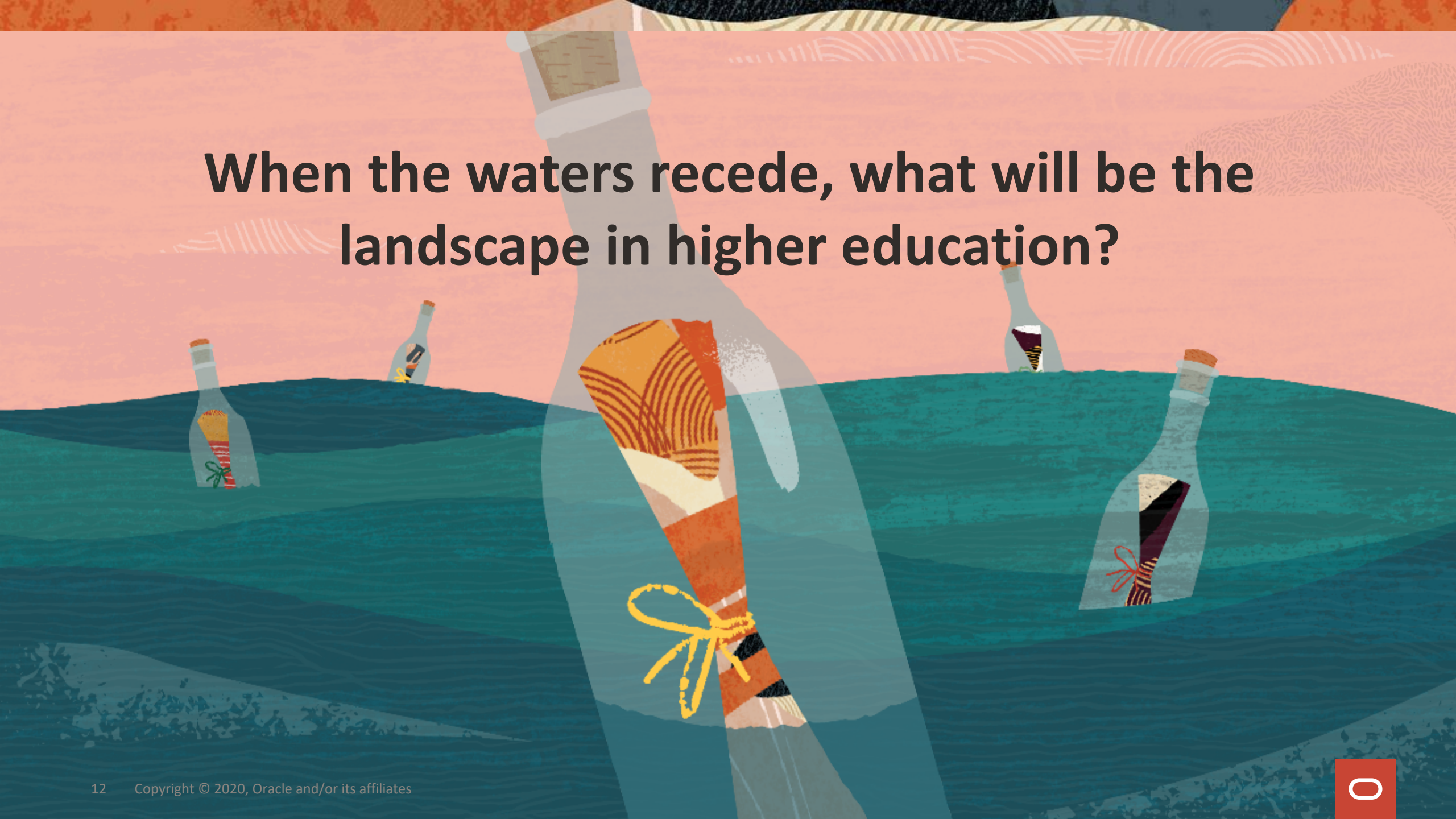
When the waters recede, what will be the landscape in higher education?



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Institutions will demand agility, sustainability, and insight

Intelligent automation

- Things may need to change
- How would we change?
- Tools, system, processes

Tools to survive, then thrive

- Strategic Modeling
- HCM Care Package
- Curriculum registry, single platform

Back office centralization

- Gain economies of scale
- Shared Services
- Examples: Green Mountain, PASSHE, Dallas College, HESS/E&I, Multi entity capabilities

Consumer market sensibilities

- Anytime/anywhere access to information - mobility/security
- Voice-based interaction with systems – Digital assistants
- Curated interaction with systems and processes – next best action enabled by AI/ML technologies

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- **Oracle connected finance (EPM)**

Marc Seewald

Vice President

EPM Product Management

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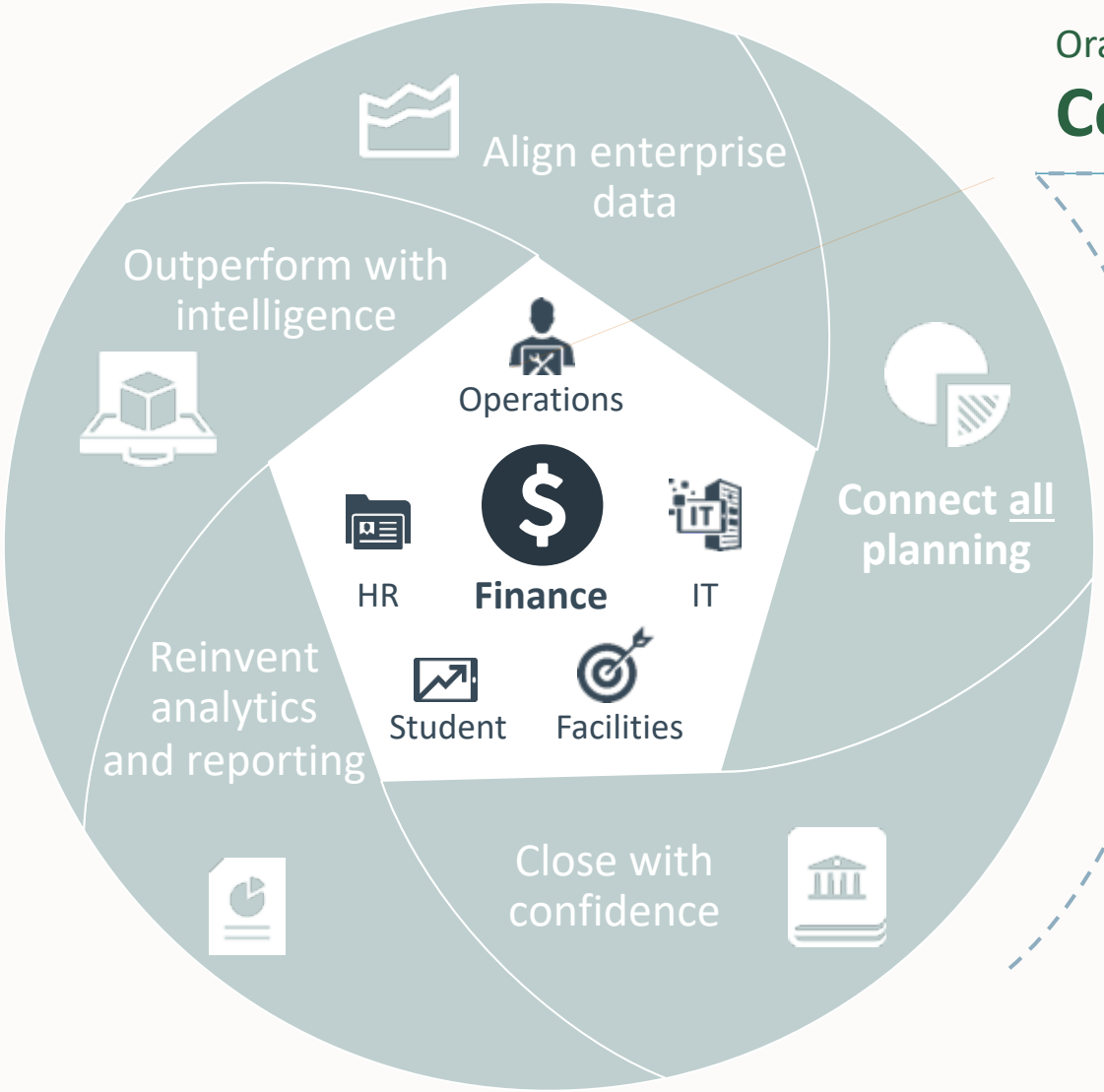
Oracle Cloud EPM

Connected Finance



- Annual Department Budgets
- Monthly/Quarterly Forecasts
- Long Range Scenario Planning
- Monthly Financial Close & Consolidation
- Account Reconciliation
- Cost of Education Analysis
- Budget Books
- Metadata Alignment (hierarchies, COA redesign)

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How is crisis planning different?

	Long range strategic planning	Transformation planning
Periodicity	Summary (year, semester)	More detailed (semester, monthly)
Drivers & Assumptions	Traditional assumptions (e.g. trend-based growth rates, etc.)	**Revenue:** Student segmentation, tuition **Other:** State funding, donations, endowment return, costs of PPE, capex decisions, etc.
Frequency of Update	Once every 2-3 years	Annual, Semester, Monthly?
Relationship to bottoms-up Planning	Target Setting for Annual Budget	Capex, facilities, workforce will complement the broader “Scenario Modeling” efforts

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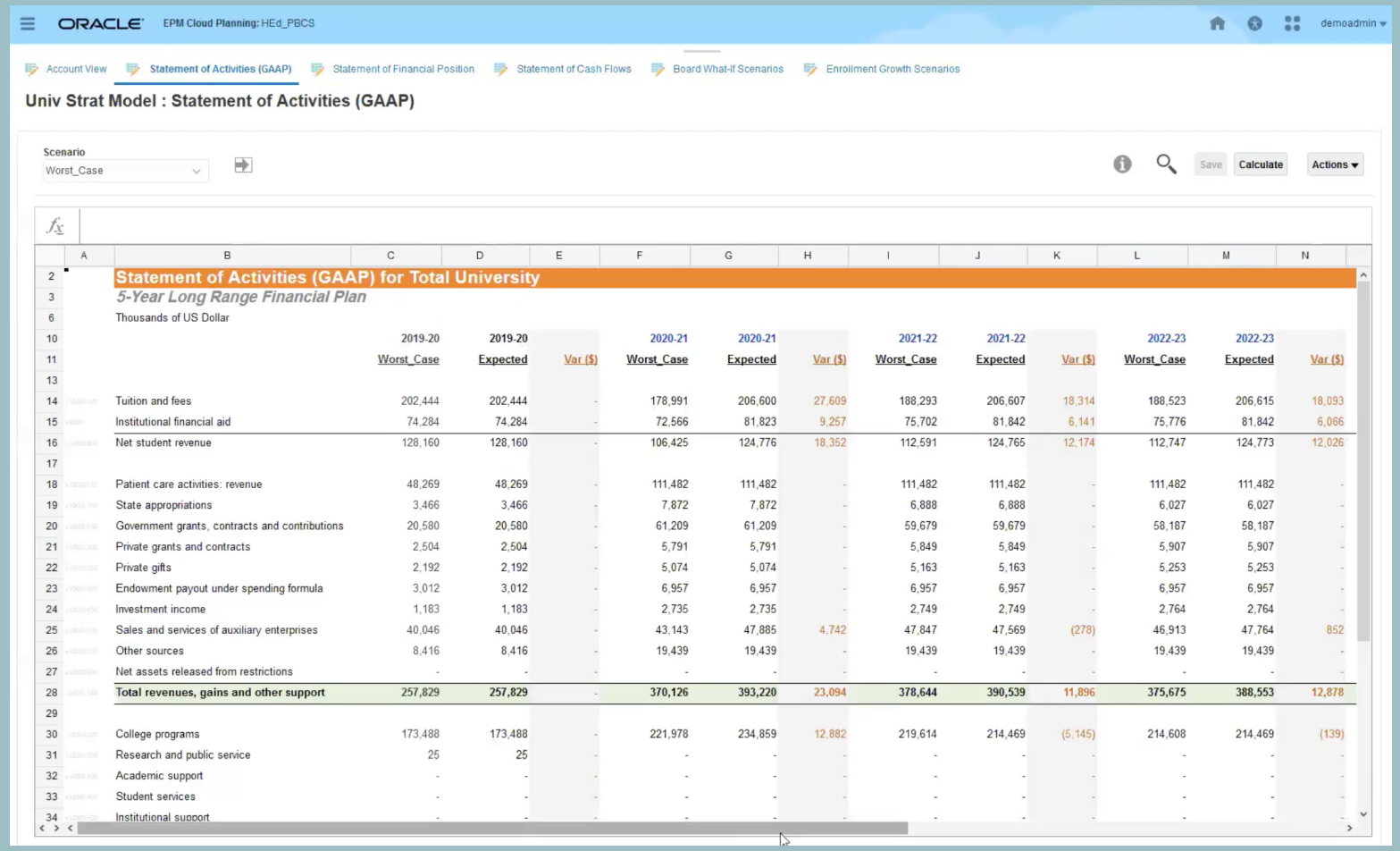
Strategic Scenario Planning

Create, update, and compare multiple strategic financial planning “what-if scenarios” on-the-fly:

- Best practice for full financial impact to the institution
- Integrated to forecasts for easy updates based on the latest details
- Perform “Goal Seek” to assess the viability of achieving targets
- Run simulations in seconds to de-risk long-range plans

Plan the Transformation of the Institution



Statement of Activities (GAAP) for Total University

5-Year Long Range Financial Plan

Thousands of US Dollar

	2019-20 Worst_Case	2019-20 Expected	Var ($)	2020-21 Worst_Case	2020-21 Expected	Var ($)	2021-22 Worst_Case	2021-22 Expected	Var ($)	2022-23 Worst_Case	2022-23 Expected	Var ($)
Tuition and fees	202,444	202,444	-	178,991	206,600	27,609	188,293	206,607	18,314	188,523	206,615	18,093
Institutional financial aid	74,284	74,284	-	72,566	81,823	9,257	75,702	81,842	6,141	75,776	81,842	6,066
Net student revenue	128,160	128,160	-	106,425	124,776	18,352	112,591	124,765	12,174	112,747	124,773	12,026
Patient care activities: revenue	48,269	48,269	-	111,482	111,482	-	111,482	111,482	-	111,482	111,482	-
State appropriations	3,466	3,466	-	7,872	7,872	-	6,888	6,888	-	6,027	6,027	-
Government grants, contracts and contributions	20,580	20,580	-	61,209	61,209	-	59,679	59,679	-	58,187	58,187	-
Private grants and contracts	2,504	2,504	-	5,791	5,791	-	5,849	5,849	-	5,907	5,907	-
Private gifts	2,192	2,192	-	5,074	5,074	-	5,163	5,163	-	5,253	5,253	-
Endowment payout under spending formula	3,012	3,012	-	6,957	6,957	-	6,957	6,957	-	6,957	6,957	-
Investment income	1,183	1,183	-	2,735	2,735	-	2,749	2,749	-	2,764	2,764	-
Sales and services of auxiliary enterprises	40,046	40,046	-	43,143	47,885	4,742	47,847	47,569	(278)	46,913	47,764	852
Other sources	8,416	8,416	-	19,439	19,439	-	19,439	19,439	-	19,439	19,439	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues, gains and other support	**257,829**	**257,829**	-	**370,126**	**393,220**	**23,094**	**378,644**	**390,539**	**11,896**	**375,675**	**388,553**	**12,878**
College programs	173,488	173,488	-	221,978	234,859	12,882	219,614	214,469	(5,145)	214,608	214,469	(139)
Research and public service	25	25	-	-	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-	-	-	-	-

See a demo here.

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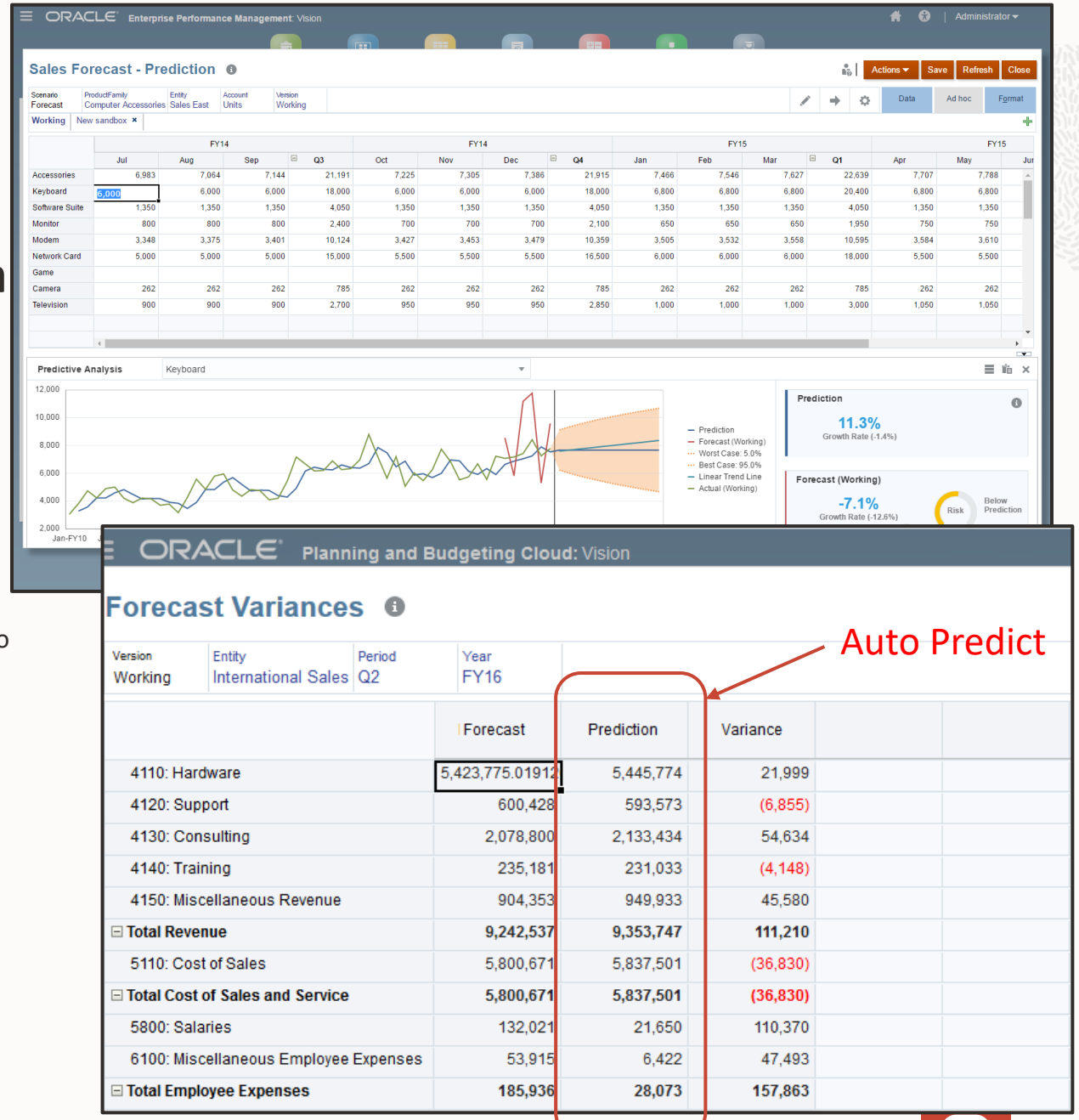
Predictive Planning

Faster, more accurate planning through data science (time series regression):

- ✓ Predictive Planning Use Cases:
  1. Generate a forecast
  2. Seed a forecast
  3. Validate a forecast

- ✓ AutoPredict (20.08)
  - Easier “forecast vs. prediction” variances
  - Predictions run at data import, and calculated in a ‘Prediction’ scenario



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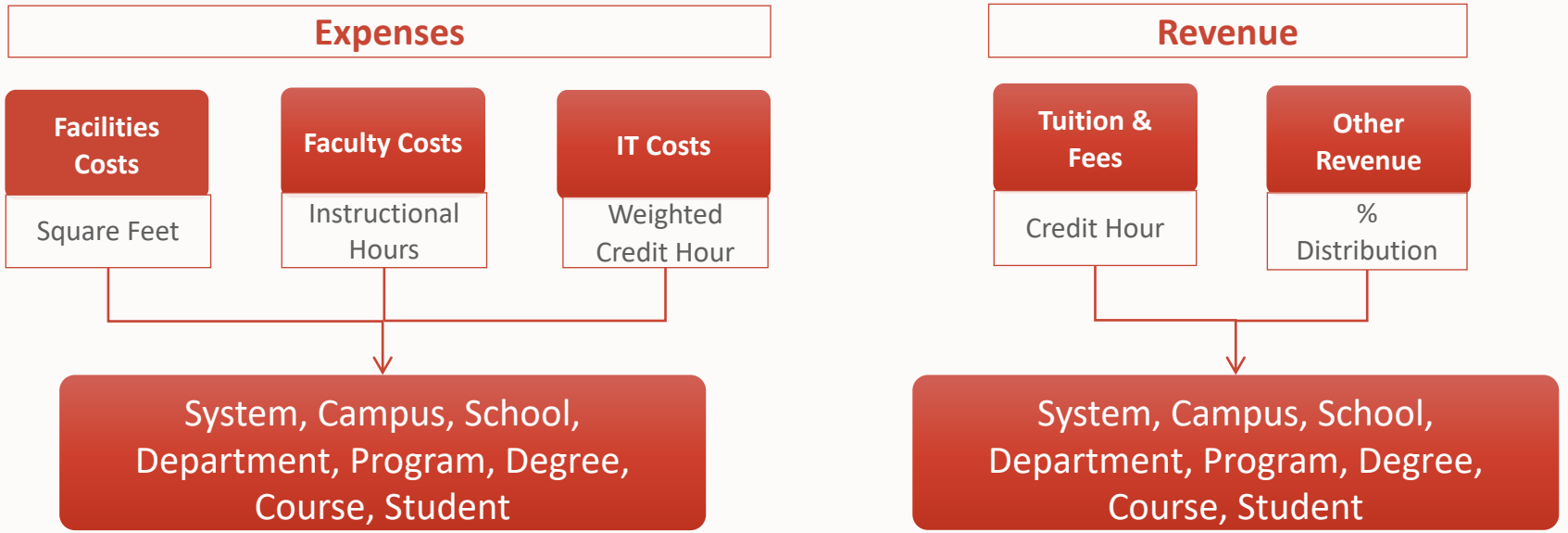
Cost of Education Analysis



- **Understand** the current financial stability of a program, degree or course
- **Project true costs** of programs and make pricing decisions based on those costs
- **Transparency** that enables institutions to ensure resources are aligned correctly based on actual measurable information
- **Create accountability** that enables departments to understand the resources they consume as it relates to the revenue that they generate

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Budget Books: Investing in Productivity

Collaboration:

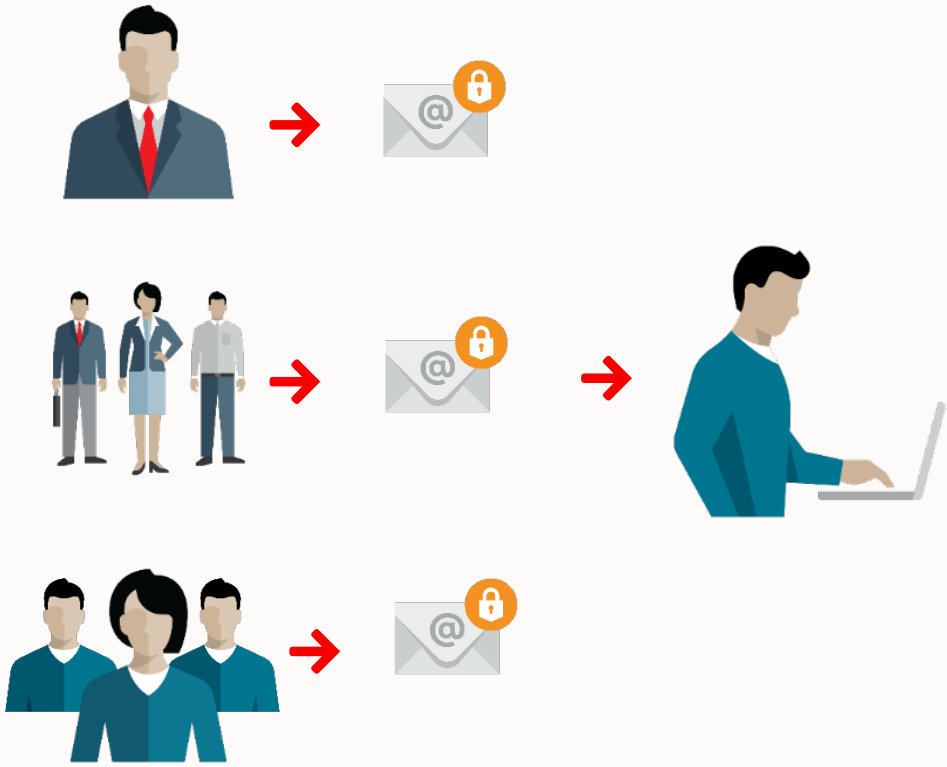
- Facilitates collaboration during work-from-home (WFH)
- In-document commentary
- Quickly assemble content from many contributors
- Full version control
- Creates a repeatable process

Governance:

- Assign authors & reviewers
- Data dynamically updated based on latest actuals & forecast
- Manage multiple distribution cycles

Narrative Reporting

Securely prepare management reports & budget books in real-time



~40-70% reduction in budget book cycle time as compared to manual, offline processing

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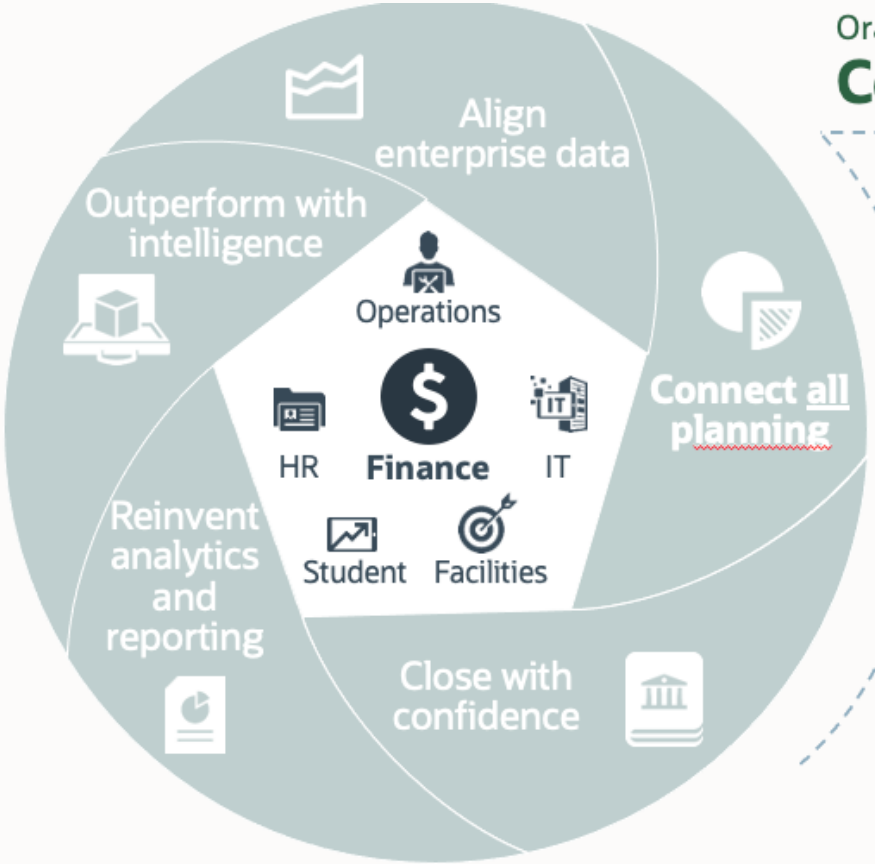

Oracle Cloud EPM

Connected Finance

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Q&A

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Have a question for our presenters? Submit it through the Q&A at the right.

Q&A

Q&A

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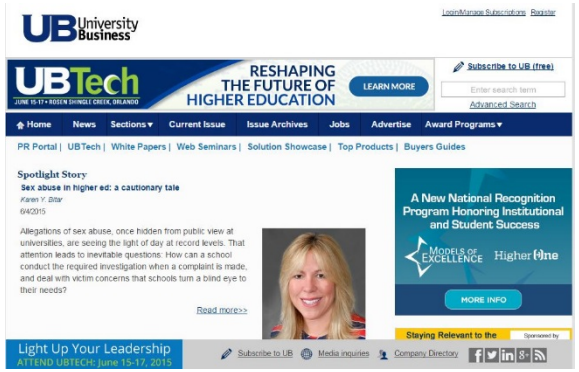

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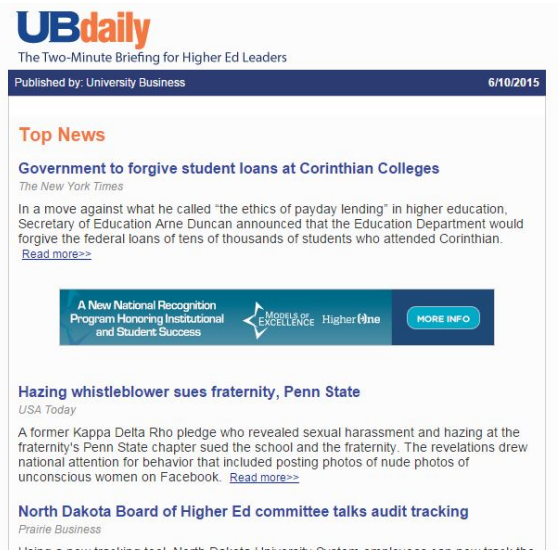

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