Strategic Business Planning & Metrics for Success

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Objectives for today

- Seeing change as an opportunity
- Learning strategic planning best practice
- Identifying meaningful performance metrics
WHY STRATEGIC PLANNING?
We need a financially sustainable model to sustain academic preeminence.
A new campus strategic framework is in development

1. Align workforce and evolving needs/opportunities
2. Support teaching and research (including redesigning work processes)
3. Invest in fundraising capacity (campus-wide approach)
4. Drive revenue from “brand”, land and other assets
5. Redesign some academic structures
6. Expand online offerings and enrollments (through UnEx and master’s programs)
7. Bridge gap between Intercollegiate Athletics’ revenue and expenses
What are we aiming for?
UNIT CASE STUDY: HAAS SCHOOL OF BUSINESS
We took an inclusive approach…

1. Degree Programs
2. Business Model Options
3. Leadership Brand
4. Org Agility

Representative dates:
- Sept: Working Group 1
- Oct: Working Group 2
- Nov: Working Group 3
- Dec: Working Group 4
- Jan: Working Group 5
- Feb: Working Group 6
- Mar: Working Group 7
- Apr: Working Group 8
- May: Working Group 9

Input Points:
- Haas Board
- Strategic Leadership Team

Decision Points:
- Haas Board
- Degree Program Committee
- P2 (Faculty Policy)
- Faculty vote

Groups:
- Faculty, Staff
...and built a comprehensive fact base

• Degree program profitability
• Degree program scenario modeling
• Faculty teaching and research ROI analysis
• Market research for non-degree opportunities
• Student and alumni survey data on distinctive leadership traits
• Comprehensive competitive analysis
### ASSETS
- UC Berkeley
- Bay Area location
- Culture (Defining Principles)
- Intellectual capital
- Alumni base
- Social capital

### GAPS
- Brand positioning
- Perception of alumni network
- Financial resource constraints
- Physical space constraints
- Operational constraints
Strategies build on distinctive assets and close competitive gaps

- Berkeley Strength
- Bay Area Location
- Alumni Network
- Haas Operations
Strategic Planning @ Haas

Defining Principles

Leadership Brand

Intellectual

Economic

Organizational

Academic Plan

Strategic Business Plan (OGST)
SHOW ME THE METRICS
Metrics are a core component of strategic planning.
Six Operating Principles for Metrics
1. Metrics in Context

- Metrics should always be tied to your strategies
- Metrics should focus attention on achievement
- Metrics “stabilize” and provide transparency and rationale
2. Focus and Common Language

- Metrics help establish “what is important” (outcomes)
- Metrics provide a “common language” and focus for all
- Common metrics provide useful opportunities to compare
- Metrics can be insightful when cascaded
- Use readily accessible metrics from institutional sources!
Supporting units to focus on Outcomes

The “Logic Model” (W.K. Kellogg)
Example : Logic Map & Metrics

“Information Technology Unit”

Unit Activities

- Manage Skilled Resources
- Manage Expenses
- Manage Knowledge

E.g.:
- Build > Deliver Applications
- Manage > Ensure Security
- Manage > Transform Infrastructure

Note: Some of this may be “BAU”; some Initiatives

测量/E.g.:
- Return on IT Investment
- Unit/Student Satisfaction with IT Services
- Unit Costs/Performance vs Benchmark

- Low Cost - Highly Effective IT Services
- Transformational Value to Businesses
- Center for Innovation & Excellence

- % OnTime/On Budget
- Delivery Quality
- Downtime (Application Related)

- Open Positions (By Type or Grade)
- Unwanted Employee Turnover
- Employee Satisfaction

Performance Metrics

Outcome Metrics
3. Quality over Quantity

- Focus on metrics that inform on strategy & performance
- Avoid measures that divert focus and are onerous to collect
- Think “SMART”
- There are alternatives to survey fatigue!
<table>
<thead>
<tr>
<th><strong>How “SMART” are your metrics?</strong></th>
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<tbody>
<tr>
<td><strong>Specific</strong></td>
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<tr>
<td><strong>Measurable</strong></td>
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<tr>
<td><strong>Actionable/Achievable</strong></td>
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<td><strong>Relevant/Results Focused</strong></td>
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<td><strong>Timely</strong></td>
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By FY 2016, to better compete with our peer schools in recruiting the best doctoral students:
- increase our multi-year fellowship **offers** for entering students from current 14% to 20%; and
- increase **acceptances** from current 68% to 85%.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Metric</th>
<th>Unit</th>
<th>Target</th>
<th>Latest</th>
<th>Prior</th>
<th>Baseline</th>
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</thead>
<tbody>
<tr>
<td><strong>Attract Top Echelon of Graduate Student</strong></td>
<td>2016</td>
<td></td>
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<td>2012</td>
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<tr>
<td>Multi-Year Fellowship Offers</td>
<td>(%)</td>
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<td>20%</td>
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<td></td>
<td>14%</td>
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<tr>
<td><strong>Definition</strong></td>
<td>% of Entering Doctoral Students Offered Multi-Year Fellowships, comprising ....</td>
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<tr>
<td>Multi-Year Fellowship Acceptances</td>
<td>(%)</td>
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<td>85%</td>
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<td>68%</td>
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<tr>
<td><strong>Definition:</strong></td>
<td>% of Entering Doctoral Students Accepting Multi-Year Fellowships, based on ....</td>
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4. Metrics to Drive Action and Results

- Targets help “calibrate” the system,
- Spend time on the exceptions and actions
- The process does not have to be overly “managed” or punitive
- A “red” indicator should not be taken as a sign of “failure”
- Undertake discussion & collective actions for desired results
How well have we executed our strategy?

**Graduate Division Example**

**Table Content**

<table>
<thead>
<tr>
<th>Goal/Description</th>
<th>Metric/Unit of Measure/Area</th>
<th>Common Goal Linkage</th>
<th>Filter: Metric Type:</th>
<th>R/A/S:</th>
<th>Common Metrics</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Academic Excellence</td>
<td>Student Success</td>
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<td>Research</td>
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<td>World Class Operations</td>
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### 1. Continue to build and optimize financial support for graduate student and graduate programs

- **Doctoral Net Stipend**
  - $4,400
  - Prior: $4,100
  - Baseline: $3,500

- **Annual Loan Debt (Doctoral)**
  - Lower Quartile: $12,300
  - Prior: $11,000
  - Baseline: $5,300

- **Annual Loan Debt (Masters)**
  - (Not Specified)
  - Prior: $9,900
  - Baseline: $3,500

- **Annual Loan Debt (Professional)**
  - $5,500
  - Prior: $5,400
  - Baseline: $4,800

### 2. Continue to attract the top echelon of graduate students, domestic and international.

- **Admit Rate (Doctoral)**
  - 11.0%

- **Admit Rate (Masters)**
  - 14.0%

- **Admit Rate (Professional)**
  - 17.0%

- **Time to Degree (Doctoral)**
  - 5.8 Yrs.

- **Time to Degree (Masters)**
  - 2.3 Yrs.

- **Time to Degree (Professional)**
  - (Not Specified)

- **Placement Rate (Overall Doctoral)**
  - 88.1%

- **Placement Rate (Academic Doctoral)**
  - 56.5%

### 3. Continue to improve Graduate Services and Student Systems

- **Faculty/Staff Service Evaluation**
  - > 90%
  - Prior: 92
  - Baseline: 84

- **Student Service Evaluation**
  - > 90%
  - Prior: 90
  - Baseline: 83

- **Operational Expenses/Student Ratio**
  - ($000)
  - Reduce 3%/Yr.: 2.6
  - Prior: 2.8
  - Baseline: 3.5

- **Student to Staff Ratio**
  - Increase 3%/Yr.: 181.0
  - Prior: 175.0
  - Baseline: 120.0

### 4. Expense Management

- **Operational Expenses/Student Ratio**
  - ($000)
  - $2K/Student: 2.6
  - Prior: 2.8
  - Baseline: 3.5
5. Metrics will Evolve

• Metrics and targets are likely to evolve
• Avoid delays by searching for the “perfect metric”
• Top down directions should not be an excuse for delay either!
Goal 1
- Doctoral Net Stipend
- Annual Loan Debt
  - Doctoral
  - Masters
  - Professional

Goal 2
- Admit Rate
  - Doctoral
  - Masters
  - Professional
- Time to Degree (elapsed time)
  - Doctoral
  - Masters
  - Professional
- Doctoral Net Stipend
- Overall Doctoral Placement Rate
- Academic Doctoral Placement Rate

Goal 3
- Faculty/Staff service evaluation
- Student service evaluation
- Student to Staff ratio
6. Limits to Metrics

• Metrics are not a substitute for decision making
• Metrics are not a substitute for strategy
• Focus should always remain on “managing the strategy; not the metric
Questions? Follow Up?

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Thank you!
Appendix
Alignment—across all levels—is important

Campus:
Alignment on clearly communicated campus goals

Divisions:
Clearly articulated goals and metrics that cascade from campus goals

Supervisors:
Metrics for work unit goals

Individual perf. goals