Since 1965, recognized as a research station under the umbrella of the University of Arizona.

Patti Baynham, Boyce Thompson Arboretum

- Public garden, founded in 1927 by William Boyce Thompson as a 501(c)(3) not-for-profit research corporation, “... to instill in people an appreciation of plants through the fostering of educational, recreational, research and conservation opportunities associated with the world's arid land plants.”
- Since 1965, recognized as a research station under the umbrella of the University of Arizona.
- Tri-Partite Agreement signed in 1976 by the 501(c)(3) BDD, Arizona Board of Regents, and Arizona State Parks.
- Financial statements independently audited, Form 990 information returns filed with IRS, and Arizona state agency requirements tied to associations with University of Arizona and Arizona State Parks.
- General public is Arboretum’s largest source of financial support.

Goals / Expectations for Presentation

- Discuss roles of business officers in College decision making.
- Highlight changes occurring in duties of business services.
- Promote unique abilities of business officers to influence the organization and key business decisions.
- Underscore importance of focus on mission-driven metrics.
- Share best known methods in communicating financial information effectively.
- Practice communicating real world financial insights and provide feedback to each other.

Business Officers as Designers for our Organizations

We must lead with ideas, guiding the organization to sustainably meet and exceed demands.

Architects of the Future

- Ideally equipped to see the big picture, ... to intervene in decisions and guide towards maximizing value.
- Business officers are seen as truth tellers and key spokespersons, ... in partnership with deans, functional heads and unit heads.
- Collaborative members of teams at every level.
- Strategic and operational insight, ... grounded in knowledge of financial impacts, but extending far beyond numbers.

Evolving Role of Business Officers

- Shift away from transaction processing and control, ... toward decision support and strategy development.
- Best in class business service operations will tend to be smaller, ... but with higher quality of service.
- Decision support role is optimally around 50%.
- Transaction processing, reporting, control roles represent remaining 50%.
Business Officer’s Most Important Duties

1. Managing the organization’s resources 77%
2. Strategic thinking and decision making 39%
3. Leading change and fostering innovation 21%
4. Supporting superiors and managing up 17%
5. Engaging others in financial decisions and communication 13%

Invest/Divestment Driven by Strategic Goals

1. Be a leading economic development engine for Arizona
2. Produce employable graduates, who can do jobs that do not yet exist and create new jobs
3. Be the most sought-after place to be a part of
4. Be the most effective, efficient, responsive, flexible, and financially sustainable college on campus (Moving Money to Mission)
Pivotal Agents in Moving Money to Mission

- Transforming our colleges and universities requires transforming performance measurement and reporting
- Incorporating the consequences of goals and desired change into budgets and operating plans greatly increases the likelihood of achievement (e.g., RCM)
- Business officers typically contribute to reducing complexity through the course of change, with attention to
  - reduced redundancy
  - process simplification
  - breaking the cost/value trade-off (Blue Ocean Strategy)

Role in Aligning Performance with Strategy

- To formulate effective change, executives need a process view
  - aligning across disciplines
  - thinking in new ways, beyond traditional boundaries
- Successful structural, technological, and human restructuring tends to follow good business process design
- To stay on course, leaders throughout the organization need timely performance measures, aligned with
  - long term goals
  - continuous quality improvement
  - team’s ability to impact

Why is Sharing Financial Insight so Crucial?

- Finance is inextricably entwined with operations
- Business officer’s process view helps to guide organizational integration and steps required to move from strategy to implementation
- Best business offices of the future will rigorously drive to instill financial perspectives into processes and decisions throughout the organization

How can we best convey financial insights?

Paint a picture using the language of operations, based upon but not expressed through numbers and statistics

Identify Value Creating Strategies

- Know your message – what needs to happen, what works well
  - Highlight changes in business culture and individual or team needs
- Know your audience – need to intervene at every level, particularly in front-line operations, to influence behavior
- Communicate in the language of operations – requires understanding of activities that comprise business processes
  - Leverage strengths and emphasize connections
  - Develop emerging capabilities/leaders
  - Turn risks into assets exploited for gain

All Decisions Relate to Value Creation

- More revenue may not equal added value
- Reduced growth in some areas might add overall value
- Increased risk is often desirable
- Sustained focus on strategic objectives is key
- Performance measures are critical
  - Should not detract from value-generating activities
  - Tailor carefully to business needs
So What Is Your Message?

- Do you need a certain outcome?
  - Who must do what and by when?
- Are you just passing on information that will be useful?
  - Be sure the audience knows how they should use the information
- Is a decision needed?
  - Key stakeholders and decision makers need to be clearly identified
- Does a particular problem need to be addressed?
  - What will determine that the problem is resolved?

Frame Message to Connect with Audience

- Focus on WIIFM principle (What’s in it for me?) from audience perspective
  - Use tangible examples of audience’s activities to explain data
    (e.g., “Coordinating public workshop schedules with book publication dates boosted both distribution and sales.”)
- Build up to primary message with roughly three key points
  - Might relate theme to various functions
  - Could portray past, present, future conditions
  - Primary feedback/data elements may be highlighted
- Anticipate, prepare for, and encourage questions

Executive Support is Vital But Not Enough

- Communicating financial goals and results in terms everyone can understand helps to energize the organization
- Value-based management simplifies and adds transparency to decision-making processes
  - Consistency
  - Empowerment
  - Efficiency
- Greatest source of untapped resources to achieve excellence is from middle management down

Use Plain English

Instead of
- Capital Assets
- RBC
- Temp Restricted Donations
- Cash Flow
- FTE Charge

Use
- Long-lived Assets
- Budget Change Request
- Donations Designated for a Specific Purpose
- Analysis of Cash Available
- Allocation of Costs Based Upon Number of Employees

Spreadsheet Do Not Speak Well in Public 😊

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Handout page 4
- Information graphics or infographics are graphic visual representations of data
- Intended to present information quickly and clearly
- Can bring tedious numbers and dull reports to life
- Especially for communications with less financially-oriented stakeholders, a good way to make your story more compelling
Highlight Operational Connections

- Integrate non-financial comparisons to help audience relate to message being presented
- Financial results generally should be an outcome versus a primary driver of business decisions
  - Being a key consideration ≠ being the primary driver
- Motivate audience to think about substance or key business message rather than focusing on details of measurement methods, procedures, technology, etc.
- Drill down to details in areas where action or focus is needed

Team Assignment

Team Assignment, for November Meeting

- Select a real world financial message, from one of the units represented in your team, to present November 17
- As a group, create and refine three content slides conveying the message, as you would present it to decision makers within your organization
- Have one representative from the team make an 8- to 10-minute presentation of the material in our November 17 Business Managers’ meeting
- Five minutes will be allowed for discussion and feedback after each team’s presentation

Questions?

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CALS Business Services

Leveraging Financial Insight as Partners in College Leadership
(part 2)

“We strive for excellence, not adherence to process.”

Has our communication and influence been effective?

What gets measured, reported, and talked about gets managed
Defining Performance Measures

- Too many measures will guarantee virtually no effective ones
  - Ideally 6-8 at top management level
  - Perhaps 5-6 for each functional area
- Common measure weaknesses:
  - Internal bias & micro-focus
  - Orientation towards the past
  - Focus on data vs information (which requires goal & expectation to achieve)
- Should be both leading and lagging
  - Potential problems and goal achievement expectations
  - Past decisions and successes
- Cost-based (resource usage) and Non-cost-based (what drives costs)

Measurement System Requirements

- Must be owned by operating managers, not executives
  - Connection with front-line employees is critical to true behavioral change and long-term effectiveness
- Finance needs to spearhead performance metrics system
  - Common link among disparate functions
  - Assistance in helping operating staff interpret measured results
  - Demonstrated track record as trusted scorekeepers
- Weave measurement system goals and focus into fabric of organization, triggering changes in how business is done
- Maintain consistency over time while staying vigilant to business changes justifying adaptation

Response to Measures

- What is being done to influence measured results?
- What are underlying problems or reasons for success?
- Every measurement report should be accompanied by commentary – proactive step to focus attention on what is happening in the business
- Nurture first followers who embrace called for action or thinking, ... make it easy and rewarding for them to follow
- Practice ongoing dialogue and mutual coaching with operations staff

Summary – Financial Communication

- Finance is a function with unique reach across all areas of the organization, integrated into virtually all processes
- We must lead with ideas, guiding the organization in our communications to sustainably meet and exceed demands
- Robust relationships throughout the organization are key to having the influence that is vital for a healthy college
- Emphasize connections between finance and business processes, ... in the language of operations
- Performance measures are critical for best-in-class results

Thank you!
Questions?

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