

The Business of Higher Education - Sustainability, Leadership, Assessment and Action



FOUR PART WEBINAR SERIES – PART FOUR

Welcome

This four part webinar series covers topics tailored to the complex needs of institutions of higher education:

- 1) Sustainability *
- 2) Strategic Planning and Leadership *
- 3) Return on Investment (Today) *
- 4) Sustainability, Leadership, Assessment and Action
(April 30, 2018, 2-3 pm)

* (Webinar Recording Available)

Presenters



John Null

Audit Shareholder, Chair of Schneider Downs' Higher Education Industry Group

John has more than 30 years of professional experience serving higher education, arts organizations, foundations and other not-for-profit clients. He is an experienced business advisor, providing clients with timely, innovative and high-quality advice on a broad array of accounting, finance, corporate governance and general business issues.



Dr. Lou Marcoccia

Schneider Downs Strategic Consultant

Former Syracuse University Executive Vice President & Chief Financial Officer and current Cazenovia College Jill Hebl St. Clair '62 Endowment Chair for Accounting and Finance.

Presenters (continued)



Stephen A. Donato, Esq.

Member, Bond, Schoeneck & King, PLLC

Steve is chair of Bond's business restructuring and creditors' rights practice. For more than 30 years, he has concentrated his practice on complex corporate workouts and restructurings. He also has extensive experience advising higher education institutions, including for-profit and not-for-profit colleges, universities, private high schools and charter schools, with financial matters.



Staci Brogan

Audit Shareholder, Schneider Downs Higher Education Services

Staci is Chair of the Schneider Downs Not-for-Profit Industry Group. For over 20 years, Staci has served not-for-profit clients, and specifically institutions of higher education. Staci has extensive experience advising institutions on matters of financial health, governance, internal control, risk management and compliance.



John Bellardini

Schneider Downs Strategic Consultant

John has over 30 years of experience in management, finance, accounting, sales, information systems and human resources. He has experience in building robust organizations and shaping business strategy to support growth, profitability, sustainability and revitalization of under-performing operations.

Logistics

CPE Credits

1. Respond to three polling questions that will appear throughout the program.
2. Complete the evaluation form that will be emailed to you approximately one hour after the conclusion of the program.

Submitting Questions

1. Enter a question in the questions box and hit submit.
2. We will make every effort to answer all submitted questions at the conclusion of the program. In the event we do not have time to address all questions, we will provide answers to all webinar attendees via email.

Objectives of Four Part Webinar Series

- Provide insight into issues specific to higher education institutions
- Provide perspectives supporting shifts in mindset and strategies
- Promote sustainability and right sizing in the changing and highly competitive higher education market
- Assist higher education institutions in developing and implementing processes that yield successful strategic plans

Panel Discussion

Sustainability, Leadership, Assessment, and Action

Sustainability

- Boundaries - top line and spend
- Quality – academic, people, and other
 - Facilities, grounds, systems, and services
- Liquidity – what, how, when, and usage
- Debt – what, how much, and when to use
- Multi-year planning, forecasting, and budgeting
 - Strategic and tactical – coordination and flexibility
 - Efficiency and effectiveness
 - Adjustments, alignment, and right-sizing
 - Communication, participation, and cadence

Leadership

- Knowledge – experience, expertise, and informed
- Awareness - respecting diverse perspectives
- Behavior – honest, proactive, and ethical
- Presence – confident, firm, and fair
- Determined - accountable, strategic, and realistic



Assessment

- Mission and Vision
- Strategic plans - now, near-term, and long-term
- Monitoring - timeliness and frequency
 - Best practices
 - Dashboards and Key indicators
 - Reporting
 - Data analytics and benchmarking competitors
 - Communication, participation, and cadence
- External Advisors – selection, scope, and usage

Capstone Actions

- Embrace that Higher Education is a business
- Balance
 - Mission and market
 - Resources and expenses
- Empirically know:
 - Who you are
 - What you are
 - Where you are going
 - What are your financial boundaries



Capstone Actions

- Be resilient:
 - Be firm and frank
 - Communicate with honesty and transparency
 - Have a sense of urgency
- Reach out for Help:
 - Embrace third-party support to help guide the process forward
 - Gain understanding of best practices
 - Know your data and its market applications
 - Be willing to slow down or expedite as needed
 - Take on the tough challenges of balancing organizations
 - Live within the financial boundaries
 - Respect the past yet fiercely communicate, participate, and move forward into the future

How Can We Help

In appreciation of your investment in our webinar series, Schneider Downs and Bond, Schoeneck & King offer 1 hour of consultation, at no-charge, to discuss specific questions or concerns that your institution is facing.

For more information about this offer, please contact John Bellardini at jbellardini@schneiderdowns.com or (412) 697-5394.

We will ask for a little “advanced prep” before the discussion.

Warning Signs

| Enrollment | Reporting | Banking |
|---|---|--|
| 1 Non-market based pricing | 1 Failure to complete financial projects | 1 Loan agreement - payment defaults |
| 2 Declining trends | 2 Missed or late reporting obligations | 2 Loan agreement - nonpayment defaults |
| 3 Excessive discounting | 3 Missed or late filing of financial statements | 3 Declining banking relationship |
| 4 Increasing student attrition | 4 Failure to timely report to Trustees | 4 Covenant breach or default |
| | | 5 Proactive participation by financial institution |
| | | 6 Repetitive covenant waivers |
| | | 7 Operating under forbearance agreement |
| | | 8 Request to hire outside professional support |
| Financial Performance | Other | Cash Management |
| 1 Over expansion beyond financial means | 1 Lack of integrated systems | 1 Negative cash flow |
| 2 Revenue shortfalls and expense overruns | 2 Lack of data and analysis | 2 Lack of accurate cashflow forecasting |
| 3 Negative budget results | 3 Lack of sophisticated and state of art systems | 3 Late or missed vendor payments |
| 4 Deferred maintenance | | 4 Excessive borrowing to cover operational cash gaps |
| | | 5 Failure to have established lines of bank credit |
| Endowment | People and Process | |
| 1 Excessive spending | 1 Poor financial controls and repeat audit comments | |
| 2 Inadequate endowment | 2 Key personnel changes - Trustees, President, Cabinet, Financial Positions | |
| 3 Imbalanced - unrestricted/restricted endowments | 3 Excessive centralized decision making | |
| 4 Cy pres actions | 4 Inadequate central control of decision making | |
| | 5 Negative publicity | |

Questions?

John Bellardini – jbellardini@schneiderdowns.com

Staci Brogan – sbrogan@schneiderdowns.com

Stephen A. Donato, Esq – donatos@bsk.com

Dr. Lou Marcoccia – lmarcoccia@schneiderdowns.com

John Null – jnull@schneiderdowns.com

Thank you for attending!

We look forward to future conversations.

An evaluation will be emailed to you.

