



Five Best Practices for Planning, Budgeting and Forecasting in Higher Education

Transforming University planning activity

What we will cover:

1. Industry Challenges
2. Top 5 Planning and Budgeting Practices
 - Workforce Planning
 - Connecting Student Number Planning with Financial Planning
 - Custom Planning Models
 - Allocation Modelling to deliver robust course costing analysis
 - Research
3. Automating Financial Reporting and Forecasting
4. Reporting - TRAC & HESA
5. Change Management

Industry Challenges

The UK higher education sector has experienced some turbulence over the last few years. While institutions are still making sense of the unwinding impact of COVID-19 and post-BREXIT international demand for UK higher education, 2022 has already shown us that there will be no respite in the pace of change or levels of uncertainty the sector has seen in recent years.

The year opened with the publication of the 'Independent Review of Research Bureaucracy' in January 2022, signaling potentially significant procedural changes to the grant lifecycle are coming down the track.

February followed up with the 'Higher Education Policy Statement & Reform Consultation', a post-augar update with broad implications for the sector – including changes to funding, student number controls, and minimum entry requirements among others.

March opened with a note from USS to the Heads of the participating institutions confirming implementation of the JNC's recommended modifications to changes to benefits and contributions.





This, of course, says nothing of the more local challenges and changes affecting specific Higher Education Institutions that will be running alongside these broader sectoral changes.

It is simply not possible to understand the implications of, let alone respond to, this level of uncertainty and change without flexible and robust tools for planning, budgeting, and reporting that can help drive decision making.

Oracle's Enterprise Performance Management (EPM) solutions coupled with Namos Solutions deep understanding of the challenges faced by the Higher Education sector are driving transformational change within Higher Education organisations. Namos are leading the way in augmenting the core Oracle EPM offerings with custom built applications and frameworks to deliver industry specific solutions which address both the operational deliverables and enhance strategic planning capabilities for universities.

As higher education deals with the transformative upheaval brought on by the coronavirus pandemic, data is playing a central role in our sector's response to the challenges we face now and in the future.

*Jonathan Waller, Director of Data & Innovation
at HESA*

Source: www.jisc.ac.uk

[Read the article](#)

Capitalising on the Cloud: Implementing Oracle ERP and EPM Cloud at Staffordshire University.



Higher Education:

01

Full Suite of Applications

Oracle applications focused on automation, analysis, insight and reporting to support decision making



02

Deeper Insight

Multi-dimensional technology for deeper insight and unlimited number of connected applications with real-time data transfers



03

Configurable OOTB

Configurable OOTB processes for standardisation, automaton and best practice



04

User-friendly Application

Purpose built user-friendly application for end-users and administrators



Tools at a Glance

05

Custom & Free Form Planning

Custom & Free Form Planning cubes for specific planning requirements

07

Full Integration

Can be integrated with any source HCM, ERP or other applications as required



06

Industry Specific Solution

Namos applications and solution frameworks to deliver industry specific solutions in rapid timeframe

08

One Single Solution

A truly unified solution to replace a multitude of stand-alone systems and spreadsheets

Top 5 Planning & Budgeting Practices for Higher Education

The HE sector generates billions for the UK economy, with figures from Universities UK showing that universities generate more than £95 billion for the UK economy and over 940,000 full-time equivalent jobs. According to University Business Issue 113, May 2019, ISSN: 1756 0225, approximately 1 million jobs are currently supported nationally by UK universities and it is predicted that by 2024, nearly half of all jobs will require some sort of formal education.

Yet, despite its undeniable importance, UK universities are finding themselves in an increasingly challenging environment with plenty of funding uncertainty all around.

According to The Institute for Fiscal Studies, colleges and universities are facing significant funding shortfalls and heightened uncertainty. For Higher Education Institutions, it is truly complex to not only account for their current financial state, but also to think of the what-ifs. There isn't a one-size-fits-all solution.

The key to successful planning is knowing where to invest your time to get the best return. Here we focus on the five impact areas where Namos Solutions and Oracle can deliver transformational change to your planning process to deliver impressive results.

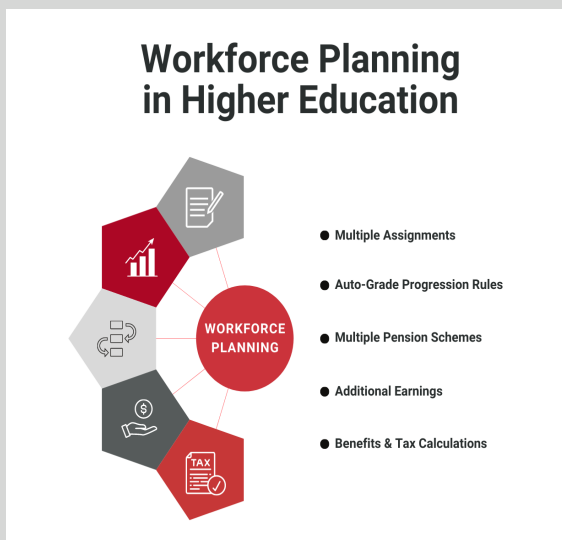


1 Workforce Planning

People drive Higher Education activity and as a result typically account for more than half of the institution's operating costs.

With complexities around multiple assignments, auto grade progression rules, multiple pension schemes and additional earnings, benefits and tax calculations, Oracle EPM Workforce Planning enables you to automate the forecasting process by integrating data directly from source systems while still providing tools to model potential future impacts.

At Namos, we have developed custom enhancements to the delivered Oracle functionality that provide universities with the flexibility they need to plan their workforce costs. By incorporating workforce planning into a unified suite of processes, the same workforce data can be used for multiple purposes, such as headcount data to drive internal cost reallocations, or to feed headcount related expenses such as training or recruitment directly into your expense plans.



2 Connecting Student Number Planning with Financial Planning

The Namos Student Number and Revenue forecasting framework provides a flexible and sophisticated solution to what is a very complex area of forecasting. Integrate your data in directly from your student systems and use built in calculations for continuing populations, average fees, discounts, scholarships, withdrawals and deferrals, all of which are modelled down at the programme level, across all student categories, study modes and funding types. This solution provides instant aggregations and consolidations across the entire organisation and allows for extensive what-if scenario analysis capability to model and adapt to the ever-changing landscape around us, thanks to complete control over the assumptions used to drive forecasts and a fully integrated solution with other revenue and expense forecasting.



3 Custom Planning Models

With Oracle EPM functionality and Namos solutions expertise in implementation and understanding of Higher Education planning needs, the opportunities to exploit the technology to drive efficient and robust planning processes are limitless. Some examples of custom planning add-ons that help to deliver that full lifecycle solutions for HE includes but are not limited to:

Student Accommodation



Using building and room information and rates to model accommodation and meals revenue with predictive analytics to drive automation where relevant, such as occupancy rates. Cost drivers can be used to calculate associated expenses and analyse them with intelligent insights.

Academic Workload Models



Draw data directly from the source HR system and the Workforce Planning EPM business process. Create assumptions by contract type for allocation of workload across activities such as Teaching, Research, PGR Supervision, Industry Engagements, CPD etc. Detailed modelling of Academic Staffing Requirements based on forecasts for teaching requirements by course and future research pipeline. The academic workload model is driven by connected models that allow for what-if scenario planning of student numbers and research pipeline.



Internal Cost and Revenue Reallocation Models

Reallocate tuition fees and funding to the departments where the teaching was delivered using course credit information and student data. Apply central overhead costs such as HR and Finance to academic departments using FTE and headcount.



4 Allocation Modelling to deliver robust course costing analysis

Building on the capabilities mentioned above for reallocation models, Oracle deliver a purpose-built allocations engine designed specifically with large scale enterprise-wide allocations in mind, Oracle Profitability and Cost Management Cloud (PCMCS). It delivers transparent and easily traceable allocations with full validation reports. Gone are the days of analysing transactional activity and delivering spreadsheets of activity out to the business to justify cost / revenue reallocations.

- When it comes to course costing, you can draw data directly from your ERP system, where applicable, and then use allocation modelling to attribute all other revenue and expense down to individual courses and modules.
- Integrate student data as a driver for activity and teaching credits in order to attribute tuition fee and grant funding down to individual courses.
- Use multi-step allocations to assign central overhead costs such as HR and Finance down to departments, then programmes, and finally modules based on a variety of activity drivers such as headcount, FTE, space utilisation, and purchasing activity.
- Easily apply your allocation methods to plan, forecast and actuals to see actual profitability and future forecast profitability for each of your courses, allowing you to make more informed decisions about delivery.
- Gain insight into future profitability using scenario analysis based on predicted changes to academic staff, student number planning etc.



5 Research

It is not untypical that a research intensive UK university will generate half of its income from research. The stakes are huge, and with 84% of research outputs in the UK being considered as World Leading or Internationally Excellent*, coupled with the economic climate, the competition has never been fiercer.

It stands to reason that Research Finance has never been under loftier expectations. The process of Opportunity, to Application, to Award, to Research Accounting, Impact, Outputs, and Research Intelligence, needs to run like a well-oiled machine. The role Finance plays is pivotal. If at Pre-Award the link in the chain of Research Costing is strained, then so too is the Principle Investigator's chances of making a successful Application. If post-award an institution cannot account for income and expenditure, then there can be reputational and financial implications. What's more, an organisation's ability to track management information across the entire lifecycle is critical. This is no mean feat given the amount of system links in the chain!

Namos' PreAward product allows opportunities to be live fed from UKRI, tracked through infinitely definable bid development stages, approvers and contributors. It ensures that the process of developing bids is never lost in transit or translation. By allowing institutions to define and refine their questions and activities at every stage, Management Information is assured throughout. Questions can be conditional to save contributors wasting time filling in endless irrelevant forms. All of this culminates in a slick and seamless application process that accelerates opportunities to costed applications.

The process of Full Economic Testing is accommodated for. Our application sets up an outline project ready for EPM to cost with a pre-built model ready to account for all direct and indirect costs, categories of expenditure in keeping with TRAC, and even direct feeds from your HCM system to account for staff salary expenditure.

The result? A project costing which is no longer a throw-away paper exercise, but a detailed breakdown that becomes your first project budget. This all culminates in an accelerated bid process allowing your institution to focus on the most important thing, funding World Class research.

* Source: <https://ref.ac.uk/guidance-and-criteria-on-submissions/news/new-evidence-highlights-world-leading-quality-of-uk-university-research/>

Automating Financial Reporting and Forecasting

In today's changing world decision making agility is critical, and this must to be backed up by robust and timely insight and analysis. Transform your finance team's time spent organising and preparing data into time spent delivering real-time reports based on data driven insights. Oracle's Cloud EPM offerings continue to evolve, allowing for greater automation of business processes. From predictive and driver-based planning, which have been around for some time, to recent developments with Intelligent Performance Management (IPM) insights and Machine Learning technologies, the evolution in this space keeps coming.

With automation allowing Finance teams to intervene by exception, they can spend more time on strategic and value-added activities. Oracle's Cloud EPM reporting tools are user-friendly, with a drag-and-drop interface for designing and editing reports. There's no need to wait for an IT developer to create new code to extract data, when it's all there in easy-to-extract multi-dimensional data cubes. With ever-expanding features, enhanced charting capabilities and intelligent narrative generation your finance teams can respond dynamically to new and changing information requests. With the ability to group together reports and documents into books and send these out directly to budget holders, targeted information can be delivered directly to decision makers' inboxes.

Recent events have demonstrated the importance of being able to respond quickly to external stimuli that impact not only on the short-term but also long-term growth and sustainability. Using the Strategic Modelling capabilities delivered within Oracle Cloud EPM, organisations can run simulations across all the key drivers of revenue and expenses in order to set strategic medium to long-term goals as well as being able to demonstrate sustainability to stakeholders.



Reporting

TRAC Reporting

Using Oracle EPM technology, Namos have created a framework for delivery of institutions TRAC and TRAC (T) statutory reporting requirements. This framework compliments the pre-award application functionality as well as the planning, reporting and reallocations functionality to deliver full lifecycle solutions for Higher Education institutions.

HESA Staff

At a time that the Higher Education sector is under increased pressure to show efficiencies, it is somewhat ironic that one of the key pieces of management information that feeds into those discussions, the staff HESA return, is often such an inefficient process.

The point on inefficiency is in no way levelled at the HR, Planning, IT, Finance or Research staff who administer the process of submitting a staff HESA return. The return is, necessarily, detailed with exacting criteria on what constitutes a viable return. Therefore, surely the solutions which underpin those processes must be complex, right?

Wrong.

Namos are able to offer a unique proposition, a Managed Service for an end-to-end solution for your Staff HESA returns. A solution that encompasses the collection, collation, validation, correction, and final XML build. All in one intuitive application that can be implemented in a matter of weeks if not days.

Worried about your data quality? Not a problem, not only will the application flag against 130 HESA quality rules, it has over 100 fixes for common data issues, it can even map or default your source data to valid HESA values. Worried about losing track of manual amendments, the application has you covered, everything is audited, reportable and available in real-time.

Change Management

If, like many at Namos, you have heard the same plentiful promises espoused in plenty of different ways, over plenty of years...we're with you. Those who have worked in the sector for long enough will appreciate that technology can only do so much, it is the people and processes that are pivotal to successful outcomes.

Let's face it, the role of a University was established in this country in 1096, and it can feel like certain processes were too...although we are still awaiting the Panel Overview Report from REF 1097! That is not to say there isn't future thinking Universities willing to challenge the status quo and embrace technology, it is just our experience that embarking on that journey with a partner that doesn't understand the sector are likely to have no answer to resistance when it is inevitably faced.

This is where Namos excel, not only do we have a dedicated Business Transformation practice that can expertly articulate the 'If not, why not' questions, but we have consultants who have held positions of significant responsibility within the sector. This is true of our consultants and Leads, it is also true within our Directorate and Board. At every level within Namos we have someone who has sat in the shoes of a HE client. We are certain this leads to better outcomes for HE clients.



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