Going from Funds Flow Model to Hard Wiring Through Financial & Budget Management Systems
Speakers

- **Heather Hamby**, MPH, Executive Associate Dean, Emory University School of Medicine
- **Beth Boatwright**, CPA, Chief Financial Officer, Emory University School of Medicine
- **Robb Merritt**, BS, Controller, Emory University School of Medicine
- **Ann Uher**, BS, Director, Accounting & Analytics, Emory University School of Medicine
- Cindy Nguyen, BS, Director, Budget & Finance, Emory University School of Medicine
Learning Objectives

1. Understand the approach to developing a roadmap for prioritizing improvement initiatives.

2. Develop key reports and approaches to improve budgeting, forecasting, reporting and compensation planning.

3. Collaborate across many audiences to identify needs, develop solutions and work through continuous process improvement and on-going roadmap development.
Financial Strategic Alignment (FSA)

- With the economic landscape in academic medicine changing, the School of Medicine (SOM) strategically aligned its financial funds flow to position the organization for future success. The FSA model for funding operating budgets focuses on:
  - consistent expectations
  - transparent methodology
  - aligned incentives
  - reduced negotiations
  - aligned strategic priorities

- FSA also establishes expectations for:
  - research productivity
  - salary coverage expectations
  - defined education support model
  - provides drivers for faculty to maximize their productivity
### Background: Budget Process – Where we started

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<tr>
<th><strong>Budget Process</strong></th>
<th><strong>Key Issues</strong></th>
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<tr>
<td>• Standalone Department Excel Workbooks (70+ files), multiple tabs &amp; customizations</td>
<td>• If error found, all workbooks had to be corrected &amp; updated</td>
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<td>• Manually loaded with HR data</td>
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<td>• No visibility into workbooks until submission of department budget file</td>
<td>• Focus on compiling data &amp; printing files vs. analyzing/understanding data</td>
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<td>• Required formatting &amp; printing for leader review</td>
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<tr>
<td>• Aggregated department data manually to create SOM database once budget finalized</td>
<td>• Errors in database due to misalignment &amp; version control issues</td>
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<td>• Faculty summarized by dollars only</td>
<td>• Complex and inaccurate normalization done to implement initial FSA</td>
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Process Improvements needed to support Funds Flow

• **Required Data:**
  - Mission based All Funds Budget Management
  - Break down between Operating and Strategic Dollars
  - Individual Faculty FTE & Dollar Mission Metrics:
    - Research
    - Education
    - Clinical
    - Administrative

• **Technology solution needed:**
  - No off-the-shelf solution existed to meet needs
  - University Budget System timeline/selection was 3 years away
The adoption of the FSA methodology drove the need to identify and implement technology solutions that allowed the hard wiring of fiscal management. Beginning with FY2016, the SOM has been on a journey to implement technology-based solutions with a focus to consistently evaluating and improving processes to allow for:

- Evolving and expansion of annual budget process
- Strategic Planning
- Development of Monthly Forecasting
- Annual Faculty Compensation Planning
- Robust reporting

The goals of this process are:

- Enabling oversight & adherence with FSA principles
- Move from data manipulation to real time data analytics
- Improve the end-user experience
- Proactive management of processes
SOM Finance Technology Roadmap

• Developed more organically versus a multi-year defined plan

• Each year has built off the prior year with planned additions and enhancements resulting from SOM leadership needs and survey input from end-users

• **2015:** Inception of **FSA** and associated needs to link key financial processes back to the methodology

• **2016-2018:** Short-term technology solution implemented with a tight timeline - **SOM only (Vena)**

• **2018:** Emory University/SOM launched a RFP and selected a software solution (Axiom)
  • University partners with SOM on **Phase I: Design and Implementation School Budgets (WAM)**
  • SOM leads **Phase II** design: **Department Labor Planning and Revenue/Expense Planning**

• **2019:** Axiom launches with new robust **Department Labor Planning** and improved **Detail Budget Functionality**

• **2020:** Axiom expands & adds: **Forecasting, Annual Faculty Comp Planning, Strategic Planning Forms**

• **2021:** Axiom Beta Web-based **Strategic Request Tool** Launched:
  • Focus on: Recruits, Capital, Space & Other Expenses
2016 – 2018: Planning with Vena

**Vena Launches**

- New Technology
- New **Budget Categories** to support Missions:
  - Research
  - Education
  - Clinical
  - Admin/Other
  - Work to categorize projects
- New **FSA Definitions**
- New **FTE Definitions**
- New Planning at **Employee Detail Level**

**Benefits:**

1. Data Saved back to a database
2. On-Demand Reporting
3. Workflow allows for version control
4. Detail captured: Employee planned at detail level (FSA)

**Lessons Learned:**

1. Understand tools strengths and challenges prior to design. Separate processes to avoid long open and save times.
2. Understand technical challenges—outdated computers, virtual desktops
3. Beta test with end users
4. Time for end users to understand new FSA & FTE Definitions
Axiom Platform 2018 – University Tool Demo

- School of Medicine Home Page – Central Location For End User to access Plan Files, Forecasts, Reporting and Information!
  ➢ Quick Demo of Navigation & Features
Roadmap – Axiom 2019: Toolbar Navigation

- Ability to use **Change View**, **Go To** or **Refresh** (Filter) Labor Data to isolate specific Dept, Employee, type of Employee

- Flexibility for end user to drive how tool is used
Roadmap – Axiom 2019: Expanded FTE Functionality

- Axiom Expanded FTE Functionality
  - Preloads from Faculty Activity Screen
  - Grant End Dates Drive Month with Alerts(!) if Grant Ending
  - The new by Month selector allows end user to use Month pull down's to quickly populate
New Cost Share/Cap Section will calculate cost share dollar impact and provides column to enter mandatory cost share re-distribution

- Red Alert Message displays if Salary over $187,000 Annual CAP
- Ability to enter Salary Cap by Grant to properly calculate impact
- Cost Share Re-distribution input column used to add Cost Share and automatically re-calculate dollars & distribution %

### Funding Sources

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Speed Type</th>
<th>Speed Type Description</th>
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<th>Sal Cap Adjusted for Parital V&amp; X FTE</th>
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<th>Cost Share Dollars Calculated</th>
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\[ \text{Total Dollars:} \quad 374,000 \]
FSA Summary and Speedtype Section will step thru the annual FSA metrics and show how the FSA rules are applied

- Speedtype Section below will display metrics applied at SpeedType level indicating FSA Qualification
- Final FSA Error Check column indicates √ if request is within guidelines
- New All-in Support indicator will allow tracking of department support of All-in Funds

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**FSA Metric Review**

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Qualifies for FSA
Roadmap – Axiom 2019: Budget Planning Enhancements

- Axiom E&G
- Prior Year Budget and Actuals Provided to assist with FY19 Proposed Budget
- New Projection Column to capture submitted Forecast

EMORY | SCHOOL OF MEDICINE
# Roadmap – Axiom 2020: Monthly Forecast

## FY 2019 Forecast - Forecast Input

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## Names

### Emory School of Medicine

[Link to Emory School of Medicine website]
Roadmap – Axiom 2020: Annual Faculty Comp Planning

Emory University School of Medicine Case Study

Emory University SOM graduates from manual, time-consuming Annual Faculty Compensation planning processes

• “This summer, the Faculty Compensation Team and Fiscal Affairs teamed to leverage Axiom for their Annual Faculty Compensation Process. Their results are impressive: improving efficiency by 10%, accuracy by 15-20%, and reducing labor needs by 20%, but the road to process improvement isn’t easy, and Odom and his peers learned several key lessons along the way.”

• “Before Axiom, we’d compose previous years’ salary review workbooks in Excel, and we’d individually pull data in a line-by-line review of each faculty member’s salary. We did that for approximately 3,000 faculty members,” Odom said.

• “Now, every time someone hits ‘save,’ it’s reflected in our database. We’re able to thoroughly track changes, which is much more difficult when you’re using a manual process. Using Axiom, our margin for error has decreased while transparency and visibility into the proposals and approvals have increased significantly.”

• Now used to fill out the AAMC survey for Faculty Planning
Roadmap – Axiom 2018-2021: Reporting

- On demand, real-time End User Reports
  - Security applied to reports based on end user department visibility
Roadmap – Axiom 2018-2021: Reporting

- FSA Faculty Productivity Metrics Updated On Demand During Planning Process
Roadmap – Axiom 2018-2021: Reporting

  - *Ability to drill into ledger detail to understand results*

![SOM Variance for UOB graph]

- YTD, Budget and Prior Year Comparisons
- Multi-tabs Showing Consolidated and by Major Mission
- Quick By Month View
2021 & Future Plans

• Partnered with Axiom in the development of a tool to track commitments from inception to completion to include:

  • Web-Based Commitment Tracking Phase I – Strategic Request Tool (implemented)
    • Recruits
    • Capital
    • Space
    • Other Expenses

  • Web-Based Commitment Tracking Phase II – Commitment Tracking (spring ‘21)
    • Initial commitment
    • Actual expenditures
    • Forecasted expenditures
    • Available funds

• Detail Budgeting to Web Based Format
  • Improve performance – time to open and save (speed)
Lessons Learned

• End User Involvement
  • Survey
  • Include in user test groups
  • Value input

• Step/Phased Approach helps you begin change and continue to enhance processes
  • Allow time to work through complex issues
    • University Integrated Financial Plan
    • COVID-19 – ability to analyze and plan for impact/adjustments

• Transformation due to tool implementation
  • Productivity gains
  • Ability to analyze vs compile data
Questions/Closing Comments

Thank you for your time today!

Please feel free to reach out with any follow up questions.

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