

Academic Quality Improvement Program (AQIP) Action Project:

Aligning Strategic Planning and Budgeting

September, 2007

1. Describe the past year's accomplishments and the current status of this Action Project.

Augsburg's new president has brought clarity to establishing mission-based planning priorities and opportunities to align strategic planning and budgeting. The new planning process is designed to support the college's objectives of being strategic, transparent, and nimble. Resources for specific strategic priorities, initiatives, and action plans were identified and reviewed as part of the Fiscal '08 budget approval process. A new Chief Financial Officer and Controller overhauled the college's annual budgeting and monthly monitoring processes, resulting in an online system that was instituted in 2007. In addition to these initiatives, the college contracted for the design and development of a financial forecasting model that will result in more sophisticated financial plans.

The college has spent time over the last year researching alternative dashboard and balanced scorecard applications and developing an inventory of overall institutional measures for dashboards. A preliminary institutional dashboard was reviewed by President's Cabinet and Board of Regents in January 2007. In response to feedback, a data-rich reporting system is being constructed to accomplish the following: 1) promote the use of data to support decision making, 2) offer indicators of progress in each division, and 3) provide the Board with the means to assess institutional performance. As a next step in this direction, work has begun on the design and development of dashboards reflecting the critical measures and indicators to be tracked and monitored as part of the management of work within each division.

A new comparison cohort for benchmarking was assembled and reviewed this past year. The new group of peer institutions will provide a basis for comparing the college's performance against institutions with similar characteristics. This peer group includes institutions of similar size, with a faith-based affiliation, in urban settings, serving a blend of traditional and adult learners in both undergraduate and graduate programs.

2. Describe how the institution involved people in work on this Action Project.

A group of twelve faculty and staff reviewed and refined the list of institutions to be included in the new comparison cohort. The new benchmarking group will be used for many purposes, including the review of faculty compensation.

Training sessions for the new budgeting process were offered to all budget managers. These managers have been asked for feedback about the new online system in order to improve the budgeting process in Fiscal '09. Each division is contributing to the development of dashboard measures.

3. Describe your planned next steps for this Action Project.

The next steps are to finalize draft dashboards for each of the five divisions of the college and review them with the President's Cabinet and Board of Regents. We also will develop a revised institutional dashboard that is linked to divisional dashboards. Campus workshops will be held to inform the community about the use of a balanced scorecard and a group of local non-profit organizations will be assembled to learn more about their use of balanced scorecards. In addition, the financial forecasting model that is under development will be tested.

4. Describe any "effective practice(s)" that resulted from your work on this Action Project.

The college's enhanced ability to align strategic planning and budgeting has had a very positive effect on the overall operation. This process has raised awareness regarding the value of data-driven decision making, enhanced understanding of institutional budgets, and led to numerous conversations regarding needed improvements in the college's budgeting process. There is greater clarity in the definition and communication of planning efforts and broader involvement in the definition of planning priorities.

5. What challenges, if any, are you still facing in regards to this Action Project?

Devising 'true' dashboard indicators that provide current indicators of critical performance is the next step in the development of divisional and institutional dashboards. This requires clarity about what information will be most useful in decision making. Another challenge is defining the timing of the budgeting process to accommodate divisional and institutional timelines.