



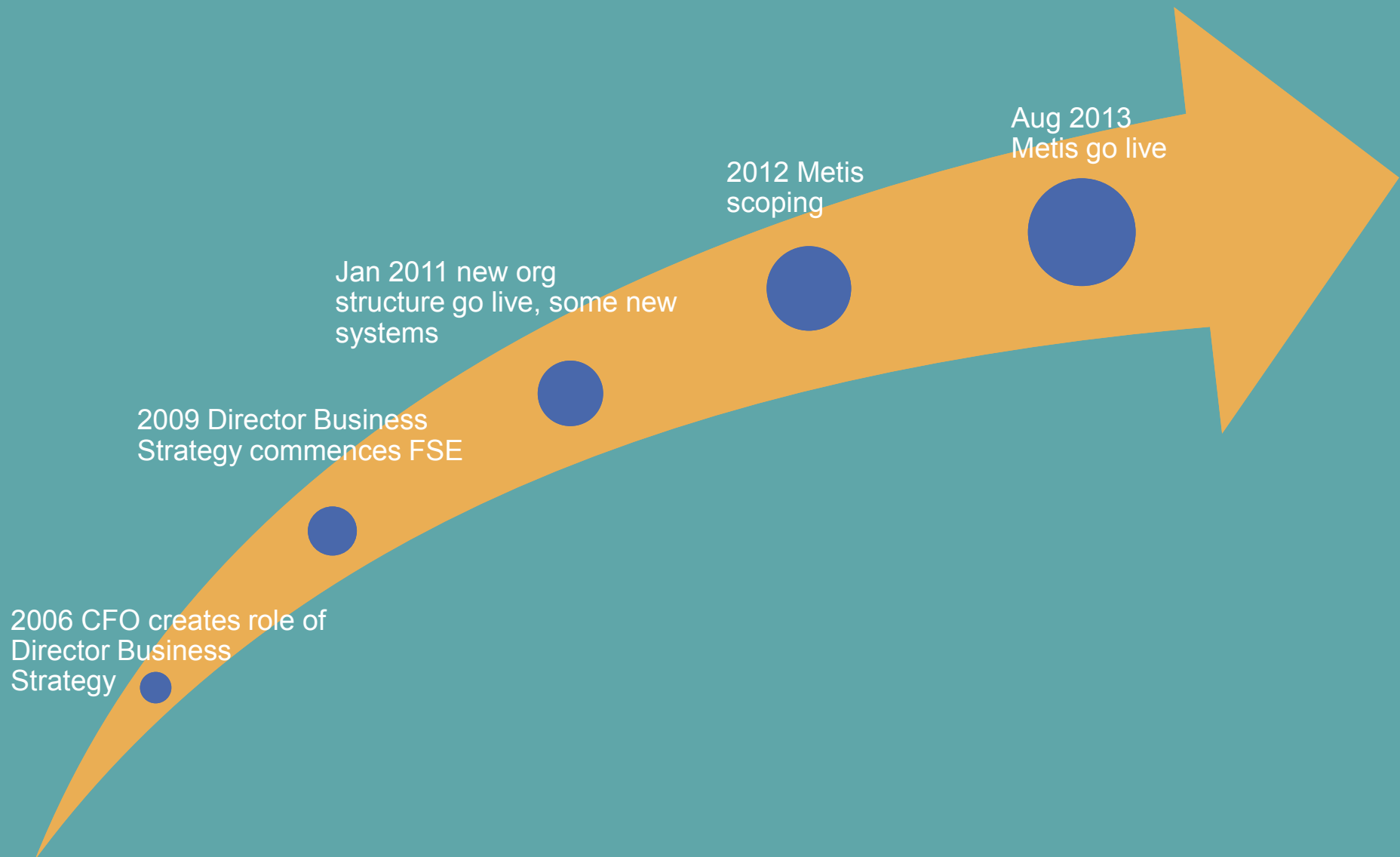
MONASH University

# The transformation of **Finance** at Monash

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Financial Resources Management



# The vision and the journey



## Finance in 2009

# High cost

- limited efficiencies
- 80% of activity outside the centre
- 62% of activity focussed on transactional activity
- limited capacity for consistent management of financial performance
- devolved and inconsistent budget model

Industry benchmark: \$11 per \$1k revenue

Monash Finance costs: \$20 per \$1k revenue

# Objectives



Improve the **efficiency** and **effectiveness** of finance processes



Achieve operational **cost savings** across the University



**Enhance** financial **governance**, business intelligence, compliance and **risk management**

# Recommendations

Over 200 system,  
policy and process  
improvements

A common budgeting  
approach across the  
University

Organisational change

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# Organisational change

## Customer facing services

Research & Revenue Accounting Services

Planning & budgeting services (Faculty and Portfolios )

Procure to Payment Services

## Back office services

- Accounts receivable invoice processing
- Acquittal of research grants
- Management of eCart functions
- Processing of journals and internal charges
- Research fund report generation
- Debt collector
  
- Automated accounts payable
- Credit card acquittal and staff reimbursement
- Centralised billing for high volume low value transactions

## Core finance functions

Group Accounting

Taxation

Treasury

Insurance

Finance Strategy

Major Projects

Financial Resources Management



First phase systems

SAP (ESS)

Readsoft

# Achievements so far





# Budget principles

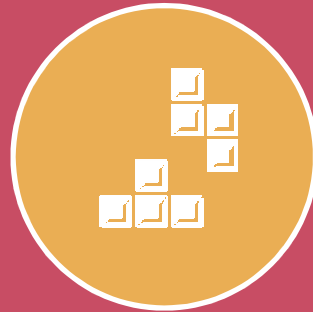
The budget is informed by University and faculty strategic plans; portfolio operational plans, strategic initiative investment plans and financial performance targets.

## ATTRIBUTION



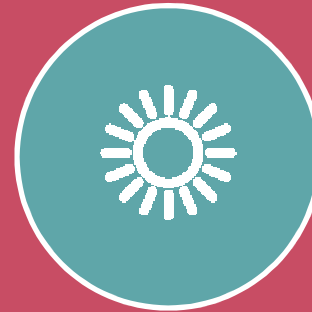
All revenue and expenses are attributed where they are earned or incurred.

## KEY ACTIVITIES



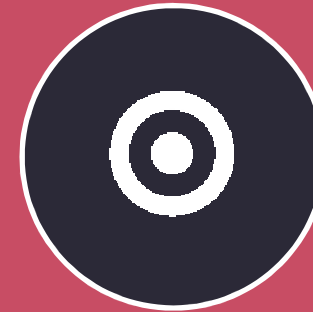
Separated by teaching, research, externally funded operations and strategic initiatives

## SUSTAINABLE



Relationship between growth in revenue and growth in expenditure.

## TARGETS



Faculties set gross margin targets, with portfolios set expense and FTE targets.

↳ Noise

“Everything is the  
budget model’s fault.”

“Will  
you  
tax  
my...?”

# Introducing Metis

The Titan goddess of good counsel, advice, planning, cunning, craftiness and wisdom. She was Zeus' counsellor during the Titan War, and devised the plan which forced Kronos to regurgitate his children.



# The Metis story

**2011**

Business requirements

Budget methodology reform

**2012**

Selection process including faculties

**2013**

Faculty implementation for 2014 budget and forecasting

**2014**

R&R implementation for 2015 project forecasting

**Continuous improvement**

# 2012: all about the planning

# 5

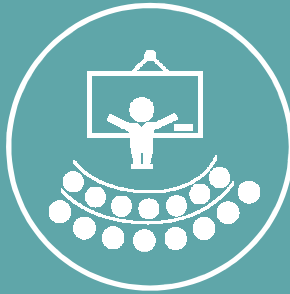
1. **Student revenue calculations** - and eventually to have scenario analysis functionality
2. HR data actuals and commitments. Increments, EBA increases, allowances, vacancies. Provide for monthly phasing of the annual budget
3. **Management reports** - pre-defined and easily configurable. Reconciliation between FM and CO.
4. **Budget by activity:** operating, research and 'other' budgets
5. Forecast templates to pre-populate with 5 years actuals, YTD actual, budget, previous forecast.

**essential** priorities

# Tender process



Detailed specifications



Vendor presentations



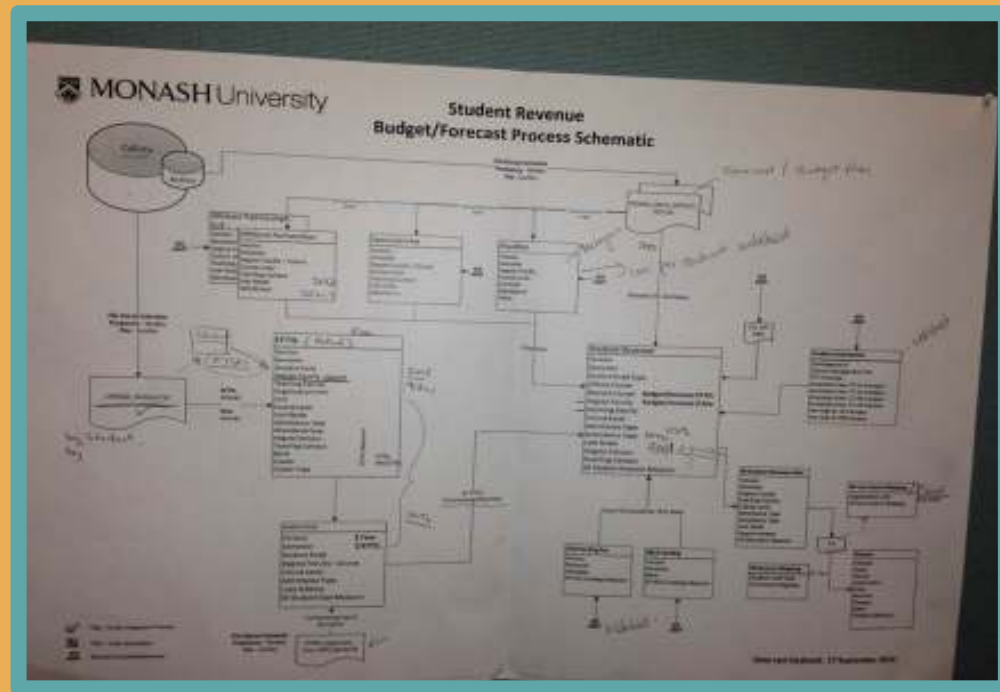
TM1: met all top 5 priorities



Cortell appointed



# The hard work begins



# More hard work



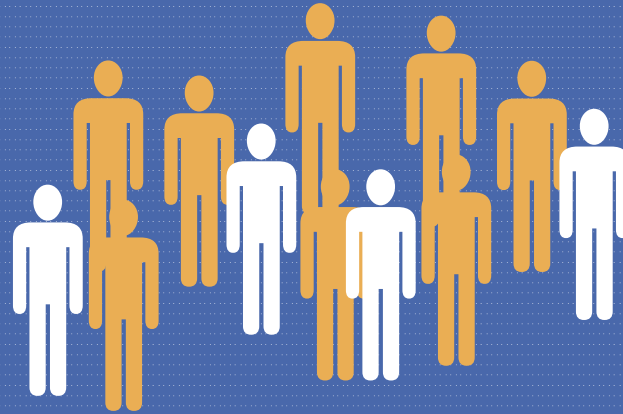


Finally, go live!



# Lessons

Communicate



Importance of **planning**. Be very clear about **expectations**.

Resource the project with enough **good people**.



# Staff satisfaction

I love Metis. It's so easy! I built my budget in less than three weeks! - Faculty staff member

This is great! It's going to be easy to develop forecasts for my customers - Finance staff member

Metis provides greater certainty in forward planning activities for the University, and critically, it enables faculties to strategically and tactically plan their own development within the larger organisational context.

- Faculty Dean

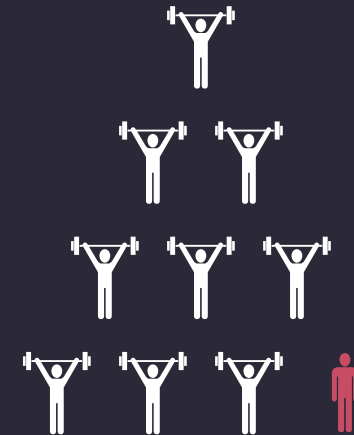
# Overall Achievements



26% reduction in  
cost of Finance  
per \$1k revenue



80% satisfaction  
with Finance



86% agree Finance  
staff are responsive  
and helpful

# Efficiency to effectiveness

finance service delivery: the next three years



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## Capability enhancement

talent management program focusing on staff engagement, soft skill development & leadership



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## Experience improvement

improved customer & client experience through the introduction of best of breed technologies to support buying & selling



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## Service evolution

exploration of additional services to support strategic decision making and continue to reduce administrative burden