Finally...A 360° View of Auxiliaries

In a climate of ever growing sensitivity to increased costs, college and university auxiliary and business officers have never faced a greater challenge to reduce their expenses and increase their revenues and contributions. Yet to date, the tools to help them navigate their way to this goal have been limited to home grown spreadsheets, and at best, an occasional share drive. In the 2014 CFO Report, published by *The Chronicle of Higher Education*, 65 percent of the 400 CFOs surveyed rated the quality of current analytics and systems to help guide decisions as "average to poor".

Let's explore this a bit further. Most college and university business and auxiliary operations are large, and involve a significant amount of money. On many campuses, this entity is the second largest line item in the budget, only surpassed by academic costs.

Auxiliaries can also be complex and certainly very diverse in their operational and business requirements. Typically, an auxiliary organization will include such entities as dining, bookstore and other retail offerings, vending, pouring rights, mail and print services, and parking and transportation. Often, their purview also includes conferences and summer camps, child development centers, student health centers, leases to banks and ATMs, housing, and even golf courses and hotels. That's a huge enterprise representing many moving parts and a great deal of money!

Whether self-op or contracted, the typical tracking, management and financial analysis of these enterprises consists of multiple departments, each creating and managing their own versions of manually generated spreadsheets. While one could consider this as a "process", with Excel® as the "tool", it's fraught with "issues". It's extremely labor intensive, and although well intended, due to the human intervention factor, prone to human error. Furthermore, these spreadsheets are decentralized, with limited to no rollup capabilities for an enterprise inspection. Finally, these processes offer no capability for such elements as centralized storage of data and documents, alerts to monitor such aspects as contract renewals and expirations, financial performance metrics, or any true analytics ability to provide actionable intelligence.

Combining all of this, until recently, the vast majority of university auxiliary officers have faced a huge dilemma; to run large, diverse and costly business operations with no effective tools to even help

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manage performance, let alone impact it. This community has been woefully underserved by traditional technology options. Yet, in an environment of decreasing enrollment and increasing competition for students, they are being asked to enhance their offerings and make an even greater contribution.

The good news is that the answer to solving this disparity is here today, in the form of an innovative technology solution, known as RevenueVision® developed by The Solution Design Group. Originally developed in cooperation with George Mason University and designed specifically to manage business and auxiliary operations, , RevenueVision® is a cloud based centralized operational and contract management solution, which consolidates, automates and optimizes financial performance for the entire auxiliary enterprise into one seamless system.

So what exactly does RevenueVision do?

- Consolidates any and all operational metrics, contracts and associated documents into one place
- Manages the continuous life cycle of any vendor relationship; not just the original purchase of goods or services
- Manages both expense and revenue based contracts
- Validates commissions/contributions and payments provided through vendor relationships – straight commission, shared commissions, tiered commissions, minimum guarantees, in-kind contributions, scholarship contributions, advertising contributions
- Manages and tracks all deliverables and related operational statistics
- Establishes and automates alerts, based upon dates for such things as expirations, renewals and preventive maintenance, or by financial performance
- Manages capital investments and associated amortizations
- Creates P&Ls to track budget versus actuals
- Manages leases for ATMs, banking and cell towers, or any leased property
- Uploads data from any system that can export into a CSV format
- Provides a powerful analytics tools that can seamlessly combine data from multiple and disparate systems, to track, trend and/or compare, create KPI's...and provide actionable intelligence to proactively manage operations

What are the Frequently Asked Questions?

- **How is the system deployed?** - RevenueVision® is a cloud-based system, hosted through Amazon Web Services, one of the most secure data center providers in the world.
- **What are the fees and what do those fees include?** The fees are subscription based and vary according to the nature of the license and the term. They include use of the software, hosting, support and all upgrades (typically 3 per year).
- **What type of IT support is required?** Typically, the system needs little to no IT support. The only requirement is a current browser.
- **What is the implementation timeline from beginning to fully operational?** Usually, 30-60 days.
- **Can the system be used in departments other than Auxiliary or Business Services?** Yes, procurement, facilities, athletics, arenas and performing arts, real estate, and IT are a few other areas within which the system is currently deployed.

- **Can the system perform the functions of a traditional procurement or contract system and how does it differ from those?** Yes and the differences are numerous. Most "contract" management solutions manage expense based contracts only, versus both expense and revenue based. They also typically manage only the "procure to pay" process as opposed to the entire life cycle of the relationship. Many don't validate vendor payments. None provide operationally based analytics.
- **What other solutions are on the market with similar capabilities?** RevenueVision® is the only system currently available with these broad reaching capabilities.

What are the benefits to using RevenueVision as opposed to more traditional means?

- Dramatic reduction in labor to manually input and track data
- One place for access to all documents, deliverables and financials, versus spread across the campus
- Ready and easy access to information at any time
- Accuracy – removal of the human error factor
- Payment issuance and validation
- No missed deadlines, renewals and expirations
- Risk mitigation
- Flexibility and configurability
- Mitigation of the lack of integration between current systems
- Analytics – to let you know where you are and where you are headed. The ability to spend time acting upon the information versus collecting it.
- Performance optimization

Why is all of this relevant and important? It's both, because the pressure to "do more with less" has never been more prevalent in the business world of higher education. With that in mind, the ability to deliver on this lofty goal requires both a significant paradigm shift, along with usable tools to effectively execute. While the extremely bright minds and the willingness to explore alternative models are clearly present, it's the systems that haven't been able to deliver to that need, to date. How often have we attended conferences and returned truly excited by relatively new and innovative technology offerings?

Here is another data point for consideration. In the 2015 CFO Report, recently published in July by *The Chronicle of Higher Education*, 75% of CFOs indicated that they either have or will implement data analytics in the next five years to improve institutional decision making.

On a final note, thanks to the wonders of invention, we can all recall personal examples wherein what we once considered as a "nice to have" became a "need to have". Along those lines, how many of us remember the days before we had smart phones?

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