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STRATEGIC COST MANAGEMENT IN HIGHER EDUCATION

In Conversation with:

John Cleary, Higher Education Consultant and Facilitator, **Australia, New Zealand, South East Asia and Africa**

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John Cleary facilitates a high level discussion with participants on all aspects of the higher education funding model to assist with strategic direction to define a sustainable business model. Tools and templates will be provided for ongoing use by participants in their higher education institution.

John Cleary has delivered solutions as a Consultant, Trainer and Facilitator in Australia, New Zealand, South East Asia and Africa for more than 20 years. John has worked for many public and private higher education providers and has an extensive client base beyond higher education John highly values the higher education sector and its role in equipping Australians for employment in the digital age and driving vital export earnings. He also appreciates the value of strategic planning for the inevitable consequences and disruption of the new funding model.

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What is the Strategic Cost Management in Higher Education course about?

The Course draws a line in the sand to recognise the higher education sector as it is to assist participants to canvass and review options to shape future direction.

Participants will take away a better understanding of how to engage with their peers to identify the impact of proposed changes in Commonwealth Government funding and to develop a strategic response.

It's an opportunity for those in the higher education sector to step back from the daily grind to objectively assess the impact of funding changes and to strategically develop cost management options.

How significant are the proposed changes in Commonwealth Government funding for Higher Education?

In a word VERY!

Higher education providers need to assess the quantum of funds they estimate they will be receive under:
• new funding criteria
• new performance targets including retention, completion & student satisfaction.

Providers need to do some financial modelling based on a range of assumptions which time will be prove to be accurate or inaccurate.

Current revenue assumptions may not have been documented.
If they are based on an historical funding formula, they need to be updated. Particularly those which have not been documented, shared or agreed with those in the front line who will feel the impact of future funding changes.

All providers need to achieve a 2.5% efficiency dividend. Providers with low retention and completion rates stand to lose as much as 10% of their Commonwealth funding.

That's a lot of dollars! Few, if any, could maintain their current level of operation with that size funding reduction

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How will strategic cost management in higher education course assist?

The Course will consider all operational aspects of higher education, their drivers and their implications on achieving Mission in a revised funding environment and a digital environment. Current and future sources of revenue will be canvassed.

Revenue optimisation opportunities will be highlighted. Assumptions will be tested against revenue streams, enrolment and completion rates. Future funder and client options will be examined.

Existing costs and cost benefit will be reviewed. Service provision options will be evaluated. Scope for added value, minimising waste and reducing error will be challenged.

The proportion of direct to indirect cost will be discussed with future targets based on a sustainable business model rather than what the past dictates.

Higher education is asset rich. Options to better leverage those assets will be canvassed including better utilisation for revenue generation. Higher education is important to Australia's prosperity and global competitiveness.

The new funding formula will impact all staff and many students. Future directions need to be agreed after canvassing the diverse views of diverse stakeholders.

Finance specialists have a key role in defining the financial impact but Deans, Faculty Heads, Academics, HR and IT specialists and others need to work together to define a sustainable business model consistent with the providers mission, history and tradition, student profile, location and competitive advantage.

Will the Course be all hard work or is there an upside?

Funding changes of the nature proposed by the Commonwealth Government inevitably create hard work for higher education providers. Once passed by the Senate, the funding changes are inevitable as is the change and the hard work required.

There is a future for higher education. It is best that those committed to the sector shape that future rather than respond reactively to changes in funding.

This Course provides the opportunity for preparatory work in a collegial setting using a strategic planning and cost management framework. It provides the opportunity to canvass a broad range of options in an objective setting with peers.

Participants will be better placed to assist their higher education provider make informed decisions with greater confidence.

Participants will also take away a variety of tools and techniques and greater foresight to make a major contribution to inhouse discussions and strategic planning.

What is your objective as the Facilitator of the Strategic Cost Management in Higher Education course?

The agenda is set to promote critical thinking and canvass innovative options.
My objective is that each participant takes back to their higher education provider:
- a better understanding of the impact of changes
- a better appreciation of the broad range of options available and
- a framework for facilitating in house discussion to make informed decisions about strategic direction and managing change to define a sustainable business model.

Strategic Cost Management in Higher Education

2-Day Training Course: A proactive response to reductions in Government funding

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