Huron
CONSULTING GROUP

Education
Healthcare
Life Sciences

Using Metrics and Benchmarks to Support Research Administration

October 15, 2014

YOUR MISSION | OUR SOLUTIONS

Agenda

OCTOBER 15, 2014

- Introduction: Benchmarks vs. Metrics – *Why They Matter*
- Developing Metrics at your Institution – *4 Key Steps to Getting Started*
- Utilizing Metrics as Benchmarking Data – *Information for Comparison*
- Implementing Change based on Benchmarking Data – *Next Steps*

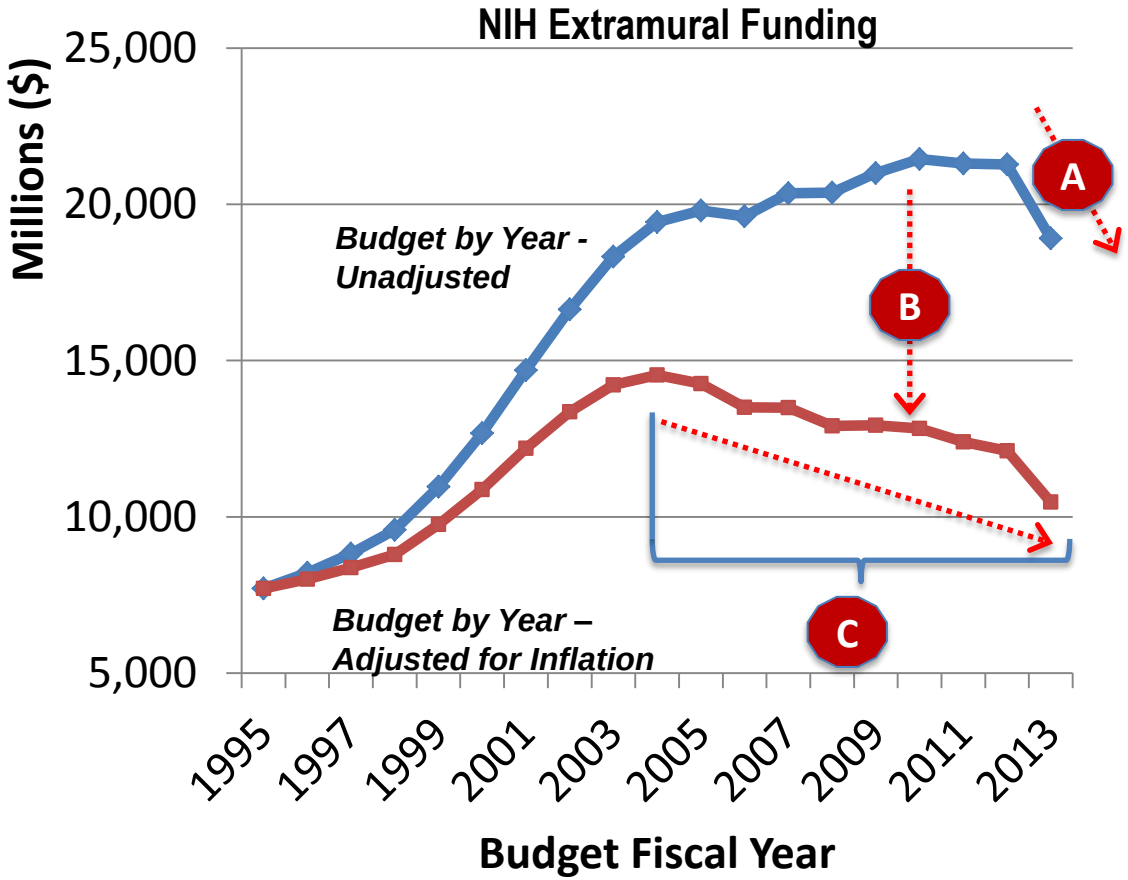
Introduction:
Benchmarks vs. Metrics

Why they matter

Introduction: Benchmarks vs. Metrics

WHY THEY MATTER?

Funding for research continues to experience decline….



A. Budget sequestration and other federal funding pressures have **reduced NIH extramural funding by as much as 11%**

B. **Research funding has not maintained the pace of biomedical cost increases**.

C. Potential effect will be **30% less research buying power over the next decade**

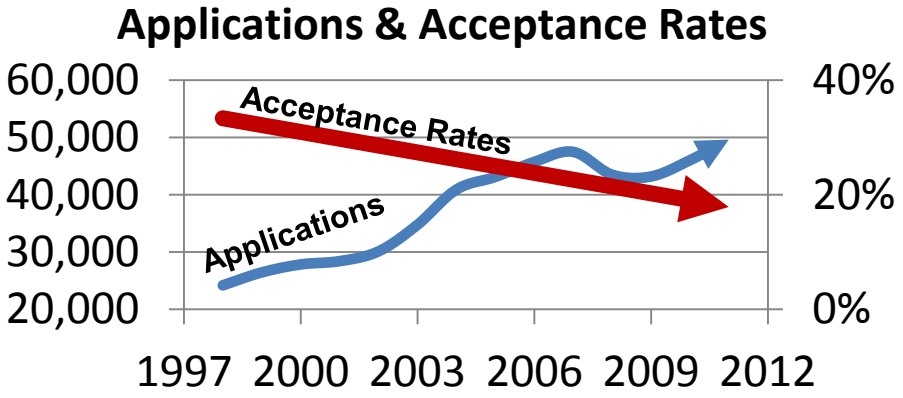
Introduction: Benchmarks vs. Metrics

WHY THEY MATTER?

Administrative pressures on research are high and increasing.

A 2009 study by FDP reported that **42% of faculty time spent on federally-sponsored research was actually spent administering projects** (not including proposal writing!)

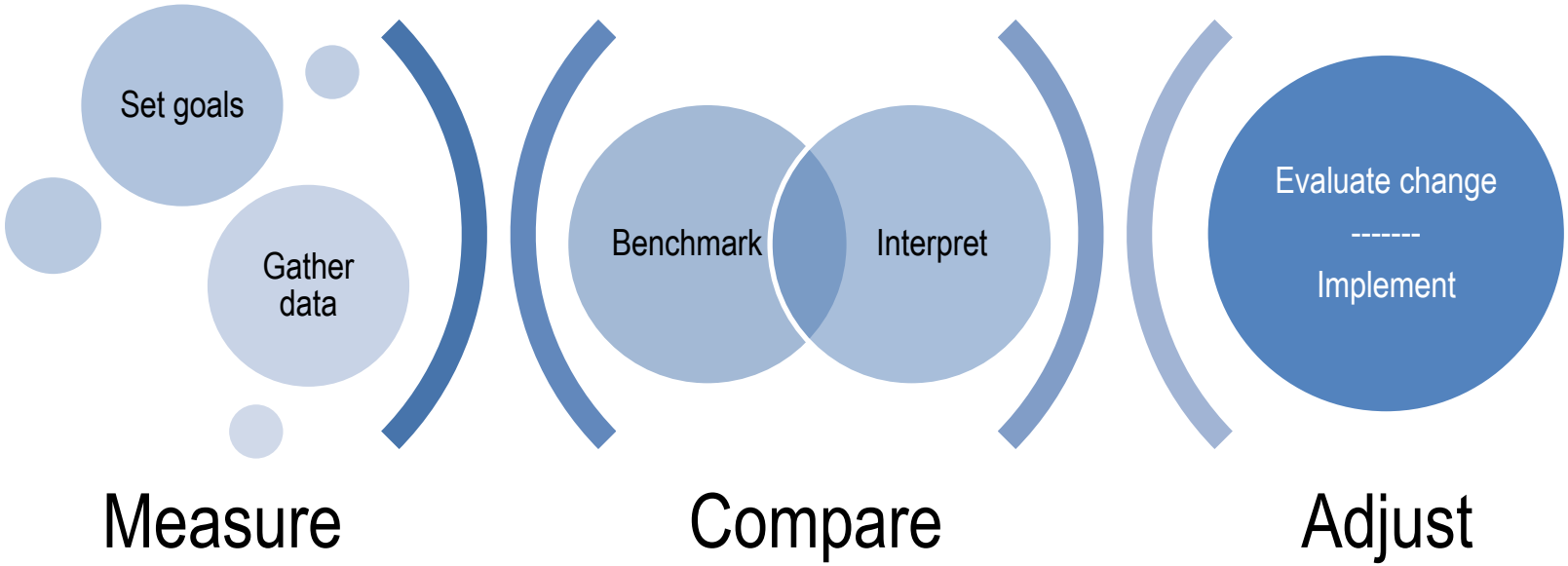
Lack of funding has created hyper-competitiveness. Acceptance rates continue to drop and applications increase. Added applications equals added administrative effort



Push for federal reporting requirements has increased, in pursuit of proven measures of accountability: ARRA, FFATA, DATA Act, FCOI

Introduction: Benchmarks vs. Metrics

WHY THEY MATTER?



Institutions need to make the most of their investments and ensure those investments are paying off at the highest rate – or examine opportunities to improve.

Introduction: Benchmarks vs. Metrics

METRICS: TOOLS TO MEASURE

Data, in the form of metrics, can measure and quantify the efficiency, effectiveness, cost and risk of institutional practices and processes.

The use of metrics can assist an institution by:

- Measuring efficiency of current processes and impact of process changes
- Discovering bottlenecks in existing business processes
- Defining clear and measureable performance goals
- Serving as the first step to improve performance

Introduction: Benchmarks vs. Metrics

BENCHMARKS: TOOLS TO COMPARE

Benchmarking is a tool that compares data to address questions like the following:

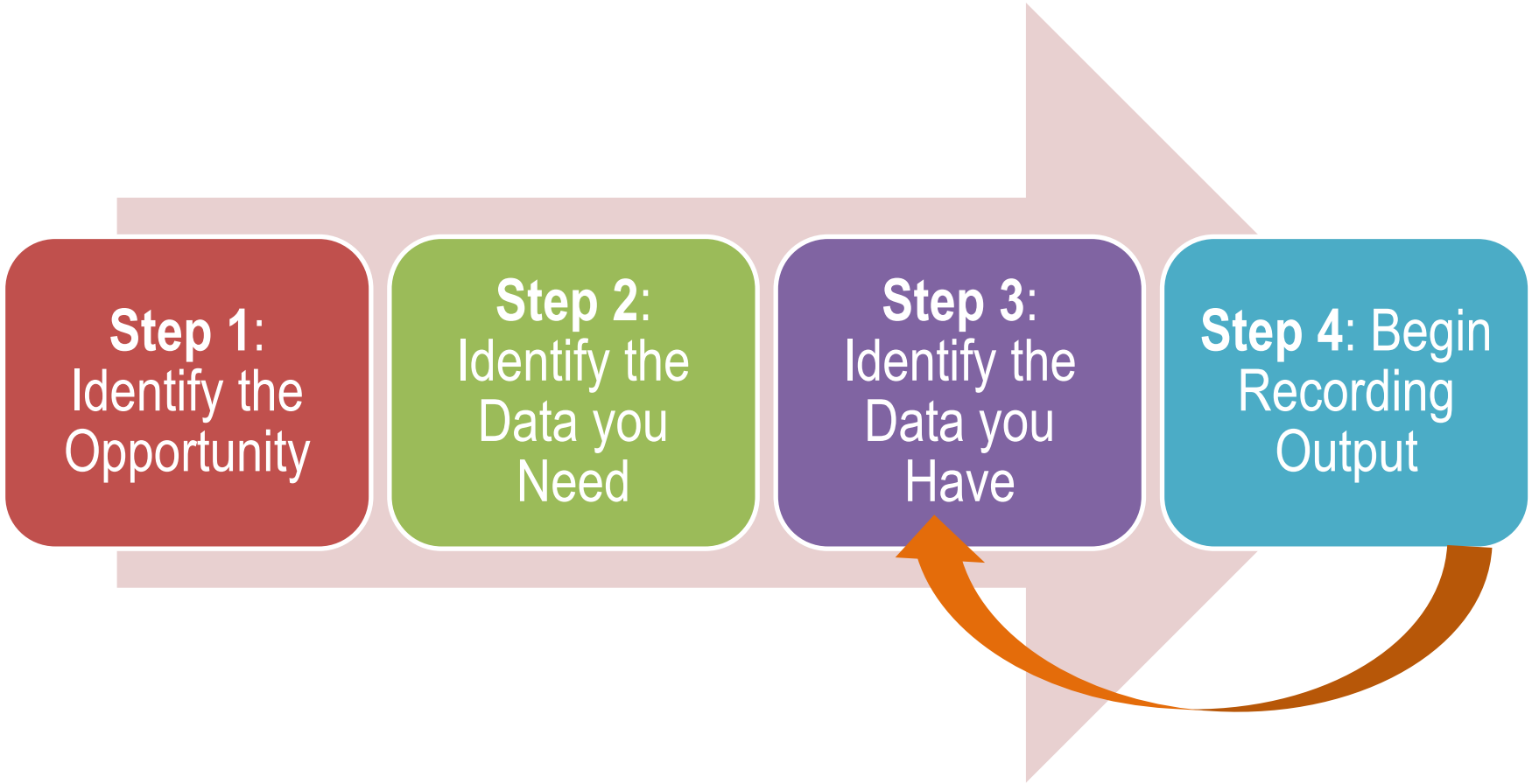
- Justify current or desired staffing levels, e.g. "Is this reasonable?"
- Identify opportunities to deliver research more effectively or efficiently. "Why are other institutions more successful?"
- Measure and compare performance against a group of standard peers as well as aspirational peers. "Can we be the cutting edge?"

Step 1: Measure

Developing Metrics at your Institution

4 Key Steps to Getting Started

4 Steps to Developing Metrics



Taking a focused approach will allow you to more quickly implement successful, lasting, and measureable improvements. Once you begin recording output, you should constantly reassess — do you still have the right data? What conclusions are you drawing?

Metrics Case Study

- Step 1: Identify the Opportunity
  - Faculty were complaining about the time to set up an award once it was received – *"it takes too long, not sure what is happening in that office…"*
  - Opportunity = Award Set Up – can we make it faster?
- Step 2: Identify the Data you Need
  - Turnaround time – in order to know if we can do it faster, we need to measure how long it takes
- Step 3: Identify the Data you Have
  - We don't currently measure turnaround time
  - If we were going to measure it we would need:
    - Date award came in
    - Date award was set up in accounting system
    - Type of award (perhaps this can help us understand what takes longer)

Metrics Case Study

- Step 3 (cont.):
  - We don't currently capture the date the award came in, but we could begin recording it
  - We do capture the date the award was set up in the accounting system through "set-up date" in the ledger.
  - Comparing these two data points should give us a turnaround time.
- Step 4: Begin Recording Output
  - After a month, we've recorded an average turnaround time of ~15 business days.
  - But just looking at the data, it appears contracts take much longer than "standard awards"…..**perhaps there is an opportunity to separate these two processes?**
  - **Remember**: It is vital that all process owners agree on what each data field means and what the overall metric is meant to measure

Step 2: Compare

Utilizing Metrics as Benchmarking Data

Information for Comparison

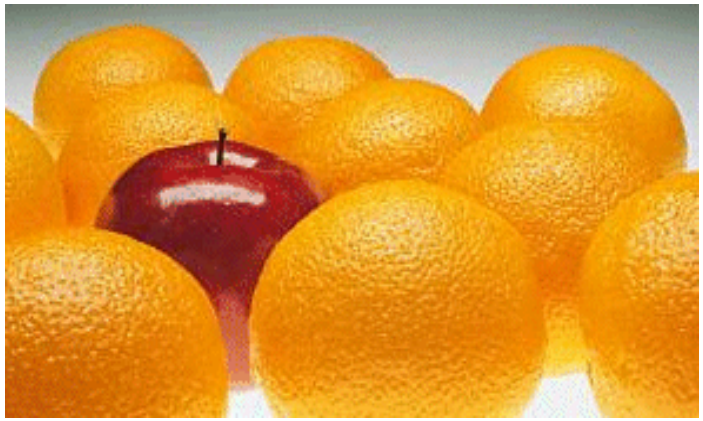
Utilizing Metrics as Benchmarking Data

BENEFITS AND CHALLENGES TO BENCHMARKING

There are unique benefits and challenges specific to benchmarking research administration in higher education.

Benefits:

- Broader perspective for a reality-based “best practice”
- Similar comparison basis
- Willingness to share the play book



Challenges:

- Institutional differences
- “We are different”
- “That won’t work for us because…”

Benchmark Data: Information for Comparison

START BY THINKING OF YOUR INSTITUTION….

For this section, we will be using data from Huron's RADIUS Benchmarking Survey – a survey tool that gathers staffing, organizational and performance data from a variety of different research institutions – of different types and with a broad range of sponsored project volumes.

Information is presented by Cohort (institutions with a similar level of sponsored spending) and compared against quartiles for all participants.

Cohort levels include:

A) $450M+ Annual Research Expenditures
B) $150 - 450M Annual Research Expenditures
C) $50 - 150M Annual Spending
D) <$50M Annual Research Expenditures

Benchmark Data: Institutional Organization

HOW ARE YOUR PRE-AWARD AND POST-AWARD OFFICES STRUCTURED?

Cohorts trended towards separate offices.

Does Your Institution Have Separate or Combined Pre-Award and Post-Award Central Research Administration Offices?

(Gray = Separate, Colored = Combined)

D (smaller volume institutions) had a high majority of institutions with combined offices.

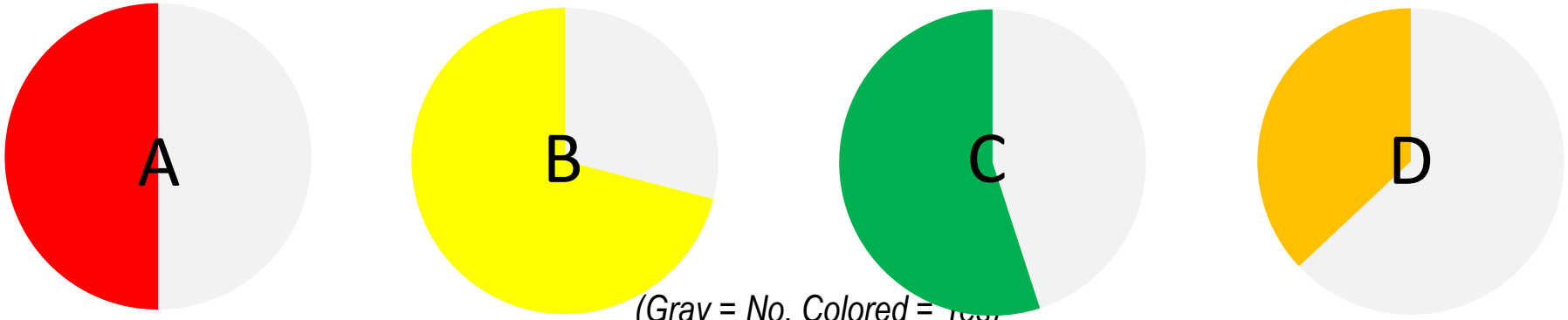
C and D had the most and highest percentage of “Shared Responsibility” functions.

Benchmark Data: Training Programs

WHAT LEVEL OF SPONSORED PROJECTS TRAINING IS PROVIDED BY YOUR INSTITUTION?

Higher volume institutions have a higher prevalence of formal training programs.

Does your institution require mandatory, ongoing continuing education for local research administration staff?



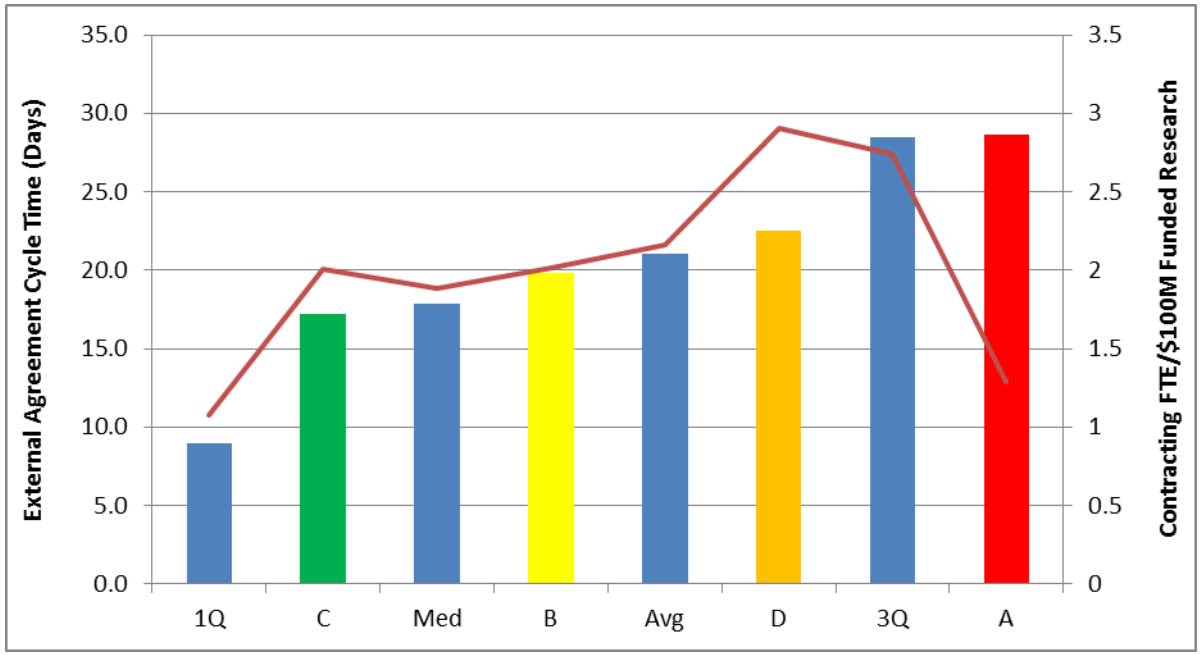
(Gray = No, Colored = Yes)

In general, as institutions grow in size, the establishment of a formal training program increases.

A majority of B and C institutions, and half of A institutions, do have a formal training program for local research administrators.

FTE vs. Performance: Contract Negotiations

Agreement Negotiation Cycle Times vs. Contracting FTE

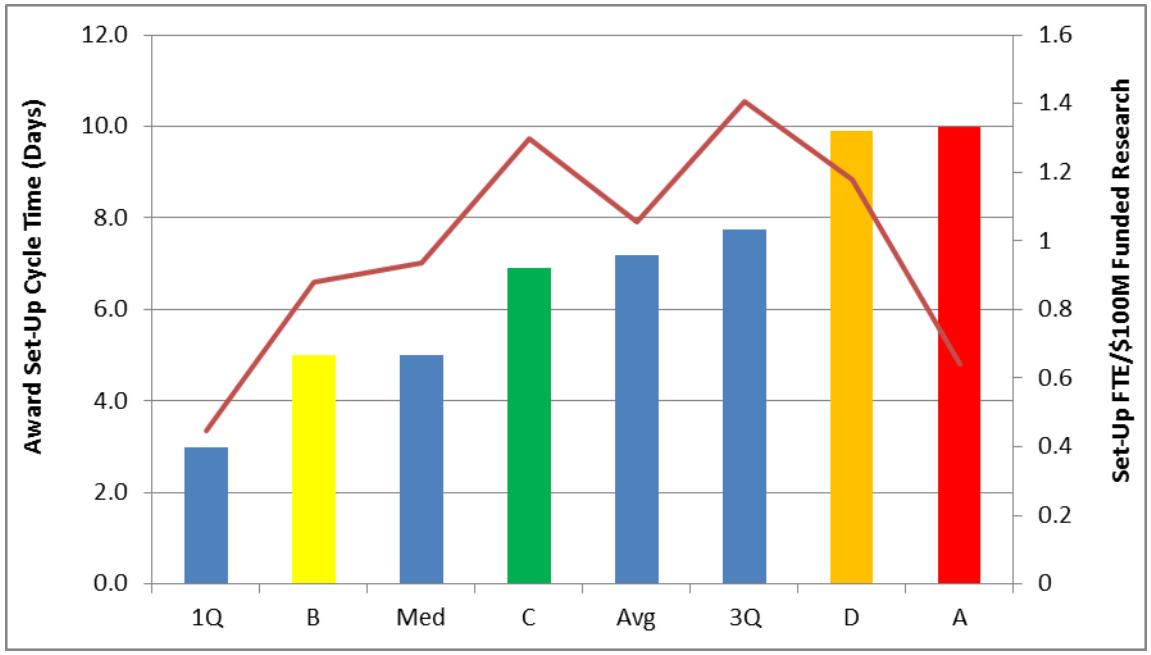


Observations:

- **Cohort B/C vs. Cohort D:** Roughly the same average cycle times (17/20 days versus 22 days), but D (smaller institutions) has considerably more FTEs for their volume – likely an impact of the small volume and requiring a minimum level of FTE.
- **Cohort A:** Demonstrates the best performance per FTE dedicated to contracting – BUT Cohort A has the higher volume of contracts (more than 10x Cohort D) so perhaps A's team is more practiced, and therefore more efficient

FTE vs. Performance: Award Set-up

Award Set-up Cycle Times vs. Award Set-up FTE

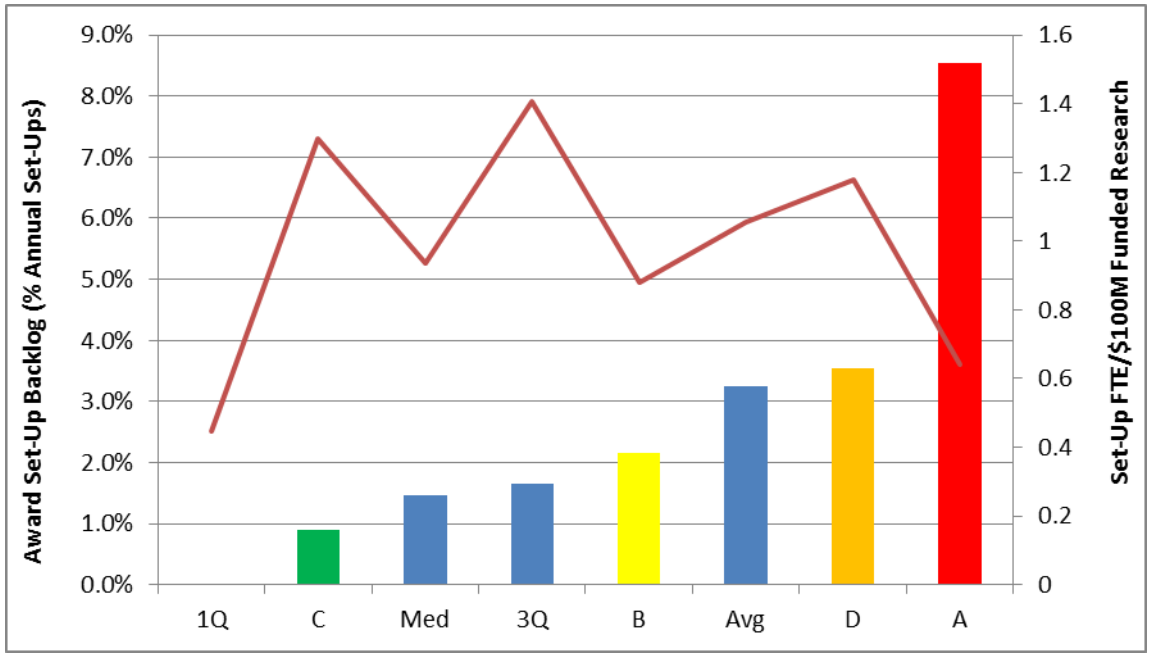


Observations:

- **Cohort B vs Median:** Similar FTE and cycle times
- **Cohort C vs Average:** Similar cycle times (7 days) and Cohort C has 2 more FTEs/volume (more inline with the 3rd Quartile)
- **Cohort A & D:** Highest cycle times – A has significantly less FTEs than D

FTE vs. Performance: Award Set-up

Award Set-up Backlog vs. Award Set-up FTE

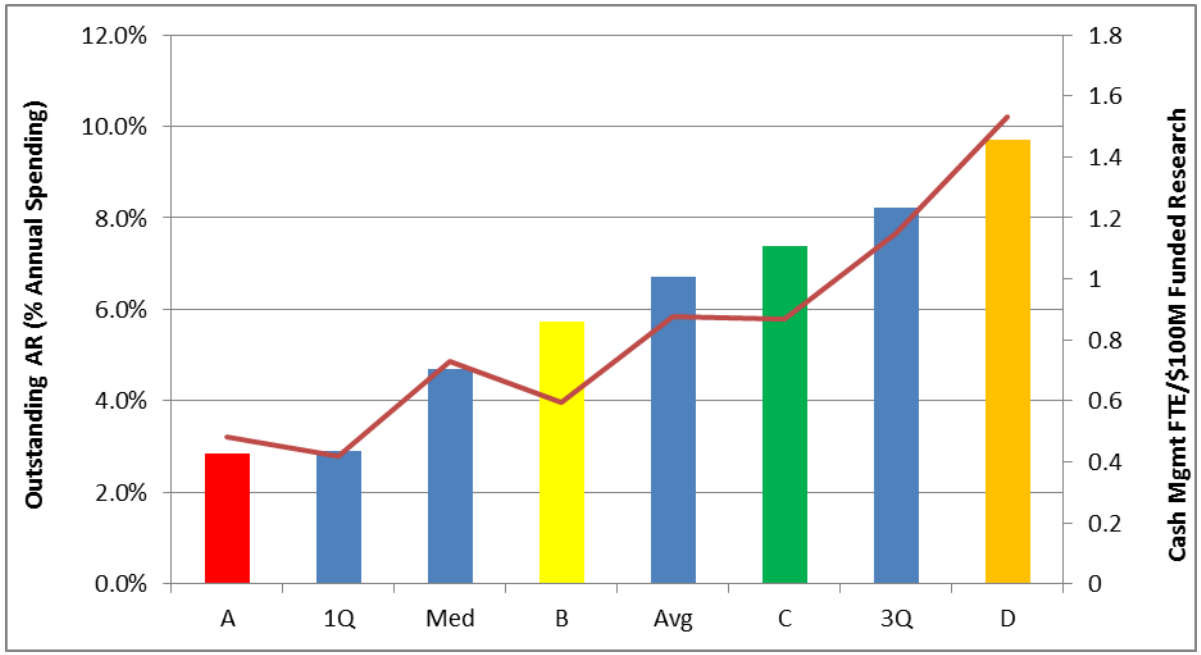


Observations:

- **1st Quartile:** No backlog – meaning several institutions did not report a backlog of set-up transactions
- **Cohort A:** Largest backlog but least staff (recall longest cycle times)
- **Cohort C:** More staff, but minimal backlog, the higher staff may be proving to be a solid investment

FTE vs. Performance: Cash Management

Outstanding Accounts Receivable vs. Cash Management FTE

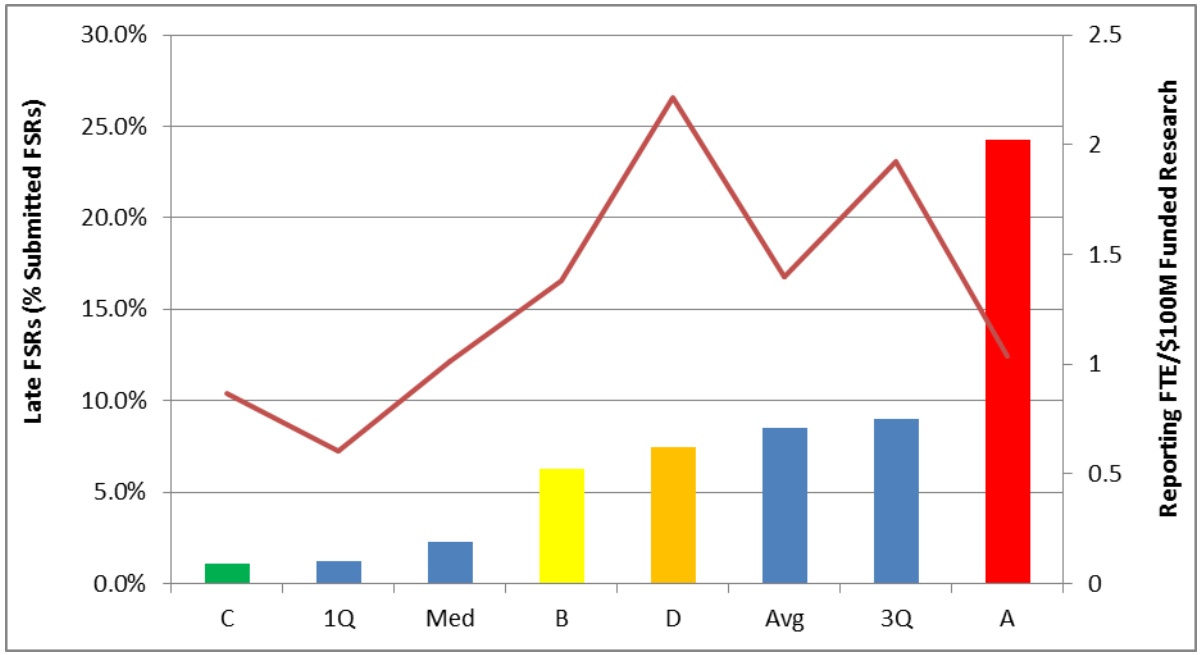


Observations:

- This analysis is normalized by annual sponsored spending, so AR as a percentage of annual expenditures is less for the larger institutions

FTE vs. Performance: Financial Reporting

Late FSR Submissions vs. Financial Reporting FTE



Observations:

- **Cohorts B & D:** Similar performance levels, D has a much higher FTE level (again possibly fall out of the low volume)
- **Cohort C:** Few late FSRs – similar to the 1st Quartile – with slightly higher FTE levels than the quartile
- **Cohort A:** Highest number of late FSRs, FTEs on par with the Median

Benchmark Data: Information for Comparison

DO YOU WANT MORE?

Become a RADIUS Participant!

The survey focuses on spending, staffing and performance efficiency in research administration topics above and beyond what we reviewed today.

Participating institutions receive access to detailed reports that include:

- A customized benchmarking report comparing your institutional data against relevant peer groups
- An extensive appendix of data tables showing quartiles and averages for collected metrics
- The option for a follow-up conversation with Huron Education's industry and process experts

Benchmark Data: Information for Comparison

DO YOU WANT MORE?

The RADIUS Benchmarking Survey is only available online. If you are interested in taking the survey, please visit us online at

https://huronbenchmarkingsurvey.huronconsultinggroup.com/

or email RADIUS@huronconsultinggroup.com directly for more information.

Step 3: Adjust

Implementing Change based on Benchmarking Data

Next Steps

Next Steps

ATTAIN BALANCED EFFICIENCY….

Recalibrate your institution's efficiency standards

- Recognize what is possible
- Set goals to achieve increased performance expectations
- Challenge and enable process owners and performers

Achieve Balance

- Cost-Benefit Considerations
- Average vs. Above Average vs. Top Tier

Find new solutions for existing problems

- Gain insight into peer institutions to bring fresh ideas to your institution
- Define new performance metrics
- Identify options for innovative supporting organizational structures

Implement – The real work begins!

Questions / Comments?

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