CASE STUDY

Identifying Solutions for Continuous Improvement

“In the face of many financial challenges, the research and analytics provided by Fox MC has allowed the Controller’s Office to be better positioned for the future.”
- Frank Annunziato, Associate Vice President and Controller

Client Profile
Temple University is a research intensive institution founded in 1884. Today, the University is the 25th largest in the United States. With an enrollment of over 37,000 students, the unconsolidated annual revenues of the University were $1.2B with more than $2.5B in assets. Temple University’s Controller’s Office is responsible for the development and implementation of University fiscal policies, accounting procedures, internal control mechanisms and financial systems. The mission of the Controller’s Office is to ensure the integrity of transactions, to accurately report on financial data, and to execute financial transactions in an accurate and timely manner.

The Project
Temple University has seen rapid growth over the past 30 years and has experienced a significant elevation of its reputation and financial position in that time frame. However, the University and its affiliated health system (now including Fox Chase Cancer Center) face ongoing reductions in state support. Temple University’s Controller’s Office engaged Fox Management Consulting (Fox MC) to evaluate new initiatives that will allow Temple to maintain its support of the University’s mission in the most efficient and cost effective manner.

Recommendations
After research and analysis, Fox MC recommended that the Temple University Controller’s Office:

• Create six new positions within the RAS department, including a Financial Manager, to reduce the number of grants per analyst.
• The target metric for measuring A/R performance should be 35 average days in A/R (down from the current 85 days).

Failure to address the current shortcomings of RAS will adversely affect the ability of the University to attract the highly funded principal investigators needed to achieve Temple’s aggressive growth goals for research dollars. As customer service improves, Temple’s principal investigators can devote more time to conducting research and applying for grants, rather than managing the finances of their grants as they must do now.

Results
Following the project, Temple University’s Controller’s Office has hired six new staff members and has reduced average accounts receivable days by 30 and the average account receivables balance by $10 million.