

Business and Finance Challenges Facing Higher Education



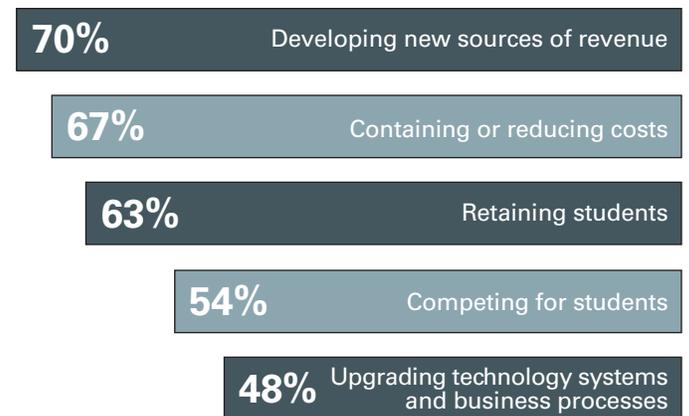
University Business and Oracle partnered to explore some of the biggest challenges faced in higher education by surveying college and university business, finance and executive leaders in April 2016. Over 300 leaders responded, who identified some of the challenges they face, described the progress being made in addressing these challenges, and highlighted the extent to which they are turning to cloud computing solutions.

Most critical challenges

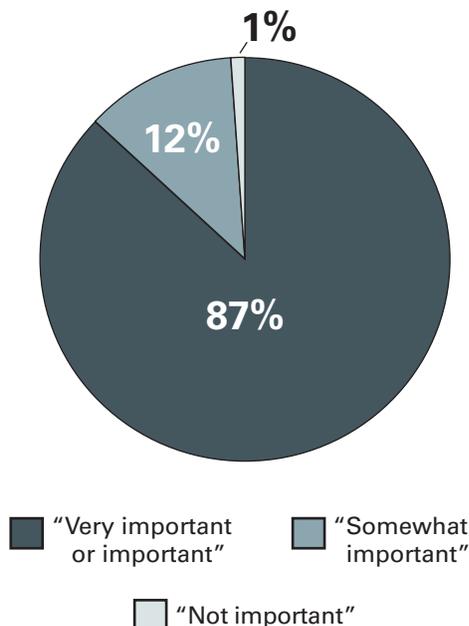
When asked to identify which challenges were most critical, responses were fairly evenly distributed across many different topic areas, indicating a wide variety of challenges facing institutions. The most commonly selected answers were "Developing new sources of revenue" (70 percent), "Containing or reducing costs" (67 percent) "Retaining students" (63 percent), "Competing for students" (54 percent) and "Upgrading technology systems and business processes" (48 percent).

"The cost of education continues to rise while funding sources decrease or remain flat," says Keith Rajecki, Senior Director, Industry Solutions for Higher Education at Oracle. "Part of the solution is to search for new sources of revenue and reduce costs. Oracle's solutions enable institutions to do both, while improving efficiency, optimizing resources and creating a modern campus, helping to drive both institutional and student success."

As a financial or business leader, which challenges do you see as most critical to your institution?



How important do you think it is that your institution significantly modifies and/or optimizes its business processes in the near future?



The need for changing business processes

These leaders are not only aware of the challenges, however; they are also aware of the need for change. Some 87 percent said they felt it was either "Very important" or "Important" that their institution significantly modifies its business processes in the near future. Just 12 percent said this was "Somewhat important" and only 1 percent said it was "Not important." When asked where their institution is in regards to changing these business processes, an overwhelming majority (71 percent) said they have "Started already," while 20 percent said "Not started but will in the next 12-36 months" and 9 percent said "Not started but will in the next 12 months." When it came to the biggest obstacles to change, the top answer by a significant margin was "Change management challenges" (79 percent). The other main obstacles to change were "Outdated or insufficient technology" (38 percent) and "Decentralized decision making" (37 percent).

"Change can be difficult for any organization, and as the survey found, higher education is no exception. In addition, many colleges and universities struggle to keep up with technology and are unable to take advantage of new capabilities," says Brad Saffer, Director of Higher Education at Oracle. "This is one of the biggest advantages of moving essential technologies such as the ERP to the cloud; cloud services ensure that institutions always have the most up-to-date features and capabilities."

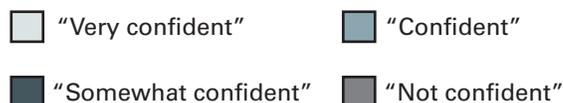
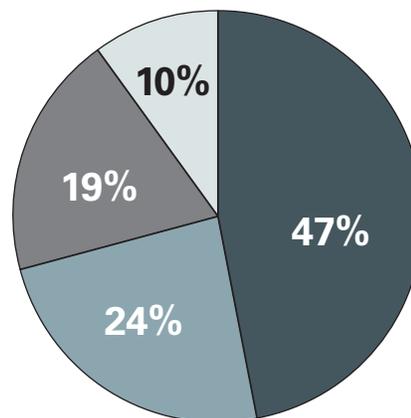
Lack of access to crucial data

Unfortunately, just 10 percent said they were “Very confident” and only 24 percent said they were “Confident” that they had access to all the data they need to make the most informed decisions. The leading answer was “Somewhat confident” at 47 percent, while another 19 percent said they were “Not confident” that they had access to the necessary data.

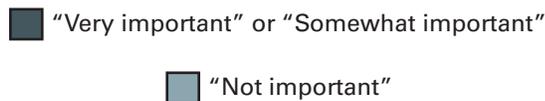
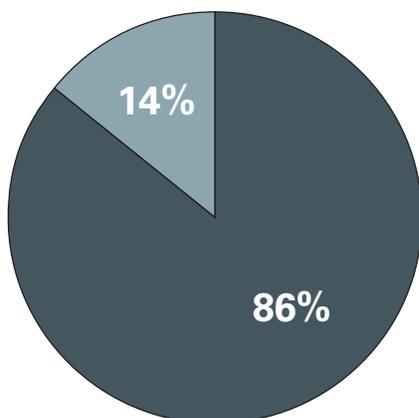
When asked to what extent siloed, incompatible systems or software was a challenge for their institution, 77 percent said it was either “Very challenging” or “Somewhat challenging,” while just 23 percent said this was not a challenge at their institution. When asked the extent to which manual processes and inefficient workflows were a challenge, 86 percent said this was either “Very challenging” or “Somewhat challenging,” while just 14 percent said this was “Not challenging.”

“This survey data confirms the fact that many higher education institutions struggle to provide their leadership with access to critical information, because they use many disparate systems,” says Saffer. “Oracle Integration Cloud Services provides a secure platform for connecting applications regardless of where they reside, so college and university leadership can easily access vital information from across the institution.”

How confident are you that you have the access to all the data you need to make the most informed financial or business decisions for your institution?



How important is the cloud model (public, private or hybrid) to your institution's overall IT strategy today?



Solutions in the cloud

Respondents also indicated that cloud computing was an important part of the solution to these challenges. Some 86 percent said cloud computing was either “Very important” or “Somewhat important” to their institution, while just 14 percent said it was “Not important.”

When asked to identify how cloud computing benefits their institution, answers were very evenly distributed across all choices, and nearly identical across all types of institutions. The leading answer was “Improved ability to integrate new technologies across campus” (65 percent), followed closely by “Reduced costs” (56 percent), “Modernized systems” (55 percent), “Reduced IT workload” (52 percent), “Increased agility” (52 percent) and “Reduced administrative workload” (42 percent). When asked how important cloud computing will be for their IT strategy three years from now, some 61 percent said it would be “More important,” while 37 percent said it would be “About the same level of importance.” Just 2 percent said they believe cloud computing would be “Less important.”

While colleges and universities are facing a variety of unprecedented business and financial challenges, higher education leaders are aware of the need for change, and see cloud computing as part of the solution.

By moving key processes and applications such as the ERP, EPM and HCM to the cloud, college and university leaders are able to make more informed decisions, drive innovation and lead their institutions through the changing landscape of higher education.

Oracle Cloud for Higher Education enables institutions to streamline operations, improve access to critical data and reduce costs, all while delivering a more personalized student experience that promotes both institutional and student success.

To learn more about Oracle's solutions for higher education, visit: www.oracle.com/higher-education.

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