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The Customer

William James College (WJC), formerly Massachusetts School of Professional Psychology, is a private, non-profit, graduate school of psychology located in Newton, Massachusetts. WJC’s mission is to be a preeminent school of psychology that integrates rigorous academic instruction with extensive field education and close attention to professional development. It assumes an ongoing social responsibility to create programs that educate specialists of many disciplines to meet the evolving mental health needs of society.

WJC offers 14 degree programs, including doctorate and masters degrees. Degree programs range from one to four years in length. WJC has grown significantly over the last ten years. More recently, over the last five years, enrollment has more than doubled – along with the budget which grew from \$9 million to \$21 million.

Dan Brent is a CPA and the Associate Vice President of Finance at WJC. Dan has been with the college for four years. Prior to WJC, Dan spent seven years at a national public accounting firm.

The Problem

The substantial growth over the last decade brought with it significant changes and increasing complexity in the budgeting and forecasting process. Dan Brent describes the shift, “In 2002 we only had one program. Since then we’ve added several masters programs, a few of which are on-line, some of them have a blended curriculum... they all have different pricing structures; there a multitude of different factors going into the budget planning process now.”

The Excel-based budgeting system WJC had in place was labor intensive and error prone. “We had one spreadsheet for revenue, based on all the programs and number of

credits. We had a spreadsheet that tracked personnel-related items (payroll, expenses, and benefits), and then we had a separate spreadsheet that would track “other” expenses, supplies and utilities. We were constantly growing and adding new programs, adding new accounts, each time having to make changes to our Excel templates. There was too much room for error. We didn’t have good controls over the system.”

In an organization experiencing a large amount of growth, budgets can become quickly outdated. It became apparent that forecasting was a critical tool WJC needed to gain better insight and control in how the year was progressing. In order to forecast accurately, a system needs a degree of flexibility. It must be able to accommodate the budget, actuals, and previous forecasts all at once. With the WJC Excel-based system this process took three days to complete. Dan recounts, “It was just a tremendous headache and when you were done you really didn’t know if you had accurate numbers in there.”

The Excel system was clearly not meeting the needs of the team. Not only did they want accurate numbers, they also wanted useful reports that could help drive strategy. Leadership wanted qualitative data in addition to quantitative data. It was nearly impossible to generate reports that could provide insight beyond budget and actuals. Also, Dan explains, “Our budget managers aren’t necessarily the most savvy at finance and Excel.” About a month prior to beginning the next budgeting cycle, WJC considered the possibility that a new system might be necessary to improve efficiency, accountability and transparency. There had to be a better way.

The Evaluation and Implementation

WJC began to evaluate the BudgetPak product based on a recommendation from a peer institution. The finance team felt that this new product addressed many of the shortcomings of their current Excel system – it was both a

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user-friendly and incredibly powerful tool. "We loved the fact that BudgetPak could help both our finance team and department heads with the annual budget and management reporting, but then we had a forecasting solution that we could use throughout the year; it wasn't just a onetime use," Dan explained. But a new budget and forecasting system had not been factored in to the current year's budget. It was up to the team to justify the cost. "While we didn't have money in the budget for a new system, we knew that the time savings and reductions in data entry and formula errors alone would outweigh the costs of this system," Dan recalled.

With the cost-justification question resolved, the conversation quickly progressed to whether or not they could get the system up and running in time for the upcoming budget cycle. This question was also quickly resolved: from start to finish implementation was completed in three weeks.

The Solution

WJC began to realize efficiency gains immediately after implementation. "The best benefit for WJC is that the BudgetPak system saves us so much time. The manual three-day Excel forecast process, can now be done in a matter of three hours, it's a huge change from the old process," says Dan.

Along with time savings, the team now feels much more confident in their numbers. Dan explains, "When you know that you have the controls in place and the system is accurately calculating all of your numbers, you no longer worry about formula errors. Unlike Excel, this system is created for exactly this type of analysis".

BudgetPak gave managers the ability to look at all of their data at one time. Budgets, actuals, previous forecasts and even next year's budget were all available for the first time in one system. Dan says, "And the system is very easy to use. We find that you can easily download the actuals to date from our accounting system, put it into the system, and you can just fly right through it cost center by cost center." Not only could they view this data, they could manipulate variables to see the effect of proposed strategic decisions. Adding a new program, hiring new faculty, or something as simple as planning for salary increases could now be modeled in a matter of hours.

With the BudgetPak system in place, department managers were more involved, finance was more confident in their forecasts and management felt more informed in their decision making. "All of the stakeholders are very pleased with the transition," says Dan.

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