



A Higher Degree of Flexible Finance Helps London University Thrive

Case Study

At a glance

- Richmond The American University in London needed to strengthen its Finance function, following the departure of its CFO, in the midst of an economically challenging pandemic.
- The Finance team had inherited multiple legacy issues that were exacerbated by lockdown and a complex site move that also required new student accommodation.
- EFM Associate Jonathan Wheeler was approached to act as interim CFO, and recommended fellow Associate Mike Fletcher to share the role, owing to the volume of work.
- Jonathan and Mike collaborated remotely, communicating and working flexibly to focus their respective areas of expertise where they would deliver maximum benefit.
- The outcome was more robust Finance systems and processes, greater financial transparency and stability, increased Trustee Board and stakeholder confidence in the Finance team, and a smooth handover of the role to a full-time CFO.

Background

When Richmond American University in London approached EFM Associate Jonathan Wheeler towards the end of 2021 to strengthen their Finance function as interim CFO, they knew his skills would deliver results. He had previously headed up a major project in 2019 that had seen the University secure further funding to enable it to continue its growth.

As the University's CFO had left the role, the institution now found itself in a doubly challenging position. Its Finance team was leaderless and had consequently missed critical deadlines for budgets and annual financial returns to the Office for Students. It also faced multiple legacy issues, right at a time when the lockdown's impact on student recruitment and revenue demanded the savviest financial leadership possible.

For this reason, Jonathan was chosen as the University's interim CFO, but the backlog of processing and other work involved needed additional capacity. On Jonathan's recommendation, the University interviewed and selected fellow EFM Associate Mike Fletcher as the other half of an expert "double act" that demonstrated the great flexibility EFM Associates can bring to their roles.

Between them, Jonathan and Mike set about strengthening the University's Finance function to create slicker, more cost-effective processes, optimise revenues and cash flow, motivate and unify its team, and improve management information (MI), forecasting, and communication to the Board.

No small achievement in the middle of lockdown, when shielding considerations meant the face-to-face contact that was so crucial in motivating and encouraging the team was necessarily limited, and much of the work had to be done remotely and virtually.

Challenges

In their shared interim CFO role, Jonathan and Mike inherited a Finance team with multiple issues surrounding systems, skills, vacancies, retention, and performance. This had created a knock-on effect on the function's credibility at Board level and was adversely affecting the University's ability to forecast realistically and to set clear budgets. In short, liabilities and opportunities were being missed.

The team was coming under immense pressure, but lockdown meant that Jonathan and Mike couldn't physically sit round a table with stakeholders to resolve the issues.

At the same time, there were contractual issues around the University's tenancy of the site, which meant Finance expertise was needed to fund a move of the entire premises to an alternative location in Chiswick, and to arrange student accommodation in that area.

All this took place amidst pressure from the University's backers to better understand overspend and underinvestment, and to demonstrate clear forecasting that would support ongoing growth.

Pulling in a different direction, the Office for Students, for its part, wanted to be assured the University would deliver on the KPIs it believed indicated the institution's ability to continue to deliver value to its students.

Solutions

Between them, Jonathan and Mike immediately set out to improve the Management Information (MI) from the Finance system's outputs and engaged an interim Finance Manager to drive this forward and take responsibility for it.

They also overhauled the month-end process and improved the accuracy and completeness of the journals, so that they could establish robust trial balances and better understand cash flow and reserves.

At the back end, Jonathan and Mike worked hard to streamline and accelerate processes that were critical for cash flow clarity and revenue optimisation – including purchase orders, invoice issuing, payment terms, payment methods, credit control, debt collection, and so on.

From the start, they operated an “open door policy” and a flexible, fluid approach to working that both enabled them to share the workload effectively and to make themselves maximally accessible to a team much in need of leadership and support.

Video calls were regular and inclusive, and to foster quick responses on all sides, much of the communication was by mobile phone calls and group instant messaging.

Rather than simply dividing tasks up between them, Jonathan and Mike often shared work on the same tasks alternately, preventing bottlenecks, facilitating the exchange of ideas, and playing to their respective strengths (Jonathan's previous experience of Finance in the education sector and Mike's experience as a CFO and FD.)

Benefits

Jonathan and Mike's work enabled them to produce improved management packs that clearly articulated the University's current position and future options to the Board and key stakeholders.

This, in turn, made it possible to set fit-for-purpose budgets, cost centre by cost centre, and clear financial headroom for the major capital expenditure involved in the site move.

The team, too, benefited. Involving them closely in day-to-day discussions and decisions and maintaining two-way communication with them increased their skill level and engagement, whilst they also started to enjoy a much-improved status in the eyes of the Board, who now had far greater confidence in the forecasts and reporting the team helped to produce.

Phil Deans, President and Vice Chancellor at the University, said: “The involvement of Jonathan, Mike, and EFM helped create the best Finance team we'd ever had up until that point, steadying the ship through some difficult times and enabling us and our backers identify, plan for, and finance the opportunities ahead.”

And far from being merely a short-term expedient, Jonathan and Mike's work earned them a further consultancy project to identify, bring on board, and induct a new, permanent CFO, who found herself in the beneficial position of leading a more motivated team, for a supportive and well-informed Board, in an institution that continues to grow and thrive today.

For more information on how EFM's experienced Finance professionals can take the pain and cost out of managing your business's finances, and smooth its passage to growth, get in touch today.



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