

ROLE SPECIFICATION

for the position of

EXECUTIVE VICE PRESIDENT
AND
CHIEF FINANCIAL OFFICER

with



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THE UNIVERSITY

The University of Michigan is one of the great public research universities of the United States. Since its founding in 1817 the University has served as a national model of a complex, diverse, and comprehensive public institution of higher learning that supports excellence in research; provides outstanding undergraduate, graduate, and professional education; and demonstrates commitment to service through partnerships and collaborations that extend to the community, region, state, nation, and around the world.

Total enrollment at the University exceeds 61,000 students, with the main campus in Ann Arbor accounting for 43,700, Dearborn and Flint accounting for 9,000 and 8,000 respectively. The University has approximately 7,600 faculty members and 36,700 staff. In addition, the University annually employs over 29,000 contingent workers, the majority of whom are students. Nine bargaining units represent approximately 12,800 staff: service/maintenance, trades, operating engineers, police, nurses, house officers, graduate student instructors, lecturers and stage service providers. The University has more than 540,000 living degree holders, one of the largest alumni bodies in the world.

Fiscal year 2013 revenues for operating activities totalled \$6.3 billion and consist of the following:

● Health system and other clinical activities:	\$2.8 billion (all Ann Arbor)
● Net student tuition and fees:	\$1.1 billion (Ann Arbor: \$924 million)
● Government sponsored programs:	\$966 million (Ann Arbor: \$933 million)
● Distributions from investments:	\$454 million (Ann Arbor: \$448 million)
● State appropriations:	\$316 million (Ann Arbor: \$274 million)
● Nongovernment sponsored programs and other sources:	\$280 million (Ann Arbor: \$274 M)
● Other auxiliary activities:	\$263 million (Ann Arbor: \$256 million)
● Gifts:	\$169 million (Ann Arbor: \$167 million)

At June 30, 2013, the University's endowment was valued at over \$8 billion, making the University seventh among public and private institutions in the size of endowment. The University's bond rating with Moody's Investors Service is Aaa and with Standard and Poor's, AAA. The University has adapted to changes in its environment which have positioned it strongly financially to maintain and strengthen its position as a top tier University in the nation. The challenge will be to maintain this positioning in the years ahead as higher education faces potentially transformative forces.

The University covers 3,177 acres on the Ann Arbor campus, including 315 major buildings and 223 North Campus apartment buildings for family housing. Other holdings include some 21,500 acres in the regional campuses, summer field sites, and other properties for research and teaching. The total book value of the physical plant was \$2.3 billion at the end of FY13.

Governance

The University is governed by the Regents of the University, consisting of eight members elected at large in the biennial state election, and the President of the University, who serves as an *ex officio* member. The Regents serve without compensation for overlapping terms of eight years. According to the Michigan Constitution of 1963, the Regents have “general supervision” of the institution and “the control and direction of all expenditures from the institution’s funds.” The Regents meet once a month in a public session. Additional information about the Regents is at: <http://www.regents.umich.edu/>

Mark S. Schlissel became the 14th president of the University July 14, 2014. The President’s organization chart, which includes his executive team and direct reports, is attached in the appendix. Additional information about the University can be found at <http://www.umich.edu/>.

THE POSITION

The University of Michigan seeks nominations and invites applications for the position of Executive Vice President and Chief Financial Officer (EVPCFO). The EVPCFO reports to the President, and is one of his key partners and advisors. As a senior member of the administration, s/he is an active participant in the overall leadership of the institution and participates in the Board of Regents meetings.

The EVPCFO leads units with more than 3,100 staff with a budget of \$800 million. S/he has stewardship responsibility to support and enhance the mission of the University, to ensure that the University fulfils its legal and financial obligations to internal and external stakeholders, to safeguard the University’s financial, human, information and physical assets, and to create an atmosphere that encourages all members of the University community to contribute to the overall excellence of the University.

S/he is uniquely responsible for the financial affairs of the institution, its complex business operations, human resources and extensive physical plant. In addition, s/he shares with the Provost responsibility for the University’s academic human resources, institutional equity, and information technology infrastructure and services.

Responsibilities of the EVPCFO

The EVPCFO has specific oversight and responsibility for Investments, Finance, Facilities and Operations, Human Resources, and Information Technology. The Chief IT officer reports jointly to the EVPCFO and Provost.

Investments – Team of 18 staff, led by the Chief Investment Officer

The EVPCFO is responsible for long-term and short-term investments of the University. Included are the endowment, life income funds, funds held for future investment in the physical plant, and current fund cash management. Because the University is a public institution that also relies on its endowment and other financial resources to generate income to support the operating budget, appropriate investment policies are critical to the long-term financial health of the University. These policies are administered by the EVPCFO under the purview of the President and the Board of Regents.

Financial Management, Accounting and Audit – Team of 401 staff, led by the AVP for Finance

The EVPCFO is responsible for:

- The University’s financial statements, and for maintaining systems, financial policies and processes in accordance with record-keeping requirements (GAAP, subject to annual audit)
- Expending & committing funds within approved University budgets using appropriate financial, accounting and purchasing procedures – this includes mergers and acquisitions that can be sizeable (e.g. medical centers)
- Leading and representing the University to credit rating agencies (S&P, Moody’s) and other external regulators. The Treasurer's Office is responsible for the management and coordination of the University’s banking relationships, treasury services, debt issuance and compliance, as well as insurance and disability management programs
- Monitoring expenditures and revenues, establishing internal controls, identifying risks and develops appropriate policies and contingencies to deal with those risks; and performing periodic internal reviews

S/he maintains the confidentiality of all University financial information as required.

Facilities and Operations – Team of 1,668 staff, led by the AVP for Facilities and Operations

The physical resources that consist of the buildings, grounds and equipment of the University are among its most important assets. These resources represent to the general public and to the citizens of the state of Michigan the physical embodiment of the University. The EVPCFO is responsible for protecting, preserving and maintaining these physical assets; promoting efficient use of the space; participating in responsible occupancy and operation of University buildings, office classrooms and equipment; promoting a safe and healthy environment for members of the University community and visitors; ensuring that the University’s operations are carried out in a manner consistent with University goals on sustainability and energy efficiency; and for the financial and physical oversight of all construction projects as well as parking and transportation services, the Office of Occupational Safety & Environmental Health, and utilities.

Human Resources – Team of 323 staff, led by the AVP and Chief Human Resource Officer

Stewardship of the University’s human resources involves creating a work environment in which people treat each other with respect and dignity, and also involves providing the support, direction and resources to allow employees to accomplish their jobs and reach the professional and personal goals set with them. Human resources for academic and administrative areas includes health benefits, retirement benefits and union contracts and are all handled through one office that provides central support to all areas of the University.

Information and Technology Services – Team of 689 staff, led by the AVP for Administrative Information Systems

In conjunction with the Provost of the University, the EVPCFO has responsibility for Information and Technology Services. Information and Technology Services provides a variety of information and supporting technology throughout the University. Much of this information is about individual students, alumni and employees and is considered confidential and must be handled accordingly. Standards and policies have been established to govern access, release and use of the University’s information systems. The EVPCFO, along with the Provost, is responsible for the oversight, training, and use of the data as well as the development and implementation of new systems.

Interactions with the University's Board and senior officers

The EVPCFO is the President's strategic partner in developing a sustainable financial model for the University. They work closely together with respect to all financial and operational affairs, in efforts to increase the efficiency of University operations and strengthen the continuous pursuit of increasing academic excellence.

S/he interacts regularly and extensively with the Board of Regents. The fiscal stability and integrity of the University's operations are significantly dependent on the professionalism, leadership, and vision of the person who holds the position. The EVPCFO must consistently exercise independent judgment and analysis in providing relevant and reliable financial, operational, and policy information and guidance to the Board.

S/he has a close working relationship with the Provost, who is the chief budgetary officer of the academic mission. In support of the academic mission of the University, the EVPCFO also has ongoing collaborative relationships with the deans of the 19 schools and colleges, each of which has its own priorities academically, administratively, operationally, and financially.

The EVPCFO has extensive interaction with the EVP for Medical Affairs, who oversees the University of Michigan Health System, including the University Hospitals and Health Centers and the Medical School. The EVPCFO serves on the Hospitals and Health Centers Executive Board, which is responsible to the Board of Regents for oversight of the University's health care services. The EVPCFO also serves on the Board of the Michigan Health Corporation, a 501(c)(3) organization wholly owned by Regents, and the Board of the University's self-insurance corporation, Veritas.

The EVPCFO has significant involvement in and interaction with the University's fundraising efforts and, in this regard, collaborates closely with the President, the Provost, the Vice President for Development, and the deans of the schools and colleges regarding strategy and decisions for such efforts. The University announced a \$4 billion fundraising campaign in November 2013.

The EVPCFO advises the President with respect to financial matters for the regional campuses and works closely with the Chancellors and Vice Chancellors in developing and implementing financial, capital, and operational plans for the campuses. That said, the EVPCFO has primary responsibility for the financial and operational affairs of the Ann Arbor campus. The financial and operational affairs of the Dearborn and Flint campuses are managed by vice chancellors reporting to their chancellors.

The EVPCFO is advised by the Senate Assembly Advisory Committee on Financial Affairs, a group composed of faculty members. In addition, external advice regarding the University's investment strategy has been encouraged and welcomed, as evidenced by a prestigious investment advisory committee which is chaired by the Executive Vice President and whose membership includes individuals who have achieved national prominence for their business and investment acumen.

Priorities for the role

President Mark Schlissel has highlighted the following priorities for the University and for the EVPCFO. The University is in sound financial health due largely to wise stewardship of funds and aggressive efforts over many years to create efficiencies and curtail costs. The pressures on the fundamental business model of higher education, however, are acute and potentially disruptive. State support for higher education is

near an all-time low, federal research funding is no longer growing, and increased tuition revenue can no longer be relied upon to make up for these resource shortfalls. Together with his/her colleagues across the institution, the EVPCFO will be charged with working collaboratively, strategically and holistically to respond to these pressures and position the University solidly for the future. One aspect of the strategy will be to continue with the University's efforts in cost containment while at the same time ensuring that our students and faculty are in a position to do their best work. Another will be to explore the creative application of principles used in other sectors of the economy to increase the efficiency of university operations, enabling us to invest as many resources as possible in our mission of teaching, research and service. The EVPCFO will be relied upon to lead the process of developing a sustainable financial model for the university in the years ahead.

CANDIDATE PROFILE

The ideal candidate will have the following skills and qualifications:

- **Role expertise / technical competence** - Significant professional experience in leading and managing the financial, investment, human resource, IT and/or operational affairs of a large, complex organization. Few candidates will have had experience leading all of the functions under this role's scope: All candidates must have exceptionally strong strategic finance experience, and most will have led at least one of the additional functions.
- **Sector expertise** – The University will welcome senior leaders from industries outside academia, whether public or private, such as professional & financial services, life sciences, multi-lateral organizations, and others. A combination of public sector and private sector experience is desirable. An understanding of the research university environment and medical centers or hospitals - though not mandatory - will be considered a plus.
- **Influencing skills** - Significant experience in leading and managing change in an organization with multiple senior stakeholders. The University of Michigan is a particularly decentralized organization, where initiatives require communication and collaboration with several influential stakeholders.
- **People leadership skills** - Proven experience in leading teams of substantial size, i.e. at least 1,000. Recruitment and management of senior level leadership and an understanding of the nature of the issues present in a unionized environment will be important. A track record of promoting diversity in the work place, and of commitment to equal employment opportunity is essential.

The ideal candidate will have reached the following level of sophistication in leadership competencies:

- **Vision** – The higher education industry is transforming rapidly, as are public Universities' funding models. Though the University is in strong financial shape today, the role requires the strategic mindset to shape the sustainable business model that will carry the institution forward for the next decade. The ideal candidate will be forward thinking, with the intellectual and analytical skills to drive cogent strategic planning. They will be able to set aside their specific functional hat to think holistically and collaboratively in advising the President, Regents and leadership team.

- **Client impact and change leadership** - The EVPCFO will support the University's focus on attracting and retaining top faculty and students, pursuing the successful efficiency efforts of the past few years to extract more savings to invest in the academic mission. They will do that with a service orientation that will bring key constituencies together constructively in achieving this goal, and be responsive to needs of the faculty, staff and students. They need to genuinely enjoy interacting with people, be thoughtful communicators, and have the personal charisma and energy needed to drive and implement necessary change. They will convey a clear, shared vision and align efforts. Ideally s/he will be an innovative change agent, willing to take calculated risks and creative enough to re-engineer existing practices and construct new ways of doing things.
- **Collaboration and Influencing skills** – positive interpersonal skills that demonstrate diplomacy and accessibility. A team player and collaborator on multiple levels of administration. Behavioral skills to support vision and leadership. He/she should be approachable; collegial, and assertive. Ability to represent and motivate support for the mission, interests, and accomplishments of the University to audiences within and beyond the campus. The EVPCFO must have the political acumen and collaborative ability to build consensus among strong, diverse and sometimes competing individuals and programs.
- **Team Leadership** - The EVPCFO will diagnose the team's capability level compared to its strategic goals, and use a range of leadership methods to achieve the levels of performance needed (e.g. from hands-off management of some functions, to focused development and growth of others.) A motivator/mentor, able to inspire all ranks of staff to be team players, collegial, supportive, and willing to share information. Able to build a team that moves towards common goals; transparent; participative with an open management style.
- **Results Orientation** –combines a sense of equanimity with humor to sustain an intense, productive and collaborative leadership effort over a long period of time.
- **Diversity and Inclusion** – Demonstrated commitment to diversity, an appreciation for its important contributions to excellence, and the competencies to work with and leverage the experience of a diverse work force.

The EVPCFO will exhibit a personal standard of behavior that will be a model for the organization and will inspire all within the University to work collaboratively toward shared goals. They will have unquestioned integrity and ethics.

Motivation

This role will require an individual who has a zealous commitment to the mission of the University of Michigan.

COMPENSATION

For a qualified individual who meets these specifications, the University is prepared to offer a competitive compensation package, in line with what is offered for top leadership positions at the highest standing public Universities.

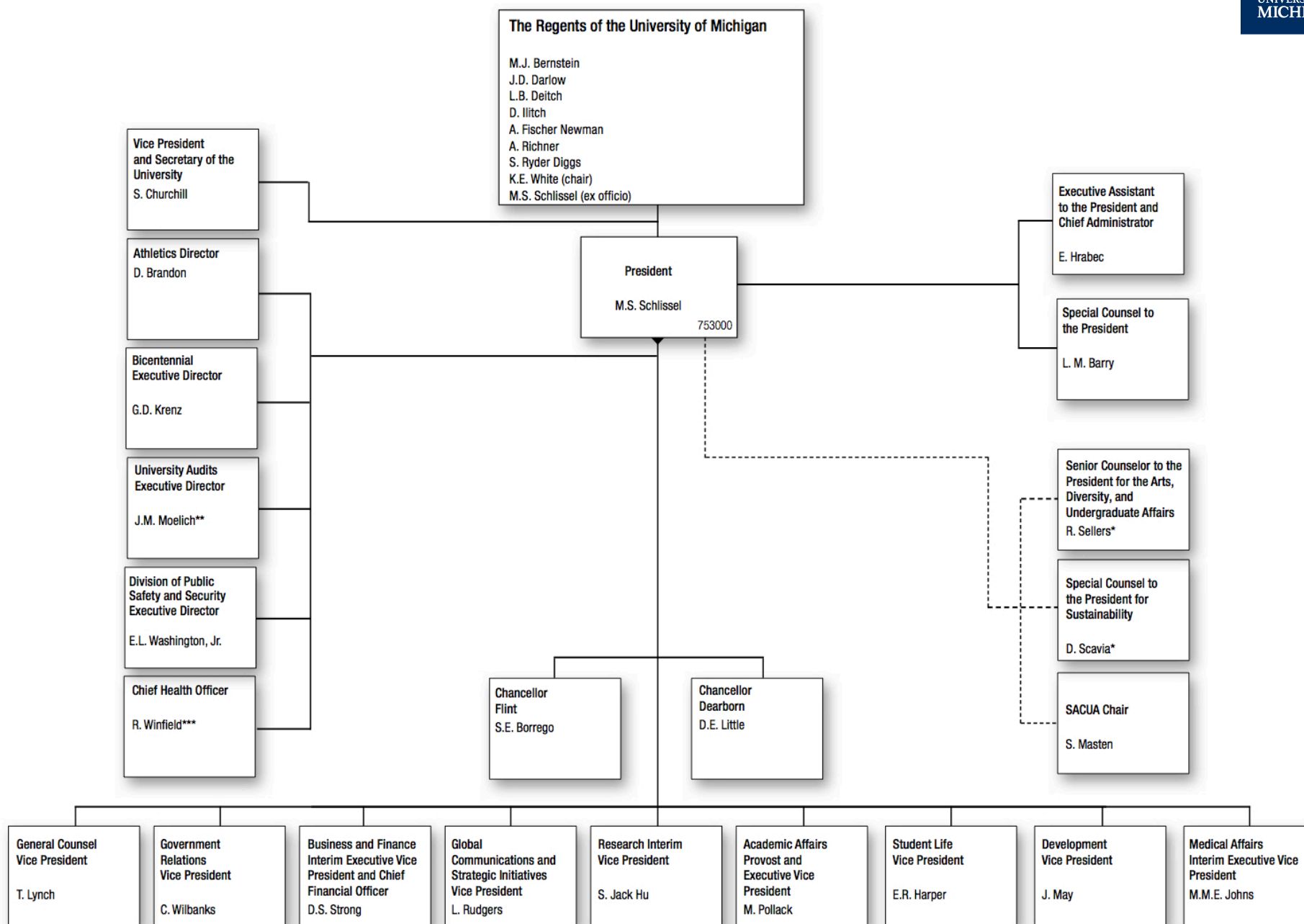
LOCATION

The position is based in Ann Arbor, Michigan.

NOMINATIONS AND APPLICATIONS

The University of Michigan invites nominations and applications for the position. Applications should be submitted electronically to UofMCFO@egonzehnder.com

The EVPCFO Search Advisory Committee is chaired by Timothy G. Lynch, Vice President and General Counsel at the University of Michigan. Additional information about the search and full membership of the Committee can be found at <http://myumi.ch/evp-cfo>. Review of nominations and applications will begin immediately and continue until the position is filled. The University of Michigan is an equal opportunity, affirmative action employer.



*Also reports to the Provost and Executive Vice President

**Also reports to the Board of Regents

***Also reports to the Vice President of Student Affairs

BUSINESS AND FINANCE
EXECUTIVE VICE PRESIDENT

