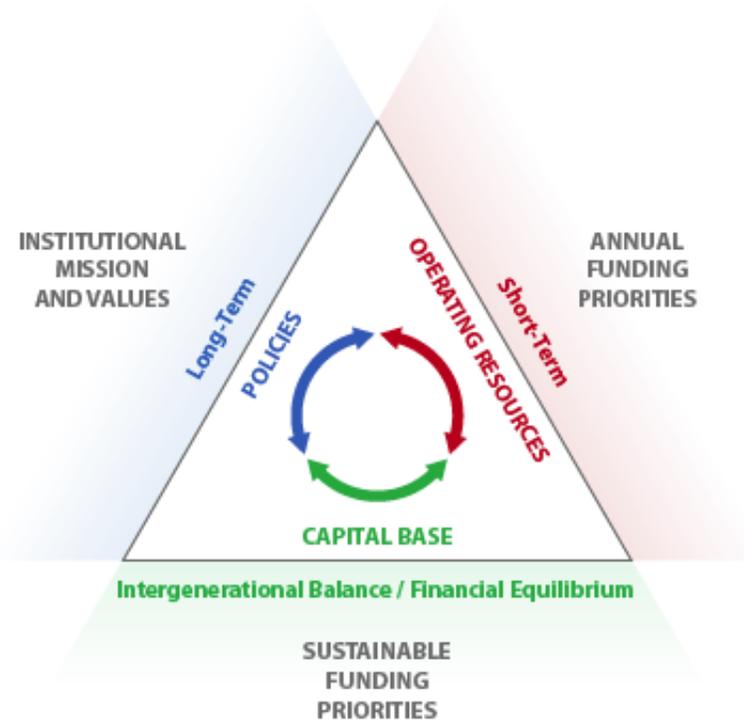


Office of Finance

Formed on July 1, 2005, the Office of Finance is dedicated to supporting MIT's mission through financial strategy, financial analysis, and financial and capital planning. The office supports MIT's platform for education and the advancement of knowledge by integrating the Institute's bold and expansive mission with a sustainable financial model. Inherent to our mission is the need to balance investment in long-term opportunities with the funding of pressing short-term initiatives.

The illustration below shows the dynamic interaction among short-term priorities, long-term goals, and financial equilibrium.



The office supports senior management in its commitment to the Institute and the Corporation, and it assists departments, labs, centers (DLCs) and administrative areas with their financial planning and management efforts.

Our Model

The Office of Finance strives to meet MIT's standard of excellence. We need to anticipate MIT's direction and deliver information and exercise influence that is based on fact and analysis. The office is highly selective in its approach to assignments and transactional responsibilities.

The office also strives to increase the degree of formal leverage and the strength of informal connectivity networks. The integration of concepts, offices, and people within the MIT community widens the influence of the office, and we continually seek

to develop unique ways to leverage our small but agile footprint. Furthermore, by driving high return strategic outreach we are able to achieve efficient and widespread dissemination of information and ideas.

The First Year

At the time the office was created, there was a clear need to focus on linking the Institute's ambitious strategies with a solid financial foundation. Our assignments for the past fiscal year have been expansive, dynamic, and challenging.

During its short tenure, the Office of Finance has positioned itself to gain a better understanding of the implications in balancing MIT's funding choices. The office plays a key role integrating different financial aspects in the context of MIT's mission, its university peers, and in support of the decision-making needs of senior management and the Executive Committee.

The Office of Finance routinely receives numerous requests to analyze, study, and recommend options for action. Most of these projects are assigned by MIT's senior officers and are often urgent and complex in nature. In our goal to provide the best support to MIT's decision makers, we have been required to think strategically and to interpret MIT's dynamics. One way the office has responded to this challenge is by creating a team of highly skilled individuals.

As part of the organizational change, staffing needs were recognized and recurring funding for two new positions was approved in fiscal year 2006. An additional position for an analyst was also planned, presented, and approved for fiscal year 2007.

Recruiting efforts have been successful in bringing temporary help and consulting engagements, in addition to financial analysts and an assistant director. The new assistant director of finance will begin working with the office in September 2006, and the first analyst will come on board at the end of August 2006.

Key Accomplishments

Office Space Renovation

The office completed renovations of its new space in Building E19. The renovation was a critical project that has led to increased functionality among team members. The open office layout is conducive to the free flow of ideas and energy, and the multifunctional spaces have met their design designation in terms of fostering informal internal communication.

Furthermore, the director now has a new satellite office located in Room 10-203, which facilitates his interaction with senior management in the main buildings.

Hyperion Analyzer

The acquisition of the Hyperion Analyzer tool in fiscal year 2006 gave the office the necessary technologies to provide the level of analysis and base reporting required.

An additional investment into this project was needed in order to deploy the first miniapplication for project capital funding and to train our staff. This second phase of the Hyperion project will continue into fiscal year 2007.

Financial Mentoring Pipeline

A recruiting and mentoring pipeline for the Office of Finance was presented and approved in fiscal year 2006. By following a designated track of training modules, professional development, and mentoring, high potential candidates are guided toward career paths within the office and the MIT community. Training and coaching for each pathway will assist candidates in fulfilling their potential. The office plans to implement the pipeline in fiscal year 2007, beginning with the recent new hires.

MIT Leader-to-Leader Session on Fiscal Leadership

The Office of Finance participated as a guest presenter during the 2006 Leader to Leader (L2L) Program. L2L fellows partnered with the office for an interactive fiscal leadership workshop. Besides being exposed to a general overview of university and MIT finances, L2L fellows were coached to think strategically while playing the role of MIT administrators over the next 30 years.

Performance Evaluations

The office implemented a solid performance management framework in Fiscal 2006 that utilizes skills mapping and salary market testing.

Priorities for Fiscal Year 2007

The upcoming fiscal year provides the Office of Finance with the opportunity to build and expand on its current level of service and professional development. The following are the office's priorities for fiscal year 2007:

- To build a solid and cost-effective infrastructure to ensure an unprecedented level of analysis and decision-making support
- To maintain a high standard of excellence by providing value and outstanding fact-based rationales for decision-making without overloading management
- To increase connectivity with the president, provost and executive vice president in support of their objectives
- To cultivate and expand established relationships in the MIT community
- To generate efficacy metrics
- To continue recruiting individuals for the financial mentoring pipeline

Personnel

Eileen Francis DesRosiers, assistant director

Sarah Brady, senior financial analyst

Michael Bilostotsky, senior financial analyst

Stephanie Richardson, senior financial analyst

We expect to hire an additional assistant director during fiscal year 2007.

Israel Ruiz

Director

More information about the Office of Finance can be found at <http://web.mit.edu/finance/>.