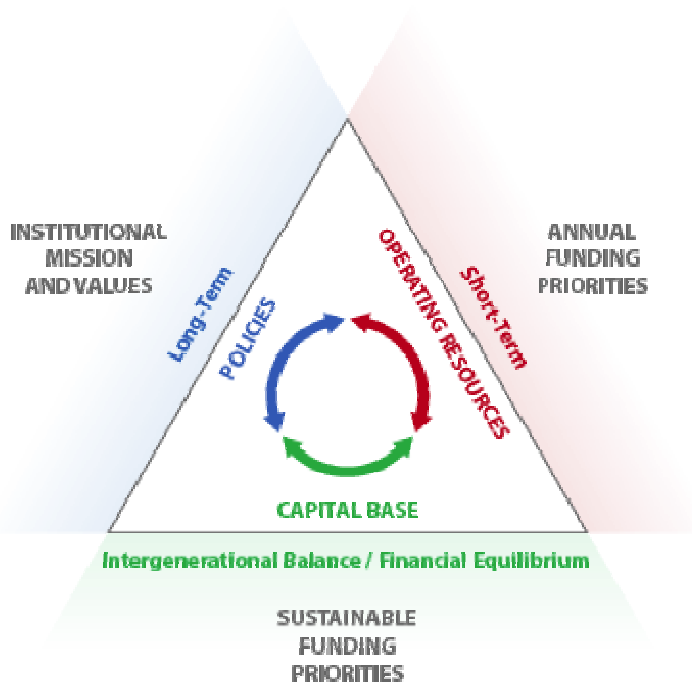


THE OFFICE OF FINANCE

The Office of Finance was formed on July 1, 2005 on the foundation of three pillars: Financial Strategy, Financial Analysis and Financial and Capital planning. The Office mission is to support MIT's platform for education and the advancement of knowledge by integrating the institution's bold and expansive mission with a sustainable financial model. Inherent to our mission is balancing the investment in long-term opportunities with the funding of pressing short term initiatives.

Figure 1 (below) illustrates the dynamic interaction between short-term priorities, long-term goals and financial equilibrium.



The Office serves two primary client groups - Senior Management, in its commitment to the Institute, and the Corporation, and departments, labs, centers, (DLCs) and administrative areas in support of their financial planning and management efforts.

OUR MODEL

The Office of Finance continuously strives to be measured by MIT's "standard" of excellence. In response we are required to anticipate MIT's direction and proactively deliver information needs and exercise influence based on integrated fact-based solid analyses. Furthermore, the Office is highly selective in both its scope and approach to assignments and transactional responsibilities.

The Office also strives towards increasing the degree of formal leverage and strength of informal connectivity networks. The integration of concepts, offices, and people within the MIT community widens the influence of the Office and we constantly 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.

INITIATING THE JOURNEY

At the time of the Office was created there was a clear need to focus our efforts on linking the Institute's ambitious strategies with a solid financial foundation. This organizational change, including the critical renovation of our office space, combined with the transition in roles and administration of MIT made our list of assignments for the past fiscal year expansive, dynamic and challenging.

During its short tenure, the Office has intentionally designed itself to better understand the implications in balancing MIT's funding choices. The Office plays a key role integrating the different financial aspects in the context of MIT's mission, its university peers, and in support of Senior Management and the Executive Committee decision-making needs.

The Office of Finance routinely receives numerous requests to analyze, study, and recommend options to proceed forward. Most of these projects are directly assigned by MIT's Senior Officers and are often urgent and complex in nature. In our goal to provide the best support to decision-making, we have been required to think strategically and to interpret MIT's dynamics. One way the Office has responded to this challenge is by working to achieve a critical mass of highly skilled individuals without compromising excellence.

As part of the organizational change, this need for such a critical mass was recognized and recurring funding for two new positions was approved in Fiscal 2006. An additional position for an analyst was also planned, presented and approved for Fiscal 2007.

Recruiting efforts have been successful in bringing temporary help and consulting engagements, in addition to a Financial Analysts and 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 this month.

KEY ACCOMPLISHMENTS

Office Space Renovation

The Office successfully completed the project to renovate and condition our new office space in E19 in order to facilitate our working environment.

The Office space renovation was a critical project that has lead to in creased functionality amongst team members. The open office layout is inducing free flow of ideas and "energy" in the Office. 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 10-203, facilitating the interaction of the Office with similarly located Senior Management.

Hyperion Analyzer

The acquisition of the Hyperion Analyzer tool in Fiscal 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 successfully deploy the first mini-application for project capital funding and to train our staff. This second phase of the Hyperion project will continue into Fiscal 2007.

Financial Mentoring Pipeline

A recruiting and mentoring pipeline for the Office of Finance was presented and approved in Fiscal 2006. By following a designated track of training modules, professional development and mentoring, high potential candidates are guided towards career pathways within the Office and the MIT community. Furthermore, the necessary skill sets and coaching for each pathway will assist the candidate to fulfill their potential and be fully effective.

The Office plans to fully implement the pipeline in Fiscal 2007 beginning with the new hires recently made.

MIT Leader-to-Leader Session on Fiscal Leadership

The Office of Finance participated as a guest presenter during the 2006 Leader to Leader Program. L2L Fellows partnered with the Office for an interactive fiscal leadership workshop. Besides being exposed to a general overview on university and MIT's finances, L2L Fellows were taken through their paces as strategic thinkers and planners while playing the role of MIT administrators over the next 30 years.

Performance Evaluations

In our undivided commitment to excellence the Office established and implemented a solid performance management framework in Fiscal 2006 utilizing skills mapping and salary market testing.

FISCAL 2007 PRIORITIES

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

To build a solid and cost-effective infrastructure to ensure an unprecedented level of analysis and decision-making support.

Maintaining a high "standard" of excellence by providing outstanding fact-based rationales for decision-making, being perceived as providing value and understanding and being compelling to senior management with a low risk of overloading.

Increased connectivity supporting the President, Provost and Executive Vice President's stated mission objectives. Cultivate and expand established relationships in the MIT community. Generate efficacy metrics, degree of penetration versus influential outcomes.

Continued recruiting for entry into the Financial Mentoring Pipeline.

PERSONNEL INFORMATION

Israel Ruiz, Director

Eileen Francis DesRosiers, Assistant Director

TBH, Assistant Director

Sarah Brady, Senior Financial Analyst

Michael Bilostotsky, Senior Financial Analyst

Stephanie Richardson, Senior Financial Analyst

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