

## Our new web-site - [www.JCPSG.ac.uk](http://www.JCPSG.ac.uk)



**F**rom 1 August 2001, the JCPSG will have a new look web-site and a new web address. Having consulted with you, its users, we have included the features you said you would like to see and made other improvements.

The web-site has been re-designed and re-structured to improve navigation, links, and the contextual settings of documents. The new site also offers a more interactive environment than before: users will be able to sign up for forthcoming seminars and workshops on-line, and can also opt to receive regular bulletins on JCPSG activity. There will also be a new section on pricing.

It will be possible to connect to the new site from the old address for a while, but please make a point of changing the web address in correspondence and bookmarks.

### E-mail bulletin service

Keep up-to-date with developments at the JCPSG by subscribing to our new e-mail bulletin service. Registered users will receive e-mail bulletins detailing the latest developments on costing, pricing and Transparency Review issues, as well as JCPSG activities such as training seminars and workshops.

# NEWSLETTER

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### Suggested Distribution:

Vice-Chancellors and Principals, Directors, Pro Vice-Chancellors (Resources and Research), Deans, Heads of Research, Finance Directors and Costing and Pricing Accountants.

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## Pricing strategies

**The JCPSG is turning its attention to the 'second arm' of the costing and pricing agenda, and is developing a programme of activities with the specific aim of encouraging universities and colleges to formulate and implement a pricing strategy for their own institution.**

The programme has been put together to achieve the following specific aims:

- raise the profile of pricing in institutions
- promote greater consideration of the marketing, competitive and strategic contexts of pricing
- improve pricing practices within institutions (by providing guidance on pricing policies)
- increase institutional ability to raise net contributions to general revenue
- ensure best practice in institutions is disseminated both throughout the sector and within institutions
- increase the use of proper business planning and risk-appraisal techniques
- encourage improvements in control and accountability, for example, post-project reviews
- improve understanding of institutional strategic objectives as they relate to pricing
- ensure pricing strategies match institutional objectives.

Our programme of activities to support pricing strategies in higher education institutions (HEIs) will involve dissemination of real-life examples, case studies and best practice. The programme can be found on page 4, and the first major event is a conference for senior staff on 8 November 2001 (see below).

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## Pricing conference

Thursday 8 November 2001, Universities UK, Woburn House, London

We are holding a pricing conference on Thursday 8 November 2001 at Universities UK, London. This event is aimed at heads and deputy heads of institutions, and senior managers, to help universities and colleges formulate their pricing

strategies. The programme will feature two institutions, each of which will speak about the good practice they have adopted locally.

Details about the final programme and how to register will be available soon.

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## Claims for stage two of funding

Some institutions have already successfully claimed stage two of the funding available to support the development and implementation of their strategies for costing and pricing. These institutions have demonstrated progress towards the overall objectives established as part of their stage one submission, and achieved key milestones in the implementation plan.

Remaining institutions are encouraged to submit a claim for stage two funding as soon as they consider they can demonstrate significant progress towards implementation of their costing and pricing strategy across the institution. HEIs may submit at any time up to the deadline date of 30 June 2002. Applications received after June 2002 will not be eligible for stage two funds.

Any institution that is ready to make a stage two claim can download a template and guidance notes from the JCPSG web-site under 'Joint Funding Councils' Initiative'. The JCPSG National Co-ordinators will be happy to comment on any draft applications.

## Institutional progress

Universities and colleges that received first tranche funding from the funding councils to help with the implementation of their costing and pricing strategies have recently provided annual returns showing progress made. The returns indicate that progress has been made in several areas. The following are excerpts from institutions' comments.

**“The University is currently working on standardising the approach to self-financing centres and the costs, both direct and indirect, that should be associated with them. This is likely to bring benefits in improved decision making and to decisions about whether or not particular activities are truly financially viable. ”**

**“The type of business the conference office tries to attract has been adjusted based on a client net contribution analysis. ”**

**“Recent examples have demonstrated actual improvements in net contribution rates on certain contracts in the order of 25 per cent when compared to previously achieved recoveries on similar types of contracts. ”**

**“There is now a great willingness to risk losing business which is not profitable and cannot be seen to have overriding advantages. ”**

**“The University’s financial and academic planning exercises are now entirely interlocked, and all significant investment decisions are based on cost/benefit analyses that require qualitative and quantitative factors to be clearly identified. ”**

**“We are now planning workshops with schools to develop more sophisticated and relevant costing and pricing procedures. We are also planning to implement specific training to improve the financial management skills of Heads of Schools and School Managers. ”**

**More examples of institutional progress and good practice can be found in the insert to this newsletter.**

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## Benchmarking – Transparency Review results

A series of benchmarking meetings was held earlier this year to allow institutions to discuss and compare their initial (and developing) Transparency Review results on an informal and confidential basis. Many project managers commented that the sessions were very valuable

at this early stage to identify potential outliers. Once identified, any such significant differences could be assessed to find whether they were valid, and not a result of the use of different assumptions or methods. Lessons from the sessions will be circulated later in the summer.

There will be a further round of benchmarking sessions in early January 2002 to look at the 2000-01 data. JM Consulting will be writing to Transparency Review project managers with further information nearer the time.

## Pricing strategies

Programme of activities

<b>Timing</b>	<b>Activity</b>	<b>Target audience</b>
1 August 2001	Launch of new pages on pricing on the JCPSG web-site	Higher education sector
8 November 2001	Pricing Conference, Universities UK, London	Heads and deputy heads of institutions, and senior managers
November 2001	Guidance on use of indirect cost rates in pricing decisions, published in summer 2001. Series of workshops, organised by JM Consulting	Staff involved in pricing contracts and services
Early – mid 2002	JCPSG Publication titled 'Pricing strategy: guidelines'	All groups of staff
March – April 2002	Presentation at AUA conference	AUA delegates
May – June 2002	Collection of 'Good Practice in Pricing' (examples of good practice) to be put on web-site, together with sample spreadsheets and templates	All groups of staff
June 2002	Re-launch of Pricing Toolkit – letter to sector from the JCPSG chairman	Heads of institution
Ongoing	Articles in JCPSG newsletter on pricing and institutional case studies	Newsletter circulation groups

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This Newsletter is the official quarterly bulletin of the JCPSG. Its purpose is to provide information on the following: current work being undertaken by the JCPSG; information on training materials and events; feedback on progress being made within the sector and any other items of interest. All contributions are welcome and should be sent to Lisa Blackshaw, National Co-ordinator for Costing and Pricing, Manchester Metropolitan University, All Saints, Manchester M15 6BH.

**Please note: Where institutions, companies, organisations or individuals not part of or directly affiliated to the JCPSG are quoted in this newsletter, the opinions expressed do not necessarily represent JCPSG policy.**