

Ganymede University (GU) is one of the three largest universities in Teeland, which has eight universities in total. All of the universities are in the public sector. GU obtains the vast majority of its revenue through government contracts for academic research and payments per head for teaching students. The economy of Teeland has been in recession in the last year and this has caused the government to cut funding for all the universities in the country.

In order to try to improve efficiency, the chancellor of the university, who leads its executive board, has asked the head administrator to undertake an exercise to benchmark GU's administration departments against the other two large universities in the country, AU and BU. The government education ministry has supported this initiative and has required all three universities to cooperate by supplying information.

The following information has been collected regarding administrative costs for the most recent academic year:

	<b>GU</b>	<b>AU</b>	<b>BU</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Research			
contract management	14,430	14,574	14,719
laboratory management	41,810	42,897	42,646
Teaching facilities management	26,993	27,263	26,723
Student support services	2,002	2,022	2,132
Teachers' support services	4,005	4,100	4,441
Accounting	1,614	1,571	1,611
Human resources	1,236	1,203	1,559
IT management	6,471	6,187	6,013
General services	<u>17,049</u>	<u>16,095</u>	<u>18,644</u>
Total	115,610	115,912	118,488

Drivers:

Student numbers	28,394	22,783	29,061
Staff numbers	7,920	7,709	8,157
Research contract value \$m	185	167	152

The key drivers of costs and revenues have been assumed to be research contract values supported, student numbers and total staff numbers. The head administrator wants you to complete the benchmarking and make some preliminary comment on your results.

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**Required:**

(a) Assess the progress of the benchmarking exercise to date, explaining the actions that have been undertaken and those that are still required. (8 marks)

(b) Evaluate, as far as possible, Ganymede University's benchmarked position. (9 marks)

(17 marks)