



## **Budget proposal**

CBS 2010-budget for prioritization is about 76 MDKK.  
CBS 2010-budget surplus on HD and specialized master are 9 MDKK, which is less than the 2009 result because E-MBA, flex and shipping moves to SIMI.  
CBS 2010-budget surplus is estimated to be 15 MDKK  
Total budget capacity **100 MDKK**

CBS Executive has turned in a budget proposal with a profit of only 6 million DKK. They have, however, achieved a profit of more than 20 million DKK in 2009. Taking this into account the estimated profit figure is a bit modest. The remaining part of the old CBS Executive should be able to turn in a profit of at least 9 MDKK,

The VIP-salary budget needs to be augmented with another 25 million DKK to balance. The following initiatives are therefore necessary. CBS' budget is suggested allocated as follows:

Financing of the VIP recruitment	5 MDKK
VIP retirement and outplacement	10 MDKK
Bridging budget for centers etc.	7 MDKK
<b>Research total:</b>	<b><u>22 MDKK</u></b>

Leadership development	2 MDKK
TAP permanent reduction	5 MDKK
IT renewal of systems etc. to enable collaboration	5 MDKK
<b>Administration total:</b>	<b><u>12 MDKK</u></b>

Campus plan deficit	5 MDKK
Provisions for "feriepenge forpligtelse"	6 MDKK
<b>CBS general total:</b>	<b><u>11 MDKK</u></b>

Education support for VIP recruitment and initial salary	8 MDKK
Education buying teaching capacity from research (R)	16 MDKK
Education underspending on teaching capacity	- 8 MDKK
Other Education "taxameter" initiatives	13 MDKK
Education "Study budget expansion"	10 MDKK
<b>Education total:</b>	<b><u>39 MDKK</u></b>

<b>Total exclusive strategy process</b>	<b><u>84 MDKK</u></b>
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Strategy -process, -initiatives and organizational develop.	<u>16 MDKK</u>
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<b>Total expenses</b>	<b><u>100 MDKK</u></b>
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This adds up to a zero budget.

## Research

**5 million DKK** is allocated to finance part of the increase in recruitment in 2009.

**10 million DKK** is allocated to stimulate retirement among VIP-personel.

**7 million DKK** is suggested allocated to “bridging money” for centers.

The dean of research enlarges the teaching capacity and the “Frikøb” of research time from permanent staff. The following therefore has to be implemented:

1. A renewal of the “Frikøb-policy” to increase the education capacity among the VIP-personel.
2. All new VIP has to teach in full scale and the deans have to put in procedures for this to take place.
3. Staff with weak research capacity has to be set at a lower level of research time.
4. The DVIP has to be substituted with permanent VIP as much as possible.

## Administration

**5 million DKK** is allocated to permanent reduction of administrative staff positions (TAP), both in the Shared Central Services and in Education and Research, as a significant fraction of the saved payroll amount in 2010 and 2011. The normal natural turnover is above 40 positions, so layoffs are not necessary. It is on the contrary necessary to restructure and automate processes if the remaining staff should be able to cope with the reductions.

In 2010 **5 million DKK** IT-investments hits the budget, and 6,5 million hits the balance sheet. The board has already earmarked the 11,5 million DKK to IT-solutions:

<b>System development</b>				
	<b>Budget</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>HR</b>	10,0	0,9	6,2	2,9
<b>IT-infrastructure (closing down old systems)</b>	10,0	3,9	3,0	3,1
<b>Communication and intranet</b>	6,5	1,7	3,8	1,0
<b>Finance</b>	9,5	0,0	5,0	4,5
<b>Total</b>	<b>36,0</b>	<b>6,5</b>	<b>18,0</b>	<b>11,5</b>

The 11.5 million DKK will be used to prepare a more efficient organization concerning: Finance, HR and IT.

## Education

**16 MDKK** is used by Education for buying teaching capacity from research.

**21 MDKK** is used to be prioritized within the education area. From this pool 8 MDKK is earmarked to finance VIP recruitment and salaries.

**10 MDKK** Education "Study budget expansion" is dedicated to restore some areas that need attention.

Education is going to under spend - **8 MDKK** because the study boards only are allowed to buy permanent VIP staff for the additional funding, however there is a scarcity of these resources and therefore study boards are expected not to be able to use the entire allocated budget.

The expenses for developing a new system for student-administration (3 MDKK) is carried by Education (financed by their savings) and by the CBS investment budget.

## Conclusion

The dean of education is going to buy 16 MDKK of the dean of research's budget concerning education capacity.

It is suggested that we perform a full recruitment stop of TAP staff straight away. This is going to limit the expenses further in the different main area budgets.

It is suggested that each main area set apart 1 MDKK to absorb non-significant but important expenses, earlier financed by "ledelsespuljen".

It is suggested that CBS aims for a zero budget 2010 due to the 30 MDKK surplus of 2009, where the board planned for a zero result.

Regards,

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