

THE ANALYSIS OF REVENUE MANAGEMENT ON REVENUE COLLECTION, ECONOMICAL AND COST-EFFECTIVENESS OF SUAN SUNANDHA RAJABHAT UNIVERSITY

Montree Sairotrung*, Sakul Jariyajamsit**

**Bureau of Asset and Income, Suan Sunandha Rajabhat University, Bangkok, Thailand,
E-Mail: Montree.ch@ssru.ac.th*

***Faculty of Tourism Management, International College, Suan Sunandha Rajabhat University
E-Mail: Sakul.ja@ssru.ac.th*

ABSTRACT

The objectives of this research are 1) to analyze the actual revenue trends from revenue collection in the fiscal year 2015-2017 2) to analyze the success of revenue collection in the fiscal year 2015-2017 and 3) to analyze the economical and cost-effectiveness of revenue management in the fiscal year 2015-2017. The data used in this research were gathered from the financial statements from the past 3 years since the fiscal year 2015 - 2017 (1 October 2014 - 30 September 2017). The analytical tools used in this research are trend analysis, revenue collection analysis, economic analysis and cost- effectiveness analysis of revenue management.

The finding revealed that:

1. In terms of revenue collection from the income, it was found that in the fiscal year 2016, the revenue tended to increase from the fiscal year 2015, especially the revenue from the academic services which tended to rise as the highest sector, followed by other revenue and the revenue from educational management. On the other hand, the revenue collection from fund raising tended to decrease from the fiscal year 2015.

In the fiscal year 2017, the revenue tended to rise from the fiscal year 2015, especially the revenue from academic services followed by educational management, while other revenue decreased from year 2015. In addition, the revenue collection from interest and fund raising has a tendency to decrease also.

2. The analysis of the revenue collection achievement of Suan Sunandha Rajabhat University included the revenue from educational management which could be classified as normal sector fund and special sector fund, the research result on both funds found that the achievement of revenue collection in the fiscal year 2015 was lower than the estimated target, while the revenue collection in the fiscal year 2016 was higher than the estimated target. In 2017, the revenue collection was higher than the estimated revenue.

3. To analyze the economical and cost-effectiveness in managing revenue management of Suan Sunandha Rajabhat University, such as an income from education management. The research found that normal sector funds and special sector funds in the fiscal year 2015 - 2017, Suan Sunandha Rajabhat University has managed revenue from education income management economically and cost-effectiveness. In the overall picture every year, the most economical and cost-effective year was 2015, followed by 2016 and 2017, respectively. However, considering the tendency of economical and cost-effectiveness of revenue management, it was apparently that the rate decreased every year.

Keywords: Revenue collection, Economical, Cost-effectiveness

INTRODUCTION

Suan Sunandha Rajabhat University has a mission to produce quality graduates and developing professional teachers, provide academic services and transferring knowledge to the community or society. Conducting research, create innovation, knowledge management and provide information and technology services as well as conserve the arts and culture. The university aim to produces graduates with international competitions and also be able to increase the quality management and self-sufficiency system by developing revenue management systems of Suan Sunandha Rajabhat University to be cost-effective in managing revenue management

Suan Sunandha Rajabhat University has implemented the allocation of budget resources in two sources, namely the national budget and non-budgetary funds (monetary fund) to enable the implementation of various strategic project of the university to reach the goal according to the strategy, mission and vision. The university has prepared an action plan and formulated a strategy as a guideline for the organization's annual action plan so

there was a budget involved. The estimation of budgeting in the fiscal year 2017 was set in order to support the implementation of the strategy of Suan Sunandha Rajabhat University as follows:

Strategy 1: Develop the university to be a sustainable expertise

Strategy 2: Create academic publications, publish and intellectual rights.

Strategy 3: Build relationships and connect networks

Strategy 4: Expanding international recognition

In order to achieve that strategy, budgeting is very importance to manage monetary, from the government budget and various incomes which are essential to the stability of the university. Especially the source of income of the university, the revenue collection is very important which consists of the main income, such as an income from education management, income from academic services, and income from the Bureau of asset and income, in which the university must focus on economical and cost-effectiveness, budget management (income sources) which will be resulted in an organization's sustainability and stability accordingly.

The researcher is interested in studying the income and expenses of the university. (Source of income) for the past 3 years between 2015 - 2017 to study the trend of income, expenditure trend, and compare income classified by group and analyze the economical and cost-effectiveness of budget management. Therefore, the researcher studied the analysis of revenue collection, economical and cost-effectiveness in managing revenue of Suan Sunandha Rajabhat University in order to use the results of analysis to develop, to set the guidelines for the implementation of policy formulation, for planning, control, decision making, improvement and correction as well as to manage organization development on financial management appropriately, in order to achieve maximum efficiency and effectiveness. In addition, the research results are in consistent with Strategy 1, to develop the university to be a sustainable expertise which will be a guideline for developing property and assets management capabilities, regarding to the university's missions.

OBJECTIVE

1. To analyze the tendency of actual revenue from revenue collection in the fiscal years 2015-2017.
2. To analyze the achievement of revenue collection in the fiscal years 2015-2017.
3. To analyze the economical and cost-effectiveness of revenue management in the fiscal years 2015-2017.

RESEARCH SCOPE

This study, the researcher has obtained the information from secondary data sources (Secondary Data) by studying data from the previous financial report, fiscal year 2015 - 2017, which consists of

1. Financial report which is an account detail of actual income - actual expenditure (Information from Accounting Division, Finance Division 2017).
2. Revenue and forecasting report for 2015-2017 (data from the Policy and Planning Division 2016).

Benefits of research analysis

Executives can use the analysis results as a guideline for policy formulation, planning, control, decision making, improvement and correcting the development of each department appropriately, which will be resulting in an efficiency and effectiveness accordingly.

METHODOLOGY

Research on revenue collection, economical and cost-effectiveness in managing revenue of Suan Sunandha Rajabhat University has proceed according to the following research methods

Analysis Model

This study collected ledger information and the request to set the annual budget for the past 3 years from the fiscal year 2015- 2017 (1 October 2014 - 30 September 2017). The data were obtained from the ERP system, the ledger accounting system, from the Finance Division and the annual budget request from the Policy and Planning Division and analyzed data by means of percentage comparison analysis for each item.

Data Collection Method

Collecting data from secondary data sources (Secondary Data) from related information as follows:

1. Ledger information in the SINGLOR72B ERP system (SINGLOR11A), a statement of trail balance budget of fiscal year 2015-2017.

2. Ledger information in the SINGLOR72B ERP system (SINGLOR72B), a statement of expenditure report, categorized by funding sector in fiscal year 2015-2017.

3. Letter of annual off-budget expenditure request (Policy and Planning Division), this is a budget request that approved by the university council by using relevant information such as an annual revenue forecasting report, categorized by funding sector which are normal funding and special funding.

4. Letter of annual off-budget expenditure request (Policy and Planning Division), this is a budget request that approved by the university council by using relevant information such as an annual expenditure forecasting report, categorized by funding sector which are normal funding and special funding.

Data Analysis Tools

1. Trend analysis, calculated by determining the 2013 fiscal year as the base year which is equal to 100 percent and the numbers in the fiscal year 2014 and 2015 are set, then multiplied by one hundred divided by the base year, the fiscal year 2013 will result in a percentage each year and then compare it, the result will show as an increasing trend or decreasing trend which refer to the formula as follows,

$$\text{Trend Percentage} = \frac{\text{Income amount of the analysis year} \times 100}{\text{Income amount of base year}}$$

2. Revenue collection achievement analysis

$$\text{Percentage of revenue collection achievement} = \frac{\text{Actual revenue collected in the fiscal year} \times 100}{\text{Income forecasting in the fiscal year}}$$

3. Economical and cost-effectiveness in revenue management analysis

$$= \frac{\text{Budget allocated for annual expenditure} - \text{actual cost} \times 100}{\text{Budget allocated for annual expenditure budget}}$$

LITERATURE REVIEW

Concept of revenue collection achievement: the researcher used the concept of effectiveness measurement as a guideline to analyze which was in relation with the concept of Theppasak Bunyaratphan (cited in Panjai Phetratanamane 2006: 69-71). This concept said that, in order to measure the successful management, one of the key indicators that are used to assess the success of management is "effectiveness" (effectiveness). Effectiveness refers to indicators of the level of successful task when compared to the objectives and goals set. How can performance be called effective work? It can be said that whether effective operation refers to the performance of the outcome which is equal to or greater than the objectives and goals set. The objectives and goals may be set in terms of production volume, product sales, profits or even customer satisfaction, etc. In order to measure which university or agency is successful as the objectives and targets, or in other words, effectiveness level measurement can be measured by using a formula calculate as follows:

$$\text{Percentage of effectiveness} = \frac{\text{Actual performance occurred} \times 100}{(\text{objectives/goals})}$$

Anirut Boonloy (2010) studied the subject about analysis of financial statements of palm oil extraction business in Thailand. This study aimed to analyze the financial ratio of palm oil extraction business in Thailand and to analyze the average ratio including the financial strengths and weaknesses of this business group. The sample used in the study is palm oil extraction business in Thailand which were juristic persons who responsible for delivering financial statements to the Department of Business Development. The total amounts of 63 data used in the study were financial statements, which were balance sheets and income statements. By analyzing the desired financial ratio, the researcher found that palm oil extraction business in Thailand with a ratio of profitability; liquidity ratio, performance ratio, and the rate of debt burden were on a constant basis. On the other hand, the drought problem caused a shortage of palm oil, which resulting in the reduction of palm oil production, lower sales and eventually decreased profits. Therefore, operators should plan and manage to support the shortage of raw materials which will resulting in the lowest business operating results.

Charawee Butbumrung (2016) said many technologies such as those in telecommunication, logistics, consumption, production sectors have been developed to satisfy everyone in the organization. However, available resources are scarce and cannot satisfy. Therefore, it is essential to effectively manage all available resources in order to maximize their utilities and all capital invested. The analysis on costs and benefits considered the benefit cost ratio which was calculated from the benefits divided by the cost.

RESEARCH RESULTS

Research on revenue collection, economical and cost-effectiveness in managing revenue of Suan Sunandha Rajabhat University, the objectives are to: 1) to analyze the actual revenue trends from revenue collection in the fiscal year 2015-2017 2) to analyze the achievement of revenue collection in the fiscal year 2015-2017 and 3) to analyze the economical and cost-effectiveness of revenue management in the fiscal year 2015-2017. The researcher conducted the research results into 3 parts as follows:

Part 1: Revenue Collection Trend Analysis: from various income source of Rajabhat University Suan Sunandha in the fiscal year 2015-2017. The result of the analysis can be shown as follows:

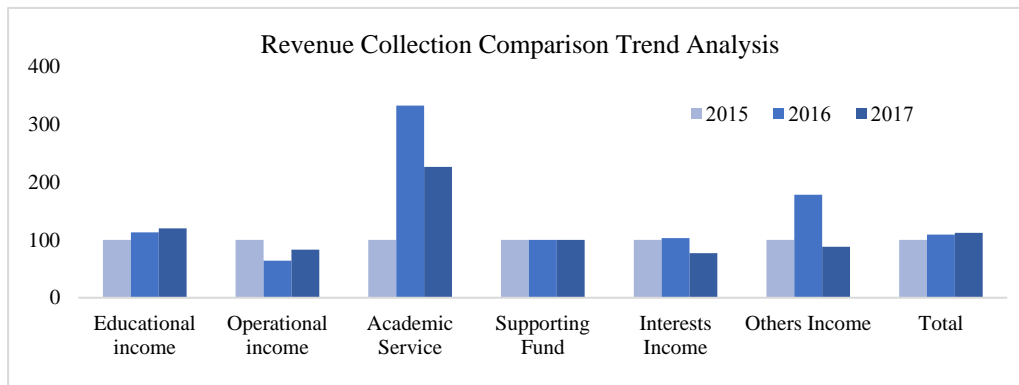


Figure 1: Revenue Collection Comparison Trend on fiscal year 2015-2017.

From Figure 1, when comparing from the base year, fiscal year 2015, it was found that the most remarkable revenue increased was an income from academic services, especially in the fiscal year 2016, but in the fiscal year 2017, the rate has decreased but still higher than the base year. When considering other income, there was a high rate of increasing in 2016, but there was a decreased rate in 2017, which was lower than the base year. Further considering on an income from education management, which was the income from the main mission of the university, the researcher found that in the fiscal year 2016 and 2017, the rate has increasing every year. For the income from operational, there has been a decreasing rate every year from the base year.

Next chart is showing the comparison trend analysis of revenue collection classified by funds raising in fiscal year of 2015-2017. The result analysis can be shown as follows:

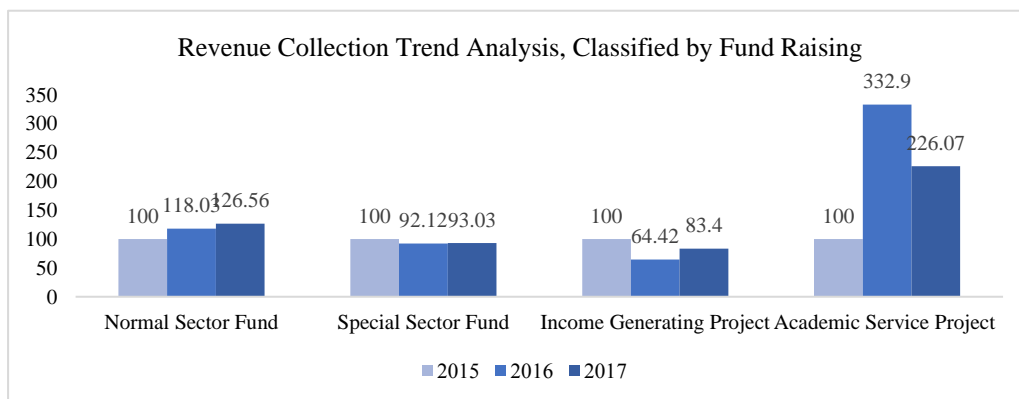


Figure 2: Revenue Collection Trend Analysis, Classified by fund raising in fiscal year of 2015-2017

From figure 2, the revenue collection classified by fun raising in fiscal year of 2015-2017, it was found that the academic service project was the highest revenue generation at 232.90 percent (332.90-100), followed by the normal sector fund which was increased at 18.03 percent (118.03-100). For funds that are likely to generate lower income than the base year was a special sector fund which was reduced from the base year at 7.88 percent (92.12-100) and the income generating project was reduced in fiscal year of 2016 at the rate of 35.58 percent (64.42-100). Both rate on fiscal year of 2016 and 2017 was lower than the figure from the fiscal year of 2015 respectively.

Part 2: Revenue Collection Achievement Trend Analysis of Suan Sunandha Rajabhat University on fiscal year 2015-2017

The analysis of revenue collection achievement trend of Suan Sunandha Rajabhat University in the fiscal year 2015-2017 focusing on income from education management which can be classified into normal and special sector funds. The result of the analysis can be shown as follows:

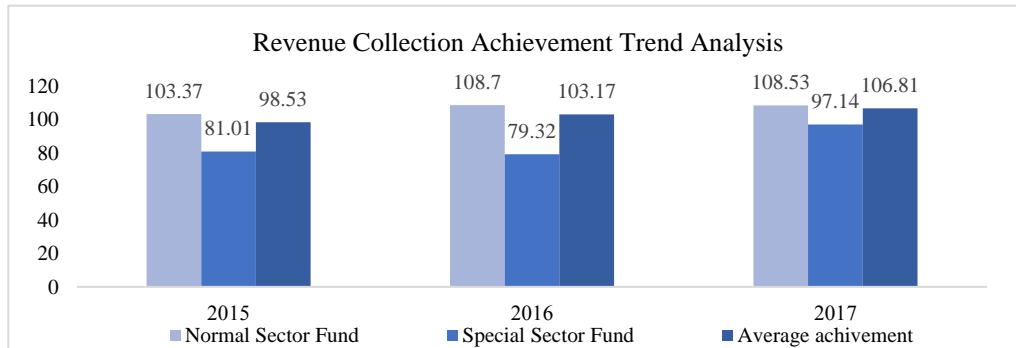


Figure 3: Revenue Collection Achievement Trend analysis

From figure 3, when comparing the achievement of the revenue collection from the education management income with the annual revenue forecast, it was found that in the fiscal year 2015 - 2016, income from the education management of normal sector was achieved with higher rate compared to special sector fund budget. Moreover, on the special sector fund, it still cannot be able to collect revenue higher than the normal sector fund and the figure shown in a lower percentage respectively.

Part 3: to Economical and cost-effectiveness of revenue management analysis of Suan Sunandha Rajabhat University on fiscal year 2015-2017

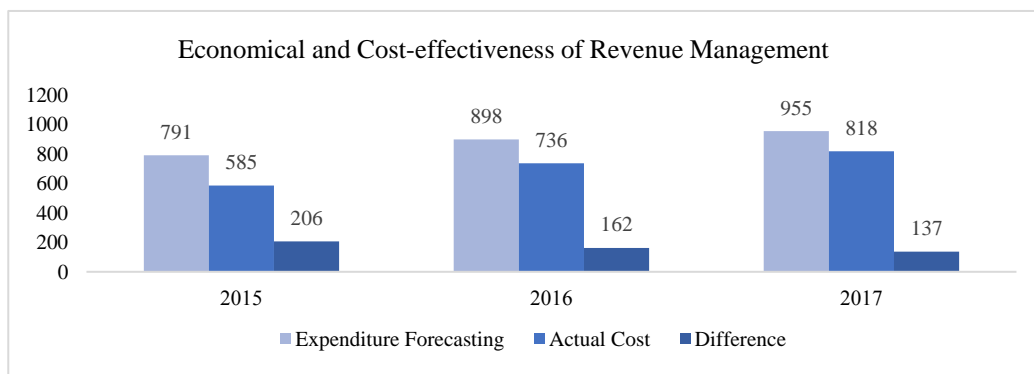


Figure 4: Economical and cost-effective management of revenue management

From figure 4, it shown that in the fiscal year 2015 - 2017, Suan Sunandha Rajabhat University has achieved economical and cost effectiveness in managing income from educational management. In the overall picture every year, the most economical and cost-effective year was the fiscal year 2015, accounting for 26.09 percent, followed by the fiscal year 2016, accounting for 18.04 percent, and in the fiscal year 2017, accounting for 14.36 percent. There was a decreased rate every year on revenue management on expenditure of educational management.

CONCLUSION AND FUTURE WORK

1. In revenue collection analysis, researcher found that in the fiscal year of 2016, the revenue collection trend has increasing compared to year 2015, especially the income from academic services, has the highest ratio, followed by other income and income from educational management, and while income from operational has a decreased trend compared to the fiscal year of 2015. In the fiscal year of 2017, the revenue collection has an increasing trend especially an income from academic services followed by an income from educational management.

2. In revenue collection achievement analysis, the research found that the two sources of funding, the revenue collection on the fiscal year of 2015 was lower than the revenue forecasted. Furthermore, on fiscal year of 2016, revenue collection was higher than the revenue collection forecasting. Moreover, on fiscal year of 2017, the researcher found that the revenue collection was higher than the forecasting.

3. In economical and cost-effectiveness analysis, refer to an income from educational management, the researcher found that the annually results of the research on fiscal year of 2015 - 2017, the university normal sector funds, has been the most economical and cost-effective on the fiscal year 2015, followed by the fiscal year of 2016, followed by the fiscal year of 2017 respectively. With the revenue collection and cost effectiveness in managing income from educational management activities, economical and cost effectiveness resulted in financial stability of the university efficiently.

In summary, from the overall pictures of the two funds, normal sector fund and special sector fund, the result showed that in the fiscal year of 2015-2017, Suan Sunandha Rajabhat University has managed revenue economical and cost-effectiveness as follows, in the fiscal year of 2015 there was the most economical and cost-effectiveness year followed by fiscal year of 2016 and 2017 respectively. Moreover, there has been a continually increasing rate in economical and cost-effectiveness on the following year respectively.

RECOMMENDATIONS

1. The department that runs the financial operational especially the project of earning income should focusing more on revenue generation by creating marketing strategies such as to study marketing mix and analyzing the competitors. The nature of the business revenue is to generate incoming; therefore, the organization must establish a strong strategy which will resulted in the university income generation efficiently.

2. The university should create a strategy to increase income from new applicant from special students as the student's application has been decreasing as well as the higher competition of the top university. Therefore, university should focus on the marketing plan to keep up with the current competition accordingly.

3. Each department within the university should give priority when tracking the revenue collection and their disbursement, which should be inconsistent with an actual income to reduce the risk of over spending which could be higher than the revenue collected.

4. The University should establish a policy to each department to consider spending their budget economical and cost-effectiveness.

ACKNOWLEDGEMENT

I would like to express my sincere thanks to Suan Sunandha Rajabhat University for invaluable help throughout this research. The research was successfully complete with the support of all teams. The author would like to thank the Research and Development Institute, Suan Sunandha Rajabhat University, Bangkok, Thailand for financial support and also would like to thank Vice-President of the Institute of Research and Development, Associate Professor. Dr. Thanasuwit Thabhiranrak, and all supporting staffs of Suan Sunandha Rajabhat University to provide support in many areas.

REFERENCES

[1] **Kannika Arch-Asa. (2013).** The analysis of performance and financial status of Savings cooperative, Mahidol University Co., Ltd., Management Science, Master of Business Administration, Sukhothai Thammathirat University.

[2] **Salinee Chokdee Wattanacharoen. (2010).** Analysis of comparative statements of listed companies in the Stock Exchange of Thailand in the property development group. Graduate College, Kasetsart University.

[3] **Suchin Duangdee (2010).** The analysis of financial statements of Thai Post Company Limited, 2004-2008. Management Science, Master of Business Administration, Sukhothai Thammathirat University.

[4] **Sumalee Unhanan. (2006).** Financial Management Volume 2. Printing No. 5 Bangkok: Chulalongkorn University.

[5] **Anirut Boonloi. (2010).** The analysis of financial statements of palm oil extraction business in Thailand. Department of Business Administration, Master of Business Administration, Walailak University.

[6] **Charawee Butbunrung. (2006).** International Journal of economics and Management Engineering Volume 10. No. 12 World Academy of Science, Engineering and Technology.