



# Creating a Culture of Continuous Transformation for a Sustainable Business Model

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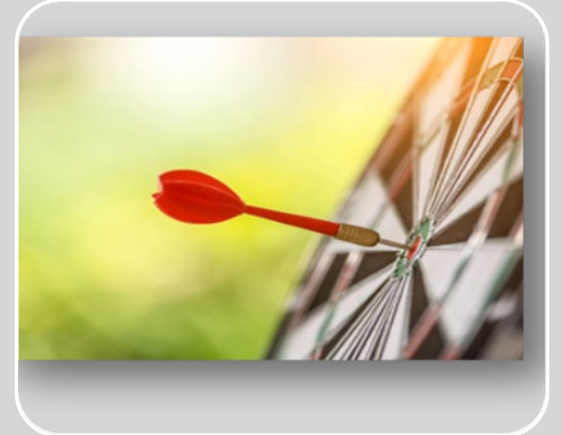


# Ensuring a Sustainable Model

Continuous improvement is not about being comprehensive – the goal is not to develop a conceptual framework that tries to organize every possible influence and include everything we could work on.

Instead, we ask “What are the ‘big drivers’ and ‘next steps’ for improvement? What are we learning? And how do we know we’re being successful?”

# The Basics of the Business Model



## Revenue

- + Tuition
- + Fees
- + Auxiliary: Housing, Athletics, Conferences, Summer Activities
- + State/Local appropriations
- + Endowment
- + Research

## Expenses

- Salary and benefits
- Facilities
- Debt
- Other Operations

## Net Revenue/ Margin

- + Reserves
- + Should be 3% of revenue.

# Mind Shift



## Mostly the Current Way of Thinking

What do **we** think they need



## Interim Way of Thinking

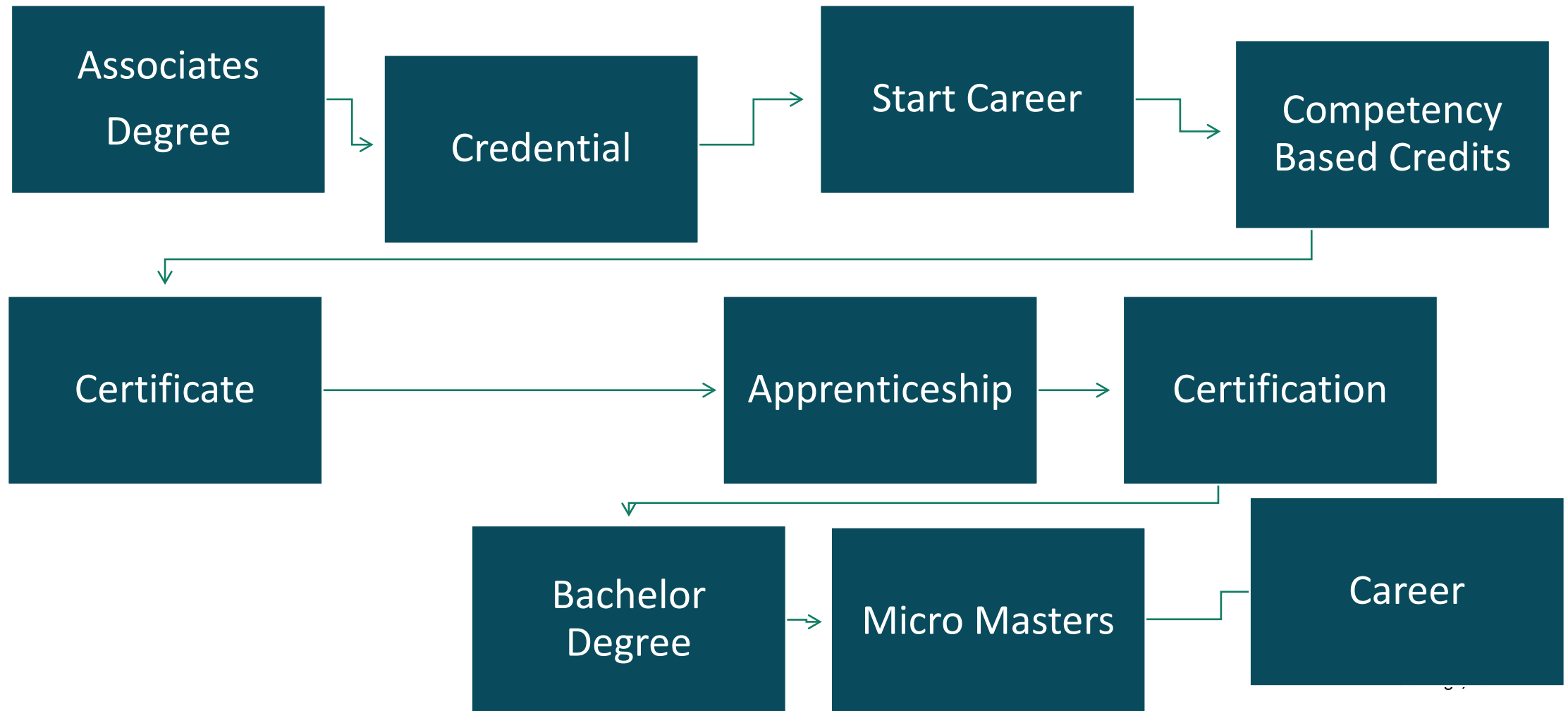
Add **new programs** to grow enrollment



## New Way of Thinking

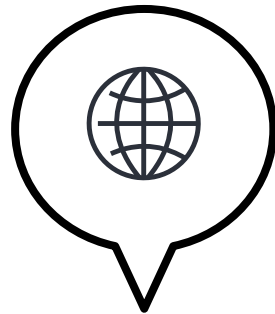
What do **external partners** need and how do we **align** with rapid change

# Flexible Pathways to a Degree



# Industry & Institution Scenarios

Educause 2022 Horizon Report



**Growth**



**Constraint**



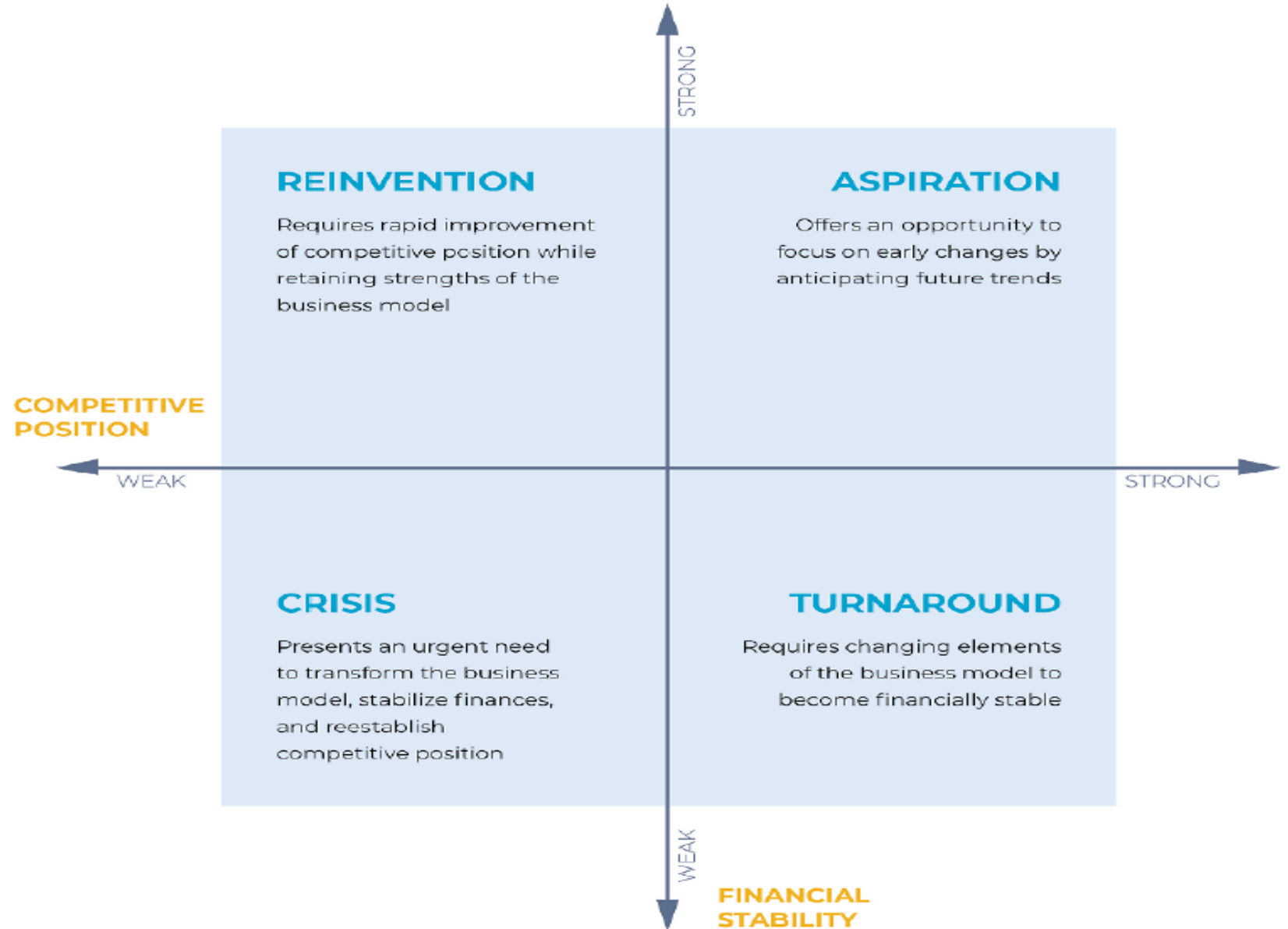
**Collapse**



**Transform**

# Situational Awareness

# Current Operating Environment



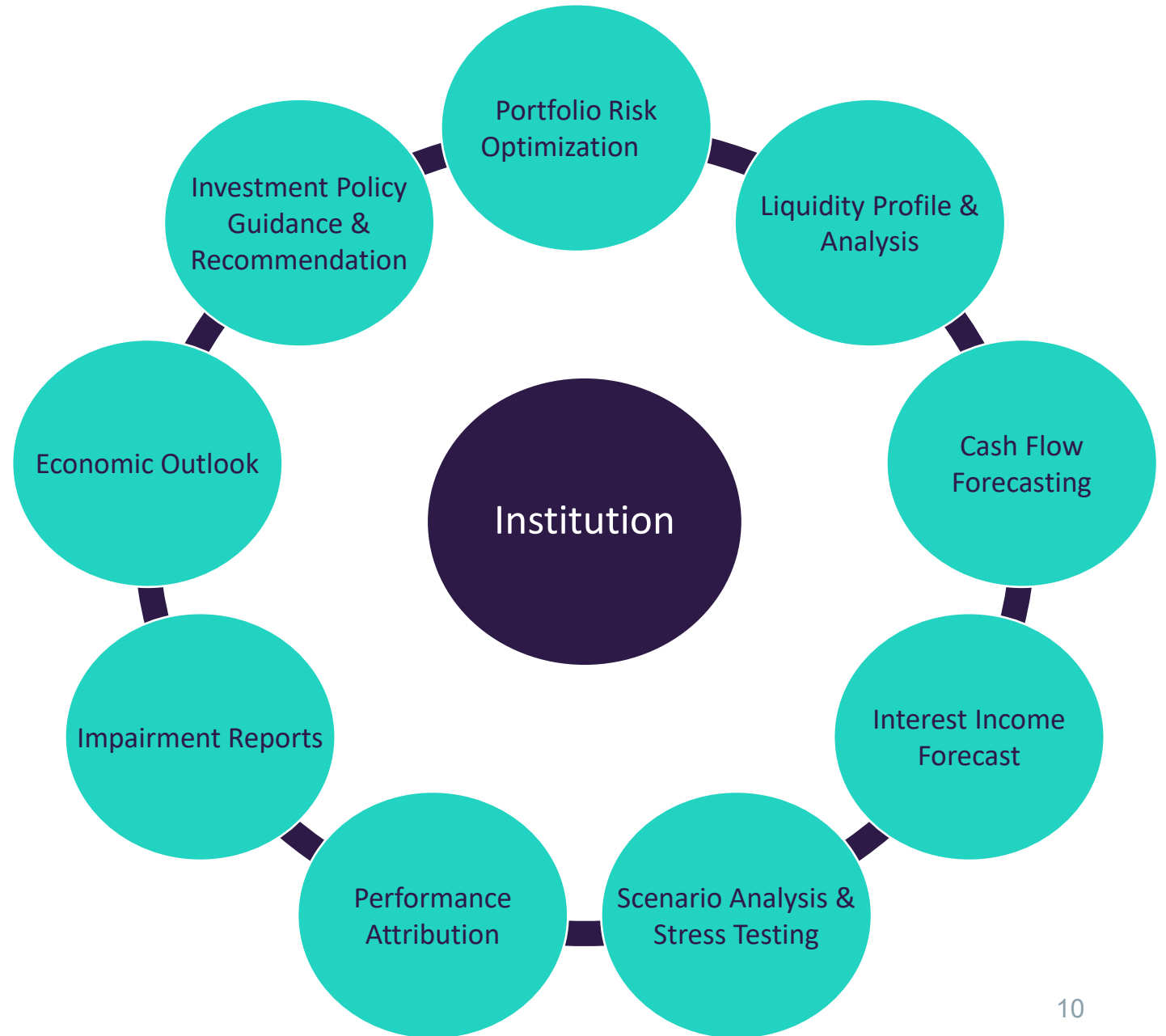


# Understanding Key Drivers and Assumptions

Net Tuition/ Expenditures	Endowment/ FTE*	All Services/ Expenditures
Marketing Costs/ Expenditures	Annual Debt Service/ FTE*	Compliance Cost/ Expenditures
Recruitment Costs/ Matriculant	Deferred Maintenance/ FTE*	Security Costs/ FTE*
Applications/ Admitted	Contingency Fund/ FTE*	Instruction Costs/ FTE*
Admitted/ Fall Enrollment by Key Demographic Factors	Attrition/ Class Year by Demographic Factors	Innovation/ Expenditures
Year-over-Year Retention/ Percentage by Class	Average FTE* Student Debt/ National Average	Endowment Spending Rate Trends/ Absolute and Nominal

# Financial Runway

1. How much longer viable?
2. What are financial pitfalls?
3. Major points of failure?



# Where you are and where you are going?

1. Where does the institution's students come from?
2. What is the institution's Value Proposition?
3. What channels does the institution use to access students?
4. What is the institution's relationship with its students?
5. Where do institutional revenues come from?
6. What are the institution's key program offerings?
7. What are the institution's key resources?
8. Who does the institution partner with?
9. What is the institution's cost structure?

# Determine Your Path

# Option One: Double Down and Distinct

## Part One: Core Business



### Double Down

- 20 programs that enroll 75% of your students
- Invest
- Market
- Generate Net Revenue

## Part Two: Distinctions



### Distinction

- Signature Programs or Experience
- Career Focused

# Option Two: Focused and Expansion

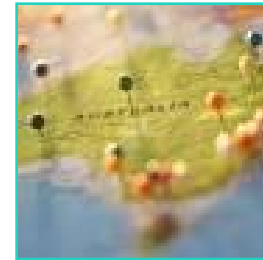
## Part One: Core Business



### Optimize

- Determine program mix
- Link programs that can occur easily off-site or online
- Align resources with programs

## Part Two: Add new locations/delivery



### Separation

- Capture new students through off-campus or online
- Career Focused

# Option Three: Traditional

## Part One: Wide Range of Programs



### Professional

- Wide array of academic programs
- Seek to serve all students
- Growth is the game regardless of cost
- Brand is key

## Part Two: Robust Campus Life and Experience



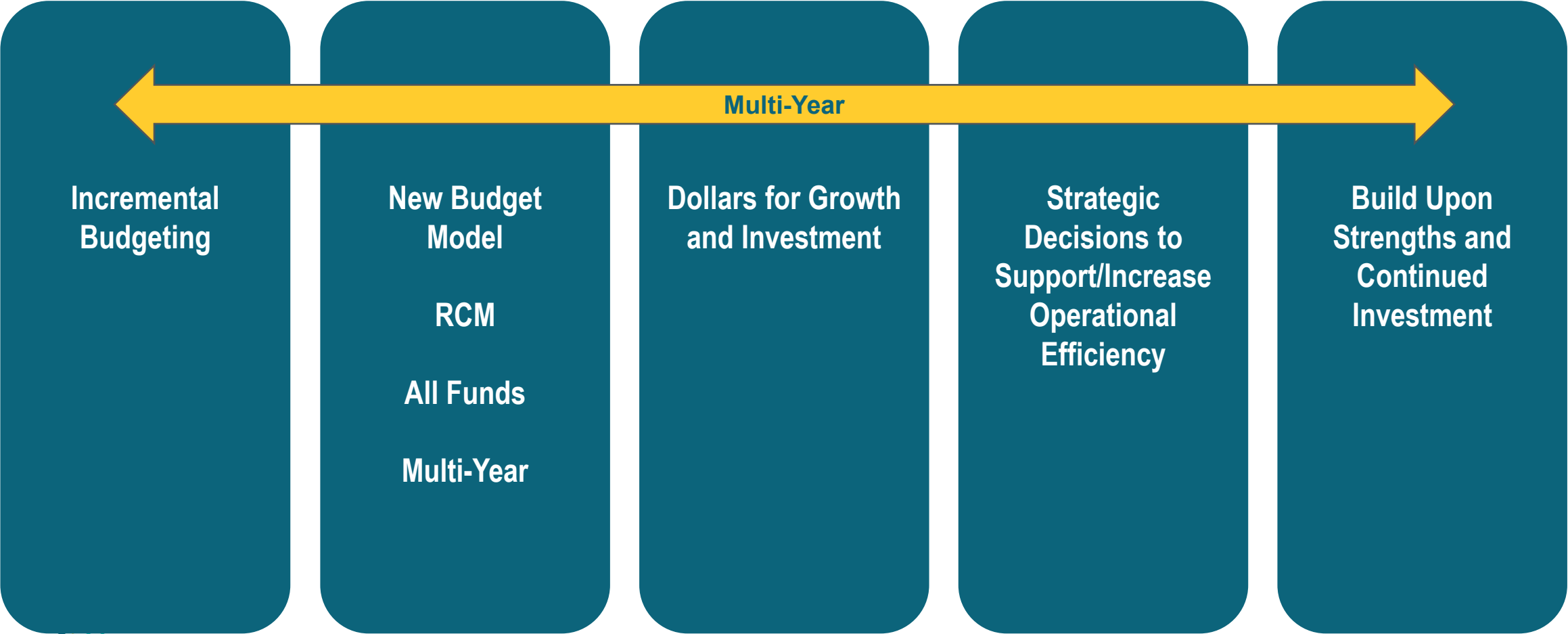
### Engagement

- Athletics
- Greek Life
- Internships
- International
- Expansive

# Actions



# Budgeting



# Set Your Target

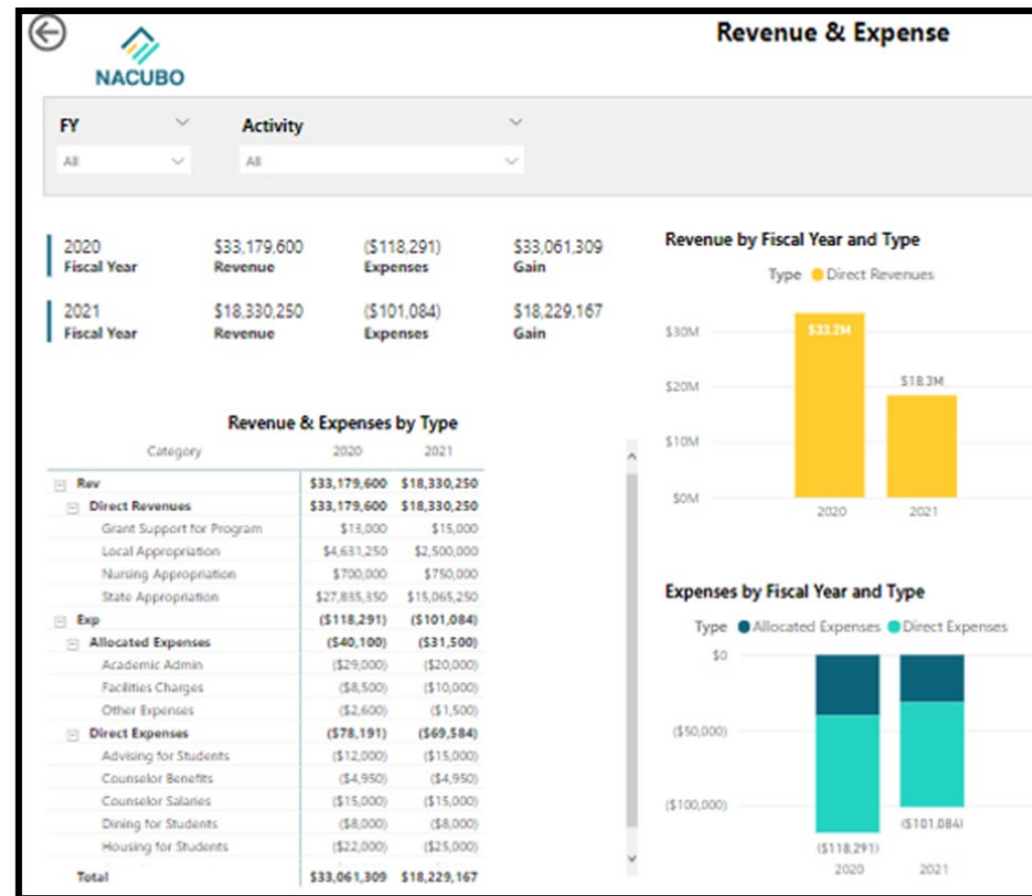
- Peers
- Aspirants
- Competition



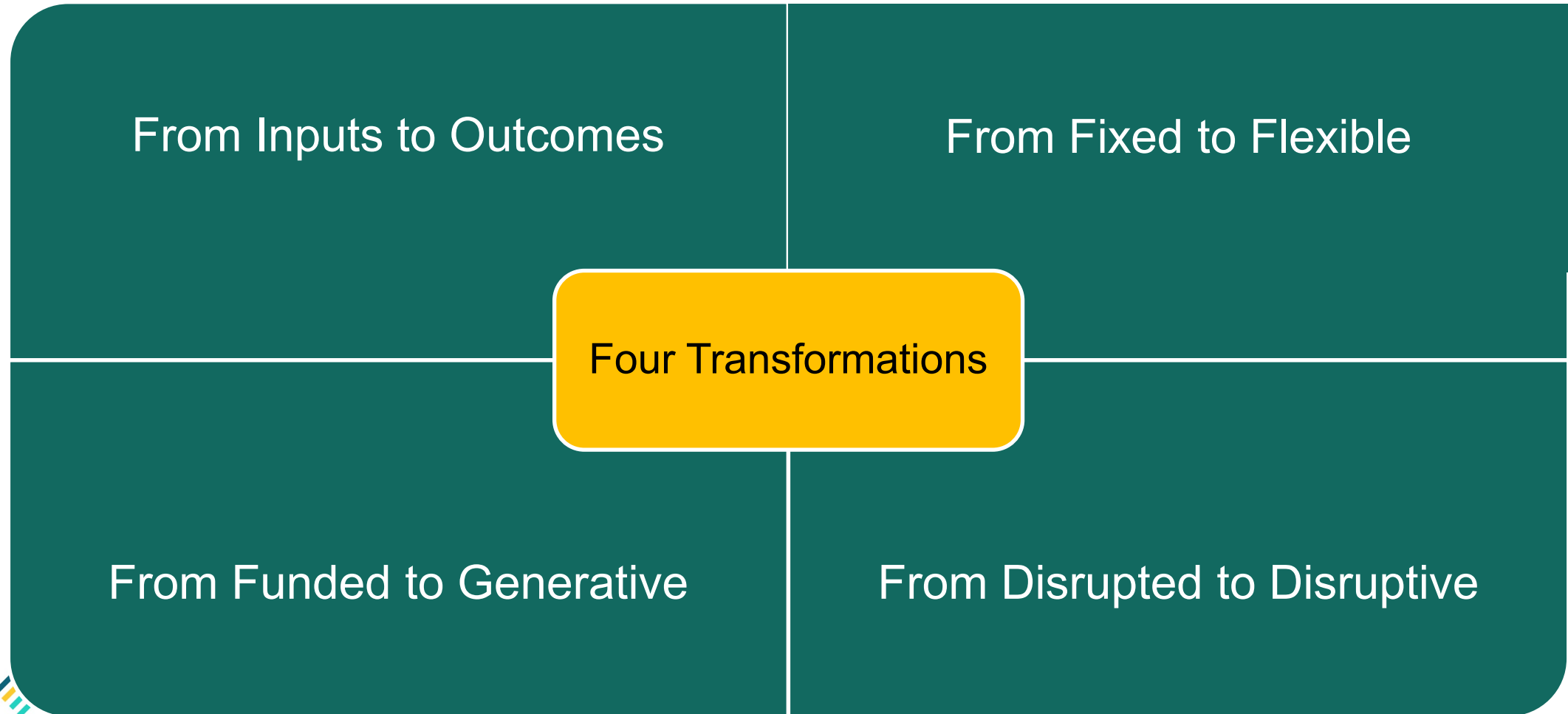
# Financial Resource Optimization

## Areas of Focus

1. Data Access
2. Course Offerings
3. Athletic
4. Facilities
5. Actual Users



# Desired State



# Questions and Discussion

Thank You