



*Best Practices  
Strategic Solutions*

# **Reshaping Your Curriculum to Grow the Bottom Line**

**Optimizing Academic Balance: Mission, Quality, Market  
Potential, Cost and Revenue**

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*prepared by*

**Kenneth L. Hoyt, Ph.D., President  
The Higher Education Practice, LLC  
and  
Edward J. Barboni, Ph.D.  
Independent Consultant**

# The Higher Education Practice, LLC

**Kenneth L. Hoyt, Ph.D., President**

**Fairport Harbor, Ohio and Englewood, Florida**

**908-310-6943**

[KLHoyt@HigherEdPractice.com](mailto:KLHoyt@HigherEdPractice.com)

[www.HigherEdPractice.com](http://www.HigherEdPractice.com)



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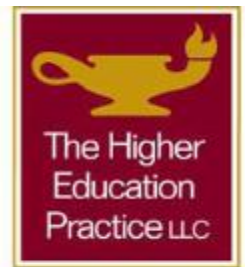
## **Mission**

The Higher Education Practice, LLC (HEP) utilizes powerful analytical tools and draws together experienced, independent higher education practitioners/consultants dedicated to helping independent college/university presidents better manage scarce resources and implement strategic solutions, especially in turbulent economic times. HEP utilizes collaborative strategic planning processes, benchmarking/market research, financial tools, *Optimizing Academic Balance (OAB)* analysis, retention/graduation analysis, enrollment/financial aid leveraging predictive modeling, advancement audits, non-traditional academic program audits and president's staff evaluations to seamlessly enable college/university presidents to meet or establish institutional objectives.

# Welcome:

“If you believe in reincarnation, come back as an academic program and enjoy eternal life.”

*Robert C. Dickenson, Prioritizing Academic Programs and Services*

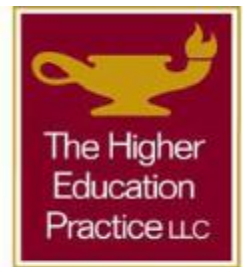


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# Reshaping Your Curriculum to Grow the Bottom Line:

...is an academic program analytical process that provides an institution with a thorough examination of the program mix, demand and cost for all academic program offerings, undergraduate, graduate and non traditional.

...with this analysis in hand, an institution is able to make strategic academic decisions to optimize the balance among mission, academic program quality, market potential, cost and revenue.



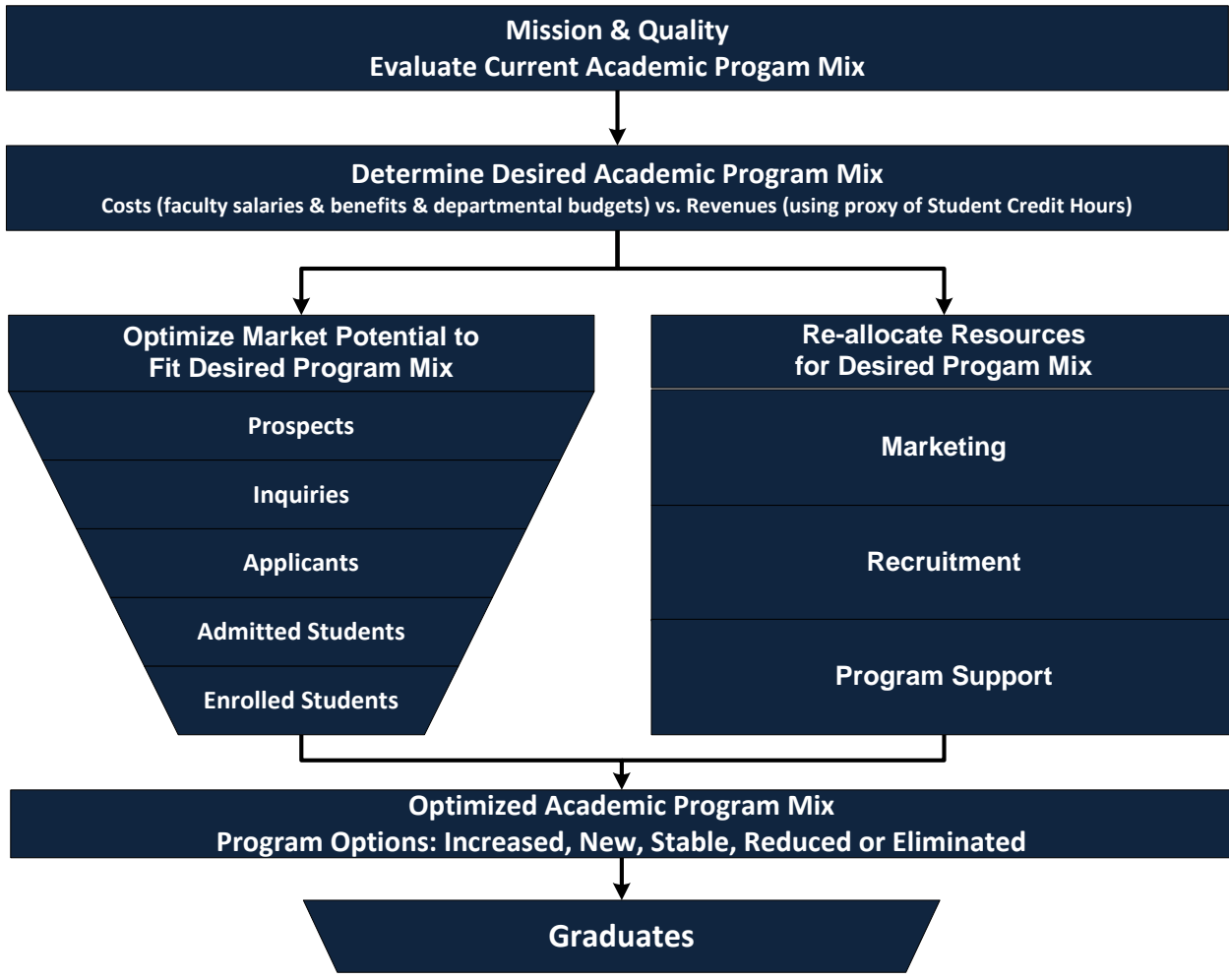
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# The OAB Process



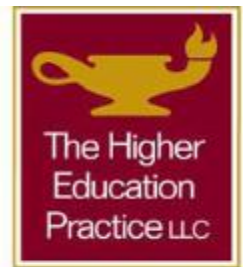
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## Reshaping Your Curriculum to Grow the Bottom Line Optimizing Academic Balance: Mission, Quality, Market Potential, Cost and Revenue



# The Academic *Unit of Analysis*:

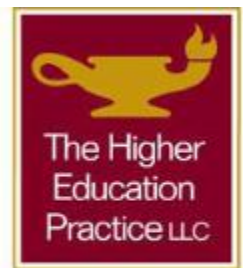
- Optimizing Academic Balance (OAB) utilizes market potential data (**prospects, inquires, applicants, admitted students, enrolled students**) to measure demand for each program, student credit hours (SCH) generated by program as a proxy for revenues and the direct costs for teaching (**faculty and departmental costs**) each program
- The key to OAB analysis is using a common unit of analysis like a program
  - The academic department can also be used as the unit of analysis for larger universities or programs can be rolled up into departments or even into divisions
- Armed with this information, institutional leaders are able to consider the long-term viability of academic programs, identify opportunities for growth or expansion, and understand where costs may need to be contained or eliminated, all within the context of the institutions mission, academic program quality, and strategic goals



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# Cost

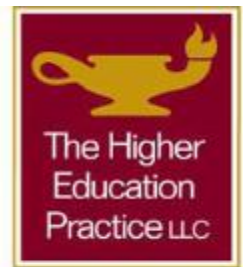
- The cost of each major is based on faculty salary and benefit information and department operating budget
  - It is very important to use a consistent set of variables when calculating cost
- In calculating the costs for full time faculty, consideration is given for each course a faculty member teaches
- For faculty members who teach in more than one department, this course-level analysis of costs allows you to apportion a faculty member's compensation to the appropriate program



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# Data Required to Do OAB Analysis

- **Course information data** from the registrar by program
  - Department prefix ENG, BIO, CHE, course number
  - Term and year
  - Section number
  - Course title
  - Faculty name
  - Second faculty name (if team taught)
  - Program identification (traditional, nontraditional graduate)
  - Credit hours for course
  - Student count
  - General education
- **Market Potential Data** Prospects, Inquires, Applicants, Admitted Students, Enrolled Students from Enrollment Management

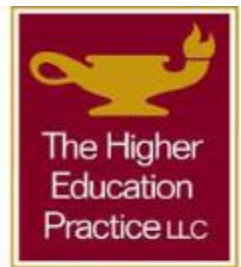


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# Data Required (cont.)

- Salary and benefit direct expense from CFO and CAO:
  - Name (faculty ID#)
  - Base salary
  - Benefits
  - Overload salary amount
  - Home department (Art, English, Music, etc.)
  - Identification of faculty as full- or part-time
  - Standard adjunct faculty salaries
  - Identification of any non-teaching portion of salary (Dept. chair)
  - Number of course hours for standard teaching load
  - Department operating budget amount
  - Income for the department that is an offset to expense



# Selected Illustrations from a Sample School

- Assessing external demand for academic programs
  - Inquiries by program and state
- Illustration of demand by inquiries, applicants, enrolled students, and graduates
- Illustration of cost per student credit hour by program
- Combining demand and cost
  - What does it mean?
- Resulting possible strategies
  - What can we do with what we know?

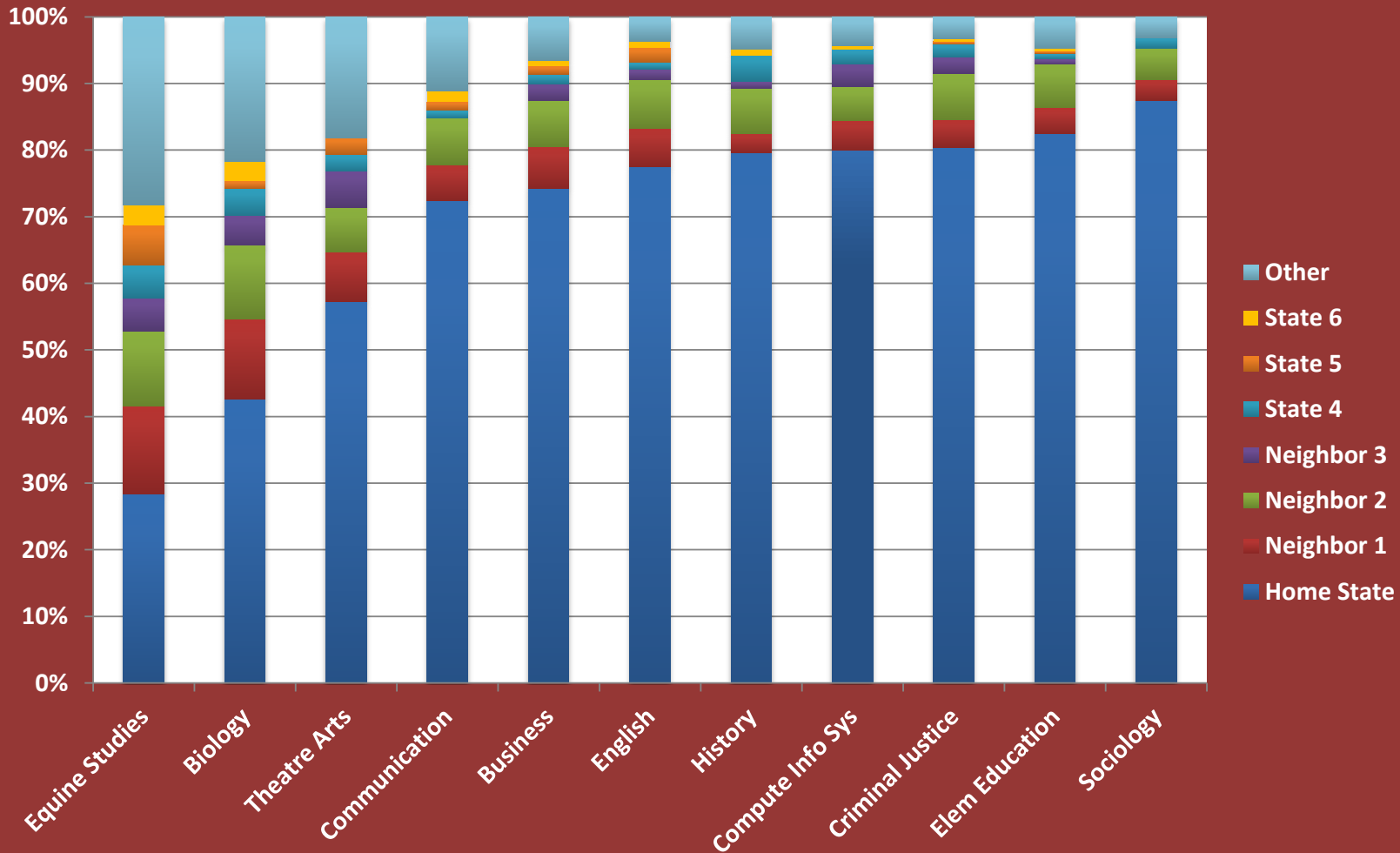


# Where Is Demand for Our Programs Coming from?



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Geographic Demand for Sample School's Programs Varies Significantly by State  
Inquiries by Program & State



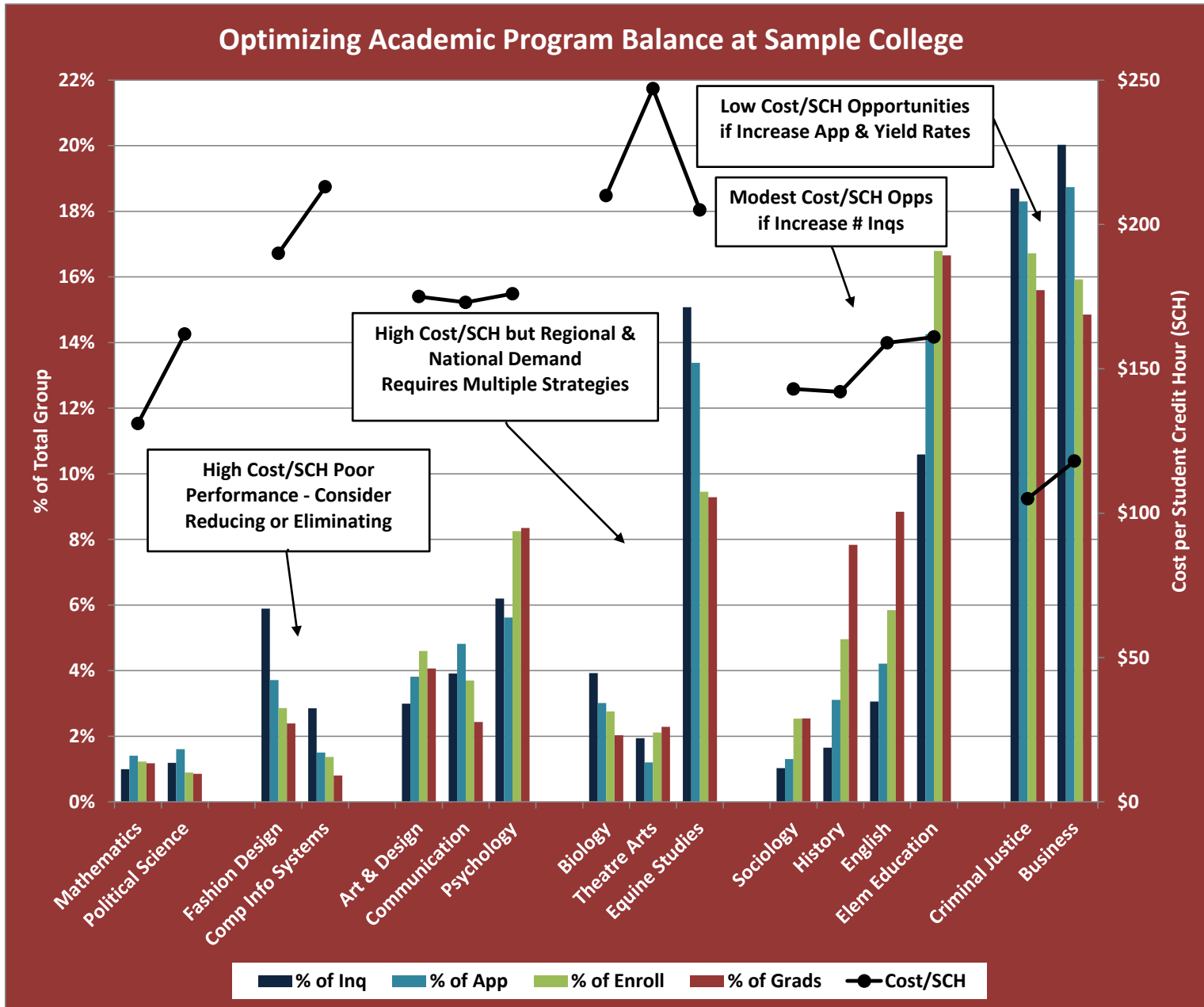
# Combining External & Internal Demand with Cost/Student Credit Hour (SCH)



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Program	% of Inq	% of App	% of Enroll	% of Grads	Cost/SCH
Mathematics	1.0%	1.4%	1.2%	1.2%	\$131
Political Science	1.2%	1.6%	0.9%	0.9%	\$162
Fashion Design	5.9%	3.7%	2.9%	2.4%	\$190
Comp Info Systems	2.9%	1.5%	1.4%	0.8%	\$213
Art & Design	3.0%	3.8%	4.6%	4.1%	\$175
Communication	3.9%	4.8%	3.7%	2.4%	\$173
Psychology	6.2%	5.6%	8.3%	8.3%	\$176
Biology	3.9%	3.0%	2.8%	2.0%	\$210
Theatre Arts	1.9%	1.2%	2.1%	2.3%	\$247
Equine Studies	15.1%	13.4%	9.5%	9.3%	\$205
Sociology	1.0%	1.3%	2.5%	2.5%	\$143
History	1.7%	3.1%	5.0%	7.8%	\$142
English	3.1%	4.2%	5.8%	8.8%	\$159
Elem Education	10.6%	14.3%	16.8%	16.7%	\$161
Criminal Justice	18.7%	18.3%	16.7%	15.6%	\$105
Business	20.0%	18.7%	15.9%	14.9%	\$118
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

# What We Know Now & What It May Mean



# What We Can Do with What We Know



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- ***Enhance the Liberal Arts A***
  - History, English, and Sociology perform well in the market among current inquiries and are very attractive to current students
  - They are among our highest quality programs
  - They are modest cost in terms of cost/SCH
  - ***Strategy = increase inquiries through targeted purchases of prospect names and other methods, especially web-based***
- ***Enhance the Liberal Arts B & Strengthen Regional/National Reputation***
  - Biology is a relatively expensive program but we have invested in its quality
  - It is our second strongest w/respect to national/regional demand
  - However, it does not do well in converting that demand
  - ***Strategy = increase inquiries and improve application & enrollment rates & improve internal retention***

# What We Can Do with What We Know



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- ***Reduce Costs by Eliminating Weak, Expensive Programs***
  - Fashion Design and Computer Information Systems (CIS) are both relatively high cost yet poorly performing programs
  - Neither is central to our mission
  - CIS has aging faculty nearing retirement age and early retirement is an option
  - Competition for Fashion Design in nearby, large city is proving to be insurmountable
  - ***Strategy = phase out both programs in next three years***

# What We Can Do with What We Know



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- ***Build on Strength in Elementary Education***
  - Elementary Education is among our highest quality programs
  - It performs well among current inquiries
  - It has modest cost/SCH
  - ***Strategy = increase inquiries through targeted purchases of prospect names and other methods, especially web-based***
- ***Grow Profitable Programs in Criminal Justice and Business***
  - Both programs are relatively low cost with respect to cost/SCH
  - They have the highest number of current inquiries
  - But both perform below the median with respect to application and yield rates as well as internal retention rates
  - ***Strategy = improve application and yield rates & invest in faculty development (particularly for adjuncts) to improve quality***



# What We Can Do with What We Know



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- ***Ensure the Strength of Our Most Widely Recognized, Quality Program***
  - Equine Studies has long been among our highest quality programs
  - It also has the highest demand outside our state and region
  - It is the only program in which we are highly selective among our applicants and has excellent retention and graduation rates
  - We are at capacity with respect to our facilities
  - However, our application rate is less than it could be and has slipped in recent years
- ***Strategies***
  - Reverse decline in application rate
  - Conduct rigorous analysis of cost of:
    - Expanding capacity and
    - Building on reputation by expanding inquiry pool outside the state to increase demand to meet expanded capacity

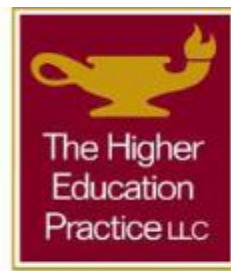
# What We Can Do with What We Know



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- ***Build Demand to Match Our Recent Large Investment in Theatre facilities***
  - We recently made a multi-million dollar investment in new theatre and related facilities
  - However, demand for Theatre Arts is not reflecting this investment even after an extensive analysis prior to construction
  - ***Strategy:***
    - Completely reevaluate the role of Theatre Arts in the curriculum as well as its strengths and weaknesses
    - Revisit the nature of the local competition
    - Revisit analysis of potential demand
    - In context of above, make appropriate changes in the program, increase number of inquiries for newly designed program and improve application rate

# The OAB Process



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