The Intersection of Planning

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Tim Fuller, Founder, and Jeff Spear, Founder

Fuller Higher Ed Solutions / CFO Colleague

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Overview

- **The Context For Planning**
- Strategic planning
- Campus master plan
- Financial / budget plan
- Strategic enrollment plan
- Discussion and questions throughout

Planning Context

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The Planning Roster Includes:

- **Strategic plan** (highest level)
- Campus master plan
- Strategic enrollment plan
- Academic plan
- Finance, budget, and operations plan
- Retention plan
- Each plan is about where we are now, where are we going, and how will we get there

Everything rolls up to, supports, and stems from the strategic plan

Ideal Planning Sequence

- **Strategic plan** often **leads** and includes enrollment goals for all modalities as well as high-level campus plan ideas
- Strategic enrollment plan follows
- Campus master plan follows both since it **needs the goals and specifics to inform its priorities**
- Financial/budget plan **undergirds everything** and must be grounded in reality

But the key is always **clear communication** because timing is often not ideal given **conflicting priorities and urgency**

Other Important Factors

- A **functional and courageous** leadership team
  - Starts with the president
  - Trust
  - Team One principles
  - The will to carry out your plan
  - The willingness to keep people/tradition from capping you
- The right balance between **faith and reality**
- A strong **foundation of data** supporting your thinking
- Is your board **on board** and mobilized to do their part?

Strategic Planning

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Elements of a Strong Strategic Plan

- **Living**
- **Connected to resources**
- **Prioritized**
- **Balance** between game-changing ideas and fixes
- **Campus-wide ownership**
- **Board engaged/president accountable**
- **Measurable goals**
- **Implementation matters most**
- Developed over six-to-nine-month period

The 7 Legal Ways to Get Resources

- Grow
- Raise
- Borrow
- Shift
- Focus
- Alternate
- Partner

What's Helping or Hurting Progress?

Vision	Skills	Incentives	Resources	Action Plan	Trust	=	Alignment & Success
Vision	Skills	Incentives	Resources	Action Plan	Trust	=	Sabotage
Vision	Skills	Incentives	Resources	Action Plan	Trust	=	False Starts
Vision	Skills	Incentives	Resources	Action Plan	Trust	=	Frustration
Vision	Skills	Incentives	Resources	Action Plan	Trust	=	Resistance
Vision	Skills	Incentives	Resources	Action Plan	Trust	=	Anxiety
Vision	Skills	Incentives	Resources	Action Plan	Trust	=	Confusion

Knoster's Model for Complex Change: Adapted from Knoster, T. (1991) Adapted by Knoster from Enterprise Group, Ltd.

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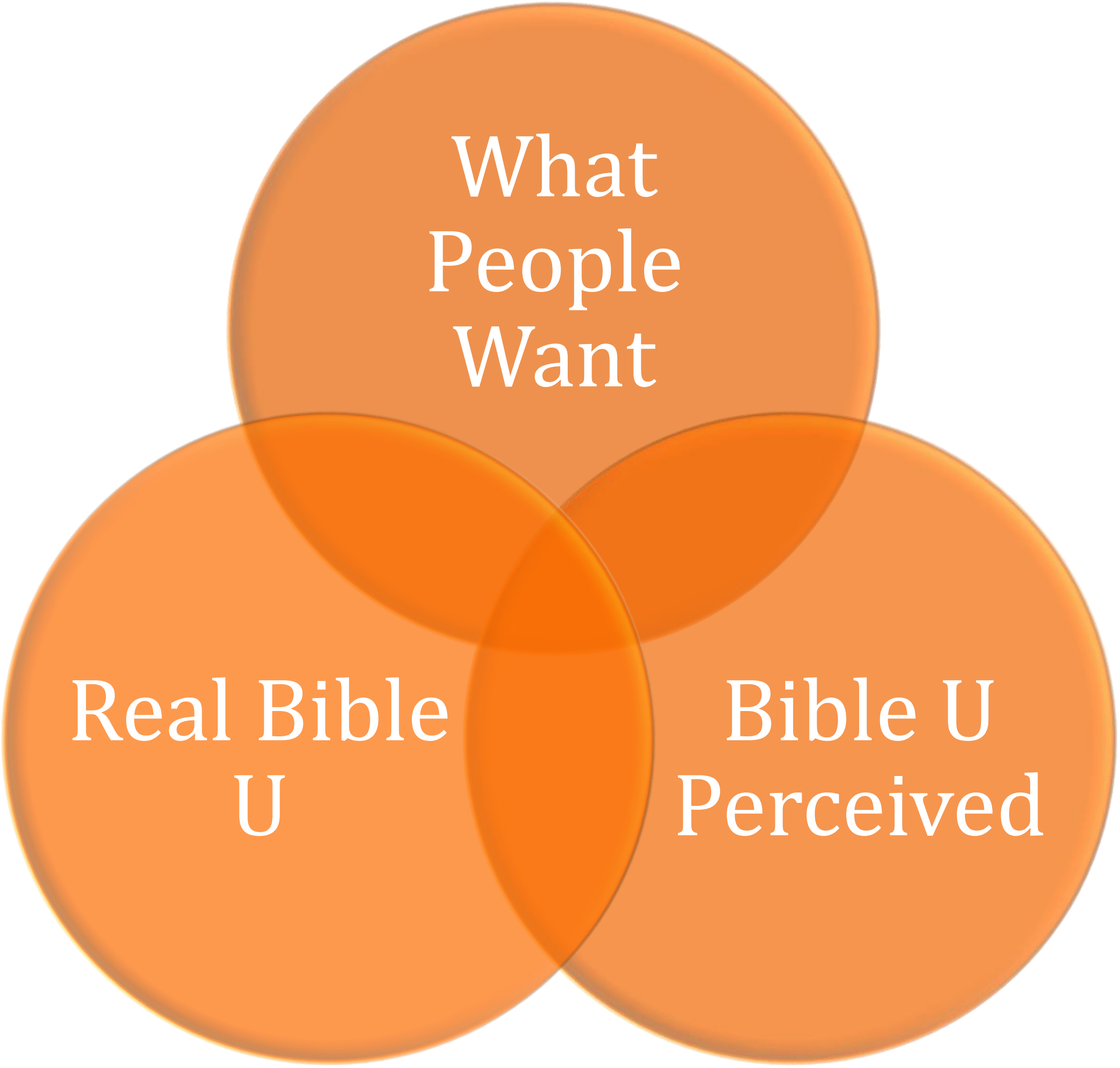
The Plan to Plan

- **Gather the right context**
  - Data and trends, both internal and external
  - Recent intel on perceptions and student satisfaction (see next slide)
- **Starts with leadership**
  - Senior leader retreat at which you will work hard
- **Engages key constituents**
  - Board
  - Faculty/staff
  - Students?
- **Includes a steering committee**
  - Cabinet x two = maximum size


What People Want
Real Bible U
Bible U Perceived

High School Graduates Profile for

Florida

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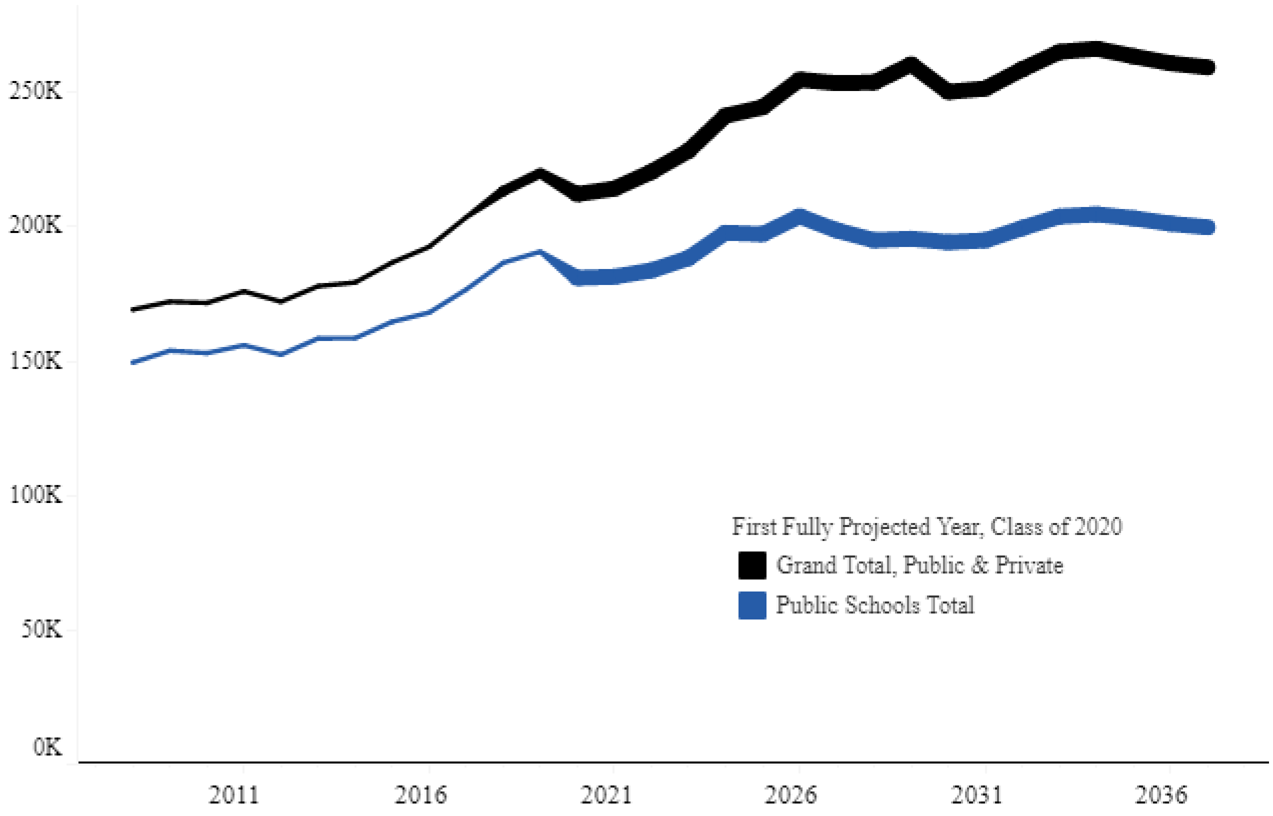
Projected values are displayed as either thicker or darker in the profile charts. See the notes for more details.

Total & Public High School Graduates, Class of 2008 to 2037



- Florida total high school graduates are projected to peak in 2034 at **265,880** graduates

- Between the Class of 2018 and the Class of 2037, high school graduates are projected to average **244,180** per year

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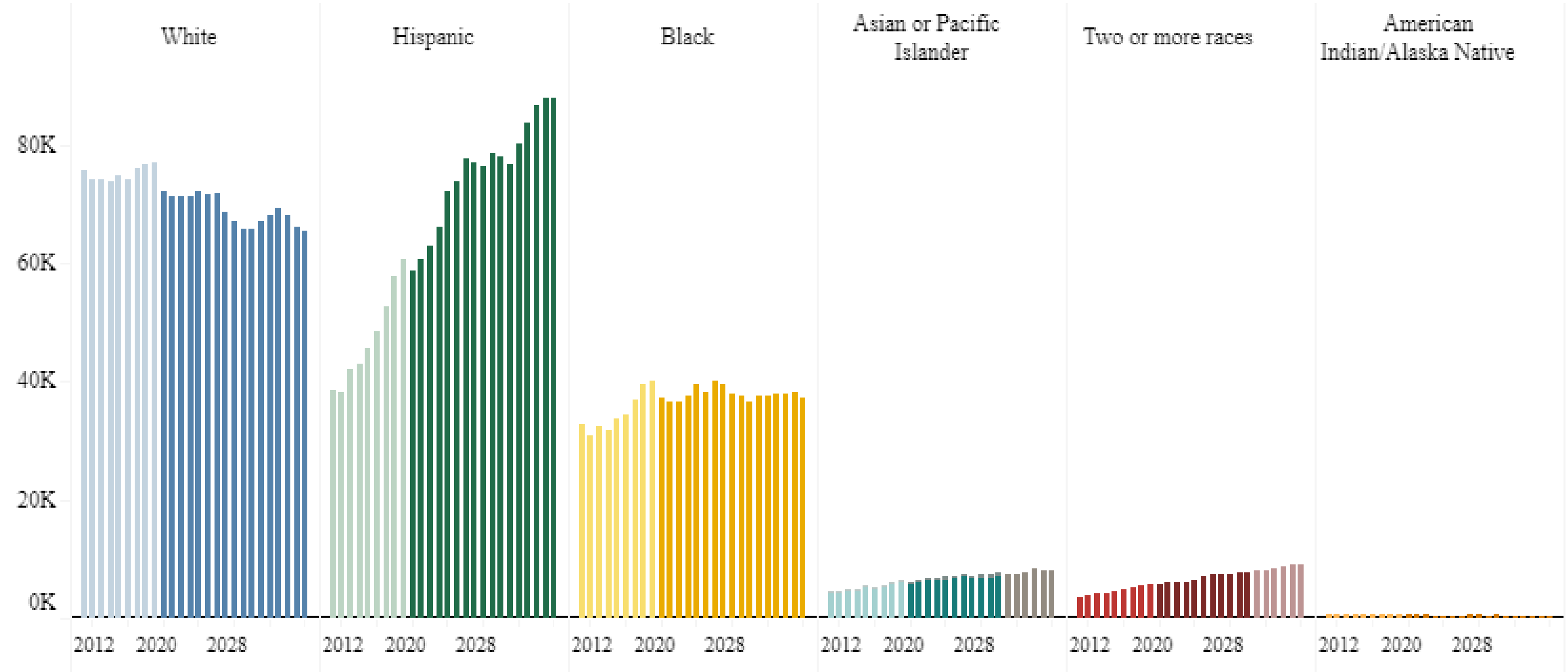
WICHE – 10th Edition

Public High School Graduate Trends, Class of 2011 to 2036

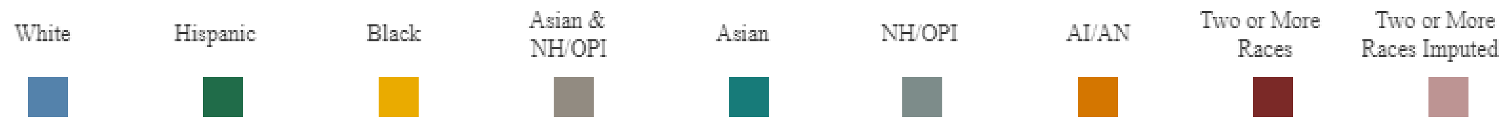
• Between the Class of 2019 and 2036, the share of non-white public graduates is projected to **increase** from **59%** to **68%**

Public High School Graduates by Race/Ethnicity



First Fully Projected Year, Class of 2020

Click on a population below to highlight trends in the chart above



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The Plan to Plan

- **Establishes planning themes**
  - Three to five maximum
  - Initiatives organized under these themes
- **Includes three phases**
  - Strategic thinking (which never stops, of course) – the splatter phase
  - Strategic planning – winnowing/prioritizing
  - Strategic action – the most important part of planning!
- **Guided by goals, metrics, and accountability**
  - Look for leading, not lagging indicators
  - Timetables
  - Ownership at cabinet and 2nd level

Timetable Draft

- **Strategic Plan**
  - Six to nine months to get plan ready for board's blessing
- **Campus Master Plan**
  - Timing depends on scope, but on average six to nine months (and could run concurrent or slightly behind strategic plan development)
- **Financial Planning**
  - Ongoing, but there are key milestones
- **Strategic Enrollment Planning**
  - Six to nine months and should follow the strategic plan's blessing

Campus Master Planning

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Best Practice Elements

- Keeps the **student experience** at the center
- Done by people who **understand** higher education
- Isn’t always about new buildings, **especially now**. What do you need to **repurpose**?
- Considers **adjacencies** – what needs to be next to what?
- Accounts for abundant **3rd space**
- Plans for attractive and compelling **arrival branding**

Key Questions

- **Who** do you intend to become and **how** will you do that?
- How many **students,** doing what, living where? And **why** are they choosing you?
- What are your **signature programs** and what new programs are you considering?
- What operational and organizational **changes** do you need to make to ensure the experience you want students to have?
- What do you know about the **condition** of your existing facilities?
- How much **money** can you find, raise, steal, and spend in the next 3-5 years?

Financial / Budget Planning

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First Things first

Historically, many of us started each budget process beginning from scratch, focusing solely on the year to come.

We celebrate when the budget balances, even though we accomplish that through one-time activities every year.

In today's world, we should be viewing each cycle through the lens of a multi-year forecast.

Only then can we gauge the impact of one year's discount escalation or lower than desired recruitment on the longer term.

It's no longer an option.

The Multi Year Projection as a Starting Point

- Consider our population
- We can demonstrate a history, by class
- Fall juniors versus spring juniors
- Spring freshmen versus the next fall sophomores
- We can go back seven years, including the current fall
- Certain comparisons can become obvious / consistent
- Don’t fall into the trap, believing that second semester,

  “… is always 91% of fall semester”

It depends on your class distribution

I. Plot your history

Example College

Multi-Year Enrollment Trends - Traditional Population

XXX = *Data Input*

	ACTUAL						
	2014 - 15	2015 - 16	2016 - 17	2017 - 18	2018 - 19	2019 - 20	2020 - 21
Fall Enrollments							
1st time Freshmen	223	269	259	247	240	262	238
Freshmen	24	27	33	25	35	35	35
Sophomores	208	195	244	237	222	222	222
Juniors	178	226	180	219	232	232	232
Seniors	231	210	241	234	244	244	244
Others	10	4	3	2	7	7	7
Reported / Forecast Fall Traditional	***874***	***931***	***960***	***964***	***980***	***1,002***	***978***
New / Returning Students							
Transfers in	59	54	67	63	66	65	60
New students	282	323	326	310	306	327	298
Returning students	592	608	634	654	674	675	680
Annualized Traditional NTR (000s)						*$14,899*	***$15,550***
							CY Spring Calculated
Spring Enrollments							
Freshmen (All)	215	234	248	246	242	226	*230*
Sophomores	190	186	196	219	216	216	*205*
Juniors	188	197	182	200	212	217	*220*
Seniors	247	265	251	242	276	295	*274*
Others	6	8	4	11	2	2	7
Reported / Forecast Spring Traditional	***846***	***890***	***881***	***918***	***948***	***956***	***936***
Spring as a % of Fall	**96.8%**	**95.6%**	**91.8%**	**95.2%**	**96.7%**	**95.4%**	**95.7%**

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Looking at future enrollments

- **Three sources:**
  - Returning students
  - Transfers in
  - First time in college
- **Three losses:**
  - Graduates
  - Transfers out
  - Drop outs
- Let's start with the sources

Example College

Multi-Year Enrollment Trends - Traditional Population

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20-Jan-21

	Avg		FORECAST 2021 - 22	2022 - 23	2023 - 24	2024 - 25	2025 - 26
Fall Enrollments	*extrapolation ->*		*250*	*250*	*251*	*251*	*252*
1st time Freshmen	**248**		240	260	250	255	255
Freshmen	**31**		**31**	**31**	**33**	**32**	**33**
Sophomores	**221**		**219**	**226**	**249**	**242**	**246**
Juniors	**214**		**221**	**219**	**227**	**250**	**243**
Seniors	**235**		**261**	**254**	**249**	**261**	**287**
Others	**6**		5	5	5	5	5
Reported / Forecast Fall Traditional	**956**		**977**	**995**	**1,013**	**1,045**	**1,069**
New / Returning Students	*extrapolation ->*		*65*	*66*	*67*	*68*	*69*
Transfers in	**62**		62	64	66	68	68
New students	**310**	32.5%	**302**	**324**	**316**	**323**	**323**
Returning students	**645**	67.5%	**675**	**671**	**697**	**722**	**746**
Annualized Traditional NTR (000s)			**$15,417**	**$15,804**	**$16,240**	**$17,089**	**$17,532**

Looking at future enrollments

- **The Model Gives you returners, based on historic trends**
- You enter in first time freshmen, transfers and others
- This can show you the impact of a small incoming class on the future
- It also allows enrollment to own its portion of total (gross) revenues
- Always exercise caution (look at the small red numbers)
- Any increase should be justified by solid initiatives

II. Consider your future

Institutional Aid and Admiral Akbar

- Leveraging firms focus on one thing-
  - “Will you land more NTR from this year’s incoming class than last year’s?”
  - Ignored is whether the students recruited for the coming year will retain as well as last year
  - And, did we receive enough last year from new students?
- There is no more significant, multi-year decision that is made than with annual packaging.

I. Fall Semester 2020 - 21	FF	FR	SO	JR	SR	OTHERS	TOTAL
Population	238	35	222	232	244	7	978
							G/L Fall only
Gross Tuition and Fees	3,303,187	485,763	3,081,124	3,219,914	3,386,461	100,000	13,576,449
Less: Discount Aid	1,544,336	179,420	1,299,011	1,297,156	1,296,848	156,678	5,773,449
Net Tuition Revenue (NTR)	1,758,851	306,343	1,782,113	1,922,758	2,089,613	(56,678)	7,803,000
Current Year Discount %	46.8%	36.9%	42.2%	40.3%	38.3%	156.7%	**42.5%**
NTR per student, annualized	14,780	17,505	16,055	16,575	17,128		
					Estimated annual	*with funded aid*	*unfunded aid only*
Projected NTR @ SR year	16,607	19,332	17,160	16,976	*NTR $ / student*	15,957	16,237
Annualized pricing improvement	-1.0%	4.1%	0.1%	-0.9%	*Overall discount %*	42.5%	41.5%
Projected annual NTR							***$15,549,712***

II. Fall Semester 2021 - 22	FF	FR	SO	JR	SR	OTHERS	TOTAL
Population	240	31	219	221	261	5	977
Gross Tuition and Fees	3,379,036	436,459	3,083,371	3,111,529	3,674,702	72,460	13,757,557
Less: Discount Aid	1,588,147	171,482	1,382,793	1,293,160	1,459,301	157,963	6,052,845
Net Tuition Revenue (NTR)	1,790,889	264,977	1,700,577	1,818,370	2,215,402	(85,503)	7,704,712
Next Year Discount %	47.0%	39.3%	44.8%	41.6%	39.7%	218.0%	**44.0%**
							(to '4 Student rev')
NTR per student, annualized	14,924	17,095	15,530	16,456	16,976		
					Estimated annual	*with funded aid*	*unfunded aid only*
Projected NTR @ SR year	16,161	18,333	16,349	16,862	*NTR $ / student*	15,772	16,055
Annualized pricing improvement	-1.6%	2.6%	-1.9%	-0.7%	*Overall discount %*	44.0%	43.0%
Projected annual NTR							***$15,416,721***

Institutional Aid

- Roll forward NTR per student into future years
  - Will they exceed CY Seniors in three years?
  - What about other classes?
- What happens to overall NTR with population changes?
  - Discount escalation and reduced populations tend to go together
  - We “get by” this year but set ourselves up for trouble going forward

III. The Aid Trajectory

The End of September

- Take a sounding as soon as billings and posted aid are complete.
- A good model will show the impact of fall versus spring enrollments on projected revenues
- Auxiliary billings are another leading indicator
- Estimate where non-traditional offerings will land for the entire year.
  - These have different behaviors than the traditional flow

I. 2020 - 21 Projected Actual versus Budget

	Spring Actuals	Summer/Other	Fall	% of Year	Spring	% of Year	Total	
A. Traditional Gross Tuition Revenue								
Actual & Projected		248,000	13,576,449	51.1%	12,993,534	48.9%	26,817,983	
Budgeted		257,000	13,291,017	51.2%	12,667,101	48.8%	26,215,118	602,865
B. Financial Aid								
Actual & Projected			(5,773,449)	51.1%	(5,494,822)	48.9%	(11,268,271)	
Budgeted			(5,697,213)	51.2%	(5,429,770)	48.8%	(11,126,983)	(141,288)
C. Net Tuition Revenue								
Actual & Projected		248,000	7,803,000	50.2%	7,498,712	48.2%	15,549,712	
Budgeted		257,000	7,593,805	50.3%	7,237,330	48.0%	15,088,135	461,577
D. Non-Traditional Revenue		Graduate	Deg. Completion	Small Prg	Other	(Discounts)		
Actual & Projected for the year		12,495,197	4,909,915	398,718		(297,500)	17,506,330	
Budgeted							17,383,930	122,400
E. Aux Revenue	Spring Actuals		Fall		Spring		Total	
Actual & Projected			3,078,247	51.1%	2,946,052	48.9%	6,024,299	
Budgeted			3,105,713	51.2%	2,959,923	48.8%	6,065,636	(41,337)

Projected student revenue variance from current year budget (negative) 542,640

II. 2021 - 22 Preliminary Student Revenue Forecast *(summer term blended in)*

A. Traditional	Projected 2020 - 21	+	Next Year's Population Δ	=	Proj CY @ Next Year's Population	+	Rate Increase	=	Forecast 2021 - 22	-	Budgeted 2020 - 21	=	Difference
Gross Tuition	26,817,983		-0.1%		26,790,561		1.4%		27,262,421	*fm '2 Aid by class'*	26,215,118		1,047,303
(Financial Aid)	(11,268,271)		-0.1%		(11,256,749)		5.2%		(11,845,700)	***43.5%***	(11,126,983)		(718,717)
Net Tuition	15,549,712				15,533,812				15,416,721	*discount rate*	15,088,135		328,586
					Gross tuition		*(Discounts)*						
B. Non Trad.	17,506,330				18,650,000		(350,000)		18,300,000		17,383,930		916,070
C. Auxiliaries	6,024,299		-0.1%		6,018,140		3.0%		6,198,684		6,065,636		133,048

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The End of September

- Not only a sounding for the current year but a preliminary look at next year.
- Relies on the anchor point of actual billed:
  - Tuition
  - Financial Aid
  - Auxiliaries
- Rolls it all forward based on:
  - Changes in population
  - Changes in prices
  - Changes in aid

IV. The Fall Sounding

Key Points

- Projected recruitment should be justifiable
- Return rates must be demonstrated, based on history
- Aid has to result in NTR growth for the student and school
- A fall sounding is critical for CY and NY planning
- All should be done with transparency
  - Put the model up on the screen
  - Show the impact of various inputs
  - Get buy-in (ownership) from those responsible for inputs
- The five budgets – Operating, Strategic, Capital, Cash, Multi-Year

Strategic Enrollment Planning

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Key Elements

- **Comprehensive or focused**? Depends on your mix of programs and modalities
- Critical to **capture** the oral tradition of the elders
- Built on a strong **foundation of data** and research
  - Competitors
  - Trends
  - Historical data including disaggregation by appropriate variables
  - Enrollment and market research plan by which you will gauge your **progress**

Key Elements

- Complete description of **strategies** including:
  - Marketing
  - Programs
  - Campus guest experiences of all types
  - Travel
  - Budget resources
  - Virtual strategies (which won't go away when Covid does)
  - Team composition, roles, and professional development
- **Goals –** overall and disaggregated by program and other key variables

Creating the SEP

Creating a strong SEP involves more than just the enrollment team:

- Academics – which programs have capacity to grow? Which programs should you add or subtract?
- Finance – business plans for new programs plus the 7 Legal Ways
- Student Life – which parts of the co-curricular experience could contribute to growth?
- Marketing – knowing and telling your story

Time frame? 6-12 months with the right team, leadership, energy, focus, counsel, and completion urgency

For more information on strategic planning and strategic enrollment planning, contact:

Tim Fuller, Founder
Fuller Higher Ed Solutions
tim@fullerhes.com
336.263.8778

For more information on financial/budget planning, contact:

Jeff Spear, Founder
CFO Colleague
jeff@cfocolleague.com
740.507.9180

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