

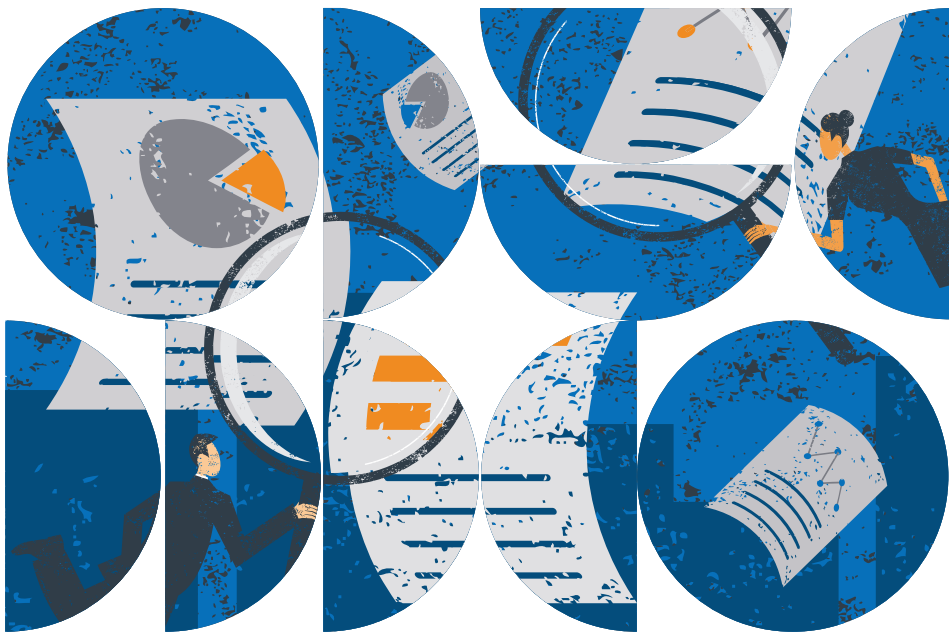


EAB

New Program Launch **Guidebook**

Planning Resources for Finance and Academic Leaders

Business Affairs
Forum





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Planning Resources for Finance and Academic Leaders

Business Affairs Forum

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Supporting Members in Budgeting and Planning

Resources Available Within Your Membership

This publication is only one of our many resources to support members in budgeting and financial planning. Details about additional resources are provided below.

For additional information about any of these services—or for an electronic version of this publication—please visit our website (eab.com/baf), email your institution’s dedicated advisor, or email research@eab.com.



Aligning the Budget Model to Strategic Goals

Executive-Level Decision Points to Ensure Impact on Cost, Growth, and Strategy

This study details 13 executive-level decision points to help leaders design a budget model that creates unit-level financial accountability, preserves mission-critical elements, and incorporates institutional strategic goals.



Increasing Central Fungible Dollars

Executive Tactics to Secure Funding and Garner Buy-In for Strategic Priorities

This study examines eight tactics institutions can implement to increase central fungible dollars and fund and garner support for strategic priorities.



On-Demand Webconferences

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Unlimited Access to Experts

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All Business Affairs Forum resources are available to members in unlimited quantity.

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Beyond Business Affairs

Resources from COE Forum and Enrollment Management Forum

In addition to the resources available through the Business Affairs Forum membership, EAB offers programs focused on the priorities of additional members of the President's Cabinet and campus leadership. Each of these programs offers its executives content-rich roundtable meetings, virtual educational opportunities via webinars for staff development, and unmetered access to program research experts. This report draws on market demand research from the programs below:

Continuing and Online Education (COE) Forum

Competition for share of the adult, working professional, and online student market has never been greater, as institutional pressure to achieve next-level enrollment and revenue growth intensifies. The COE Forum couples best practice research on ensuring the health of current operations with real-time market research to inform strategic growth.

Signature Membership Features

- Organizational Benchmarking Initiative
- Custom market demand briefs
- Online database of best practice reports and associated implementation toolkits. Areas of focus include:
 - Marketing Across the Program Lifecycle
 - Competing on Student Outcomes to Attract Today's Career Changer
 - Designing Programs for the Millennial Workforce

Enrollment Management Forum

The Enrollment Management Forum focuses on the full range of strategic and operational issues facing the heads of enrollment management, including financial aid, admissions, student success, and organizational structures.

Signature Membership Features

- Marketing and Recruiting Excellence Center
- Enrollment Management Benchmarking Survey
- Online database of best practice reports and associated implementation toolkits. Areas of focus include:
 - Making the Academy Market Smart
 - Student Enrollment Experience
 - Financial Aid Optimization



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For additional information about these offerings, visit www.eab.com/coe or www.eab.com/emf.



Executive Summary

The Need for Greater Rigor in New Program Planning

Executive Summary

Market Pressures Elevating Risk in New Program Launches




Higher education institutions, seeking to grow enrollment, are picking up the pace of new academic program launches. This is true within all segments of the sector: public, private, elite, access-focused, etc. Unfortunately, new market pressures are making launches riskier than ever. On the one hand, prospective students are changing in both makeup and behavior. Growth in high school graduates has slowed, requiring institutions to reach new markets (e.g., underrepresented populations, adult learners) to achieve growth goals. Prospective students overall are more cost-conscious, demanding that institutions take a more “ROI-centric” approach to marketing and recruiting.

At the same time, competition is fierce. Undergraduates are evaluating a wider set of institutions, and the supply of graduate programs now outpaces demand. To make matters worse, competition from nontraditional players is rising. For-profit bootcamps like General Assembly and next-generation MOOCs like Udacity are rapidly growing enrollments in short-form credential programs. And corporations are gravitating to these nontraditional providers to address learning and development needs, further shrinking the pipeline for traditional professional programs.

Many Campuses Experiencing “Profitless Growth”

These new market pressures have created a hostile environment for new program launches. Many promising new programs fail to generate desired enrollments, or cost more than initially expected. As a result, campuses experience “profitless growth”—adding faculty, instructional resources, and perhaps some new students, but not growing the bottom line. Furthermore, this problem is not limited to revenue-generating programs. Mission- and community-focused programs that were never meant to break-even also miss their targets.

Hard Lessons Learned in “Profitless Growth”

			
Lesson	Too many programs fail due to lack of validation	Strong enrollments do not equate with net revenue growth if costs too high	Longer-than-expected ramp up periods strain short-term finances
Launch	Specialized master’s in education	Bachelor’s in nursing	Master’s in data analytics
Action	Did not adequately evaluate market demand data	Neglected to account for new facilities costs prior to approval	Overoptimistic assumptions foresaw positive net tuition revenue in year 2
Result	Projected year 1 enrollments of 60 students; enrolled four students in first cohort	Program continues to be subsidized by other programs in the college	Program ultimately broke even in year 5; college dean struggled to accommodate three years of unexpected losses

Source: Business Affairs Forum interviews and analysis.

Different Growth Strategies, Similar Failure Paths

Avoiding profitless growth requires understanding why new programs fail. Of course, institutions launch different types of programs in pursuit of different growth strategies—face-to-face versus online, undergraduate versus graduate, programs in existing disciplinary strengths versus new fields. But regardless of type of program, the same four pitfalls account for nearly all failures. First, program launch processes work against growth goals, delaying progress on good ideas or discouraging faculty from proposing them. Second, leaders evaluate the wrong market demand data, skewing projections for enrollments. Third, leaders underestimate or overlook the costs of new programs, inflating expected margins or causing a scramble when resource needs are identified late in planning. Finally, leaders do not sufficiently monitor program performance after launch, failing to turn around underperforming programs or react to fast-changing markets.

In particular, ten specific mistakes most often lead programs down these common failure paths. Positioning programs for market success requires leaders to identify and avoid these mistakes.

I

Inadequate Processes, Resources, and Incentives to Capitalize on Market Opportunities

Mistake 1:
Relying solely on faculty to organically surface new program ideas

Mistake 2:
Losing competitive advantage through prolonged approval process

II

Insufficient or Inaccurate Market Demand Data Leads to Overly Optimistic Projections

Mistake 3:
Using one-dimensional market data to evaluate demand potential

Mistake 4:
Designing programs around academic norms and preferences

Mistake 5:
Conflating healthy and unhealthy cannibalization

III

Total Costs of New Programs Underestimated or Overlooked

Mistake 6: Overlooking indirect, incremental, and knock-on costs

Mistake 7:
Underinvesting in marketing

IV

Minimal Post-Launch Evaluation of Program Performance and Market Demand Changes

Mistake 8:
Aiming for near certainty in financial projections

Mistake 9:
Committing inflexible, fixed resources before programs demonstrate demand

Mistake 10:
Failing to react to post-launch performance

Academic and Finance Leaders Partnering to Improve Program Planning

To that end, finance leaders are playing larger roles in developing new program proposals with faculty champions and academic leaders to ensure more principled program planning. On the front end, finance offices can support faculty with tools and resources to expedite proposal development and improve financial projections. On the back end, they can collaborate with academic leaders to vet proposals and establish processes for post-launch review.

How to Use This Resource

To help leaders avoid profitless growth, this guidebook offers ten detailed, step-by-step resources to enhance the rigor of program planning. Specifically, each resource addresses one of the ten most damaging mistakes that derail new program launches, helping institutions identify and avoid them.

Source: Business Affairs Forum interviews and analysis.

Summary of Program Planning Resources

The table below summarizes the ten most damaging mistakes leaders make when planning for new academic programs, leading to lower enrollments or unnecessary costs. This limits potential return on investment and leads many institutions to experience “profitless growth.”

Importantly, all ten mistakes can be avoided through more rigorous program planning. The table highlights tactics to avoid each mistake, as well as the accompanying resource in this guidebook. These resources are academic-friendly, designed to capture essential market and budget information in an approachable, intuitive manner.

Planning Mistake	Description of Mistake	Preventive Action	EAB Resource
#1: Relying solely on faculty to organically surface new program ideas	Faculty have demanding teaching and research responsibilities that limit their capacity to propose new programs. Consequently, institutions propose too few viable programs to meet annual growth goals.	Create forcing-function mechanisms for senior leaders to propose and evaluate new program ideas.	Top-Down New Program Opportunity Analyses
#2: Losing competitive advantage through prolonged approval processes	Leaders review incomplete proposals that require multiple rounds of revision. This ultimately prolongs time-to-launch and weakens proposals’ market competitiveness.	Supply faculty champions with standardized templates to use when proposing new programs.	Compendium of Business Case Templates
#3: Using one-dimensional market data to evaluate demand potential	Institutions use insufficient or inappropriate data to evaluate market demand. As a result, demand projections for new programs underestimate competition and overestimate prospective student interest.	Consult multiple market demand data sources to generate more comprehensive analyses when projecting market demand.	Market Demand Validation Checklist
#4: Designing programs around academic norms and preferences	Institutions design new programs that mirror existing programs rather than programs the market demands. Prospective students ultimately enroll in competitor programs that better meet their needs.	Vet program design choices—such as credential, delivery, and admissions—for potential impact on student enrollment decisions.	Program Design Checklist
#5: Conflating healthy and unhealthy cannibalization	Leaders cannot accurately anticipate how new program launches will impact existing program enrollments. Consequently, institutions launch programs that target markets they already serve, or deny promising proposals for unfounded fear of cannibalization.	Solicit structured faculty feedback on new program proposals to identify proposals that may cannibalize existing programs.	Portfolio Cannibalization Feedback Form

Source: Business Affairs Forum interviews and analysis.

The step-by-step resources included in this publication (listed in the “EAB Resource” column of the table below) serve two purposes:

- First, they provide tools and information for faculty and other stakeholders to reference when proposing and launching new programs.
- Second, they equip senior leaders with the right questions to ask when vetting new program proposals and evaluating post-launch performance.

All resources can be accessed electronically at eab.com/baf/programlaunchtools.

Planning Mistake	Description of Mistake	Preventive Action	EAB Resource
#6: Overlooking indirect, incremental, and knock-on costs	Institutions focus most on direct instructional costs when preparing program budget projections, omitting less evident indirect, incremental, and knock-on costs from financial projections.	Use budget planning templates that prompt recognition of commonly overlooked costs.	New Program Budget Templates
#7: Underinvesting in marketing	Institutions do not recognize new market pressures that have increased the cost and complexity of marketing new academic programs. As a result, they underinvest in marketing new programs.	Consider nuances of marketing different types of programs when setting marketing budgets.	Marketing Investment Rules of Thumb
#8: Aiming for near certainty in financial projections	Leaders base program approval decisions on rigid financial projections. Since enrollments in new programs are inherently uncertain and program launches rarely hit financial targets exactly, institutions may deny promising proposals with tolerable risk.	Evaluate a range of potential performance scenarios when making program approval decisions.	Financial Sensitivity Analysis Template
#9: Committing inflexible, fixed resources before programs demonstrate demand	Institutions make unnecessary investments when launching new programs, adding inflexible resources that are difficult to repurpose if programs do not generate expected enrollments.	Minimize upfront investment in fixed resources until programs demonstrate market demand.	Cost-Minimizing Tactics for New Program Launches
#10: Failing to react to post-launch performance	Leaders insufficiently monitor financial and enrollment metrics after launching new academic programs. Consequently, they miss opportunities to retool programs in response to poor market performance or changing student preferences.	Conduct regular lookback analyses of financial and enrollment performance after launching new programs.	Lookback Analysis Template

Source: Business Affairs Forum interviews and analysis.



New Program Planning Guidebook

Ten Resources to Help Institutions Avoid Profitless Growth

Tool 1

Top-Down New Program Opportunity Analyses

Overview

This resource outlines six analyses to surface promising new program ideas. The first three analyses are internally focused, evaluating institutional data to identify opportunities to grow enrollments. The final three analyses use external data to source program ideas.

Goal

The analyses guide senior leaders toward in-demand, mission-aligned new program ideas. Leaders should perform all six analyses at regular intervals (e.g., annually) to identify new market opportunities in a timely manner. This ultimately positions institutions to meet annual growth goals by enabling more viable program launches.

Mistake Avoided

Relying solely on faculty to organically surface new program ideas. As subject matter experts, faculty traditionally propose new academic programs. However, faculty have demanding research and teaching responsibilities that limit their capacity to generate new proposals. To optimize growth potential, institutions must establish processes and mechanisms for senior leaders and other stakeholders to submit new program ideas. However, senior leaders do not always possess the disciplinary expertise necessary to readily identify promising ideas. Without guidance on sources of potential new program ideas, institutions miss promising opportunities to reach new markets and fail to meet annual growth goals.

Intended User

Senior academic, finance, and enrollment leaders should review these analyses at least annually to surface promising new program ideas.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

Top-Down New Program Opportunity Analyses

Internal and External Analyses to Stimulate Opportunistic, Market-Responsive Ideas

The table below outlines six proven analyses for surfacing new program ideas. The analyses yield opportunities that are both in demand and aligned with institutional mission. The first three use internal institutional data to identify program ideas, while the latter three evaluate external data.

Leaders should conduct these analyses at least annually to identify and respond to new opportunities. After surfacing ideas, leaders should engage faculty champions to prepare business cases and usher proposals through approval and launch processes.

	Analysis	Description	Example
Internal Analyses	Excess Capacity	Institutions combine underutilized resources (i.e., course, faculty, staff, facilities) from existing programs to launch new programs with few new resource investments.	University of the Pacific is drawing on existing faculty, staff, course, and space capacity in its School of Health Sciences and School of Business to launch a new M.S. in health analytics. The program will require only minor new investments in teaching faculty and facilities renovations.
	Incremental Additions	Departments launch programs that build on existing foundational faculty, courses, and facilities. Programs create new economies of scale and improve the marketability of the overall department.	University of Maryland-University College first invested in a master's in cybersecurity, then later launched a suite of related certificates and degrees that scaled its foundational investment. They currently offer five master's and six certificate programs with cybersecurity at the core.
	Brand Synergies	Leaders launch programs in areas of existing brand strength. Such programs attract prospective students who are already familiar with institution's reputation or who are evaluating similar programs at the institution.	The University of New England launched a bachelor's in health, wellness, and occupational studies program that aligns with its institutional reputation as a leader in health-related fields. Program serves as an "off-ramp" for students who came to UNE for pre-health programs but struggled with lab-intensive coursework, allowing the institution to retain students who may have otherwise transferred.
External Analyses	Student Interest	Institutions use independent majors requested by current students to surface new program ideas. These programs inherently align with emerging student preferences and are quick to launch, since they already obtained senate approval.	American University monitors student requests for independent majors and automatically adds majors to the academic portfolio after three requests. Several popular interdisciplinary studies programs have launched through this process.
	Employer Demand	Leaders consult local employers, part-time professional faculty, and real-time labor data to determine emerging employer skills demands.	Adjunct faculty at The New School recommended a new certificate in strategic design and management, projecting approximately 300 enrollments in the program's first year.
	Industry Trends	Institutions analyze labor market and macro-industry trends to anticipate future demands for new educational programs. Examples include new technologies (e.g., self-driving cars), legislation (e.g., MACRA ¹), demographic shifts (e.g., aging population), and economic trends (e.g., emergence of gig economy).	Duke University launched Paralegal Certificate in Elder Law in recognition of aging population. Program curriculum covers wills, estates, discrimination, health care access, and grandparent rights.

Download analyses reference guide at eab.com/baf/programlaunchtools.



1) Medicare Access and CHIP Reauthorization Act of 2015.

Source: University of the Pacific, Stockton, CA; University of Maryland-University College, Adelphi, MD; University of New England, Biddeford, ME; American University, Washington, DC; The New School, New York, NY; ¹Duke Paralegal Specialist Certificates, Duke University Continuing Studies, <http://www.learnmore.duke.edu/certificates/paralegal>; Business Affairs Forum interviews and analysis.

Tool 2

Compendium of Business Case Templates

Overview

This compendium includes best-in-class business case templates from five higher education institutions across North America. Leaders can require faculty to complete one of these templates when preparing new program proposals. Alternatively, leaders can customize these templates to meet institutional needs or preferences.

Goal

The templates expedite the new program proposal process by helping faculty quickly identify what information to include in proposals. Further, the templates enable senior leaders to more efficiently evaluate proposals' viability by presenting information in a clear, standardized format.

Mistake Avoided

Losing competitive advantage through prolonged approval processes. Without centralized business case templates, faculty may not know what information senior leaders expect to be documented in new program proposals. As a result, program champions submit proposals with insufficient documentation of program's purpose, mission alignment, market need, and resource implications. In response, central leaders send proposals back for multiple rounds of revision, delaying time-to-launch and weakening proposals' market competitiveness.

Intended User

Faculty champions should complete one of the featured templates (or customized version provided by senior leaders) when submitting proposals for new academic programs.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

Compendium of Business Case Templates

Standardized Proposal Forms Expedite New Program Development

To support faculty champions in the development of new academic proposals, six best-in-class business case templates are available for download at eab.com. Each template guides faculty in documenting essential program considerations, including rationale, intended learning outcomes, accreditation requirements, resource needs, and program assessment plans. Ultimately, this exercise expedites the program planning process by ensuring faculty champions include all necessary information in initial submissions of new academic proposals.

Leaders should review each template to determine which best aligns with their institution's goals and processes. They can include one of these examples in their program development processes with minor modifications or customize a template to meet needs and preferences.

Profiled Business Case Templates



Creighton University New Program Proposal Template



Shippensburg University New Academic Program Proposal Template

University of the Fraser Valley Degree Proposal Template



University of the Fraser Valley Non-Degree Proposal Template



University of Kentucky New Graduate Program Proposal Template



University of Notre Dame New Graduate Program Proposal Template

Download full business case templates at eab.com/baf/programlaunchtools.



Source: Creighton University, Omaha, NE; University of Notre Dame, Notre Dame, IN; Shippensburg University, Shippensburg, PA; University of Kentucky, Lexington, KY; University of the Fraser Valley, Abbotsford, BC; Business Affairs Forum interviews and analysis.

Tool 3

Market Demand Validation Checklist

Overview

This checklist details three different types of market demand data: labor market, student market, and competitor data. It also provides guidance on sourcing and interpreting this data to evaluate demand potential, and prompts valuable questions about the sufficiency and applicability of data analyzed.

Goal

The checklist improves market demand projections by helping faculty champions better understand market data. Specifically, it helps faculty quickly identify the right sources of data to consider when evaluating market demand potential, where to obtain that data, and how to interpret it. Further, it prompts senior leaders to ask the right questions about demand projections to vet assumptions and analyses.

Mistake Avoided

Using one-dimensional demand data to evaluate market potential. Without a comprehensive approach to market estimation, institutions risk using inappropriate or insufficient data to evaluate market viability. Alternatively, even with appropriate and sufficient data, data may not be interpreted accurately. As a result, institutions ultimately base program launch decisions on demand projections that underestimate competition or overestimate student interest.

Intended User

Faculty should consult this checklist to help prepare initial demand projections for proposed programs. Senior leaders should later refer to the checklist when vetting initial projections.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

Market Demand Validation Checklist

Summary of Common Demand Data Sources and Limitations

Across the next several pages, please answer questions related to the three main categories of market demand data: labor market demand, student demand, and competitor. Note, the table below details where these three data types typically originate and their respective limitations. The limitations are not meant to discourage the use of these sources but to suggest where discounting or augmenting data will be useful.

All of these sources are valuable and worth considering when evaluating market demand. However, it is important to recognize their limitations and evaluate multiple sources to get a complete picture of demand.

Type of Data	Source	Limitations
Labor Market Demand	National and State or Provincial Government Databases (e.g., Bureau of Labor Statistics)	<ul style="list-style-type: none"> Databases updated infrequently (i.e., every 3-5 years), so not all new and emerging fields (e.g., data science) are included. National and state/provincial labor trends do not always apply to local context.
	Industry Associations (e.g., American Nurses Association)	Industry-sourced growth projections often overly optimistic.
	Real-Time Employer Demand Analytics (e.g., EMSI)	Labor market demand does not always translate into student demand.
Student Demand	National and State or Provincial Government Databases (e.g., National Center for Education Statistics)	National and state/provincial student trends do not always apply to local context.
	Institutional Surveys	Indicated interest from representative students (i.e., individuals in target demographic not actively seeking credential) does not always translate into actual student enrollments.
Competitor	Integrated Postsecondary Education Data System (IPEDS)	Multi-year lag time for some datasets (e.g., two-year lag between enrollment period and enrollment data update).

Download market demand validation checklist at eab.com/baf/programlaunchtools.



Market Demand Validation Checklist (cont.)

Section 1: Labor Market Demand

Labor market data refers to information about employment trends in a given market (e.g., city, region, industry). It offers insight into the hiring needs of employers within that market. Labor market data typically takes two forms: structural and real-time.

- **Structural** labor market data sources rely on surveys and other instruments that collect data periodically. Organizations that provide structural data include the Bureau of Labor Statistics, Statistics Canada, state or provincial departments of labor, and industry associations.
- **Real-time** labor market data sources use web crawling technology to analyze job postings and other employer hiring data. They provide insights into current hiring needs in a given market, including total number of job openings, top hiring employers, skills required to fill open positions, and trends by geography. Sources that provide real-time data include Burning Glass Labor Insight and EMSI.

Valuable questions to ask about labor market demand data include the following:

Question	Guidance	Answer
<i>I. Data Preparation</i>		
List all labor market data sources considered when projecting program enrollment.	See page 19 for a list of most common data sources to consider and their relative limitations. Consider multiple sources where possible to improve accuracy of projections.	
Were internal or external stakeholders consulted when evaluating labor demand? Which ones?	Alumni advisory boards, part-time working professional faculty, and local employers can provide valuable feedback on market trends and the accuracy of projections.	
<i>II. Data Sufficiency</i>		
If employer or industry association data was considered, was it independently verified by a neutral third party?	Industry-sourced growth projections can be biased and overly optimistic. Use verified data when possible, or evaluate industry forecasts alongside objective data sources (e.g., governmental).	
How recent is the labor market demand data analyzed?	Up-to-date labor market demand data enhances accuracy of projections. Refer to the table on page 19 for more information on data lags inherent in certain data sources.	

Market Demand Validation Checklist (cont.)

Section 1: Labor Market Demand (cont.)

Question	Guidance	Answer
III. Labor Market Analysis		
What degree level is necessary to obtain in-demand jobs in prospective students' target industry?	Occupational credential preference data can be accessed from O*NET. ¹ Prospective students are more likely to pursue additional education if their target profession requires or prefers advanced credentials.	
Is employer demand apparent in target geographic market?	National, state, or provincial trends do not always apply to local context. Where possible, use data specific to the target market to assess demand.	
What is the expected growth rate of prospective students' target industry or occupation?	Growth rates can be accessed from the BLS, StatCan, state departments of labor, or industry associations. Where possible, use growth rates specific to the target market. Higher growth rates suggest greater future program demand.	
What salaries can program graduates expect to earn in our target market?	Salary information can be accessed from sources such as the BLS and O*NET. Higher salaries typically translate to greater student demand for credentials.	
For programs serving regional markets, how do salaries and career opportunities for program's target industry compare to other regional industries?	Data on relative attractiveness of other industries can be accessed from the BLS and state or provincial occupational data sources. Even if a program's target industry is growing, prospective students may favor opportunities in other industries that offer higher salaries and growth prospects.	

1) Occupational Information Network, free online database with access to career information, including educational and experience requirements needed to access jobs and professions.

Market Demand Validation Checklist (cont.)

Section 2: Student Demand

Student demand data reflects qualitative or quantitative assessments of student interest and market size. Common examples include number of high school graduates (from the National Center for Education Statistics), number of degree completions in a particular field (from IPEDS¹), and institutional surveys of individuals in the target audience.

Valuable questions to ask about student demand data include the following:

Question	Guidance	Answer
<i>I. Data Preparation</i>		
List all student demand data sources considered when projecting program enrollment.	See page 19 for a list of most common data sources to consider and their relative limitations. Consider multiple sources where possible to improve accuracy of projections.	
Did you consult other internal or external stakeholders when evaluating student demand? Which ones?	Enrollment management and current students can provide valuable feedback on student preferences and accuracy of demand projections.	
<i>II. Data Analysis</i>		
How recent is the student demand data used?	Up-to-date student demand data enhances accuracy of projections. Refer to the table on page 19 for more information on data lags inherent in certain data sources.	
<i>III. Student Market Analysis</i>		
Is student demand apparent in target geographic market?	National, state, or provincial trends do not always apply to local context. Where possible, use data specific to the target market to assess demand. For online programs, nearly 75% of North American students enroll in programs within 100 miles of their homes. If proposed online program targets students outside of 100 mile radius of campus, please explain why program can attract a broader student audience.	

1) Integrated Postsecondary Education Data System.

Source: Business Affairs Forum interviews and analysis.

Market Demand Validation Checklist (cont.)

Section 2: Student Demand (cont.)

Question	Guidance	Answer
III. Student Market Analysis (cont.)		
Does data support student interest in proposed modality?	Prospective student surveys can reveal whether target audiences are interested in one program modality more than another (e.g., online over face-to-face).	
<i>(If student surveys were used to assess demand)</i> How accurate have institutional surveys been in the past?	Indicated interest from representative prospective students (i.e., individuals in target demographic not actively seeking credential) does not always translate into actual student enrollments. Consider student survey data alongside other labor and student data sources to gain a more reliable understanding of demand.	
To what extent could economic or public policy changes impact student demand for the program?	Economic or public policy shifts (e.g., local employer stops reimbursing employees for graduate tuition; legislation ends financial incentives for advanced degrees) can dramatically affect program enrollment. Employer advisory boards can provide feedback on events causing potential demand shifts.	

Market Demand Validation Checklist (cont.)

Section 3: Competitor

Competitor data refers to qualitative or quantitative assessments of similar or identical programs in an institution's market. Competitors include both traditional peer institutions and non-peer competitors in prospective students' consideration set. External competitors may also include nontraditional alternatives such as bootcamps. Internally, existing programs in similar fields might also compete for enrollments with proposed programs. Common competitor data sources include IPEDS¹ and institutional websites.

Valuable questions to ask about competitor data include the following:

Question	Guidance	Answer
I. Market Evaluation		
What is the ratio of relevant degree completions in target market to available jobs?	Relevant degree completions can be sourced from IPEDS, ¹ and open jobs data can be obtained from labor market demand data sources (listed in table on page 19). A ratio lower than two job postings to one relevant degree completion suggests the market might be oversaturated.	
II. External Competitor Analysis		
Please list the top four competitor programs. How does the proposed program compare in price, size, modality, and other factors?	Programs targeting adult and working professionals may have a different competitor set than traditional undergraduate or research competitors. Non-peer competitors can include national institutions with strong online presence (e.g., Southern New Hampshire University, Arizona State University), community colleges, for-profit institutions (e.g., University of Phoenix), and for-profit bootcamp providers.	<ol style="list-style-type: none"> 1. 2. 3. 4.
What are the primary reasons a prospective student would choose this program over competitors?	Particularly in saturated markets, new programs should have distinctive features (e.g., lower price, more convenient delivery, specialized curriculum, experiential learning features) to attract prospective students.	

1) Integrated Postsecondary Education Data System.

Source: Business Affairs Forum interviews and analysis.

Market Demand Validation Checklist (cont.)

Section 3: Competitor (cont.)

Question	Guidance	Answer
II. External Competitor Analysis (cont.)		
<p>Are competitor institutions seeing high demand from prospective students? How has demand changed over time?</p>	<p>Trends in competitor program enrollments can be accessed from IPEDS¹. Growing demand for competitor programs can indicate potential unmet market demand, while declining or stagnant demand might signal that new programs need to provide unique value propositions to attract students.</p>	
<p>Is expected class size larger than competitors'? If yes, please justify why program will achieve higher enrollments.</p>	<p>Competitor class sizes are often limited by accreditation or a competitive market for students. New programs may struggle to exceed existing program class sizes without evidence otherwise.</p>	
III. Internal Competitor Analysis		
<p>What existing institutional offerings might attract similar student audiences?</p>	<p>New programs should be sufficiently differentiated from existing campus programs to attract net-new students.</p>	
<p>What new market need does the proposed program address that is not already met by related existing offerings?</p>		

1) Integrated Postsecondary Education Data System.

Source: Business Affairs Forum interviews and analysis.

Tool 4

Program Design Checklist

Overview

This checklist details four types of program design decisions—credential, delivery, admissions, and student experience. It provides guidance on using market data to inform design decisions.

Goal

The checklist helps faculty champions align new program design with market demands. Specifically, it summarizes important design considerations that may impact enrollment or student outcomes. Further, it prompts senior leaders to ask the right questions about design decisions to vet assumptions and ensure program design reflects market needs.

Mistake Avoided

Designing programs around academic norms and preferences. Without evaluating a comprehensive set of design considerations, institutions risk designing programs that mirror existing programs rather than programs that address new market demands. Such programs may not fully address student preferences, and prospective students instead enroll in competitor programs that better meet their needs.

Intended User

Faculty champions should consult this checklist when designing new programs. Senior leaders should later use the completed form to evaluate program design decisions and guide conversation about the optimal program for the target student audience.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

Program Design Checklist

Section 1: Credential-Related Decisions

The following questions relate to the proposed program’s type (e.g., BS, MA, certificate), name, and accreditation potential.

Valuable questions to ask about credential decisions include the following:

Question	Guidance	Answer
<i>I. Program Development</i>		
Were internal experts consulted when determining what type of credential to offer and what to name the program?	Enrollment management and marketing leaders can provide valuable feedback on market needs. Consulting them early in the new program development process helps ensure program design reflects target market’s preferences.	
<i>II. Credential</i>		
Does the target student market seek the proposed credential over other potential credentials?	Different student markets seek different types of credentials (e.g., certificate, bachelor’s degree, master’s degree) to meet their career goals and financial needs. Consult student surveys, frontline enrollment management staff, and competitor program data to understand what type(s) of credential(s) the target market seeks.	
Do employers prefer employees with the proposed credential over other available credentials?	Professional programs should meet workforce needs for candidates with different levels of educational attainment. Consult employer representatives (e.g., alumni advisory board) and labor market demand data to determine what type(s) of credential(s) (e.g., certificate, master’s degree) is in demand in target market.	

Download market alignment checklist at eab.com/baf/programlaunchtools. 

Program Design Checklist (cont.)

Section 1: Credential-Related Decisions (cont.)

Question	Guidance	Answer
II. Credential (cont.)		
<i>(If proposing non-terminal credential)</i> Is the proposed credential stackable?	Some prospective students look for the option to “stack” credentials when evaluating programs. Stackable credentials can be combined with other credentials to form a full degree. Where applicable, consider allowing students to stack program with related existing program to increase its market potential.	
III. Name		
Do prospective students recognize the proposed program name?	Even if the proposed program provides desired learning outcomes, students will not find or enroll in the program if they do not recognize its name. Google Trends/AdWords, student surveys, and frontline enrollment management staff can share insights into program-naming preferences.	
IV. Accreditation		
Will the proposed program pursue accreditation or certifications?	Some fields (e.g., health informatics) increasingly require employees to possess subject-specific certifications. Consult employer representatives (e.g., alumni advisory boards) and labor market demand data to determine what type(s) of certification is required to obtain jobs in target industry.	

Program Design Checklist (cont.)

Section 2: Delivery-Related Decisions

The following questions relate to the proposed program's modality, length, and schedule.

Valuable questions to ask about delivery decisions include the following:

Question	Guidance	Answer
<i>I. Program Development</i>		
Were internal experts consulted when setting program modality, length, and schedule?	Enrollment management and marketing leaders can provide valuable feedback on market needs. Consulting them early in the new program development process helps ensure program design reflects the target market's preferences.	
<i>II. Modality</i>		
Do prospective students prefer proposed modality over other potential modalities?	Some prospective students search exclusively for programs in a particular modality (e.g., fully online, face-to-face). Frontline enrollment staff and student surveys can reveal whether target audience is interested in one program modality more than others.	
<i>III. Length and Schedule</i>		
Is the program longer than competitor programs? If yes, please justify length.	Adult and working professional students typically prefer shorter programs to minimize cost of attendance and time away from the workforce. Programs requiring longer time to complete or more student credit hours than competitors should have unique value propositions (e.g., internship, experiential learning requirement) that justify the added length.	
Are proposed class times convenient to prospective students in target market?	Professional programs should accommodate typical working students' schedules where possible. Consider evening, weekend, or asynchronous online courses to expand program access to working adults. This is particularly important when competitor programs offer convenient scheduling options.	

Source: Business Affairs Forum interviews and analysis.

Program Design Checklist (cont.)

Section 2: Delivery-Related Decisions (cont.)

Question	Guidance	Answer
III. Length and Schedule (cont.)		
<p>How many start dates does the proposed program offer?</p>	<p>Some adult students prefer to start professional programs as soon as possible, rather than waiting for the traditional start of the academic calendar. Others seek cohort experiences with traditional start dates. Frontline enrollment staff and student surveys can reveal student preferences for traditional versus on-demand start dates.</p>	

Program Design Checklist (cont.)

Section 3: Admissions Criteria and Processes

The following questions relate to the proposed program's price and application requirements.

Valuable questions to ask about admissions decisions include the following:

Question	Guidance	Answer
I. Program Development		
Were internal experts consulted when setting program pricing and application requirements?	Enrollment management and marketing leaders can provide valuable feedback on market needs. Consulting them early in the new program development process helps ensure program design reflects target market's preferences.	
II. Pricing and Aid		
How does proposed list tuition rate compare to competitors' list prices? If applicable, please justify higher list price.	Prospective adult and working professional students often weigh price over reputation when choosing a program. Review competitor program prices on IPEDS ¹ or competitor program websites to assess how proposed list price compares. Generally, for every 5% by which list price exceeds a competitor's, assume a 0.5% decrease in applicants.	
How do proposed merit- and need-based aid opportunities compare to competitors' options?	Even small merit awards of \$500 to \$1,000 can attract admitted students to one program over a competitor. Review merit- and need-based aid availability on competitor program websites to assess competitiveness of proposed net pricing strategy.	
Will the program charge application fees?	Application fees can ensure that only serious prospective students apply. However, fees may also dissuade students from applying, particularly if competitor programs require lower or no fees. Consider competitor programs' application fee requirements when setting fees.	
III. Application Requirements		
How many faculty letters of recommendation are required for admission? Are these necessary to gain a sufficient understanding of student quality?	Academic letters of recommendation are valuable indicators of applicants' potential to succeed in a program. However, prospective adult and working professional students may lack robust academic networks. Some may opt not to apply to programs requiring multiple academic letters of recommendation. Consider competitor programs' application requirements when setting admissions criteria.	

1) Integrated Postsecondary Education Data System.

Source: Business Affairs Forum interviews and analysis.

Program Design Checklist (cont.)

Section 3: Admissions Criteria and Processes (cont.)

Question	Guidance	Answer
III. Application Requirements (cont.)		
<p>What prerequisite courses are required for admission? Are these necessary to gain a sufficient understanding of student readiness?</p>	<p>Prerequisite courses ensure that admitted students are prepared to succeed in a program. However, stringent undergraduate course requirements penalize prospective adult students whose future career goals deviate from their undergraduate majors. Where appropriate, consider offering bridge programs to allow students to complete required foundational coursework before starting the formal program.</p>	
<p>What standardized tests and scores are required for admission? Are these necessary to gain a sufficient understanding of student readiness?</p>	<p>Prospective students have conflicting preferences for standardized tests. Some prospective students seek the prestige signaled by admissions tests and scores, while others are deterred by the time and money required to prepare for standardized exams. Consider competitor program application requirements and consult frontline admissions staff or student surveys when setting standardized test and score requirements.</p>	

Program Design Checklist (cont.)

Section 4: Student Experience Design Decisions

The following questions relate to the proposed program's curriculum, experiential learning components, and other attributes that shape the day-to-day student experience.

Valuable questions to ask about experience design decisions include the following:

Question	Guidance	Answer
I. Program Development		
Were internal experts consulted when designing the student experience?	Enrollment management and marketing leaders can provide valuable feedback on market needs. Consulting them early in the new program development process helps ensure program design reflects target market's preferences.	
II. Student Experience		
What aspects of this program are distinctive compared to competitor programs? Why would prospective students enroll in this program over competitors?	Particularly in saturated markets, distinctive features help attract prospective students away from competitors. This is especially important for programs that cannot compete on price.	
Does the proposed program have an experiential learning component? Do competitor programs?	Prospective students in career-focused programs increasingly seek opportunities to apply new skills while enrolled. Consider relevance of experiential learning when designing programs. Where applicable, work with alumni advisory boards and other employers to develop high-value experiential learning curricula.	
Does the proposed program allow students to customize their academic experience through electives or tracks?	Increasingly, many students seek to personalize curricula. While some programs require set curricula to achieve learning outcomes, consider allowing students to choose tracks or electives where appropriate.	
<i>(If program targets adult and working professionals)</i> Are course assignments due at times that are convenient to working adults?	Professional programs should accommodate working students' schedules where possible. Adult and working professional students may choose not to apply to programs with assignments due during standard working hours.	

Source: Business Affairs Forum interviews and analysis.

Tool 5

Portfolio Cannibalization Feedback Form

Overview

Temple University's web-based form enables central leaders to obtain faculty feedback on new academic proposals. Specifically, it allows faculty to flag new programs that serve similar market needs as existing programs.

Goal

The form helps leaders better understand a proposed program's cannibalization potential. As subject matter experts, faculty possess the nuanced disciplinary knowledge necessary to anticipate a new program's impact on legacy programs. Leaders can access this knowledge by requesting that faculty complete this form. Ultimately, this helps senior leaders make more informed program launch decisions by better understanding whether proposed programs truly serve new market needs.

Mistake Avoided

Conflating healthy and unhealthy cannibalization. Without faculty feedback on a proposal's potential impact on existing program enrollments, institutions cannot accurately anticipate cannibalization. Specifically, they cannot determine if proposed programs will draw students from existing programs, or whether those enrollment shifts are net positive (i.e., healthy) or net negative (i.e., unhealthy). As a result, leaders may approve programs that target markets already served by existing offerings, adding costs while spreading enrollments between two programs. Alternatively, they may deny promising proposals for unnecessary fear of cannibalization.

Intended User

Senior leaders should use this form to collect faculty feedback on new program proposals.

▶ Access this tool: eab.com/baf/programlaunchtools

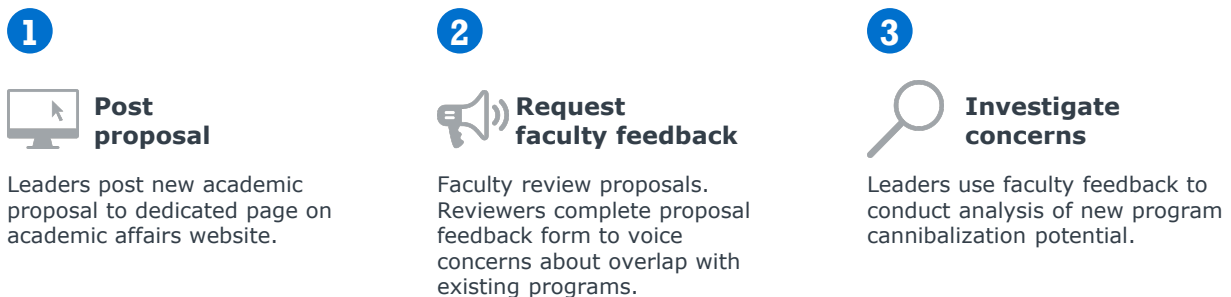
Source: Business Affairs Forum interviews and analysis.

Portfolio Cannibalization Feedback Form

Using Academic Feedback to Improve Cannibalization Analyses

To effectively steward institutional resources, leaders must consider how proposed new programs will impact enrollments in existing programs. However, central leaders do not always possess the disciplinary expertise to anticipate potential cannibalization. Faculty, as subject matter experts, possess the nuanced understanding of the academic portfolio necessary to recognize proposals that closely overlap with legacy programs. Constructively requesting faculty feedback on new program proposals can direct leaders’ attention to programs most at risk for cannibalization.

Temple University’s Academic Proposal Feedback Process



Active Ingredient: Portfolio Cannibalization Feedback Form

Accessible, straightforward form prompts faculty to raise concerns about new programs’ cannibalization potential. Faculty select type of concern from a pre-populated list and describe legacy programs that may conflict with new proposals.

Temple University obtains faculty feedback on new program proposals through the process above. They share academic proposals with faculty via a dedicated webpage. After viewing proposals, faculty flag programs with cannibalization potential using the academic proposal feedback form profiled on the following page. Leaders use faculty feedback to conduct further analysis of flagged proposals, reviewing additional market data and conducting stakeholder interviews as needed to ascertain whether programs truly serve new market needs.

Source: Temple University, Philadelphia, PA; Business Affairs Forum interviews and analysis.

Temple University's Academic Feedback Form

Please use the following form to indicate your concern. Concerns must fit at least one of the criteria below.



- No concern
- Proposed program equivalent/redundant to an existing program
- Proposed program confusion/overlap with an existing program
- Proposed program not aligned with areas/disciplines in the school/college

Please list the program(s) you feel the proposed program conflicts with along with a summary of your concern.

Name *

First

Last

Email *

Phone *

Download feedback form at eab.com/baf/programlaunchtools.



Source: Temple University, Philadelphia, PA; Business Affairs Forum interviews and analysis.

Tool 6

New Program Budget Templates

Overview

This compendium includes budget planning templates from three higher education institutions. In addition to capturing common direct costs, each template prompts comprehensive consideration of costs that institutions tend to overlook or underestimate in new program planning—indirect, incremental, and knock-on costs. Leaders can require faculty to complete one of these templates when preparing new program proposals. Alternatively, leaders can combine or customize these templates to meet institutional needs or preferences.

Goal

The templates enable more accurate cost projections for new academic programs by prompting faculty champions to consider total costs of new programs. Further, by flagging programs with atypical resource needs, the templates allow senior leaders to plan for necessary new investments before integrating programs into operating budgets.

Mistake Avoided

Overlooking indirect, incremental, or knock-on costs. Institutions tend to focus on direct instructional costs when preparing program budget projections, and less evident indirect, incremental, and knock-on costs are commonly omitted from pro forma financial projections. Even institutions that use standard rates to account for indirect costs risk understating the total costs of programs with unique or disproportionately high demands on central services. As a result, new program budgets underestimate total costs, requiring leaders to scramble to meet unanticipated resource needs after programs are launched and budgets are locked.

Intended User

Faculty champions should complete each of the featured templates (or customized version provided by senior leaders) when preparing initial budget projections for new academic programs.

▶ Access this tool: eab.com/baf/programlaunchtools




Source: Business Affairs Forum interviews and analysis.

New Program Budget Templates

Anticipating Indirect, Incremental, and Knock-On Costs

While direct costs certainly comprise the majority of most programs' cost bases, direct costs are typically more straightforward to estimate than indirect, incremental, and knock-on costs. While these costs are smaller than direct costs in overall magnitude, institutions tend to overlook them more often and underestimate them by wider margins.

To help leaders plan for the total costs of new programs, three budget planning templates are previewed below and available to download at eab.com. In addition to capturing common direct costs, each template prompts consideration of costs that institutions tend to overlook or underestimate in new program planning. First, McMaster University's New Program Financial Planning Tool flags outsized or atypical indirect costs. Next, Thomas Jefferson University's New Program Cost Calculator captures incremental costs of future program growth. Finally, the University of Maryland, Baltimore County's New Program Budget Template anticipates knock-on costs incurred by other academic departments.

Template	Cost Estimated	Description
 McMaster University New Program Financial Planning Tool	Indirect	Prompts faculty champions to rate new programs' impact on central services on a qualitative scale (i.e., none, minor, or major impact). Allows finance leaders to plan for atypical central resource needs that new programs may create.
 Jefferson Philadelphia University + Thomas Jefferson University <small>HOME OF SIDNEY KIMMEL MEDICAL COLLEGE</small> New Program Cost Calculator	Incremental	Automatically calculates costs of projected enrollment growth across program ramp-up period. Requires just two faculty inputs—expected four-year enrollment and type of program.
 UMBC <small>AN HONORS UNIVERSITY IN MARYLAND</small> New Program Budget Template	Knock-on	Asks faculty champions to list required courses taught outside home department. Helps senior leaders work with outside departments to plan for costs of increased course enrollments.

These templates complement the direct cost planning tools that most institutions already use. Since each template focuses on one type of cost more than the others, EAB recommends using all three templates in program planning. They can be immediately deployed in their current states, or leaders can combine or customize them to meet institutional needs or preferences.

Download full templates at eab.com/baf/programlaunchtools. 

Tool 7

Marketing Investment Rules of Thumb

Overview

This reference details four guidelines for setting academic program marketing budgets. Specifically, the guidelines illustrate how a program's discipline, modality, target audience, and position in the overall academic portfolio impact marketing spend.

Goal

The guidelines help leaders optimize marketing investment across the academic portfolio. By following these guidelines, leaders can move beyond "one size fits all" marketing budgets and right-size marketing investment based on specific program characteristics. This ultimately enables leaders to better position new programs to generate target enrollments.

Mistake Avoided

Underinvesting in marketing. New market pressures have increased the cost and complexity of marketing academic programs. Without guidelines for setting marketing budgets, institutions may not recognize the nuances of marketing different types of programs to specific target audiences. As a result, institutions may not invest sufficiently in marketing to generate target enrollments.

Intended User

Faculty champions and academic leaders should consult this reference when determining marketing budgets for new programs. Finance leaders should later refer to the guidelines when assessing the appropriateness of new program marketing budgets.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

Marketing Investment Rules of Thumb

Guidelines for Optimally Allocating Limiting Marketing Resources

As competition for prospective students' attention grows, marketing academic programs increasingly requires more sophisticated and expensive strategies. Yet, institutions have limited resources to invest in marketing. To best position programs for enrollment success, academic and finance leaders must optimize marketing dollars across the academic portfolio.

While there is no hard-and-fast formula for setting marketing budgets, **four rules of thumb should guide program marketing investment.**

1



New programs often require larger annual marketing budgets than legacy programs. Typical new program marketing investment is 10-20% of overall program operating budget.

- Marketing budgets for certain types of new programs typically fall in the higher end of the 10-20% range:
 - Programs in emerging disciplines (e.g., cyber-physical systems), for which marketing campaigns need to educate the target market on both the discipline and the program itself
 - Programs in new geographic markets, modalities, or disciplines, which cannot rely on brand or reputation to attract students
 - Programs in saturated markets (e.g., public health), where demand for ad space in many crowded markets is outpacing supply and driving up costs
- Marketing budgets for new programs in existing areas of brand strength often fall in the lower end of the 10-20% range.

2



Major changes to legacy programs' modality, curriculum, or name often require increased marketing investments.

- Rebranded or restructured programs often require expensive new marketing campaigns to introduce their new value propositions to the market.

Marketing Investment Rules of Thumb (cont.)

3



Different student audiences require different marketing strategies and levels of marketing spend.

- Some marketing channels (e.g., radio or print advertisements, social media, digital banners) more effectively reach certain student audiences (e.g., traditional undergraduates vs. adult learners, urban vs. rural, business vs. health professions).
- Costs per inquiry vary significantly by area of study. For example, a typical nursing program spends \$148 to engage one prospect, while the median business program spends \$320.
- Marketing to prospective continuing and online education (COE) students is more complex than marketing to undergraduates for several reasons:
 - While traditional undergraduates typically seek on-campus programs, COE students may shop across modalities and formats to find the right fit.
 - Prospective COE students are more likely to look for evidence of program outcomes in marketing materials than undergraduates.
 - While institutions can purchase lists of prospective undergraduates from organizations like the College Board, prospective COE students may return to school at any time for a number of reasons. Outside of test-gated professional programs, institutions cannot easily purchase lists of prospective COE students to whom to direct marketing.

4



Effectively marketing new and restructured programs requires several months of lead time (i.e., at least 4-6 months prior to first day of class).

- Compared to legacy programs, new and restructured programs require additional ramp-up time to build brand awareness and enroll initial classes.

Download marketing rules of thumb at eab.com/baf/programlaunchtools.



Tool 8

Financial Sensitivity Analysis Template

Overview

The University of Maryland, Baltimore County's Excel-based template facilitates sensitivity analyses for new program revenue, cost, and enrollment projections. Using pre-populated formulas, it automatically calculates optimistic and pessimistic financial results from base projections.

Goal

The template helps academic and finance leaders evaluate a range of potential performance outcomes. Considering a spectrum of outcomes allows leaders to assess the downside risk of proposals missing expectations and to plan for potential resources generated in excess of projections. This ultimately helps leaders make more informed, risk-aware program launch decisions.

Mistake Avoided

Aiming for near certainty in financial projections. Enrollments in new programs are inherently uncertain, and program launches rarely generate the exact financial results that leaders anticipate. As a result, institutions that base program approval decisions on rigid projections risk denying promising proposals with tolerable risk potential. Basing approval decisions on inflexible, fixed performance expectations also delays time-to-market, as faculty spend extensive time revising program plans until proposals project desired financial results.

Intended User

Senior finance and academic leaders should use this template when evaluating new program proposals.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

UMBC's Financial Sensitivity Analysis Template

Projecting a Range of Acceptable Outcomes

The University of Maryland, Baltimore County accounts for inherent uncertainty in new program launches through its financial sensitivity analysis template. The template, previewed below, automatically calculates a range of possible financial scenarios for leaders to evaluate. Specifically, it calculates the impact of overestimating and underestimating enrollments and costs by 25%. Ultimately, this allows leaders to make program launch decisions based on a range of scenarios, rather than a fixed number that the program is unlikely to hit.

The full Excel template can be downloaded at eab.com. Leaders can deploy this template with minimal modifications to conduct their own sensitivity analyses over pro forma financial projections.



Financial Sensitivity Analysis Template

New Program Enrollment, Revenue, and Expenditure Template		
	Year 1	Year 2
Program Enrollment & Retention Profile (Net new students)†		
Estimated number of first-time full-time resident students		
Estimated number of annual first-time full-time resident credit hours		
Estimated number of first-time full-time non-resident students		
Estimated number of annual first-time full-time non-resident credit hours		
PROGRAM REVENUE		
<i>Note: tuition rises 4% per year unless otherwise noted</i>		
Full-time Tuition & Fee Rate (resident)		
Undergraduate Tuition discount rate‡	%	%
Adjusted tuition & fee rate (resident)		
Estimated annual revenue from full-time students (resident)	\$ -	\$ -
Full-time Tuition & Fee Rate (non-resident)		
Undergraduate Tuition discount rate‡	%	
Estimated annual revenue from full-time students (non-resident)	\$ -	\$ -
<i>subtotal tuition revenue</i>		
Higher enrollment scenario: 125% of projected tuition revenue	\$ -	\$ -
Lower enrollment scenario: 75% of projected tuition revenue	\$ -	\$ -
PROGRAM EXPENDITURES		
PERSONNEL EXPENDITURES		
OPERATING EXPENDITURES		
SUBTOTAL IMPACT ON OTHER PROGRAMS COSTS (from worksheet 1B)		
TOTAL DIRECT EXPENSES		
INDIRECT EXPENDITURES		
University overhead rate	%	%
University overhead amount	\$ -	\$ -
TOTAL DIRECT & INDIRECT EXPENSES		
Higher expense scenario: 125% of projected expenses		
Lower expense scenario: 75% of projected expenses		
TOTAL REVENUE		

Base projections reflect program leadership's best enrollment, retention, and expense estimates

Optimistic (125% of base revenue, 75% of base cost) projections show potential upside value and motivate stakeholders to invest in program success

Pessimistic (75% of base revenue, 125% of base cost) projections help leaders assess risk of programs not meeting expectations

Download full template at eab.com/baf/programlaunchtools.

Source: University of Maryland, Baltimore County, Baltimore, MD; Business Affairs Forum interviews and analysis.

Tool 9

New Program Cost-Minimization Checklist

Overview

This tool outlines ten tactics to limit upfront investment in new academic programs. The strategies are grouped by type of expense and span major types of program cost drivers, including instruction, administration, and facilities. While all cost-minimizing strategies will not be appropriate for every program, faculty champions should review the guide for applicable tactics during program planning.

Goal

The reference guide helps leaders minimize upfront fixed costs of new programs by leveraging existing or temporary resources without affecting quality. Once programs demonstrate market demand, leaders can consider replacing some of the outlined resources with new fixed investments to support growth.

Mistake Avoided

Committing inflexible, fixed resources before programs demonstrate demand.

Without critically evaluating new program cost bases, institutions may make unnecessary investments in fixed resources when launching new programs. These resources are often difficult to repurpose if programs do not generate expected enrollments. By limiting the amount of fixed resources invested in new programs upfront, leaders can more flexibly respond to market performance after launch.

Intended User

Faculty champions should review this tool with senior leaders during new program planning to identify opportunities to reduce upfront costs.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

New Program Cost-Minimization Checklist

Taking a Wait-and-See Approach to Resource Investment

The table below outlines ten proven tactics to minimize upfront investments in new academic programs. Institutions that delay investment in permanent resources (e.g., faculty, facilities, equipment) can quickly respond to market performance by restructuring or sunseting programs that do not generate target enrollments. Conversely, if programs do meet or exceed expectations, leaders can later invest in more permanent resources to support long-term growth.

Of course, not all tactics will be applicable for every new program. Faculty champions and senior leaders should review this reference for applicable tactics during program planning. Beyond reducing costs, the tactics allow leaders to optimize existing resources and create new economies of scale while preserving academic quality.

Proven Strategies for Minimizing Upfront Costs of New Programs

Type of Expense	Cost-Minimizing Tactics	Applicable?
<i>Instruction</i>	Identify under-enrolled existing courses to include in new program curriculum to minimize new instructional costs.	<input type="checkbox"/>
	Limit the number of new courses (i.e., not cross-listed with other programs), particularly for online programs with higher upfront course development costs.	<input type="checkbox"/>
	Hire adjunct faculty when appropriate to reduce fixed labor costs. Students in select market-driven professional programs benefit from expertise of practitioner instructors.	<input type="checkbox"/>
	Avoid tenure-track faculty hiring until new program proves market demand.	<input type="checkbox"/>
	Leverage existing tenure-track faculty where appropriate to minimize new costs. Legacy faculty's reputations may bolster early enrollments in research-oriented programs.	<input type="checkbox"/>
<i>Administration</i>	Source program directors from existing faculty where possible. Compensating existing faculty through course releases is more cost-effective than hiring new.	<input type="checkbox"/>
	Add program administrative responsibilities to existing staff workloads where possible to achieve economies of scale. Some staff motivated are by diversified tasks and contributions.	<input type="checkbox"/>
<i>Facilities</i>	Review space utilization data to identify existing space to leverage before building new classrooms, laboratories, or office space.	<input type="checkbox"/>
	Lease new facilities space where possible until new programs prove demand and permanent facilities investment is warranted.	<input type="checkbox"/>
<i>Licenses</i>	Review existing library subscriptions and software licenses to identify resources to use rather than entering new contracts.	<input type="checkbox"/>

Download cost-minimization checklist at eab.com/baf/programlaunchtools.



Source: Business Affairs Forum interviews and analysis.

Tool 10

Lookback Analysis Template

Overview

Thomas Jefferson University's Excel-based template tracks program performance over five years. It isolates key metrics (i.e., enrollment, cost of instruction, total expenses, and contribution margin) on a summary dashboard, which senior leaders review at regular intervals post-launch. It also includes supporting tabs with detailed cost, revenue, and enrollment data.

Goal

The template helps leaders monitor ongoing program performance by quickly identifying enrollment, cost, or margin trends. Leaders can pinpoint programs that are not meeting performance expectations and conduct further analyses to determine the cause and respond accordingly. Alternatively, leaders can identify high-performing programs to expand to capitalize on excess demand.

Mistake Avoided

Failing to react to post-launch performance. Without a formalized tool for tracking performance, institutions insufficiently monitor financial and enrollment metrics after launching new academic programs. As a result, leaders do not identify performance issues or attempt to turn around underperforming programs in a timely manner. At the same time, they miss opportunities to grow high-performing programs with untapped demand.

Intended User

Senior finance and academic leaders should use this template to review new academic programs. They should conduct reviews at least annually for a minimum of five years post-launch.

▶ Access this tool: eab.com/baf/programlaunchtools

Source: Business Affairs Forum interviews and analysis.

Jefferson University's Lookback Analysis Template

Formalizing the Post-Launch Lookback Process

Thomas Jefferson University created its academic program lookback analysis template, previewed below, to systematize ongoing performance review. The Excel-based template features a summary tab that tracks six key performance metrics—enrollment, full-time faculty salaries, part-time faculty salaries, total expenses, revenue, and contribution margin. The template automatically calculates these metrics from data included in five supporting detail tabs. Academic and finance leaders use the summary tab as a dashboard to monitor program performance. They then review the supporting detail tabs as necessary to investigate performance trends highlighted in the dashboard.

The full Excel template can be accessed at eab.com. Leaders can use this template with minimal modifications to conduct their own lookback analyses of new program performance.



Academic Program Lookback Analysis Template

New Bachelor's Degree Program						
SUMMARY REPORT						
Year	2011	2010	2009	2008	2007	Total
Enrollment: Students	94	105	110	124	126	559
Part-time Faculty expense	\$71,899	\$85,805	\$84,795	\$87,168	\$90,933	\$420,600
Full-time faculty expense	\$186,874	\$223,279	\$232,804	\$242,917	\$236,132	\$1,122,006
Total Expenses	\$1,263,434	\$1,418,570	\$1,363,827	\$1,306,728	\$1,220,216	\$6,572,774
Revenue	\$2,841,345	\$3,024,000	\$3,026,223	\$3,302,120	\$3,190,174	\$15,383,861
CONTRIBUTION MARGIN	\$1,577,911	\$1,605,430	\$1,662,395	\$1,995,392	\$1,969,958	\$8,811,087

Summary tab provides succinct overview of financial and enrollment performance across lookback period

Automatically calculated contribution margins enable analysis of program performance over time

Detail tabs allow leaders to identify specific revenue and cost drivers materially impacting financial performance

Additional Program Restructuring Resources Within This Guidebook

Of course, tracking key performance metrics is only the first step in responding to underperforming programs. While the lookback template helps leaders recognize underperformance, the root causes of underperformance are not always clear. Fortunately, additional resources in this guidebook can point leaders to potential causes so they can quickly correct deficiencies. Specifically, leaders should consult the **market demand validation checklist** (pg. 18), **program design checklist** (pg. 26), and **marketing investment rules of thumb** (pg. 39) to identify potential causes of market underperformance.

Download full template at eab.com/baf/programlaunchtools.

Source: Thomas Jefferson University, Philadelphia, PA; Business Affairs Forum interviews and analysis.



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