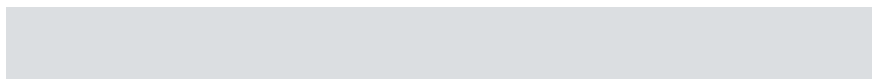
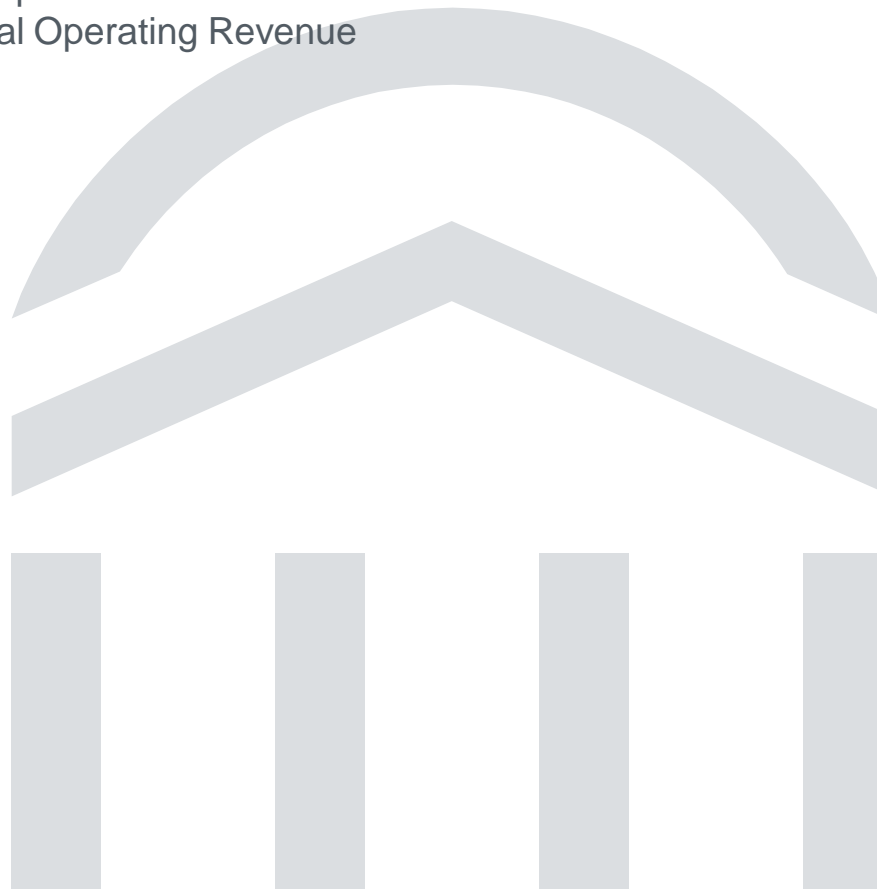




Capturing Alternative Revenues

Strategic Lessons and Compendium of Tactics
for Increasing Nontraditional Operating Revenue



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Executive Summary

No Silver Bullets for Increasing Revenue

Growing non-tuition revenue is a perennial focus for business leaders. Now, as some colleges and universities face slowing or flattening tuition revenue, and all institutions seek ways to better fund ambitious strategic priorities, capturing nontraditional revenue has become an even greater priority.

Unfortunately, despite increased effort, alternative revenue success remains difficult to generalize or replicate. Top auxiliary revenue institutions more often benefit from single breakthroughs or strokes of good luck than replicable, best-practice strategies. In short, there is no formula for multimillion-dollar ideas.

Isolating Important Lessons Learned

Instead, leaders must pursue a highly diversified strategy, applying dozens of tactics across multiple areas of the institution. Fortunately, the Business Affairs Forum has identified 200 replicable revenue-generating tactics. While few of these tactics will alone generate tens of millions of dollars of additional revenue, at least in the short term, they can collectively sum up to significant dollars.

Drawing on common themes to successful revenue growth, we have also distilled four executive imperatives to guide leaders' alternative revenue efforts. The strongest tactics, those with largest potential revenue or highest ease of implementation, typically address one or more of these imperatives:

- Capitalize on Student Demand for Convenience and Flexibility
- Bundle Episodic Services into Memberships and Turnkey Packages
- Seek Out Stealth Advertising and Leasing Opportunities
- Leverage Scale to Create Beneficial New Markets

Two Resources to Help Leaders Capture Nontraditional Revenues

To help college and university business leaders grow alternative revenue, the Business Affairs Forum offers two distinct resources within this publication. The first resource details four executive-level imperatives for generating nontraditional revenue. The second resource is a compendium of 200 proven revenue tactics, with detailed descriptions and relative dollar estimates.

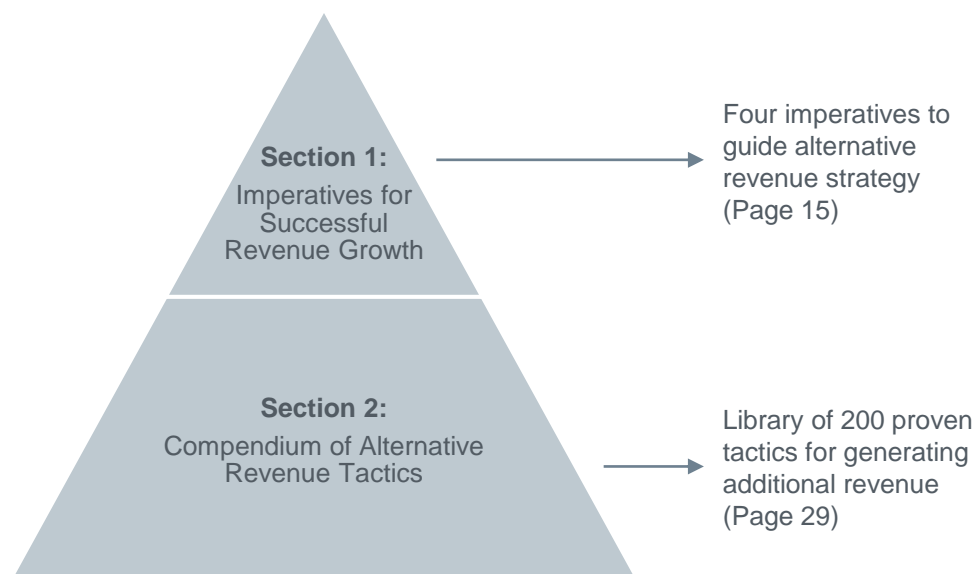


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Introduction

Survey of the Frontier

What's Working (and Not Working) in
Deepening and Diversifying Revenue

Growing non-tuition revenue is a perennial focus for business leaders. Now, as some colleges and universities face slowing or flattening tuition revenue, and all institutions seek ways to better fund ambitious strategic priorities, capturing nontraditional revenue has become an even greater priority.

Unfortunately, despite increased effort, alternative revenue success remains difficult to generalize or replicate. Top auxiliary revenue institutions more often benefit from single breakthroughs or strokes of good luck than replicable, best-practice strategies. We call this phenomenon the “Gatorade problem.” Shown here, *Forbes* applied the popular technology metric of research income yield—research expenditure divided by research-related income—to higher education. And in most cases, top performers were significantly buoyed by the gains of a single, smash-hit product, such as Gatorade. Other institutions such as University of Kentucky benefit greatly from natural assets on campus, such as coal.

Of course, colleges and universities cannot replicate either approach. In short, there is no formula for multimillion-dollar ideas.

The Gatorade Problem

Alternative Revenue Successes the Result of Single, Smash-Hit Discoveries

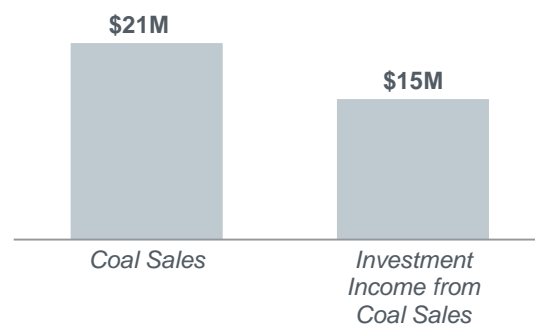
Forbes Magazine “Research Income Yield” Leaders, 2009

Institution	Research Expenditure	Research-Related Income	Income Yield	Hit Product
New York University	\$210M	\$158M	75%	<i>Remicade</i>
Wake Forest University	\$146M	\$60M	41%	---
Stevens Institute of Technology	\$28M	\$4.5M	16%	---
Ohio University	\$24M	\$3M	13%	<i>Somavert</i>
Brigham Young University	\$26M	\$3M	12%	
University of Rochester	\$355M	\$39M	11%	<i>Hibtiter</i>
University of Minnesota	\$594M	\$53M	9%	---
University of Florida	\$459M	\$41M	9%	<i>Gatorade</i>
Stanford University	\$699M	\$63M	9%	---
Northwestern University	\$348M	\$31M	9%	<i>Lyrica</i>

Or Unique Local Advantages

University of Kentucky Agreement with Mining Company to Extract Coal from 5,000-Acre Forest

Coal-Related Revenues



Source: Chronicle of Higher Education, “Coal-Mining Revenues Prove Insufficient to Finance Scholarship Program at U. of Kentucky,” <http://chronicle.com/article/Coal-Mining-Revenues-Prove/34459/>; Forbes.com, “Universities That Turn Research into Revenue,” http://www.forbes.com/2008/09/12/google-general-electric-ent-tech-cx_mf_0912universitypatent.html; Business Affairs Forum interviews and analysis.

Instead, leaders must pursue a highly diversified strategy, applying dozens of tactics across multiple areas of the institution. Fortunately, the Business Affairs Forum has identified 200 replicable revenue-generating tactics. Select categories and subcategories of some of the most promising opportunities are shown here.

While few tactics will alone generate tens of millions of dollars of additional revenue, at least in the short term, they can collectively sum up to significant dollars. The full library of tactics, with additional detail and revenue estimates, is provided in section two of this report.

Of course, not every idea is practical for each institution because of unique logistical or cultural reasons. However, this extensive list provides the initial due diligence necessary for the leaders or task forces charged with creating new revenue streams, and ensures institutions consider all options and leave no stone unturned.

No Silver Bullet for Increasing Revenue

But Hundreds of Replicable Ideas Consistent with Mission

Select Categories of Alternative Revenue Opportunities



New Educational Revenues

- Summer and Intersession Blended Learning
- Customized Corporate Training
- Testing and Certification



Academic Entrepreneurship Infrastructure

- Business Planning Support
- Fast-Cycle Program Launch
- Outsourcing and Joint Ventures



Branding, Licensing, and Affinity

- Alumni, Parent, and Community Affinity Programs
- Stealth Advertising and Sponsorship
- Diversified Athletics Revenues



Auxiliary Services

- Premium-Priced Healthy and Convenient Foods
- Future Bookstore
- Favorable Vendor Rates



Student Fees

- Convenience Fees
- Sharing Costs of Inefficient Scheduling
- Differential Instructional Cost



Campus Operations

- Campus Health Center
- Surplus Goods Disposal
- Selling Administrative Services



Facilities and Real Estate

- Events Rentals
- Long-Term Leasing
- Asset Acquisition and Disposal

Beyond individual tactics, there are also larger patterns or common themes to successful revenue growth. We have distilled four executive imperatives to guide leaders' alternative revenue efforts. The strongest tactics, those with largest potential revenue or highest ease of implementation, typically address one or more of these imperatives.

When selecting tactics to pursue, leaders should apply the imperatives as a filter, prioritizing tactics that directly touch one or more of the imperatives. Business leaders should also use these four imperatives as a checklist, ensuring their selected group of tactics collectively address all four.

Note, these imperatives are not confined to specific categories of revenue, such as advertising or space rental. Instead, colleges and universities can apply them broadly to multiple revenue sources. For instance, institutions could take advantage of student desire for convenience by launching targeted intersession courses or by introducing simple service fees.

More detail on these imperatives, as well as illustrative case studies, can be found in section one of this report.

Isolating Important “Lessons Learned”

Recurring Themes Across Most Successful Revenue Approaches

Four Imperatives for Successfully Growing Alternative Revenue

- 1** Capitalize on Student Demand for Convenience and Flexibility
- 2** Bundle Episodic Services into Memberships and Turnkey Packages
- 3** Seek Out Stealth Advertising and Leasing Opportunities
- 4** Leverage Scale to Create Beneficial New Markets



How to Apply the Imperatives at Your Institution

- **Filter**—When selecting revenue tactics to pursue, leaders should prioritize tactics that address one or more imperative
- **Checklist**—Leaders should ensure their selected group of tactics collectively address all four imperatives

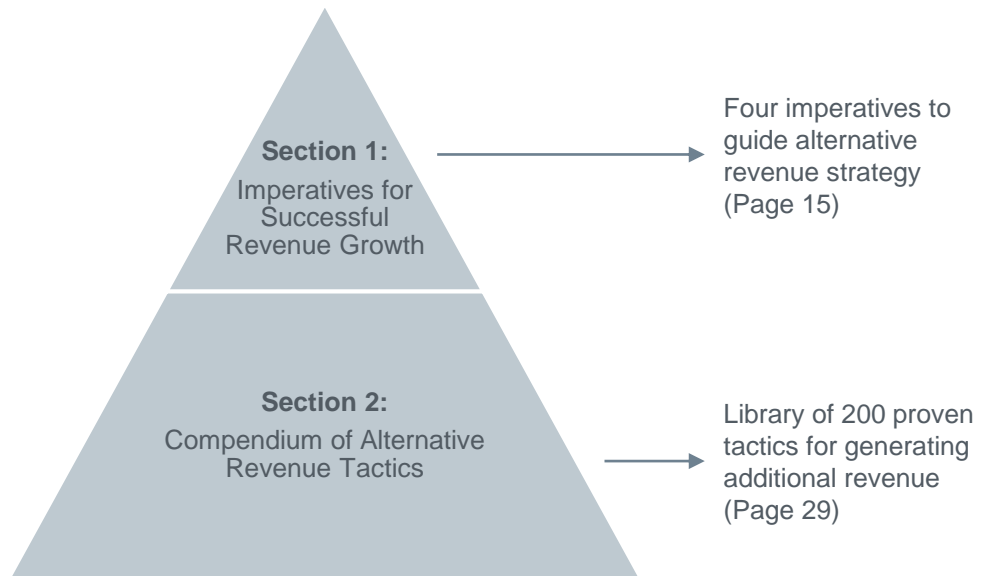
To assist college and university business leaders in growing alternative revenue, the Business Affairs Forum offers two distinct resources within this publication.

The first resource, Imperatives for Successful Revenue Growth, details four executive-level imperatives for generating nontraditional revenue. Through illustrative case studies, this resource will help guide leaders on which types of tactics to pursue and which might work best on their campus.

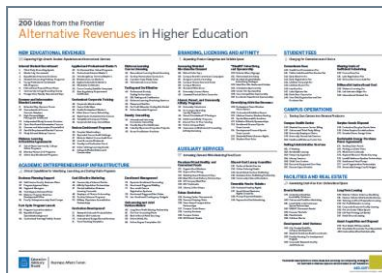
The second resource is a compendium of 200 proven alternative revenue tactics, with detailed descriptions and relative dollar estimates. This resource serves as both necessary due diligence for leaders or task forces leading the effort as well as a library of revenue tactics to choose from.

How to Use This Publication

Two Resources to Help Leaders Capture Nontraditional Revenues



Additional Resource—Poster of 200 Revenue Ideas



We also encourage members to download or order hard copies of our poster *Alternative Revenues in Higher Education*, highlighting all 200 revenue generating tactics.

To learn more, visit eab.com/baf/alternativerevenues



Section 1

Imperatives for Successful Revenue Growth

- Imperative #1: Capitalize on Student Demand for Convenience and Flexibility
- Imperative #2: Bundle Episodic Services into Memberships and Turnkey Packages
- Imperative #3: Seek Out Stealth Advertising and Leasing Opportunities
- Imperative #4: Leverage Scale to Create Beneficial New Markets

Imperative #1: Capitalize on Student Demand for Convenience and Flexibility

To achieve the first imperative in successful revenue growth, colleges and universities should tap into student desire for speed and convenience. Students are often willing to pay premiums for greater flexibility or speedier service, summing to meaningful dollars for the institution.

Credit card fees are one example. Several institutions have implemented convenience fees for students paying tuition by credit card. Fees are typically 2.5% to 3%. This covers credit card companies' transaction fees and creates some additional revenue for central priorities. Fees will decrease overall credit card use, but many families are willing to pay the fee for the added convenience and personal bonus points. Institutions that have pursued this approach also recommend explicitly stating how funds will be used and listing other institutions with similar fees, especially those in the same geographic area.

Because of contract and state laws, institutions hoping to apply a convenience fee must use a third-party vendor. This allows the vendor to technically apply the fee, rather than the bursar. Otherwise, the institution must apply the same fee to all payment types, including check and electronic debit. Note, as of this writing, Visa does not permit third-party vendors or convenience fees.

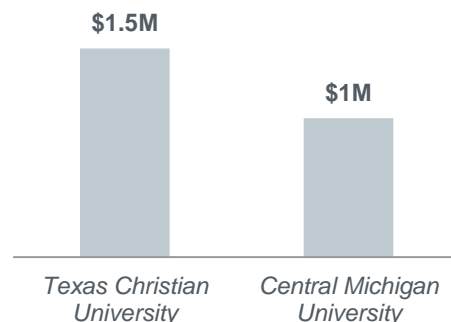
Considering Credit Card Convenience Fees

Representative Credit Card Convenience Fee Structure

UNIVERSITY CASHIER	
<input type="radio"/> Pay by Electronic Debit	
<input checked="" type="radio"/> Pay by Credit Card	
Tuition	\$10,000
Convenience Fee	\$275

- Blended rate of major credit card company charges, typically 2.5% to 3%
- Third-party vendors required to process payments due to contract and state law
- 20+ institutions (including many state flagships) have introduced fees in past several years

Sample Convenience Fee Revenues



Select Institutions with Credit Card Convenience Fees

- CUNY Baruch College
- George Mason University
- New York University
- University of Florida
- University of Georgia
- University of Kansas
- University of Nebraska, Lincoln
- University of Wisconsin, Oshkosh
- Wichita State University

Source: TCU Credit Card Convenience Fee FAQs, available at <http://www.vcfa.tcu.edu/213.asp>; CMU Convenience Fee, http://www.c.mich.edu/University_Billing_Office/Billing_and_Payment_Information/Convenience_Fee_Q_and_A.htm; University of Michigan-Flint Credit Card Convenience Fee FAQs, http://www.umflint.edu/studentaccounts/cred_card_faqs.htm; Business Affairs Forum interviews and analysis.

Other fees that capitalize on student desire for convenience and flexibility are shown here, along with sample amounts. Obviously, all institutions are reluctant to raise tuition and fees in general. The advantage of these fees is that each is opt-in, administered only to students who tap a particular service, not the entire student body.

The first set of fees charge students for convenience or preference. Many students are willing to pay extra for moving in early or taking courses at peak times. While leaders are understandably wary of exacerbating income disparity among students, some institutions are willing to pursue this approach, especially if they can deploy a portion of additional revenue toward aid for lower-income students.

The second set of fees is designed to share with students some of the costs of their poor or casual planning, such as late drops or lost ID cards. Colleges and universities using this approach must ensure they also provide ample communication and education on appropriate policies and deadlines.

De-Averaging Fee Schedules

More Institutions Basing Fees on Convenience and Service

Sample Opt-In Student Fees

Student Convenience and Preference		Sharing Costs of Casual Planning	
Early Move-In Fee	\$100	Late Registration Fee	\$100
Peak Course Time Fee	\$50	Course Drop Fee	\$100
Intersession Residence	\$1,200	Post-Four-Year Fee	\$100
Landline Fee	\$160	Replace ID Card Fee	\$25
Lifetime Transcript Fee	\$20	Late Payment Fee	\$50
Primary Concern: Potentially underscores existing income divide		Primary Concern: Could be regressive for first-generation students	

Beyond direct fees, institutions can also leverage student demand for flexibility and convenience as a differentiator and competitive advantage.

As an example, NYU recalibrated its intersession toward already succeeding students working to graduate early and away from the traditional focus of students trying to catch up. This included a shift in course offerings from general education to high-demand prerequisites and an increased focus on experiential learning that would be impractical during the year. NYU also placed limits on how intersession courses could be used to repeat coursework, maximizing the number of seats for their new target audience of students pursuing early graduation.

The combination of these changes led to immediate enrollment and revenue growth among existing students.

Recalibrating Offerings to Meet Student Need for Speed *NYU Intersession Geared to Help Own Students Get Ahead*

Three-Week Intersession Courses



High-Demand Prerequisites

Most courses are general education or popular major prerequisites



More Experiential Learning

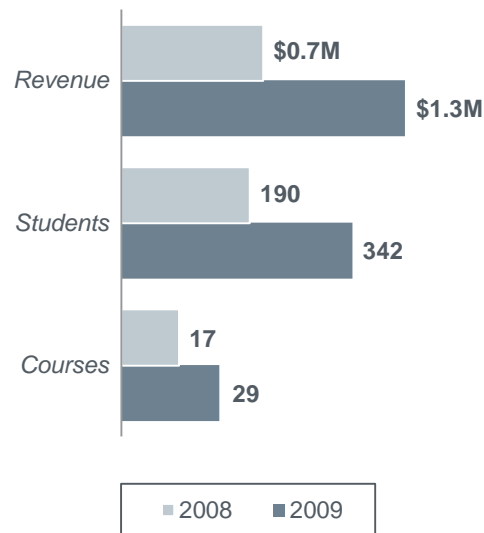
Day-long field-trip courses impractical during fall and spring terms



Limiting Repeat Coursework

Students allowed to repeat course during intersession only if they had DFW previous term

Strong Growth in One Year



Doing Well by Doing Good

“We used to think we had to market to other college’s students who lived in our town. We realized our best prospects are our own students. We reach them before anyone else, and we’re able to use summer distance learning as a student retention initiative.”

*Distance Learning Director
Midsized Public University*

Perhaps surprisingly, speed and convenience are two of the most important levers in international student recruitment.

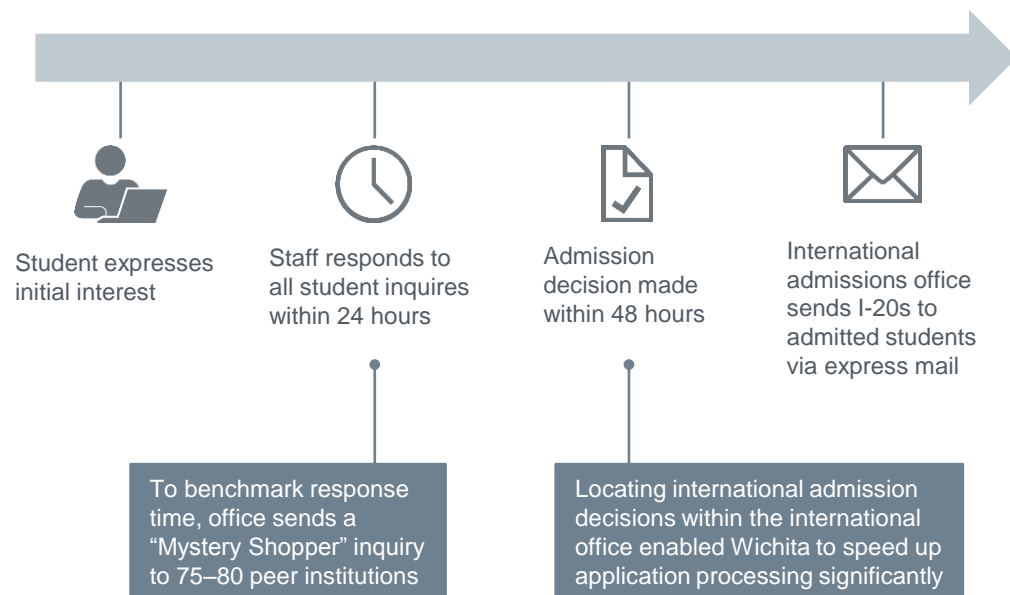
International students often feel overwhelmed by complicated and lengthy processes conducted in a non-native language. Institutions that are able to streamline and clarify application processes have seen strong enrollment gains.

As an example, Wichita State emphasizes efficiency and speed above all else in international student applications. Admission staff respond to all inquiries within 24 hours and communicate admission decisions within 48 hours. They also immediately send I-20 forms to admitted students by express mail. This rapid process offers students early positive reinforcement and communicates institutional investment.

Competing on Convenience

Wichita State Prioritizes Efficiency in International Admissions

International Application Process



Impact of Focusing on Convenience

9.8% of undergraduates are international

93% of international students report enrollment was due to receiving I-20 from Wichita first

Imperative #2: Bundle Episodic Services into Memberships and Turnkey Packages

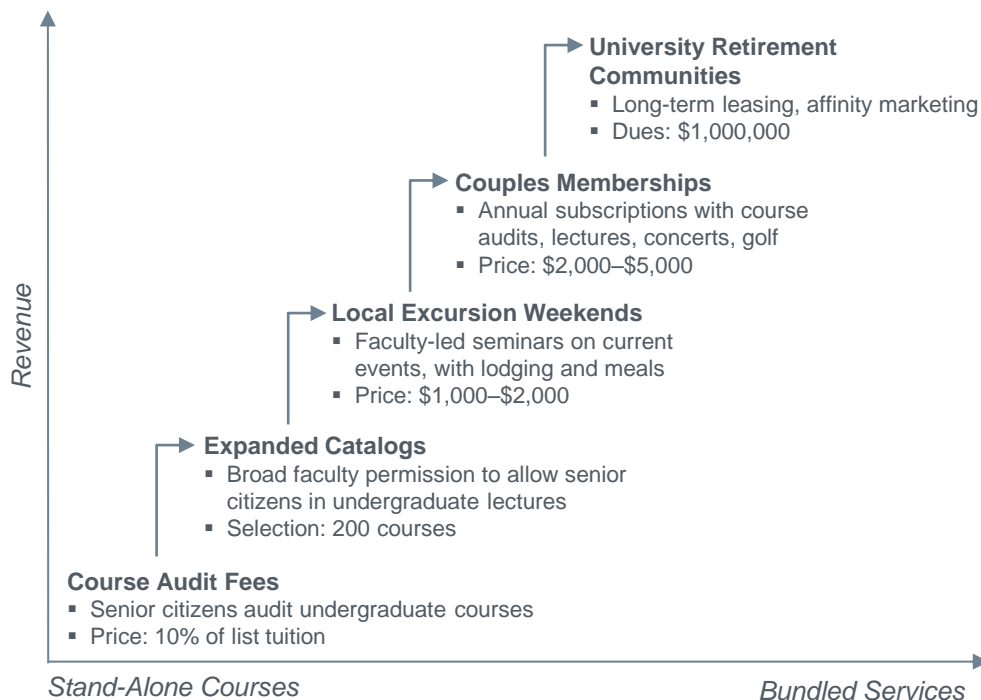
The goal of imperative #2 is for colleges and universities to bundle existing services to create more attractive product offerings, longer-term customer relationships, and hopefully opportunities for premium pricing.

A handful of institutions have successfully applied this imperative to the growing business of senior or retiree enrichment learning. Course audit fees are a relatively common example. Colleges and universities invite retirees to audit existing courses for a small percentage of tuition. This practice produces modest revenue with no additional costs, and also cultivates potential donors.

However, select institutions have dramatically increased revenues by bundling enrichment learning with social and leisure offerings. Examples include group weekend excursions built around faculty-taught seminars and membership programs combining lectures, concerts, and golf outings. Most aggressively, university retirement communities generate millions in revenue and have grown quickly, from almost none 20 years ago to more than 50 nationwide today.

Increasing the Returns from Enrichment Learning *Building Larger, Continuing Relationships with Senior Citizens*

Potential Revenue of Senior Citizen Enrichment Learning Programs

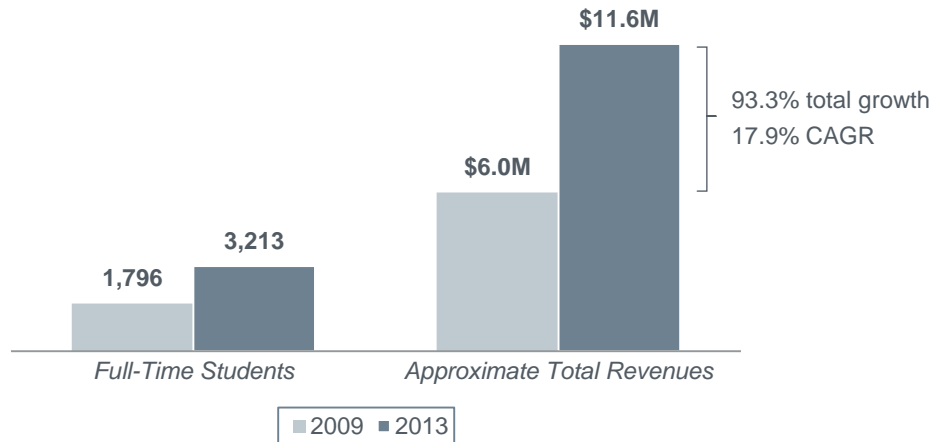


Source: SmartMoney, "Retirees: College Courses for the Taking," <http://www.smartmoney.com/Personal-Finance/Retirement/Retirees-College-Courses-for-the-Taking>; Business Affairs Forum interviews and analysis.

Texas Tech University has successfully applied the second imperative by creating a one-stop home school resource, bundling online K-12 courses with e-textbook and exam proctoring services. The program has achieved dramatic enrollment and revenue growth in recent years due to an increasing international presence.

A Turnkey Home Schooling Solution Texas Tech University's Online K-12 Program

Enrollment and Tuition Growth



Case in Brief—Texas Tech University Independent School District

- Accredited K-12 educator offering flexible education and educational resources to students and schools
- Income from standard curriculum tuition, as well as test proctoring, e-textbooks, and application fee
- Since founding in 1993, enrolled 300,000+ students from all 50 states and 58 counties

As a third example of applying imperative #2, one large public university bundled all conference services into a single, centralized conference management office. The office now oversees not only conference space rentals, but also accompanying food and lodging. This single point-of-service model has significantly improved customer service and allowed the university to charge a premium. The conference management office also generates additional business for campus housing and dining.

Of course, one potential drawback of centralized conference management is stifling faculty entrepreneurialism. To incent faculty to continue launching and recruiting conferences to their campus, the university instituted a revenue and cost sharing plan. Conference management splits revenue from all conferences with the college of the sponsoring faculty. Additionally, conference management absorbs any losses in the first year of a new conference. This safety net helps new conferences get off the ground and encourages faculty and deans to pursue promising ideas, hopefully leading to future conference business.

Consolidating Conference Services

Large Public University's Centralized Conference Management

Key Services Provided



Aligning Space Needs

- General meeting rooms
- Deluxe conference center
- AV needs and SMART classroom use



Arranging Food and Dining

- Box lunches during day
- Catering
- Local restaurant discounts



Coordinating Lodging and Transportation

- Dormitories
- Local hotels
- Airport taxi pickup

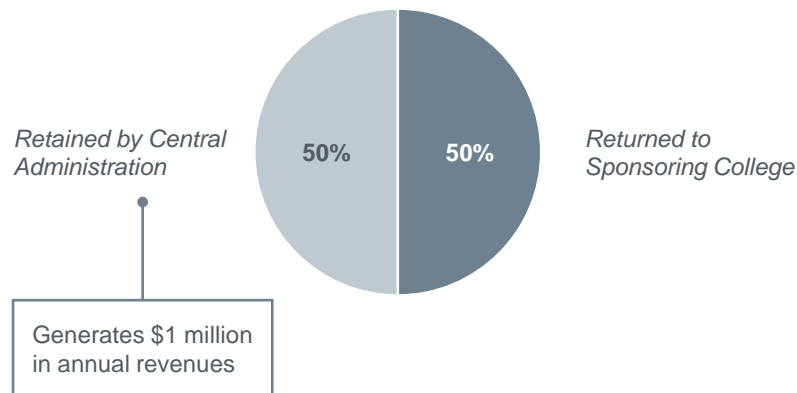


Providing Single Point of Contact

- Assigned representative
- Single invoice
- Single contract

Incenting Faculty Effort in Helping Conferences Succeed

Conference Revenue Sharing



Imperative #3: Seek Out Stealth Advertising and Leasing Opportunities

Selling advertisements and leasing space are relatively obvious methods to increase revenue, but both have notable downsides. Increased advertising and commercialization can negatively impact campus culture and reputation, and leasing space to outside third parties can be disruptive to faculty, administration, and students. Imperative #3 focuses on “stealth” opportunities for advertising and leasing, helping business leaders tap into potential revenue without risking these negative side effects.

As an example, several institutions have successfully placed small-scale advertisements across campus that are more tasteful and less noticeable than typical billboards. Three examples are shown here.

Notably, one micro-signage vendor covers all maintenance and equipment costs and provides campus leaders veto power over content, making it a virtually no-risk revenue stream. The vendor also allows the institution free access to a set number of advertising panels for campus-event advertising.

Increasing Sellable Space for Advertising

Outdoor Micro-signage

- Bus kiosks, parking garages, bike racks
- Media company pays for equipment renovation

Reported Revenue

- \$20,000 for 60+ panels
- \$50,000–\$150,000 in avoided renovation costs

Flatscreens and Websites

- Ads interspersed with university announcements
- Bundled sales include digital signage, campus newspapers, and athletic team sites

Reported Revenue

- \$20,000 for six student union flatscreens

Events Sponsorships

- *Parent-focused:* Orientation and parents weekend
- *Employer-focused:* Case competitions and networking nights

Reported Revenue

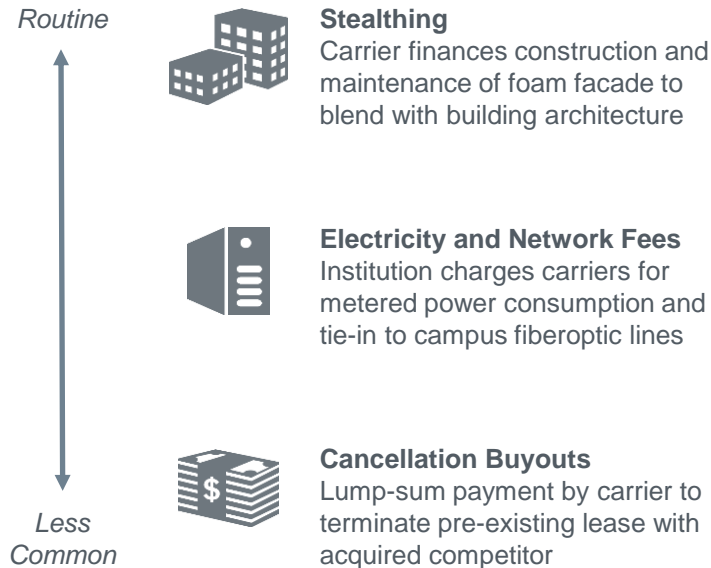
- \$10,000 for welcome picnic sponsorship
- \$3,500 for networking night sponsorship

As cell phones become an indispensable part of campus life, they also offer one of the best opportunities for stealth leasing. In fact, the cell phone industry coined the term “stealthing”—the practice of covering cell phone antennae with foam facades so they better blend in with surroundings. Several institutions have used these facades to discretely add cell antennae to building rooftops and tap into lucrative cell leasing agreements.

Going a step further, a few institutions have utilized a cell-coverage broker. These third-party specialists meet with regional radio frequency managers of different carriers to identify coverage gaps that could be filled by new antennae on campus. The broker then proposes the new antennae to carriers, ensuring the institution maximizes the number of stealth rooftop leases.

Maximizing Cell Phone Antenna Lease Contracts

Rooftop Contracting Opportunities



Identifying Unmet Coverage Needs



Broker-Led Coverage Map Prospecting

Brokers meet with a carrier’s regional radio frequency manager to review coverage gaps fillable with new sites



Interior Antenna Arrays

Distributed Antenna System above ceiling tiles improves in-building reception

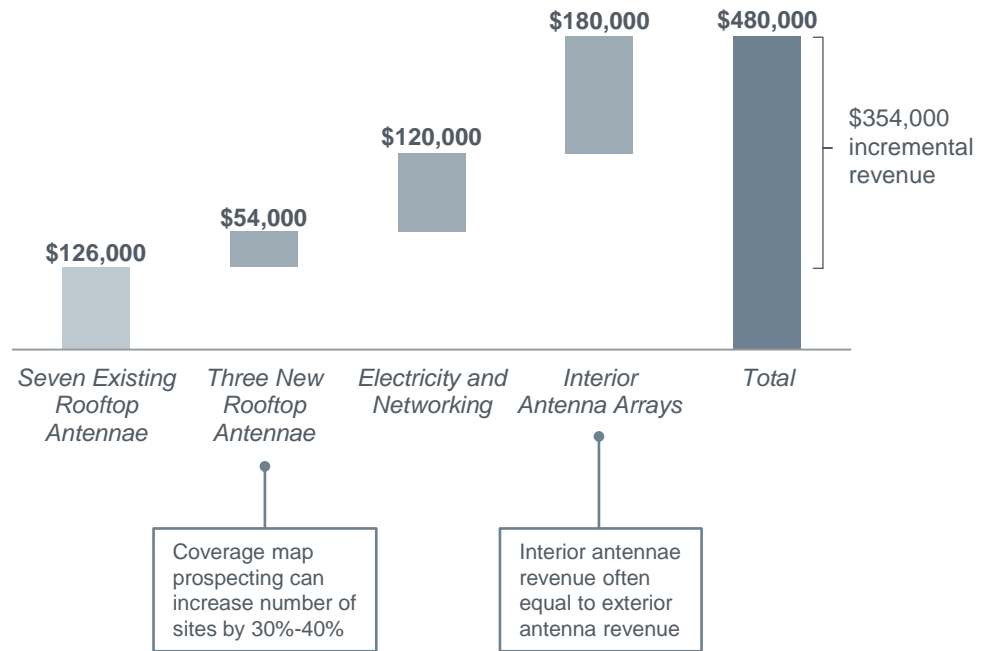
Through this combination of tactics, cell antennae leasing can add up to significant revenue. Shown here, a 10,000-student university already had seven cell antennae leases. With the help of a broker, the institution added three more, instituted electricity and networking fees, and installed interior antenna arrays, for a total of \$354,000 of additional revenue each year.

Importantly, cell brokers advise institutions that they must make decisions and sign contracts quickly. Cell carriers are discouraged by laborious negotiations, especially when colleges and universities do not speak with one voice. Several potential contracts have famously failed because of this, with one example described here.

Can You Hear Me Now?

Cell Antenna Leasing Revenue for a 10,000-Student University

Annual Cell Phone Leasing Revenue After Utilizing a Cell Broker



Getting Out of Our Own Way

“The carrier was ready to sign a contract with a midsize university for seven antennas. It fell apart at the last minute because the university couldn’t agree how to divide the money. IT claimed it as telecom revenue, a dean claimed it because it was on his building, athletics claimed it because the carrier sponsored a sports team. Universities that can promise they have all this worked out will be much more attractive partners to carriers.”

Cell Site Broker

Parking lots and garages offer some of the best and most diverse options for stealth leasing. Several novel approaches are summarized here. There are many opportunities for short-term leasing, often only hours at a time, which pose minimal disruption to day-to-day campus activities. Other tactics such as rooftop solar panels do not impact faculty, staff, or students at all.

Monetizing the Parking Lot

Revenue-Generating Ideas for Both Urban and Rural Institutions

Pricing	Special Events	Leasing	Creative Rentals
Compare to Market Benchmark to neighboring institutions	Drive-In Movie Night Additional revenue from food stands; classic film nights marketed to alumni	Lighted Panels Wall panels generate advertising revenue and illuminate dimly lit parking garages	Tire Company Testing Tire company pays \$3,000 to use institution's parking lot for product
Differential Fees Higher parking prices for motorists outside the campus community	Monthly Flea Markets Community college generates \$300,000 annually through 825 vendor stalls	Rooftop Solar Energy Solar power generated through panels on parking garage roofs	Off-Peak Rental Companies with night shifts, churches, apartments with lots under renovation

Internal Customers



External Partnerships

Imperative #4: Leverage Scale to Create Beneficial New Markets

The goal of imperative #4 is to leverage the institution's scale to achieve a critical mass of inventory or buyers (or both) to fuel a new market that benefits the campus.

One channel for building a critical mass of buyers is the student body. For example, UCLA has found a way to benefit from the food truck craze. They contract with 21 local vendors for exclusive rights to sell on a parking lot in central campus. UCLA leaders also promote the trucks through official student communication channels. In exchange, vendors provide UCLA 15% of all sales, totaling \$75,000 in annual revenue. Increased food truck usage has also allowed UCLA to delay a \$15 million upgrade to student dining facilities.

Other colleges and universities have successfully applied the same concept to create on-campus clothing sales. Rotating vendors bring merchandise to campus, providing a percentage of sales to the institution and often a slight discount to students. Note, while food trucks are likely an option only in urban locations, clothing sales are applicable in any setting.

Rotating Luxury Amenities

Offering a Variety of High-End Retail Options to Students



Gourmet Food Trucks

- UCLA contracts with 21 local restaurants for on-campus food truck service
- Facebook and Twitter announce two featured trucks daily
- On campus for "lunch trade"

Results

- \$56,000 in monthly sales
- \$75,000 in annual profit to UCLA
- \$15M in facilities cost avoidance



Upscale Clothing Trunk Sales

- Designer clothing and shoes at slight discount
- Social media create "shopping-as-theater" buzz
- Attracts vendors lacking volumes for campus store shelf space

Results

- \$2,000 vendor charge
- \$25,000 in revenues for large metropolitan university

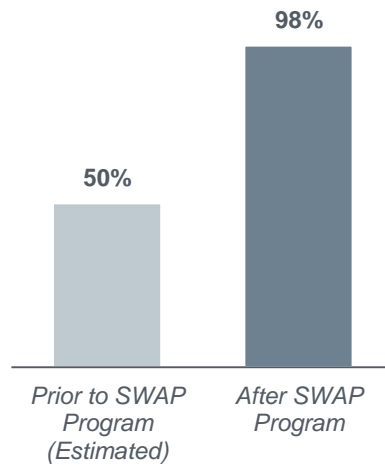
Another approach for creating markets is to use goods the institution already has. The University of Wisconsin-Madison successfully applied this tactic with office furniture, computers, and lab equipment. Leaders found that every department had excess office and lab supplies. But few attempted to sell unwanted goods, as volumes were too low to generate meaningful dollars or justify staff time.

By consolidating goods into a central location, the Surplus with a Purpose (SWAP) program created a large enough inventory to support a successful resale store on campus. The store is open to university and local school district employees on Thursdays and the general public on Fridays (when a small premium is charged). SWAP has also expanded to online sales, showcasing inventory on their website and hosting some online auctions.

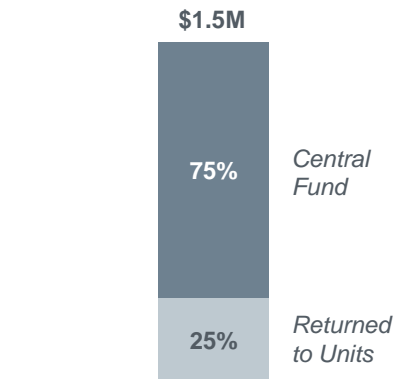
To encourage departments across campus to participate, the program is low-effort and easy to use. SWAP staff pick up and transport all goods several days each week. As further incentive, 25% of item sales are returned to donating units.

Opening a Secondhand Store for Inventory Resale *University of Wisconsin's SWAP Program*

Surplus Goods Resale Rates



SWAP Annual Revenue



Surplus with a Purpose (SWAP) Program Overview

- On-campus secondhand store that collects 900 tons of unused computer, furniture, and lab equipment from departments each year
- Store is open to university and local school employees Thursdays and general public on Friday
- All goods collected by SWAP staff from departments Monday through Wednesday
- All unsold items sold for recycling



Section 2

Compendium of Alternative Revenue Tactics

- New Educational Revenues
- Academic Entrepreneurship Infrastructure
- Branding, Licensing, and Affinity
- Auxiliary Services
- Student Fees
- Campus Operations
- Facilities and Real Estate

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential ¹
International Student Recruitment		
#1: Third-Party Recruiting Agents	Many institutions partner with third-party recruiters to increase international enrollment, especially as concerns about agent practices have been allayed through the recent creation of the American International Recruitment Council (AIRC), which sets explicit standards for recruitment practice and offers guidance on institutional engagement with recruiting agents. By establishing direct, personal relationships with prospective students and assisting in what can be a burdensome application process, international recruiting agents have contributed to the recent surge in international enrollment from Australia and the U.K., where 53.8 and 33.4% of international matriculants respectively are recruited by third-party agents. A list of all AIRC-certified agencies can be accessed at http://www.airc-education.org/certified_agencies.html .	\$\$
#2: Master's by Coursework	One public university's engineering department creates a Master's by Coursework degree, eliminating the research and thesis components from the traditional master's in engineering to appeal to international degree seekers interested in a less academic, more applied program. While open to all students, the program's enrollment is disproportionately international (75%) and highly cost-efficient to create as it features no new classes (simply a new capstone project option).	\$\$
#3: Expedited Admissions Deadline	Institutions determine all international admissions decisions within 48 hours (excepting incomplete applications and those needing verification), as the speed with which correspondence and admissions decisions occur can be a major determining factor in international student matriculation. Locating admissions decisions in the international office and mandating staff members respond to all correspondence within 24 hours can further ensure that applicants feel valued despite geographic distance.	\$
#4: Student Onboarding Pathway Programs	A public university partners with a private-sector firm (e.g., INTO, Navitas, Global Pathways) to recruit international students and establish an on-campus English-language study center. This collaboration creates a pathway for prospective international students to gain core skills needed to enroll and succeed in a U.S. institution. Students apply to and enroll in the partner corporation's English-language program on campus, where they attend traditional ESL classes, study skills sessions, and modified coursework in engineering, business, science, or general studies. At Oregon State University 60% of INTO pathway students automatically transfer into the undergraduate program.	\$\$
#5: Young Professional Condensed ESL Programs	Institutions offer short-term ESL programs (4 to 24 weeks) geared toward young professionals seeking to improve English language skills for professional use through course offerings bundled with social and cultural activities. Corporate groups willing to commit to target enrollment numbers receive tailored programs such as networking events with faculty relevant to their industry or visits to nearby businesses.	\$\$
#6: International Prepaid Phone Plans	Institutions create profit-sharing agreements with vendors offering low-cost, prepaid international and long-distance phone services. One private university's partnership with MobileSphere allows students, faculty, and staff to set up prepaid phone accounts at a flat rate of five cents per minute. In addition to providing international students with the services to make them feel connected and supported despite geographic distance from home, the university receives 20% of the profits, generating approximately \$130,000 in revenue.	\$

¹ Revenue potential for tactic has been assessed on a scale of 1 to 4 dollar signs, with 4 representing largest opportunities.

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
#7: Community College Recruiting Teams	Universities send international admissions officers to community colleges across the state on a monthly basis to recruit prospective international transfer students. Students value the chance to speak with international coursework specialists who provide expertise on international coursework transferability, information that is typically absent from traditional recruitment discussions. Of the 1,052 new international enrollees at UCLA in 2008, two-thirds transferred from community colleges.	\$\$
#8: Foreign-Born Faculty Recruitment Trips	A public university provides foreign-born faculty members airfare and accommodation reimbursement for travel to their home countries during semester breaks. In exchange, faculty spend 50% to 75% of their vacation time engaged in university recruitment activities (i.e., small, personal sessions planned with the assistance of admissions staff). Pittsburg State University in Kansas saw international enrollment rise from 377 in 2006 to 516 in 2008 after implementing foreign-born faculty recruitment trips.	\$
Summer and Intersession Blended Learning		
#9: Extended-Stay Summer Terms	Institutions facilitate the expansion of summer session offerings and associated revenues by extending the length of summer terms, both by creating longer individual summer periods and by increasing the number of shorter sessions. Extended sessions allow for a richer, deeper learning experience or, in the case of additional shorter course blocks, allow for a wider variety of course offerings.	\$\$
#10: Oversubscribed Course Summer Sessions	Institutions ensure that summer offerings are based on strategic needs (rather than mere faculty interest) by offering high-demand courses that typically fill up quickly during the regular fall and spring terms. Particularly at highly decentralized institutions, central offices must work with departments to create incentive and adjunct policies that ensure courses are offered even in disciplines where faculty typically focus on non-teaching activities during summer months. To combat the problem of faculty scarcity, a growing number of institutions offer online courses during the summer that are taught by adjuncts but were developed by full-time faculty.	\$\$\$
#11: High-Demand Major Prerequisite Fulfillment	Institutions systematically approach departments with popular majors to ensure prerequisites are offered during the summer, with special attention given to prerequisites for courses offered in the fall and to difficult subjects often requiring repeat coursework (such as organic chemistry). Central offices partner with departments to market summer sessions at major-related events, in departmental communications to students, and in related courses during the school year.	\$\$\$
#12: Independent Study Summer Sessions	Institutions offer summer reading courses, or self-paced independent study courses, to students studying abroad, interning, working, traveling, or at home during the summer. Independent study courses are attractive to faculty unavailable to teach full summer session courses, as grades do not need to be posted until the fall, and faculty are paid on a per-student basis.	\$
#13: Open-Enrollment Intersession Courses	Institutions offer open-enrollment courses over winter break, using billboards and other region-based advertisements to attract working adults interested in preparing for graduate school or advancing their careers while “home for the holidays.”	\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
#14: Summer and Intersession Financial Aid	Universities allow students to apply existing financial aid from the fall or spring semester to summer or intersession periods, solving the problem of financial aid typically not covering intersession periods. Other options include offering summer scholarships to undergraduates already on financial aid or providing aid to undergraduate summer session students only if they are willing to accelerate their degree programs and graduate in less than four years.	\$\$
#15: Gen Ed Requirement Blended Courses	Institutions create new summer session blended course offerings marketed to incoming students desiring a head start on the core curriculum as well as to continuing students looking to fulfill requirements while holding summer jobs or internships. By including both face-to-face and online components, blended courses allow for in-person interaction (e.g., laboratories and discussion sections) while also providing students and faculty with the flexibility critical to accommodating summer work and travel schedules (as well as faculty research agendas).	\$\$\$
#16: Study Abroad Make-Up Courses	Institutions market summer session offerings in partnership with campus study abroad offices, promoting options that allow students to pursue international interests without delaying graduation (e.g., online summer courses taken while abroad or on-campus summer courses that compensate for courses missed while abroad during the fall or spring semester).	\$
Distance Learning Articulation Agreements		
#17: Out-of-State Community College Online Programs	A handful of universities increase distance education enrollment by negotiating articulation agreements with two-year colleges in other states, particularly those states lacking sufficient capacity to meet transfer needs (e.g., California and Arizona). Institutions also look to regions where they have strong offerings for local workforce needs (such as defense-related offerings for the DC metropolitan area).	\$\$
#18: Blended Honors 2+2 Programs	Institutions create blended 2+2 honors programs, targeting the growing number of full-time, traditional-age students who are on track to enter four-year institutions but desire the cost-savings and geographic convenience of community college courses. Many honors 2+2 students are admitted directly to selective institutions but choose to begin their undergraduate careers with community college honors programs, which include specialized counseling and advising services to prepare for transfer adjustment and to plan for graduate school.	\$\$
#19: Online Dual-Enrollment Programs	Universities launch online dual-credit programs to serve high school students in the region, often in response (as in the state of Texas) to the availability of state funding for dual-credit courses taken online, as well as state requirements that high schools allow students to complete 12+ hours of college-level coursework. To alleviate faculty concerns about content rigor and admissions criteria, universities work with high school instructors and administrators to co-develop course material and also require minimum ACT/SAT scores for enrollment.	\$\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
Applied and Professional Master's		
#20: On-Demand New Cohort Programs	A public university generates demand for an off-campus professional MBA cohort program by holding information sessions in select cities. After a full cohort of 15 to 30 students has committed to the program, the university schedules a 10-month, face-to-face program in lockstep for the new group. Institutional resources are allocated for new off-campus classes only after demand has been validated. This practice is best suited for institutions with mature online education infrastructure, a sufficient pool of trained online adjuncts and professional instructors, and a pre-existing modularized MBA curriculum.	\$\$
#21: Professional Science Master's	Institutions launch programs receiving Professional Science Master's (PSM) designation from the Council of Graduate Schools, often benefiting from seed funding from organizations such as the Alfred P. Sloan Foundation and the America COMPETES Act. By combining an advanced scientific curriculum with business, law, and communications courses, PSMs provide graduates with skills valued by many employers. Many of these programs can employ a business-to-business marketing strategy, dramatically reducing student acquisition costs. Although the PSM moniker offers little marketing benefit, it can help institutions when pursuing external funding, which is expected to grow as state and federal support increases.	\$\$\$
#22: Interdisciplinary Terminal Master's	Universities are creating interdisciplinary master's programs, designed to prepare students for both non-academic jobs and doctoral programs. The University of Chicago's Master of Arts Program in the Humanities (MAPH) draws heavily from the pool of promising denied PhD applicants. By its fifth year, the program was generating over \$1 million in income to fund doctoral programs. MAPH students enroll in the same seminars as doctoral students (other than a separate 2-week graduate-level writing workshop and core course), allowing the University to leverage its fixed costs while providing MAPH students access to faculty and doctoral coursework needed to strengthen their future PhD applications.	\$\$\$
#23: Weekend Course Master's	Institutions create low-residency master's programs, in which working students spend either a series of weekends or a one- to two-week period at the beginning of each term on campus and enroll in online courses the remainder of the year. Typical program areas include those where students will benefit from extensive self-directed time in between sessions, such as creative writing and illustration. Institutions also use weekend master's programs to maximize space utilization, as on-campus instruction often takes place during off-peak periods.	\$\$
#24: Applied Liberal Arts Master's	Institutions encourage liberal arts departments to revise or create new master's degrees targeted to working professionals. Applied programs typically include some theoretical foundations in a discipline but focus on coursework, internship opportunities, and capstone projects that prepare graduates for careers in the private, government, and nonprofit sectors. Due to the interdisciplinary nature of applied liberal arts programs and the need for instructors with non-academic experience, programs are often launched and administered through continuing education units. Participating departments and schools receive a share of the revenues in exchange for some faculty support and content oversight.	\$\$\$
#25: Stackable Certificates	Universities modularize master's and bachelor's degrees into stackable certificates, or self-contained combinations of courses that earn students certificates and/or count toward degrees. George Washington University's certificates in landscape design and sustainable landscapes can be completed separately, or can be combined into a master's degree in landscape design. Stackable certificates are marketed to students interested in testing the waters before committing to a full degree program and provide a low-cost method for expanding enrollment by appealing to both certificate and degree seekers without creating separate courses for each.	\$\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
#26: Cross-Country Satellite Campuses	Institutions develop satellite campuses, often across the country or world, in locations where industry needs match the institution's signature program offerings and/or where the institutional brand is particularly strong. Although the primary purpose of a satellite campus is to provide in-person evening and weekend courses for working adult students, a growing number of institutions are now using outposts to provide student support services to local students who enroll in web courses, or to provide office space for marketing staff who are recruiting online students in the area.	\$\$\$
#27: New Regulatory Requirement Certificates	Institutions introduce certificate programs or modify existing programs to meet new regulatory requirements. Regulation-focused courses appeal to both individual students looking to improve their own marketability as well as to corporations desiring to train employees to meet growing compliance needs. As with other post-baccalaureate courses and certificates, regulatory-focused credits can be applied to master's programs, either at the same institution or through transfer agreements.	\$\$
Customized Corporate Training		
#28: Corporate Memberships	University business and engineering schools offer memberships to corporate training partners as a mechanism for formalizing long-term mutual commitments, using up-front payments from companies to fund customized content, advising, and website features. Membership pricing typically ranges from several hundred to several thousand dollars per student annually. Memberships offer tiered privileges including employee tuition discounts, career path maps linking certificate and degree content to job grades, dedicated student advisers, and company-specific web landing pages.	\$\$
#29: Career Path Maps	Universities are explicitly mapping traditional stand-alone professional degrees, certificates, and executive education content to various engineering and management career tracks at large companies. The maps are of value to corporate partners as a tool for helping employees understand what credentials and skills are required for career advancement and are of value to the universities as a way to attract repeat business from students while defraying marketing costs. Universities pursuing this approach are unable to estimate with precision incremental revenue impact, but expect that connecting content to career stage will improve student satisfaction and educational continuity while meaningfully increasing lifetime average tuition.	\$
#30: Onsite Professional Master's	Universities have structured training contracts with partner corporations where university professors travel onsite to conduct professional master's classes in exchange for a commitment to a threshold volume of credit hours. The arrangement is a compromise that allows employees to receive face-to-face instruction in a convenient setting while ensuring adequate tuition revenue for the university to justify faculty travel expenses (while also avoiding construction of expensive satellite locations).	\$\$
#31: After-Hours Course Scheduling	Many institutions are scheduling the "live" portion of face-to-face and blended training and professional courses after normal workday hours to better match the schedules of working adult students. There is no incremental revenue from this approach; professional education leaders are merely reminded that requiring schedule flexibility from faculty is the "ante" for competing in adult-focused programs.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
#32: Rapid-Cycle Customized Curriculum	Responding to feedback from corporations that colleges and universities are incapable of evaluating proposals for customized training or certificate programs, a handful of institutions maintain standing governance committees authorized to assess the feasibility of company proposals. The committees are cross-functional, including faculty, continuing education administrators, and enrollment managers. Conferring via teleconference or e-mail, the committees are tasked with determining how much of the potential partner's request for customization can be accommodated to acceptable quality standards by repurposing existing curriculum, how much new content must be created, and whether sufficient demand exists for the new content to be launched as a de novo offering. Similarly structured institutions aspire to one-week turnaround of inbound company requests.	\$\$
#33: Templated Company Policies	Enhancing efforts to make continuing and professional education a practical endeavor for employees, a handful of universities are designing certificate courses with capstones that have students create formal policies for their companies (often derived from generic templates created by instructors) in areas with fast-changing regulation, social norms, or technology requirements, such as global food safety, construction workplace safety, information security, and corporate ethics.	\$
#34: Corporate Advisory Committees	Institutions match professional and continuing education offerings to workforce needs with the assistance of corporate advisory committees, typically comprised of local company presidents and other high-ranking executives. Committee members convene both collectively and individually with university administrators to identify new demand areas based on technological, demographic, or regulatory changes. As a side benefit, members assist with the development of university-industry partnerships, sponsor specialized conferences and other campus events, and provide students with internship and employment opportunities.	\$\$
Seniors Enrichment Programs		
#35: Couples' Memberships	A small number of institutions are bundling seniors learning events with campus- and community-based leisure activities into annual memberships targeting empty-nester couples. Combining course audits, special-access privileges for campus lecture and concert series, dining and travel, the memberships are priced between \$1,500 and \$3,000.	\$
#36: Expanded Course Audit Catalogs	Many institutions are seeking an order-of-magnitude increase in the number of undergraduate courses open for auditing by adults age 50 and over, expanding the catalog from the typical 10 to 20 courses to between 100 to 200 courses, covering a greater variety of subjects and attracting broader community interest. Each course addition is contingent on instructor permission and is typically a lecture-only course with sufficient enrollment to ensure auditing students don't negatively impact classroom dynamics.	\$
#37: Mark-to-Market Course Audit Fees	Selective institutions in urban settings often have neglected to update course audit fee schedules. Benchmarking prices against other "active seniors" activities offers a principled opportunity to update pricing and increase revenues without adding cost. While course audit fees vary widely by region and selectivity, anecdotal review of recent fee change announcements suggests that institutions have raised fees from double-digits to triple digits with no demand drop-off. EAB research indicates a ceiling rate at approximately 10% of the cost per credit hour paid by undergraduates.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
#38: Local Excursion Weekends	Institutions offer weekend senior regional travel seminars, taught by faculty and focused on a “timely” theme, such as an upcoming election or other current event. Bundling educational offerings with leisure activities allows for a higher price point, with attendees paying approximately \$1,000 for the seminar, including lodging and meals. Local destinations attract seniors seeking more affordable vacation opportunities than were previously available from many alumni travel offices that are primarily focused on luxury vacation packages.	\$
#39: Faculty-Led Destination Travel	Institutions host senior study tours led by professors and focused around a particular subject area (analogous to short-term study abroad offerings for undergraduate students). Cornell University offers a one-week seniors’ course in the Florida Keys and Everglades focused on natural history and the habitats of southern Florida priced at \$1,225 including lodging and meals (but excluding airfare).	\$\$
#40: Osher Lifelong Learning Grants	The Bernard Osher Foundation provides grants of \$100,000 for up to three consecutive years to higher education institutions offering in-person, non-credit educational offerings specifically designed for adults aged 50+ for personal fulfillment and socialization. Institutions are required to demonstrate long-term support and “material contributions” to the program, signing up a minimum of 300 dues-paying members annually, and must explicitly co-brand the program as an Osher Lifelong Learning Institute program. Approximately 120 colleges and universities have received grants, with several receiving endowments of \$1M from the foundation to provide permanent funding for successful programs.	\$\$
#41: College-Affiliated Retirement Communities	A growing number of institutions are developing college-affiliated retirement communities marketed to alumni and other local community supporters. Residents have access to campus events, facilities, and services (including medical care), and may participate in academic enrichment opportunities. Lassell College generates \$1 million to to \$2 million annually through management fees, a lease payment, and maintenance fees for 188 apartments in 16 buildings.	\$\$\$
Distance Learning Course Licensing		
#42: Recreational Learning Brand Licensing	One liberal arts college licenses its brand for use in non-credit online courses developed, taught, and administered by four for-profit education partners. Courses range in price from \$89 to \$3,000, with the college receiving 40% of the revenue for most of the low-end courses (profit-sharing formulas vary across the more expensive courses). The college expects to generate \$50,000 in revenues per year after the first year and a half. Subjects range from self-improvement to Constitutional law.	\$\$
#43: Turnkey Homeschool Curriculum	A handful of public and private universities have built significant presences in the resurgent K-12 homeschooling market, whose growth has been spurred by “tipping points” in residential broadband penetration and a critical mass of e-textbooks across core subjects. Leaders like Texas Tech’s TTUID (Texas Tech University Independent School District) are enrolling 1,700+ full-time students at approximately \$1,200 in tuition and \$6 million in revenue, augmenting basic curriculum services by providing proctoring, e-textbook sales, and extracurricular engagement activities to promote a turnkey value proposition for homeschool families. While traditional homeschool marketing has focused on local or statewide districts, some schools see opportunity in developing curriculum for districts in countries like Brazil, with large populations desiring homeschooling or distance learning. In many cases, universities develop add-on revenue streams by combining overseas homeschooling with summer programming for foreign students on the domestic campus.	\$\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
#44: Capstone Case Study Sales	Universities sell faculty-authored case studies (typically in business, law, and public policy) to other universities, consulting firms, or government and corporate training programs, with separate charges for instructor materials, numbers of student copies, and copyright permissions. Customer service representatives discuss curricular needs with customer organizations and assist with case selection. Possible future developments include expanding case study use outside of professional fields and into arts and sciences and growing interest in online simulations.	\$\$
#45: International Course Sales	A handful of institutions receive compensation for selling or helping to develop curriculum for international universities. Houston Community College awards six different AAS degrees to students at Saigon Tech in Vietnam, providing all course content, syllabi, and materials. HCC accredits and trains local faculty to deliver the content and conducts annual site visits to ensure quality.	\$\$\$
Testing and Certification		
#46: Professional Society Testing Partnerships	Institutions provide testing services in American Psychological Association-accredited areas, such as giftedness, learning and emotional development, and ADHD. Graduate student interns conduct services after completing training modules supervised by licensed practitioners, allowing the university to minimize labor costs while also providing students with educational opportunities. Implementation challenges include providing the appropriate licensing, supervision, and medical billing expertise.	\$
#47: ESL Testing and Certification	Institutions provide English as a Second Language teacher testing and certification, with credits often transferrable to related master's degrees. Additional advising assistance is typically provided for obtaining work visas abroad, understanding requirements across states, and finding temporary tutoring and part-time ESL-related jobs while obtaining certification.	\$\$
#48: Distance Learning Proctoring Services	A handful of colleges and universities sell exam-proctoring services to distance learning students from other institutions, both through partnerships with specific schools or as a fee-for-service for individual students from other universities seeking their own proctored exam sites. Profits are often used to improve services to the institution's own distance learning students, such as providing staff assistance for distance students needing to identify test proctoring sites near their homes and coordinating with those sites to provide test materials.	\$
#49: Placement Test Fee	Institutions charge a small processing fee (around \$50) to students taking foreign language or composition placement exams.	\$
#50: For-Profit Educator Testing Site Rental	Institutions rent space in online education testing centers to proprietary schools, often in conjunction with other purchased services (e.g., library use, information technology resources).	\$
#51: Online Remedial Programs	Institutions develop blended developmental composition and math summer courses to remediate incoming freshmen before the fall term. Courses are developed by full-time faculty, but instructional costs are lowered through partnerships with textbook publishers (such as McGraw Hill) to develop online homework and practice assignments, and through the use of graduate and temporary instructors to provide skills coaching. Although blended remedial courses are typically introduced to improve time-to-degree, institutions looking to maximize revenue may consider selling private-label remedial courses to other institutions, selling excess seats to students from other institutions as part of general summer session offerings, and repurposing the same curricula for dual-credit high school courses.	\$\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

New Educational Revenues

Tactic	Capsule Description	Revenue Potential
Faculty Consulting		
#52: International University Curriculum Consulting	A handful of institutions may have the opportunity to develop curricula for international universities. The University of California, Berkeley, the University of Texas at Austin, and Stanford University developed disciplinary curricula for King Abdullah University of Science and Technology, a new research university in Saudi Arabia. Each U.S. institution received a \$10 million gift, \$10 million for campus-based research, \$5 million for collaborative faculty research at KAUST, and payment for administrative costs.	\$\$\$\$
#53: Faculty Expertise Databases	A handful of institutions partner to create a subscription-based, online information database drawing from faculty areas of expertise. The most common databases compile scientific research to assist practitioners, such as in the case of a pathology website designed to help health care professionals with diagnosis that was developed by researchers from six medical schools and based on information reviewed and updated by 150 medical experts.	\$
#54: Industry-Supported Capstone Projects	Institutions charge business, government, and nonprofit partners for consulting services received through student capstone projects. One private metropolitan university's school of public service generated \$123,900 in 2007 by charging organizations on a sliding scale based on annual operating budget, with average fees ranging between \$1,500 and \$1,900.	\$
#55: Nurse Practitioner Practices	Institutions expand the clinical practices of their health professional schools, applying revenue-sharing models similar to physician practice plans to nurse practitioners (as well as occupational therapists, physical therapists, speech therapists, and nutritional counseling clinicians). Implementation challenges include the difficulties of commercial insurance plan credentialing and the need for extensive billing and marketing operations.	\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Academic Entrepreneurship Infrastructure

Tactic	Capsule Description	Revenue Potential
Business Planning Support		
#56: Self-Service Faculty Business Plans	A growing number of institutions provide faculty with “do it yourself” business planning resources for launching new programs, including budgeting and forecasting templates, market identification tools, and guides that delineate available university support services and approval processes. Although decentralized faculty and/or academic staff assume primary responsibility for program-planning, the central office provides a small amount (approximately two hours) of consultation support to answer questions and assist with template completion.	\$\$
#57: Program Approval Maps	One public institution creates a comprehensive guide delineating approval processes for different programs (e.g., non-credit vs. credit, certificate vs. master’s). As faculty looking to start new academic programs often find their efforts complicated by the wide variation in shared governance processes across the institution, approval maps expedite launch by providing an understanding of which stakeholders need to be involved and what type of approval time frame is possible for each program type.	\$
#58: Segment Managers	Institutions appoint segment managers responsible for overseeing new program growth in specific areas, such as corporate, international, and traditional academic program markets. Segment managers evaluate gaps in the university portfolio in relation to market demand and approach faculty and other content experts to develop highest-potential, highest-need programs. Specialists are especially critical in difficult business-to-business and international markets, seen by many institutions as the most promising growth areas for new programs but also those requiring the most in-depth expertise.	\$\$\$
#59: Tech Support Demand Trials	One private university determines whether 24/7 help desk support is necessary by providing off-hour tech support staff with cellular phones to answer as needed, with the university then tracking incoming call times to determine the busiest hours, as well as weekly variations across the term. Institutions reduce administrative costs by providing help desk service only during necessary hours, while still guaranteeing customers receive the off-hours support necessary for successful online instruction. Despite low or even non-existent utilization during certain times, some institutions still opt to provide 24/7 support for marketing purposes or to prepare for international expansion.	\$
#60: Distance Program Business Development Office	A growing number of universities create a centralized business development office or standing committee to identify programs that should migrate online based on alignment with institutional priorities and/or revenue potential. Central teams assess online program viability by evaluating student demand, local employment statistics, number of courses within the program already online, and degree format. Prioritized programs receive seed funding, faculty release time, additional lines to the host department, and/or instructional design assistance to incentivize online migration.	\$\$\$
#61: Faculty Entrepreneurship Boot Camps	A handful of universities institute faculty “boot camps” taught by venture capitalists, administrators, and faculty members who have achieved success in consulting, technology transfer, and other revenue-generating activities. The curriculum is often adapted from the institution’s economics and management courses, emphasizing opportunity identification and principles of effective teamwork. Final sessions include team-created project development plans, critiqued by a panel of external judges.	\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Academic Entrepreneurship Infrastructure

Tactic	Capsule Description	Revenue Potential
Fast-Cycle Program Launch		
#62: Program Launch Incubators	A growing number of institutions incubate high-priority new programs, providing central staff support to design and implement business plans during the first 18 months of launch. After the initial launch period, the central office provides marketing, instructional design, and student and financial services for the first three to five years while the program's home unit develops the in-house staff expertise and financial sustainability to operate independently. Typically, programs qualifying for incubation receive dean-level sponsorship, with upfront investment costs shared between the unit and central administration.	\$\$\$
#63: Expedited Degree Specialization Approval	Institutions match curricular offerings to changing market demands by introducing new specializations within existing degree programs, utilizing the more streamlined approval process for specializations (approximately six months for a specialization compared to several years for a degree) to ensure quick launch before market demand disappears or share is captured by faster competitors. Although the basic core of the degree program remains unchanged, about one-third of courses comprise the interchangeable specialization (such as Emerging Markets or Health Care Management within an MBA). Since students spend their first year on core offerings, courses within the new specialization do not need to be introduced immediately and can be built out over time to ensure quality.	\$\$
#64: Customized Training Viability Review	Institutions create a standard review process to determine the financial viability of meeting a particular customized corporate training request. Review includes consideration of whether learning modules already exist for easy repurpose and recombination; estimation of required instructor, staff, and course development time; and evaluation of likely resale of same content to other customers or to the same customer at a later date.	\$
Cost-Effective Marketing		
#65: Community of Interest Portals	Institutions drive traffic to open source and revenue-generating content by creating websites that appeal to diverse audience groups (e.g., enthusiasts, scholars, professionals) within a field of expertise. The range of equine education materials on Michigan State University's MyHorseUniversity.com includes webcasts, e-tips newsletters, DVD and online course sales, and a database of national university experts. Portals benefit the institution's outreach mission while also serving as a low-cost marketing tool to attract potential online students.	\$\$
#66: Affinity Population Partnerships	To meet the specific educational needs and interests of union members, the AFL-CIO partners with the National Labor College and Princeton Review to create an online college offering bachelor's degrees to union members, and the college plans to expand its offerings to include associate's and master's degrees in future years. Courses in criminal justice, education, business, and the allied health sciences are priced at \$200 a credit. By building programs around the needs of specific affinity groups, organizations reduce student acquisition costs through use of already-existing communications networks and also increase retention rates through tailored support services.	\$\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Academic Entrepreneurship Infrastructure

Tactic	Capsule Description	Revenue Potential
#67: Private Institution Distance Learning Consortia	One larger private university manages and sponsors a consortium of 75 smaller schools, in which each institution buys online course seats from other participating institutions at a discounted price (i.e., \$650 for undergrad and \$725 for graduate) to then sell to its own students at the standard institutional tuition price. Partner schools generate revenue both from selling their own courses to other institutions and from charging their own students a marked-up price for retailed courses. In addition to direct revenue gains, smaller institutions benefit from the ability to offer their students a wide range of online offerings without needing to expend the high technology and course development costs required to migrate a full portfolio of courses online.	\$\$\$
#68: Employer of Choice Co-Branding	A handful of institutions co-brand online courses and certificates in conjunction with external employers, who share in advertising costs, assist with content creation, and provide an implicit endorsement that graduates will receive the skills desired in their own employee recruitment processes. <i>The New York Times</i> and Ball State University's certificate in Emerging Media Journalism includes nine courses, priced higher for credit-seeking versus non-credit students (\$235 compared to \$199).	\$\$\$
#69: Turnkey Veterans' Programs	With the Congressional Budget Office estimating that the 2008 GI Bill will lead to \$100 billion in higher education expenditures over the bill's first 10 years, a growing number of institutions dedicate staff and resources to recruiting and retaining student veteran. Staff gain expertise in complex federal and state benefits programs and help veterans identify and enroll in programs with direct paths to employment, such as pharmacy technician certificates that lead to placement with preferred employer pharmacies.	\$\$\$
#70: Military Physicians Accreditation Partnerships	One private university partners with the military to offer continuing medical education credits and courses in specialized areas (such as physical therapy) to army doctors, with the university providing the accreditation and the army marketing programs as well as providing some content and instructor assistance. With Department of Defense tuition assistance covering roughly all tuition costs for military students but for-profits already holding a disproportionate market share of undergraduate military students, many traditional universities see niche graduate areas as the best opportunity to gain traction in the military market without needing to compete in areas where for-profits are already strong.	\$\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Academic Entrepreneurship Infrastructure

Tactic	Capsule Description	Revenue Potential
Curriculum Development		
#71: Research Outreach Product Suites	An institution dedicates staff to assist faculty with repurposing their research expertise into multiple “products,” such as degree programs, enrichment courses, open source courses, corporate training materials, DVDs, and websites. Staff consider what material can be created quickly and with high quality, determine enrollment and sales projections, coordinate instructional design support, and assist with complex copyright, licensing, and intellectual property issues. Efforts improve research grant win rates by providing staff support to write outreach component of grant proposals and by enhancing the institution’s reputation as a leader in specific content areas.	\$\$
#72: Modular Mini-Lectures	Institutions record online lectures in as short as 60-second videos, introducing key concepts to be followed by self-directed activities and discussion. Solving the problem of time and resources spent creating online lectures that are rendered obsolete by the next term, mini-lectures are low-cost and fast-to-create (one week turnaround). Although critics question whether mini-lectures are long enough to adequately convey nuances in course content, advocates note mini-lectures force instructors to focus on only the most important material, encourage self-directed pedagogy that prepares students for graduate school, and are easier to translate into multiple languages.	\$
#73: Instructional Design Shared Services	Many institutions provide central instructional design and development support to distributed units across campus, solving the load-balancing problem that often results from individual departments providing their own instructional design and development support. When individual departments hire their own developers, staff work intensive hours during the first year of launching a new program but are typically under-utilized in future years as course revision takes significantly less time than course development. By hiring, paying for, and training developers as a shared resource, institutions can both reduce overall campus instructional development expense and also deploy the appropriate number of staff to departments when they are most needed.	\$\$
#74: Team Teaching Templates	Institutions respond to growing market demand for interdisciplinary and online courses—both often advantaged by or necessitating team teaching—by creating websites with tools and templates to assist with the pedagogical and logistical challenges of planning team-taught courses. Resources include diagnostics to understand the pros and cons of different models of collaborative instruction, information about differing school and college requirements, and templates for lesson plan and syllabus construction. Ideally institutions create self-service resources for faculty to access independently, with instructional design consultation available for highly specialized or complex requests.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Academic Entrepreneurship Infrastructure

Tactic	Capsule Description	Revenue Potential
Enrollment Management		
#75: Dynamic Enrollment Forecasting	Many institutions introduce new budgeting processes to account for dynamic enrollment patterns in non-credit programs. These programs are different from traditional academic programs in that non-credit students typically enroll in courses at the last minute (often two weeks before the course start date), and non-credit programs are often introduced with scarce lead time (a few months) to meet emerging market demands. Institutions with dynamic enrollment practices develop mechanisms for real-time tracking of progress toward revenue goals and are able to apply corrective action (e.g., cost-cutting measures, program mix changes) on an as-needed basis. Monthly conversations between product development staff and marketing staff information and perspectives on new industry and enrollment trends are shared.	\$\$\$
#76: Enrollment-Triggered Staffing	In traditional academic budgeting, annual budget totals are divided by 12 to determine each month's budget allocation, an insufficient practice given that monthly demand changes necessitate high instructor volumes during peak periods as well as highest levels of instructional design and marketing support several months before each enrollment peak. Institutions, therefore, are better served by budgeting for month-to-month variation in marketing, instructional, and administrative staffing needs based on future projections as well as prior-year enrollment counts.	\$\$
#77: Non-Credit Course Registration Systems	One public university with decentralized continuing education programming and support is implementing a university-wide non-credit registration system. In addition to improving data security, the new system assists with department-level creation of non-credit courses by alleviating the support burden on departmental staff who previously were required to serve as registrars for all non-credit activity. Campus-wide non-credit course registration systems also allow for central reporting, providing the university with the trend-line information needed to understand highest non-credit growth areas worthy of central investment and attention.	\$\$
#78: Enrollment-Triggered Start Dates	A handful of institutions account for the volatility of online and continuing education registration trends (with students often enrolling within two weeks of published course start dates) by ensuring availability of backup instructors if an additional course or section needs to be added due to a last-minute uptick in demand. To develop the capacity for adding enrollment-triggered courses, institutions should consider creating standardized "master" courses that correspond to a group of faculty prepared to teach the templated curriculum with little advance notice.	\$\$
#79: Low-Enrollment Contingency Budgets	Institutions create a subsidy account to allow for the retention of key courses even when enrollment counts fall below projections. Subsidy dollars are applied to courses that are critical to student certificate completion or industry relationship-building. While not revenue generators themselves, contingency budgets facilitate principled decision making about which subscale courses are necessary to retain on the books to preserve good faith with valued returning customers.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Academic Entrepreneurship Infrastructure

Tactic	Capsule Description	Revenue Potential
Outsourcing and Joint Venture Models		
#80: Long-Term Profit Sharing Partnership	A growing number of institutions establish partnerships to launch online education programs with third-party, for-profit vendors (e.g., Compass Knowledge, Embanet, Apollidon, 2Tor, and Colloquy). Typically, institutions pursue partnerships because the vendor is willing to cover high up-front investment costs for new online programs, assuming most of the financial risk while providing expert marketing and lead generation support at the speed and scale needed for rapid enrollment growth. Vendors also provide instructional development assistance and student support services, while the university typically sets admissions and graduation requirements and owns curricular decisions. Master's programs and bachelor's degree completion programs are the most common programs launched through joint-venture partnerships, though a smaller number of institutions also partner to develop summer session offerings and applied doctoral programs.	\$\$\$\$
#81: Five-Year Insourcing Plans	A larger private university provides consulting services for smaller schools launching adult and accelerated programs for the first time. The larger university receives a flat fee upfront and a percentage of the program's profits for the first five years. The intention is to build internal capacity at the smaller institution so that independent operation is feasible by year six. After the first five years, smaller schools have the option of paying a "continuing fee" for market assessments and program audits and evaluations. Though institutions would typically look to for-profit vendors to serve as program incubators, longer contract terms (typically 10-plus years) and an insistence that schools use the vendor's proprietary platform often make it too difficult for an institution to extricate itself once internal support services are in place.	\$\$\$
#82: Best-in-Breed Point Sourcing	One public university invites multiple online education vendors to compete for business among the different academic units on campus, which are each free to partner with any of the vendors depending on the unit's own needs and preferences. This self-described "shopping center" approach helps units identify the partnerships that will ensure maximum return on investment, while also encouraging competition among vendors to set favorable terms.	\$\$\$\$
#83: Online MEds Joint Ventures	One regional comprehensive university partners with a third-party vendor to create Master's of Education programs that are marketed to teachers through partnerships with 450+ school districts within the state. The university owns course development and assessment, while the vendor provides the LMS platform, marketing, student recruitment, and student support services. Master's of Education enrollment doubled during the partnership's first year, leading to \$22 million in revenues.	\$\$\$\$
#84: Online Degree Completion Joint Ventures	A growing number of institutions partner with third-party vendors such as Compass Knowledge to offer online degree completion programs for the until-recently underserved market of working adults who have already completed a fair amount of undergraduate coursework. General degrees, such as bachelor's of arts in social sciences or liberal arts, both appeal to a large market and are easiest to implement since online courses can be pulled from existing courses in departments across the university rather than the institution needing to attain buy-in from a critical mass of faculty in a single department. Third-party partners are especially attractive for universities looking to start degree-completion programs since many institutions lack the marketing expertise, application review, and advising support to reach geographically disparate working adult students who often have as many as five to seven transcripts.	\$\$\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Branding, Licensing, and Affinity

Tactic	Capsule Description	Revenue Potential
Increasing Branded Merchandise Demand		
#85: School Color Days	A growing number of institutions designate a recurring weekday or annual date as an occasion for students, faculty, alumni, and community to show “college pride” in an effort to build demand for licensed merchandise on campus and convince off-campus retailers to stock more branded products. Universities often promote retailers who carry merchandise as part of the campaign.	\$
#86: Campus Event E-Commerce Campaigns	Institutions expand e-commerce sales to alumni, parents, and other fans through aggressive e-mail marketing campaigns around graduations, anniversaries, and athletics victories. In a one-month period alone, the University of Texas at Austin sold \$60,000 worth of Longhorn memorabilia online after winning the NCAA football championship.	\$
#87: Designer Label Co-branding	Many universities receive a percentage of proceeds from co-branded designer apparel, such as through Victoria’s Secret’s PINK Collegiate collection. Allaying concerns over institutional affiliation with a lingerie manufacturer, Victoria’s Secret emphasizes that its PINK line is comprised entirely of cotton casual wear.	\$
#88: Campus-Grown Gourmet Foods	A handful of universities sell campus-grown gourmet foods, including olive oil, cheese, and ice cream. The University of California, Davis sells its \$12 bottles of olive oil online and in the campus bookstore, with profits funding the equivalent of one research director position at the UC Davis Olive Oil Center. Washington State University’s creamery funds two research assistantships, a faculty position, and a portion of wages and benefits for three administrative positions in the School of Food Science.	\$
#89: Campus Wineries	Universities with viticulture and enology departments produce, bottle, and sell commercial wines. California State University, Fresno produces 12 to 15 different wines each harvest, affording students the opportunity to assist in production, marketing, and sales.	\$
#90: Branded Office Décor	Institutions create branded office décor, such as paperweights, high-end clocks, business card stands, framed campus prints, and cast resin replicas of mascots or prominent campus landmarks. Although alumni are the primary market, items are also heavily marketed to parents to purchase as graduation gifts. Some universities customize office décor to bear specific professional school insignia or engravings with the student’s name and graduation year.	\$
#91: University License Plates	Many public institutions partner with their state’s department of motor vehicles to offer license plates featuring school logos at a premium fee of approximately \$25, with revenues disproportionately or entirely going to the institution as unrestricted funds. The University of Florida plate is the state’s top seller, with sales of more than 113,000 units netting more than \$2.8 million in 2008.	\$\$\$
#92: Licensed Product Sales Consortia	Many institutions improve their royalty revenues by signing contracts with licensing vendors, such as the Collegiate Licensing Company (CLC) and Licensing Resource Group (LRG), whose services include signing collaborative deals with national retailers for a number of university clients at once. Although buying was previously performed at a local level (e.g., licensees approached local retail establishments to carry branded merchandise for area schools), retailers now look to CLC and LRG to sell “college products” in one single, national transaction, with the intent that retailers then assure the appropriate school’s products are carried in relevant geographically proximate stores.	\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Branding, Licensing, and Affinity

Tactic	Capsule Description	Revenue Potential
Alumni, Parent, and Community Affinity Programs		
#93: University Columbaria	A growing number of institutions erect columbaria (memorial walls filled with niches for urns), with a typical columbarium holding several hundred to several thousand niches at approximately \$1,500 to \$5,000 per niche. Able to “blend in” with campus grounds fairly easily, columbaria have the advantage of not requiring the space or up-front investment needed for memorial gardens or campus cemeteries, and provide a more lasting alternative to alumni having their ashes scattered on football fields or other campus landmarks. Columbaria are most common at universities with deep athletics, military, or religious ties, but are expanding to other institution types as administrators see opportunity in marketing niches not only to alumni, but also to long-tenured faculty and staff.	\$\$\$
#94: On-Campus Spending Loyalty Programs	Institutions create campus debit-card loyalty programs, incentivizing students to purchase meals, books, and convenience items on campus rather than from online or local merchants in order to accumulate rewards points often redeemable for on-campus merchandise. Institutions lacking the point-of-sale technology or data-tracking mechanisms to create points-based programs without significant up-front investment implement less technology-dependent programs, such as providing campus restaurant coupons along with textbook purchases, selling bookstore discount cards, or rewarding frequent purchasers of specific merchandise (such as art supplies or makeup).	\$
#95: Parent Orientation VIP Packages	Institutions offer parents of new students the opportunity to purchase a premium-priced VIP package at New Student Orientation, which includes special luncheons and individual meetings with faculty and university executives. Fostering institutional connections with parents also has secondary benefits, such as facilitating retention, student success, and development efforts.	\$
#96: Debit Card Affinity Programs	Many institutions partner with banks to offer co-branded, affinity debit cards, with schools receiving either a percentage of transactions or a set amount based on number of accounts. Banks receive marketing space at student orientations or in campus card offices, and alleviate concerns that debit cards fuel student debt by providing financial literacy seminars on campus. Debit cards are an attractive alternative to credit cards given recent federal regulations about marketing credit cards to college students. Credit cards may also be a riskier choice given that affinity card usage has declined nationally, with students and alumni still opening college-affiliated credit card accounts but neglecting to use them as their preferred card.	\$\$\$
#97: Alumni Peer-to-Peer Lending	A handful of universities partner with a vendor that pays institutions to promote their alumni-to-alumni lending services. Lending Club connects credit-worthy borrowers looking for lower interest rates with individuals interested in providing loans.	\$
#98: Online Campus Bank	Institutions partner with banking companies to open online banks, providing the school with a flat fee for each new customer and a percentage from each transaction. Drexel University partnered with TheBancorp.com in 2000 to create AJDrexelBank.com, yielding \$500,000 in the first year alone. Online banks also benefit advancement efforts by maintaining alumni connections.	\$\$\$
#99: Insurance and Retirement Counseling Affinity Marketing	A growing number of college and university alumni associations offer life insurance and retirement-planning affinity programs, drawing upon an aging alumni boomer population as well as interest from more recent graduates in financial planning. Partner companies offer free financial education seminars on campus or locations with large alumni populations as a service to the campus community and as a marketing opportunity.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Branding, Licensing, and Affinity

Tactic	Capsule Description	Revenue Potential
Stealth Advertising and Sponsorship		
#100: Exterior Micro-Signage	A growing number of institutions sell outdoor advertising space on bus shelters, information kiosks, parking garage lighted panels, bike racks, and trash and recycling receptacles. MSS Media provides and maintains the facilities; sells advertising space on a per-panel, per-month basis; and provides institutions with some internal advertising space and veto power over objectionable ads. Large institutions generate around \$20,000 in annual revenue and avoid \$50,000-\$150,000 in facilities purchase, replacement, and maintenance costs.	\$
#101: Flatscreen Advertising	Institutions pursue additional advertising revenue by leveraging the proliferation of flatscreen monitors on campus, often installed for emergency notification system purposes. Especially attractive in student unions, these screens alternate displays of campus and external programming (such as student broadcasts or music videos), event announcements, and vendor advertisements. Some institutions sell screen-saver advertising space in computer labs; however, for schools focusing on reducing energy consumption, this practice may be less preferable than enabling automatic sleep.	\$
#102: Bundled Student Media Advertising Packages	A handful of universities sell bundled advertising packages that include student newspaper print and website advertising space, student union digital signage, and on-screen preview advertising before campus film nights. Student media and student union offices share in the revenue, with student media-union partnerships benefiting from new flatscreen opportunities in student unions attractive to advertisers along with already-existing student media sales expertise and advertising billing mechanisms.	\$
#103: Meal Plan Site Restaurant Guides	Institutions sell premium advertising space on websites or in printed programs to local merchants that allow students to use campus debit cards or meal plans for in-restaurant purchases or for delivery.	\$
#104: Orientation Sponsorship	Institutions provide a range of freshman and transfer orientation sponsorship packages (typically ranging from \$1,000 to \$3,000) that include web listings, the opportunity to provide promotional materials in student welcome bags, orientation fair table space, and/or logo space on t-shirts. Orientation sponsors may also receive a discount or preferred placement for other university sponsorship opportunities throughout the year, such as student media advertising or career fair sponsorships. Although targeted sponsors are typically companies interested in reaching students for consumer marketing and/or employee recruitment purposes, orientation offices also solicit sponsorships from local community organizations interested in supporting the university and receiving name recognition.	\$\$
#105: Career Fair Sponsorship	Institutions increase career fair sponsorship revenues by providing tiered opportunities ranging from \$100 for table space to \$5,000+ for additional and/or customizable booth space, preferred booth location, website and program recognition, and the ability to host career week events with complimentary catering. Nonprofit organizations typically receive discounted rates.	\$
#106: Case Competition Sponsorship	Many university MBA programs solicit \$100,000+ case competition sponsorships, attracting corporations desiring visibility among business students for employee recruitment purposes. Case competitions involving multiple universities command higher sponsorship levels.	\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Branding, Licensing, and Affinity

Tactic	Capsule Description	Revenue Potential
#107: Academic Department Sponsorships	A growing number of academic departments seek corporate sponsorships, adopting the sponsorship pyramid models typical of intercollegiate athletics and offering a range of marketing opportunities at department events, conferences, and meetings, as well as in newsletters or other communication materials. A few institutions allow naming rights for academic programs, such as the \$500,000 generated by the Christa A. Overcash Associate Degree Nursing Program at Central Piedmont Community College.	\$
Diversifying Athletics Revenues		
#108: Professional Team Stadium Home Games	Universities increase ticket sales by holding select home games at professional stadiums with greater capacity, typically located in metropolitan areas geographically proximate to both schools. The University of Toledo recently hosted its game against Ohio State University at the 70,000-seat Cleveland Browns NFL Stadium, a venue with double the seats of the Toledo Glass Bowl. Ohio State received 12,500 tickets, with any additional Ohio State fans and community members required to donate \$100 to the Toledo Rocket Fund to purchase seats.	\$\$
#109: Co-branded Exhibition Games	Universities solicit presenting sponsorships for pre-season exhibition games that are often marketed as charity events in which a portion of sponsorship revenues is donated to a specific charity and fans are asked to donate in lieu of purchasing tickets. Even when structured as philanthropic, rather than revenue-generating events, co-branded exhibition games benefit the institution by enhancing town-gown relations and raising pre-season enthusiasm among fans more likely to purchase tickets and branded merchandise as the season progresses.	\$
#110: Lifetime Premier Stadium Seating	A growing number of institutions are expanding luxury suites and premium stadium seating, with pricing determined by commitment length. Alumni, fans, and local businesses often sign multi-year commitments (i.e., three-, five-, or seven-year leases), with visiting school alumni able to purchase excess seating on a game-by-game basis. Mezzanine-level seats at the University of Maryland's Byrd Stadium cost \$800 to \$2,000 annually or \$10,000 to \$25,000 for a lifetime membership.	\$\$
#111: Sports Memorabilia Auctions	Universities auction athletics memorabilia such as signed jerseys and one-on-one visits with football players and coaches. The University of California, Berkeley, held a 12-day auction of 285 items in May 2001, with the goal of raising \$150,000 for athletics scholarships. Institutions without strong intercollegiate athletics programs seek other opportunities in which they have strong brand recognition, such as selling memorabilia associated with prominent alumni.	\$
#112: Athletics Website Sponsorships	Universities seek sponsorships for athletics-related webpages or website features, such as "player of the week," sweepstakes, trivia, or game recap sections. Website feature sponsors typically receive complimentary or discounted game-day marketing opportunities as well, such as through program listings or digital signage.	\$
#113: Enrollment-Focused Sports Team Launch	A handful of smaller institutions add new athletics teams in niche areas, generating revenue through the enrollment of student athletes who would have otherwise matriculated elsewhere. Wesleyan University plans to add a Division II women's lacrosse team in 2011, estimated to generate \$159,000 in its inaugural year.	\$\$
#114: Development-Focused Sports Team Launch	One small private university received \$1.5 million in alumni pledges to fund the development of a new football team and expects to net an eventual \$500,000 per year.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Branding, Licensing, and Affinity

Tactic	Capsule Description	Revenue Potential
#115: Student Athletic Likeness Rights	Universities benefit when the NCAA sells the likenesses and images of student athletes for video fantasy games, figurines, stock footage clips, rebroadcasts of games, and other products. Different gainsharing formulas may become standard in the future as this controversial practice has led to recent lawsuits from student athletes who have not received compensation for use of their likenesses and images.	\$
#116: Stadium Beer Sales	A growing number of universities offer beer in stadium concessions. Concerns over alcohol abuse are addressed by dispensing beer in clear cups for easy monitoring, training security personnel in conflict prevention, permitting sales only up to halftime or in luxury seating areas, and only selling beers with a certain percentage of alcohol by volume.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Auxiliary Services

Tactic	Capsule Description	Revenue Potential
Premium-Priced Healthy and Convenient Foods		
#117: Organic Food Stations	Institutions tap into student philosophical interest and health-related willingness to pay extra for organic food by adding organic options to campus food courts. Organic eateries further attract student interest by using biodegradable containers and compostable utensils.	\$
#118: Express Fine Dining	Institutions develop upscale sit-down eating concepts on campus, with customers able to order premium-priced entrees at the register that are brought to their tables on non-disposable dinnerware. Express fine dining concepts meet graduate student and faculty interest in having wine and beer on campus in an environment both more subdued than the typical “campus pub” and more conducive to graduate student-faculty community than the faculty center.	\$
#119: Rotating Guest Restaurant Days	One metropolitan university hosts one or two different gourmet food trucks to sell lunch on campus each day, capitalizing on the recent popularity of high-concept fusion and gourmet food trucks that rotate through city neighborhoods. The University of California, Los Angeles publicizes each day’s selected trucks through Facebook and Twitter, with 21 trucks under contract generating approximately \$56,000 in monthly sales. Institutions in areas without existing food trucks can similarly invite local restaurants to campus on a rotating basis, providing students with expanded options without the high cost of adding new facilities and benefiting from revenue-sharing arrangements.	\$
#120: Meal Plan Food Delivery Partnerships	Institutions partner with local restaurants, allowing students to use their campus debit cards or meal plans off-campus or through delivery. In 2003, Duke University’s “Merchants on Points” program was generating \$360,000 per year. Some universities extend partnership programs to other local merchants (e.g., grocers, clothing stores) and sell premium advertising space on university websites or programs that list participating business.	\$
#121: Off-Campus Meal Plan	Institutions sell meal plans to students living off-campus, with the most successful schools structuring plans to ensure optimum convenience by allowing students to purchase or cancel plans at any time, creating carryout options, and allowing students to pay for “blocks” of meals (e.g., 25 or 100 total meals) rather than a weekly amount (e.g., 14 meals per week).	\$
#122: 24/7 Automats	One public university sells 24-hour convenience items through self-service, outdoor units offering products not included in typical vending machines, e.g., milk, six-packs of soda, and toiletries. All Seasons Services, Inc. installed its first U.S. “Shop24” automat at SUNY at Morrisville in 2005 after successfully opening over 160 units in Europe. Automats are especially attractive to institutions in isolated areas or those interested in capturing share from late-night convenience stores, with a medium-sized institution able to generate an estimated \$1,000 in daily sales per unit.	\$
#123: Library Coffee Shops	A growing number of institutions build library cafés to improve dwindling library budgets by attracting new patrons to the facility. Institutions implement policies to protect publications from food and consider the items most likely to sell within a library environment; although many library cafés provide meals, one recent study demonstrated that snacks accounted for nearly 71% of income. In 2006, the Whispers Café within the Washington University library was the top-grossing café in Saint Louis, with approximately 2,800 visitors each day spending an average of \$2.85 each.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Auxiliary Services

Tactic	Capsule Description	Revenue Potential
Shared-Cost Luxury Amenities		
#124: Gaming Center Tournaments	Institutions attract customers to new high-end gaming centers by planning evening or lunchtime tournaments for music, dance, and athletics-related games. Tournament proceedings are synchronously displayed on large flatscreens in high-traffic student union areas or campus eateries to further promote gaming center activities. When not used for tournaments, gaming centers charge per hour for use of PC game stations, Xbox 360s, Play Stations, and Nintendo Wiis. One public metropolitan university estimates \$15,000 in gaming center revenues per year, as well as indirect revenue gains from food and merchandise sold to students spending more time in student unions due to tournament activities.	\$
#125: Personal Training Clubs	Institutions provide personal training services at lower-than-market rates, achieving modest profits while promoting health and wellness for students, faculty, and staff. At one institution, personal training sessions are priced at \$48 for two sessions and \$120 for six sessions. Discounts are also provided for partner and group training sessions.	\$
#126: Town-Gown Transportation Partnerships	A handful of institutions have absorbed select bus transportation lines in their local municipalities, with the college or university now operating those lines deemed necessary for many students and employees to commute to campus. Although margins are small, institutions benefit from having a predictable ridership.	\$
#127: Campus Trunk Shows	A handful of institutions charge high-end retail vendors (typically clothing and shoes) to hold one-day “trunk shows” on campus, attracting vendors lacking the volume for permanent shelf space and willing to sell items at a slight discount. One large metropolitan university plans to charge vendors approximately \$2,000 per trunk show, with an estimated \$25,000 total revenue per year.	\$
#128: Laundry Services	Institutions provide dry cleaning and laundry services, either on a one-time “pay as you go” basis or through pre-paid plans, priced by allotted pounds of laundry over a period of time (e.g., 20 lbs over 12 weeks). 24-hour drop boxes are installed for student convenience, with additional pricing incurred for dorm pickup/delivery and service during holiday breaks and exam periods.	\$
#129: Campus Salons	Institutions open high-end salons, typically emphasizing manicures and pedicures but also offering hair, skin, and makeup services. Tulane University’s outsourced salon is owned by Neill Corp., the largest distributor of Aveda products, providing salon staff with ongoing Aveda training and drawing student customers to the familiar brand.	\$
#130: DVD Rental Kiosks	A growing number of institutions add outsourced DVD rental machines to campus food courts and dorms, competing with local and online retailers based on convenience and lower prices (often \$1 per night). Vendors include Blockbuster Express and Coinstar Redbox.	\$
Future Bookstore		
#131: Textbook Rental Service	Many institutions create or expand textbook rental programs, salvaging revenue potentially lost to online bookstores while satisfying faculty, student organizations, and legislators concerned about rising textbook costs. Since three or four terms of renting the same book is typically necessary before institutions see a profit, institutions require that faculty or departments commit to assigning a text for multiple terms before including it on the rental list.	\$
#132: Online Ordering Kiosks	One private university uses in-store ordering kiosks, partnering with distributors to sell goods online unavailable in the campus bookstore (e.g., additional CDs, books, and software), thereby allowing the bookstore to expand its inventory without assuming associated financial risk or need for additional store space.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Auxiliary Services

Tactic	Capsule Description	Revenue Potential
#133: Small-Batch Custom Publishing	A growing number of institutions are expanding their custom publishing portfolios to include course reader print-on-demand services and self-service machines capable of printing customized books in library-quality paperback form. Although custom publishing is typically geared toward campus customers, some institutions are marketing their services to others in the local community with small-run printing needs.	\$
#134: Exclusive Sales Publishing Partnership	One public university partnered with a publishing house for the exclusive rights to sell discounted, autographed books by a high-profile campus author for a set period of time. University of Michigan's Alumni Association received \$60,750 through sales of a book by football coaching legend Bo Schlembecher and generated further profits by selling tickets to a press conference and exclusive lunch with the author.	\$
#135: Community Interest Bookstore	Universities open specialized bookstores in the community, competing based on strength in a niche market. Howard University opened The HUB, an off-campus bookstore specializing in African-American literature in 1999.	\$
Favorable Vendor Rates		
#136: Exclusive Vending Rights	Institutions sign exclusive deals with soft drink corporations, athletics-gear manufacturers, and other similar food and beverage or retail companies. In addition to providing higher commissions on potentially multimillion dollar contracts in exchange for exclusivity, companies provide marketing money to the institution, with the hope of cultivating brand loyalty among the college-aged demographic.	\$\$\$
#137: Small-School Exclusive Rights Consortia	Clusters of geographically proximate schools too small to negotiate exclusive vendor distribution rights partner with each other, other local nonprofits, or large local entities (like arenas or amusement parks) to aggregate purchase power and secure more favorable revenue-sharing terms from food and beverage companies.	\$\$
#138: Prompt Payment Rebates	Many institutions negotiate with vendors to receive a 10% rebate if the university pays its invoice within 10 days. Although vendors may protest this "double tax" if also paying p-card/ghost card transaction fees, universities with an average of \$200 million operating spend can see \$500,000 to \$800,000 in annual rebate revenues.	\$\$
#139: Payment-in-Kind Advertising	One institution with a small student body and limited marketing budget negotiates exclusive vending rights on campus to a beverage company in exchange for free placement of school advertisement signage on company delivery trucks. Technically not a revenue generator, but a method for smaller schools to "purchase" a commercial good without using university funds.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Student Fees

Tactic	Capsule Description	Revenue Potential
Convenience Fees		
#140: Credit Card Convenience Fee	A growing number of institutions charge a fee (typically 2.75%) for students paying tuition and other bills via credit card. Due to state laws and/or credit card contract stipulations that restrict merchants from differentiating pricing based on payment methods, universities must use third-party vendors to process payments. An estimated 40% of institutions have implemented credit card convenience fees, many in the last few years, combating student resistance by emphasizing the \$1 million to \$1.5 million anticipated return to academic programs and student aid.	\$\$\$
#141: Tuition Installment Plan Service Fee	Institutions charge a small service fee of between \$15 to \$30 to students who pay tuition through an installment plan.	\$
#142: Early Move-In Fee	Some institutions charge students \$50 to \$200 per night for early arrival to residence halls.	\$
#143: Early Registration Fee	One private institution charges incoming freshmen a one-time \$100 early registration fee to meet individually with an advisor and register for classes before the traditional enrollment period begins.	\$
#144: Lifetime Transcript Fee	One institution charges a one-time, lifetime unlimited-access transcript fee of \$20.	\$
#145: Lifetime Alumni Fee	One institution requires all incoming students pay a mandatory student lifetime alumni fee, which provides students access to alumni association services before and after they graduate and ensures a reliable funding stream for the alumni association.	\$
#146: Landline Fee	One institution saves \$80,000 by eliminating free landlines in residence halls, instead charging a fee for students wishing to keep landline service.	\$
#147: Latin Diploma Fee	One institution charges \$22 for students wishing to receive their degree in Latin.	\$
#148: Peak-Hour Course Fee	A handful of institutions are considering charging additional fees to students taking courses at peak times, thereby maximizing space utilization by incentivizing students to enroll in courses at off-peak times (e.g., 8:00 am, Friday afternoon).	\$
#149: One-Click Registration and Text Purchase Fee	A handful of institutions are considering charging a small fee (approximately \$5) to trigger automatic textbook purchase for all classes once students have finalized registration lists. The fee itself is minimal and mainly used to offset technology implementation costs, with one-click registration and textbook purchase systems primarily intended to preserve university bookstore share by facilitating timely purchase decisions before students can comparison-shop with external vendors. Additional pricing may be added for dorm delivery or bundled lecture notes.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Student Fees

Tactic	Capsule Description	Revenue Potential
Sharing Costs of Inefficient Scheduling		
#150: Course Drop Fee	Institutions charge late drop fee (approximately \$10 to \$30) for courses dropped after a specific deadline, typically the second week of classes.	\$
#151: Late Registration Fee	Institutions charge students for late course registration, with the amount often dependent on how much time has elapsed since the deadline (around \$25 to \$150).	\$
#152: Retroactive Course Add Fee	Institutions charge students for enrolling in a course after a term has ended (around \$40).	\$
Differential Instructional Cost		
#153: Distance Learning Fee	A growing number of institutions charge an additional fee to students enrolled in technology-enhanced courses to cover distance learning course development and technological costs. Fees typically range from \$30 to \$300 per credit hour depending on course level and discipline.	\$\$
#154: Lab-Intensive Major Fee	Institutions charge higher tuition to select undergraduate majors, typically STEM disciplines, which both incur high instructional costs due to laboratory expenses and faculty salaries and yield students higher-paid jobs after graduation. About half of public research universities have at least one undergraduate major that incurs extra charges, with the average national differential at about 11% (14% for business and engineering). Even at institutions without differential pricing, undergraduates in lab-intensive majors frequently pay extra course materials fees, ranging from \$10 to \$120, to fund tools and equipment.	\$\$\$\$
#155: International Student Fee	Institution charges a fee (up to \$100 per term) to international students for special orientation, advising, and visa processing services.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Campus Operations

Tactic	Capsule Description	Revenue Potential
Campus Health Center		
#156: Student Insurance Carrier Billing	A growing number of universities bill students' pre-existing private insurance carriers for student health center services, typically contracting with as many insurance providers as necessary to cover 75% to 95% of the student population. Through third-party billing, student health centers can become entirely self-sufficient, covering all of their own costs, including staff salaries and benefits, renovations, and small-scale capital projects. Students without insurance are not required to pay, with service costs absorbed into the center's overall expense budget or paid through discount plans or special funds for under- or uninsured students needing otherwise unaffordable care. This practice is most attractive to mid- and large-sized public universities with the demographics and population size necessary for generating enough revenue to justify the up-front investment of time and resources.	\$\$\$
#157: Outsourced Third-Party Billing	A growing number of institutions outsource implementation and operations of student health center third-party billing systems to third-party vendors. Although outsourcing requires institutions to relinquish a significant portion of revenues, benefits include realizing profits more quickly by reducing implementation time (typically one year with a vendor versus two years without) and bypassing the time and resources needed to train personnel in billing and coding procedures and to negotiate contracts with insurance carriers. As a side benefit, the vendor Highland Campus Health Group funds two scholarships at one of its client universities and supports the institution's fund for underinsured or uninsured students.	\$\$\$
#158: University Employee Clinics	A small number of institutions moving to third-party billing for student health centers simultaneously extend services to faculty and staff. Universities with expanded employee clinics report faculty and staff account for 5% to 10% of total revenues, and, as a side benefit, found the new service increased campus health center credibility as faculty and staff report their positive experiences to students and peers.	\$\$
#159: University-Owned Lab Services	Institutions with third-party billing systems negotiate with private insurance carriers to ensure that in-house laboratories can be reimbursed for common tests, provided that health center laboratories are CLIA (Clinical Laboratory Improvement Amendments) certified and meet any additional local and state regulations. For more elaborate tests, however, universities still typically outsource to corporate laboratories such as Quest or LabCorp.	\$
#160: Health and Wellness Center Fee	Many institutions charge students approximately \$50 to \$100 each term to fund clinic expenses, including staffing, testing services, and public health education efforts. A separate fee can also be charged for health center facilities.	\$\$
Selling Administrative Services		
#161: IT Hosting	Institutions provide enterprise systems licensing, implementation, and support to smaller schools, typically those unable to afford expensive solutions independently. Pricing is typically determined through an analysis of FTE requirements and service/application costs and is paid via a monthly subscription fee on a multi-year table. Approximately 28% of Drexel University's IT budget stems from Enterprise Resource Planning (ERP) and other services provided to several geographically dispersed liberal arts colleges, with 79% of Drexel's 80-person central IT staff having all or some of their salary paid by income from external customers.	\$\$
#162: Bandwidth Leasing	One private research university leases excess Educational Broadband Services (EBS) bandwidth, under a Federal Communications Commission stipulation that allows schools and universities to lease up to 95% of their licensed bandwidth to other organizations.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Campus Operations

Tactic	Capsule Description	Revenue Potential
#163: Temporary Agencies	One private metropolitan university with excess capacity in its internal temporary staffing services provides support to local nonprofit organizations for a fee. Although profits from the program are minimal, the institution benefits from improved relationships with local employers and recognition as the preferred agency among local temporary employees needing a steady stream of employment opportunities.	\$
#164: Library Services	Institutions provide customized library services to other institutions. The Johns Hopkins University generates \$1 million per year by maintaining a virtual library and assisting students via telephone and the Web for Excelsior College, a distance-learning institution in Albany, New York. Excelsior pays its own licenses and subscriptions (separate from JHU contracts) in order to avoid legal problems, but JHU helps with the purchasing process.	\$\$
#165: Child Care Centers	Institutions operate child care centers that not only serve the campus community but also potentially serve external customers at a higher price point. Schools with specialized programs in child development theory further benefit from the opportunity to provide students with a unique on-site research and training opportunity. Due to liability, quality, and accreditation concerns, centers typically have a higher adult-to-child ratio and lower prices than their private sector counterparts, making large profit unlikely.	\$
#166: Research Equipment User Fees	Many universities allow external researchers (from industry or other colleges) to access university-owned, shared research equipment in exchange for user fees. Industry researchers in particular are charged higher rates, such as the internal rate plus 50%. Institutions risk inconveniencing faculty if external use interferes with faculty needs, requiring that universities carefully consider market demands, pricing strategies, and prioritization policies.	\$
#167: Domain Space Rentals	One online college rents blog space on its .edu domain for \$50 a month. The premise is that bloggers interested in appearing college-affiliated will pay for the .edu address. Blogs must contain original content aimed to teach and educate readers.	\$
Surplus Goods Disposal		
#168: Centralized Surplus Good Sales	A growing number of institutions centralize the sale of surplus goods (such as old computers, furniture, and lab equipment) to the public, often through warehouses open at set times per week. Internal campus customers typically attend advance sale days to purchase items for departmental (not personal) use, with later sale dates for the general public, attracting both personal shoppers and resellers. One large public university's surplus program generates \$1.5 million in revenue annually, with over 25% of profit distributed back to university departments and the remainder funding overhead and program improvement.	\$\$
#169: Online Surplus Goods Auctions	Institutions sell surplus goods through online auction sites (either in-house or publicly available) to expand reach beyond on-campus surplus goods warehouses, a model that works particularly well for more unique or expensive items. To generate demand and draw new customers to auction websites, institutions solicit donations and market occasional "themed" auction weeks, focusing on particular product types (e.g., computers, cameras) or featuring athletics or other local celebrity memorabilia.	\$
#170: Donated Item Garage Sales	One college estimates generating up to \$25,000 through a garage sale featuring donated items (from art to autos) from the campus community. Institutions also rent garage sale space to interested vendors for a fee ranging from \$30 to \$75 and also sell concessions at the event.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Campus Operations

Tactic	Capsule Description	Revenue Potential
Sustainable Energy Purchase Power Agreements		
#171: Rooftop Solar Panels	A growing number of institutions in sunny locales are selling access rights to private-sector energy firms to deploy solar panels on rooftops of campus buildings. Energy companies typically fund capital and conversion expenses, sign 25-year leases to provide below-market electricity, and share in proceeds from potential surplus energy sales. Universities are securing favorable lease terms due to the positive public relations opportunity and chance for large-scale proof-of-concept demonstration for energy companies.	\$\$
#172: Parking Lot Solar Trees	University parking lots are proving a desirable location for power-purchase agreements featuring so-called “solar trees,” or state of the art solar panels that maximize energy capture by adjusting angles across the day following the sun’s path.	\$\$
#173: Wind Farm Contracts	A handful of universities sign long-term leases with energy companies to fund deployment and maintenance of windmills on campus-owned land. The near-term goal for institutions is to generate clean energy for institutional consumption, with the long-term ambition of generating surplus kilowatts for revenue-generating resell to utilities.	\$\$
#174: Regional Biomass Waste Sourcing	One university in a rural, agricultural location signs agreements with area timber and food companies to purchase biomass byproducts (especially wood chips) for use in a biomass gasification plant operated by the institution’s forestry department to power campus heating and cooling systems. The institution estimates annual savings of \$840,000, funding a 12-year payback period for the biomass plant and leading to potential revenue-generating options from smart grid sellbacks and the sale of biomass ash to fertilizer companies.	\$\$
#175: Landfill Methane Pipeline Partnerships	One public university partners with a private-sector waste company to design a cogeneration plant running on methane gas piped from the local landfill as a “free” energy alternative to commercial natural gas. Start-up costs are funded by advance sale of Renewable Energy Credits and donations from corporate partners, with plans to resell excess energy in out-years as methane pipeline volumes increase.	\$\$
#176: Geothermal Heat Pumps	Not to be confused with geothermal wells, geothermal heat pumps are arrays of vertical holes drilled into campus grounds that allow extraction of stored heat in winter and removal of heat to cool buildings in summer. A handful of campuses are attempting large-scale efforts, hoping to replace fully depreciated boiler systems and justify the very high start-up costs (\$60 million+) with estimates of \$2 million annual savings.	\$\$
#177: Local Cogeneration Partnerships	A handful of universities are deriving revenue streams by selling excess electricity and heat from owned cogeneration facilities to nearby hospitals and office buildings. The concept is especially attractive when partnering with other nonprofits.	\$\$
#178: Renewable Energy Credit Hedges	Also known as Green Tags, Renewable Energy Credits (RECs) are tradeable certificates representing proof that 1 megawatt-hour of electricity was generated from an eligible renewable energy source. In the 29 U.S. states with active REC programs, universities with green energy generation capabilities feed electricity into the power grid, with certifying agencies assigning a unique REC identification number that can be sold on the open market to utilities companies that are required by statute to supply a certain percentage of power from green sources or on voluntary markets where households or companies purchase green energy offsets. A list of all REC states can be accessed from the Database of State Incentives for Renewables & Efficiency; spot market prices for RECs (which range considerably) and REC brokers can be found on The Green Power Network website of the U.S. Department of Energy.	\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Facilities and Real Estate

Tactic	Capsule Description	Revenue Potential
Events Rentals		
#179: Centralized Facilities Availability Database	Institutions create a centralized database and contact line for all on-campus meeting and event facility reservations, allowing customers to easily view availability and combine rentals for space owned by separate and previously uncoordinated units (i.e., student union, residence halls, event center, and classrooms). Although spaces are still owned by different units on campus, outside customers receive the impression of centralization needed to appeal to corporate clients expecting high level of service and quick reservation turnaround. Sophisticated institutions also create one point of contact and system for purchasing all potential conference-related services, including catering, A/V, recreation services, and arts and entertainment.	\$\$\$
#180: Outsourced Facilities Marketing	Institutions outsource the marketing of conference facilities to a firm that promotes college facilities to conference planners. The firm Unique Venues attends conference planner trade shows and distributes a 400-page catalog to 25,000 meeting planners annually, with colleges and universities accounting for 60% of the catalog. Since using Unique Venues, Colorado College has seen a revenue increase from \$250,000 to \$1.5 million in a decade.	\$\$\$
#181: Local Hotel and Conference Space Partnerships	One commuter institution lacking residential space partners with nearby hotels to create joint conference space, with the university providing event and meeting rooms and the hotel providing lodging. Similarly, universities with residential space partner to provide housing and meals for attendees of conferences located at city or hotel conference centers without sufficient lodging capacity.	\$\$
#182: SMART Classroom Rental	Universities rent SMART classrooms to corporations interested in hosting training sessions or other events in facilities with interactive presentation equipment such as integrated podiums (e.g., Sympodiums) and document cameras.	\$
#183: Farmers Markets	Institutions generate recurring profits from parking lots or other open campus space by holding weekly farmer's markets, tapping into campus demand for locally grown produce while supporting local farmers.	\$\$
#184: Flea Markets	Institutions sponsor flea markets at regular intervals, monetizing parking lots or other open spaces during weekends while providing opportunities to local vendors and promoting town-gown relations. The monthly flea market at De Anza College attracts approximately 15,000 to 20,000 shoppers each month to 825 vendor stalls, generating \$300,000 annually.	\$\$
#185: Outdoor Movies	A handful of institutions hold drive-in movie nights on campus parking lots, charging for tickets as well as food and beverage sales. Universities may increase revenue by marketing special events, such as classic film nights, to alumni and community members, which is also beneficial for improving town-gown relations.	\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Facilities and Real Estate

Tactic	Capsule Description	Revenue Potential
Development Joint Ventures		
#186: City-Funded Satellite Campus Development	One public university proposed that a nearby city government fund construction of a new satellite campus, with the university paying for operations and maintenance. This practice may, however, be difficult to implement as the locations in greatest need of satellite campuses are often the most economically depressed.	\$\$\$\$
#187: Student Residence Build-Leasebacks	Deterred by the Great Recession's credit crunch, far fewer institutions are pursuing student residence purchase-leasebacks, a variation of public-private real estate partnerships where an external developer buys or contributes capital funding for the construction or refurbishment of student residences, with the institution signing a long-term lease and property management agreement. Less a revenue-enhancement strategy than an attempt to spread the risk and eight-figure up-front costs of residence expansion or upgrades, sale-leasebacks are notionally attractive to capital-constrained institutions desiring enrollment expansion or seeking to circumvent long-term maintenance expenses.	\$\$\$\$
#188: Faculty Housing Co-Development Projects	A growing number of universities are pursuing partnerships with developers to construct faculty housing, seeing third-parties as necessary for these complex projects (which often include single family homes, apartment complexes, and mixed use space) for which the university likely lacks development expertise. Although actual revenue gains are dependent upon the amount of subsidization offered to residents, faculty housing development does assist with community revitalization efforts seen as necessary for faculty and student recruitment and retention.	\$\$
#189: Corporate Research Facility Joint Ventures	A growing number of institutions see pharmaceutical and other research companies as attractive development partners, not only for capital investment potential but also for student internship and faculty research partnership opportunities. Emmanuel College in Boston received \$50 million for a 75-year ground lease of an acre of land to Merck to build a 12-story, 300,000-square-foot research facility.	\$\$\$\$
Long-Term Leasing		
#190: Exterior Cellular Antenna Stealthing	Many institutions previously reluctant to maximize cell site leasing due to aesthetic concerns are now willing to expand coverage due to "stealthing," a practice by which carriers finance construction and maintenance of foam structures that hide cell antennas by blending in with building architecture or campus environs (such as by mimicking bricks or trees).	\$\$
#191: Interior Cellular Distributed Antennas	A growing number of institutions are implementing distributed antenna systems (DAS) above ceiling tiles to improve in-building reception. Institutions typically contract with vendors who determine gaps in interior coverage and solicit carriers to house signals together in a single DAS. Revenues are estimated to be equal to or higher than those generated from campus exterior cellular sites (approximately \$1,500 to \$3,000 per site, per month, depending on location).	\$\$\$
#192: Tutoring and Test Preparation Leasing	One private college pays \$36,000 to operate a franchise of a freestanding learning center, with the college receiving a portion of student fees and the company paying rent and fees for human resources and computer support services. Institutions may look to learning centers as a potential revenue opportunity given enough potential business from the campus and local community. As a side benefit, college employees may receive discounts for services for their children.	\$\$

Source: Business Affairs Forum interviews and analysis.

Compendium of Alternative Revenue Tactics

Facilities and Real Estate

Tactic	Capsule Description	Revenue Potential
#193: For-Profit Educator Leasing	One private university leases space and equipment to a for-profit provider of health certificate programs (e.g., nursing, surgery preparation, and pharmacology) in exchange for a percentage of the profits. Faculty receive overload teaching opportunities and certificate programs contribute to the university's outreach goals, with the provider and university partnering to help certificate students apply to associate's and eventually bachelor's degree programs.	\$\$
#194: Corporate Research Facility Leasing	Many institutions lease facilities to corporate research entities, thereby meeting a common planning objective that the commercial and academic components of mixed-use space complement one another (such as a pharmaceutical company rather than a financial institute leasing space in a medical building).	\$\$
#195: Private Sector Office Space	One institution develops new office buildings on campus, two-thirds of which will be rented to the private sector. The university expects to generate a few million dollars in profit over a 12- to 15-year period while paying back the initial capital expenditures; after that, the buildings are expected to generate \$40 million to \$50 million per year.	\$\$\$
#196: Off-Peak Parking Lot Rental	Institutions partner to provide long-term evening and weekend parking for companies with night shifts, nearby churches, and apartment buildings undergoing parking lot renovation or that are over-capacity.	\$\$
#197: Retail Ground Leasing	Many institutions lease retail space to merchants and restaurants, typically finding retail leasing to be most profitable when offerings serve both the campus and surrounding community. Facilities on the borders of the institution—often facing outward to the community rather than inward to the campus—are most attractive, as well as mixed-use spaces in surrounding areas, especially those including student and faculty housing structures.	\$\$
Asset Acquisition and Disposal		
#198: Real Estate Gift Specialists	Institutions previously reliant on the development office to solicit gift properties from the standard donor pool are now leveraging real estate specialists to actively solicit real estate gifts, attending retirement seminars and homeowners' association meetings, advertising on email lists, and offering commissions to real-estate brokers who bring property to the university. Specialists also provide expertise in whether gift properties are actually attractive assets, an all-too-often neglected activity that requires evaluating ease of sale, potential liability issues, and future maintenance costs.	\$\$\$
#199: Charitable Remainder Trust Specialists	A growing number of institutions attract real estate gifts by setting up charitable remainder trusts, which allow owners to continue living in their donated homes while the university pays an annual stipend (either a fixed amount or a percentage of the trust's value) to inherit the property when the donors pass away. Owners receive less than they would have from selling the property, but they avoid capital-gains and estate taxes and gain an income-tax deduction.	\$\$\$
#200: Under-Utilized Real Estate Audits	Many institutions evaluate their real estate portfolios to identify properties for which the potential market value is greater than the value to the campus. One public university in a metropolitan area estimates a potential \$20 million to \$30 million can be generated from the sale of four underutilized properties. Likely candidates include properties, often donated to the institution, that are unsuited for instructional, research, or mixed-use space (such as private residences, gardens, or properties in remote locations).	\$\$\$

Source: Business Affairs Forum interviews and analysis.

