Conference on Management and Executive Development Benchmarking Survey

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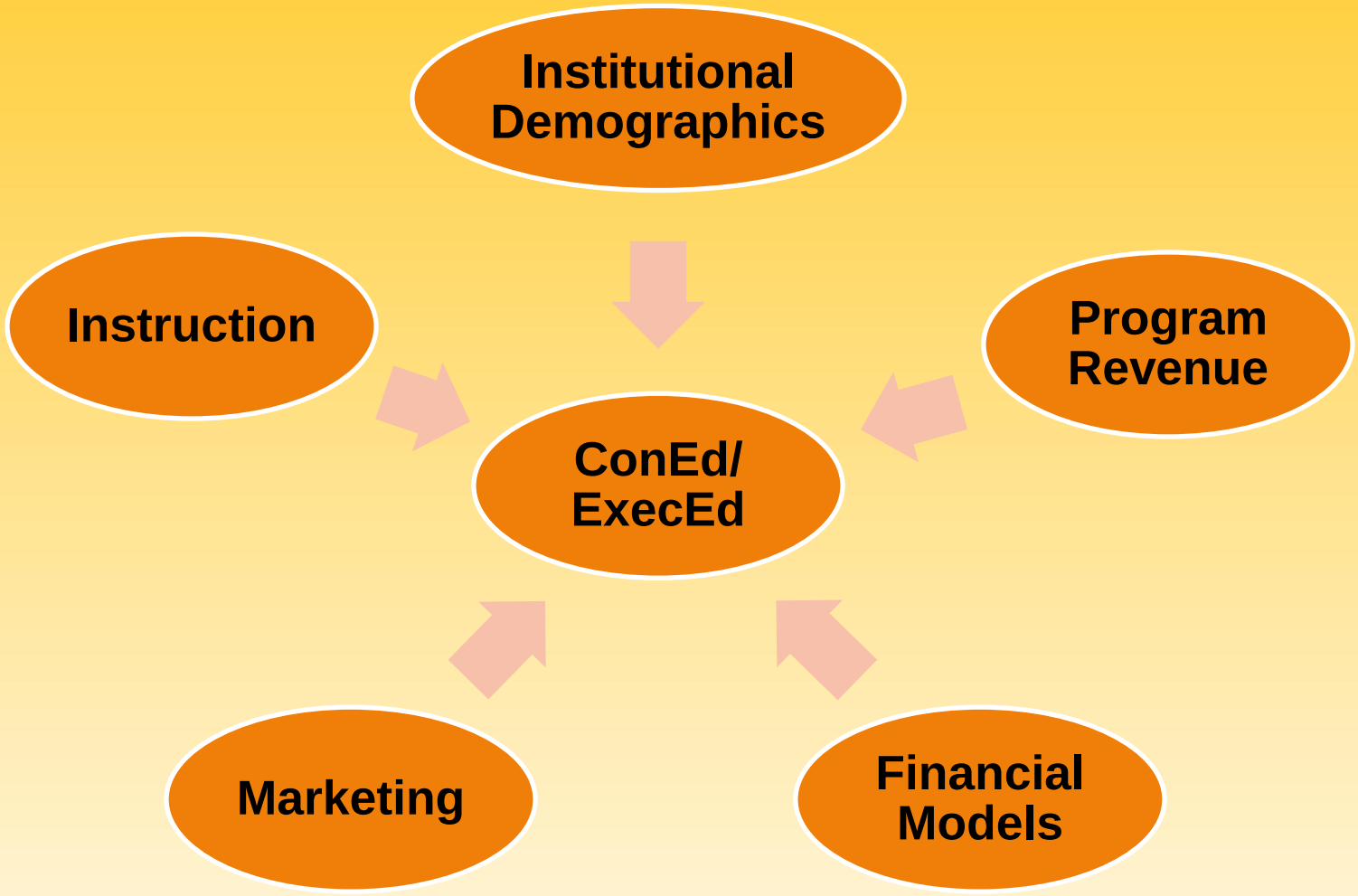
Scottsdale, AZ

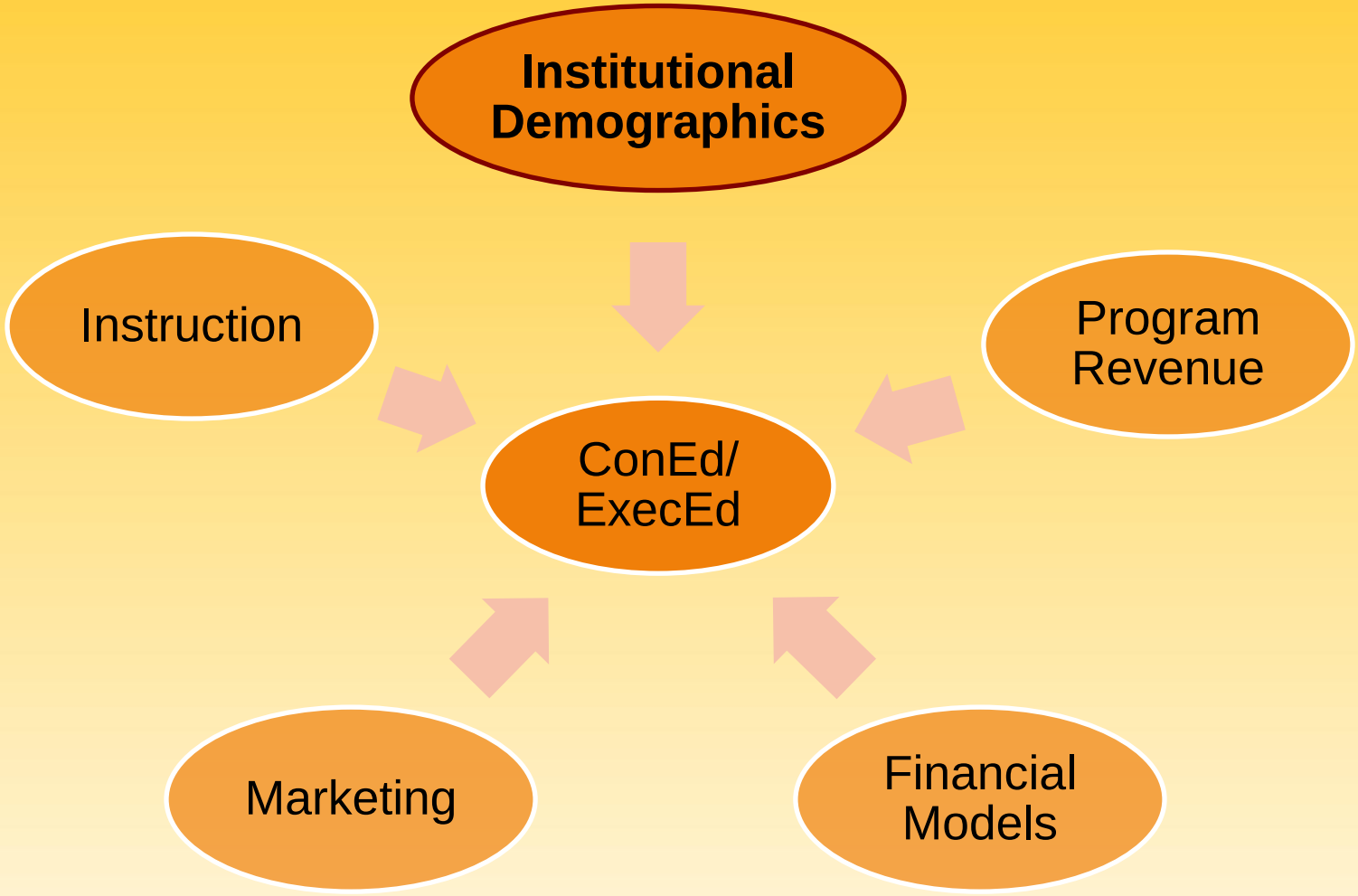
Survey Purpose

- Identify standard benchmarks within university-based professional development groups

Methodology and Responses

- Limited to four-year degree granting institutions offering professional development programming
- Survey sent to 1021 individuals from 489 unique institutions
- Launched 8/12/11 with two reminders; closed 9/7/11
- 85 useable responses from 69 unique institutions
- Greater than 90% confidence level +/- 10%


Institutional Demographics
Instruction
Program Revenue
ConEd/ ExecEd
Marketing
Financial Models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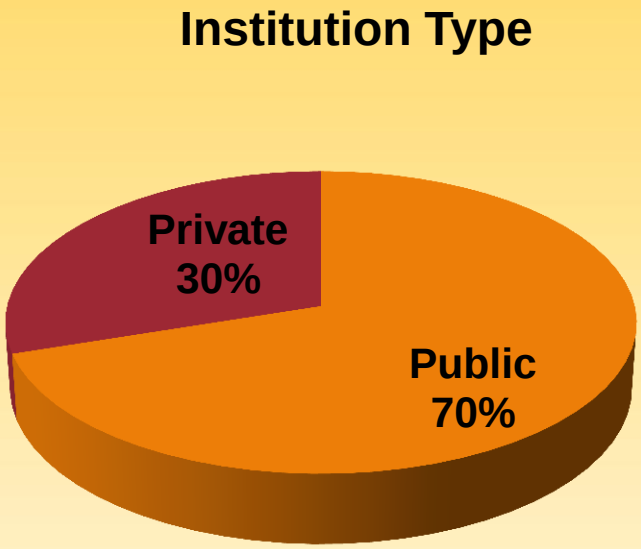
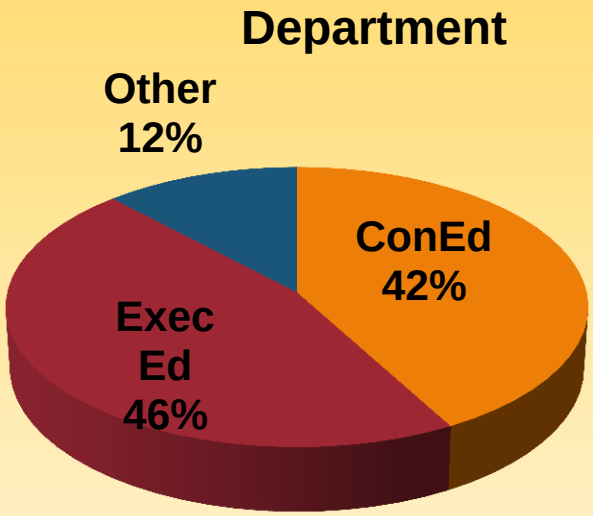
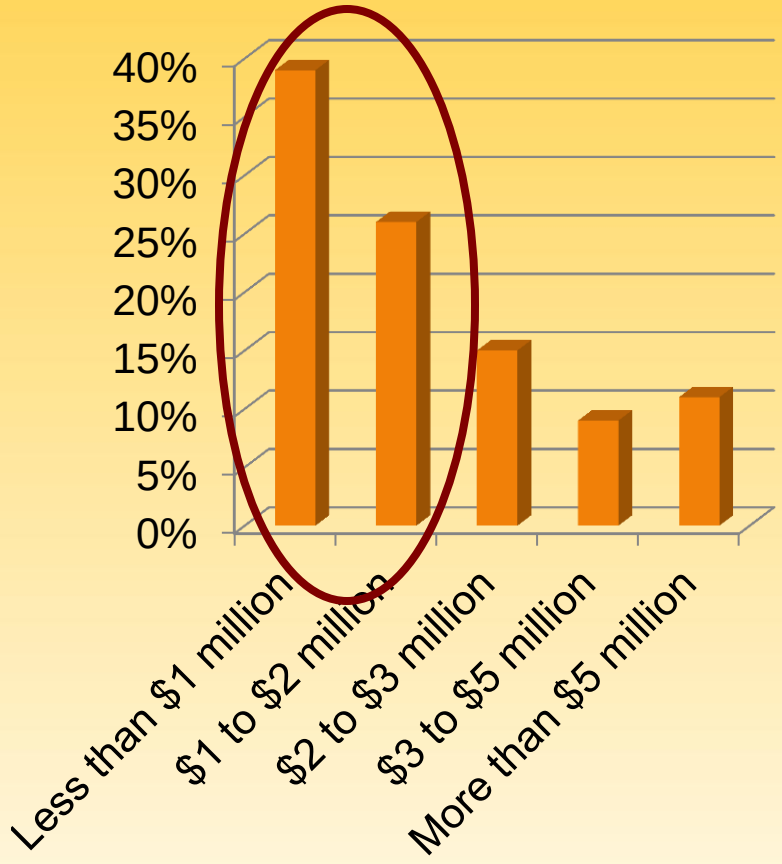
What type of institution and department do you represent?





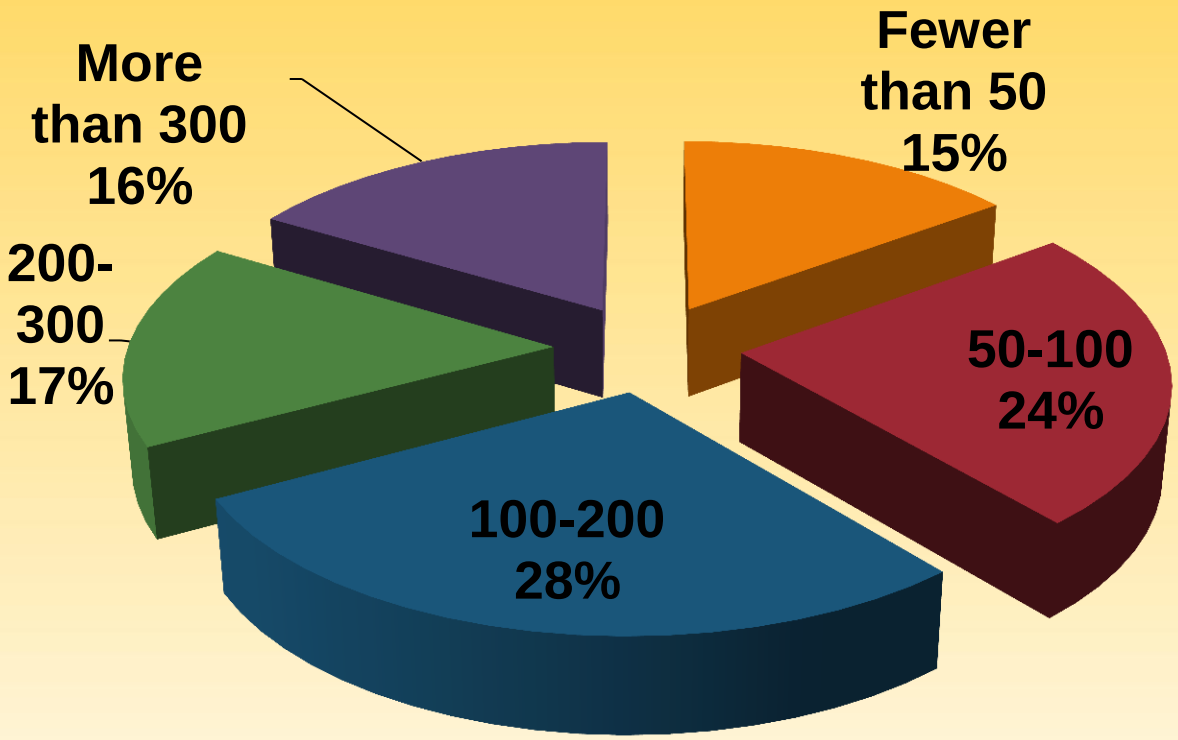
Annual Revenue



- **Two-thirds (66%) less than $2 million**
- Direct correlation of **2.5 FTEs per million revenue**

What is your staff to revenue ratio?

Total Annual Training Days



Various Titles of Respondents

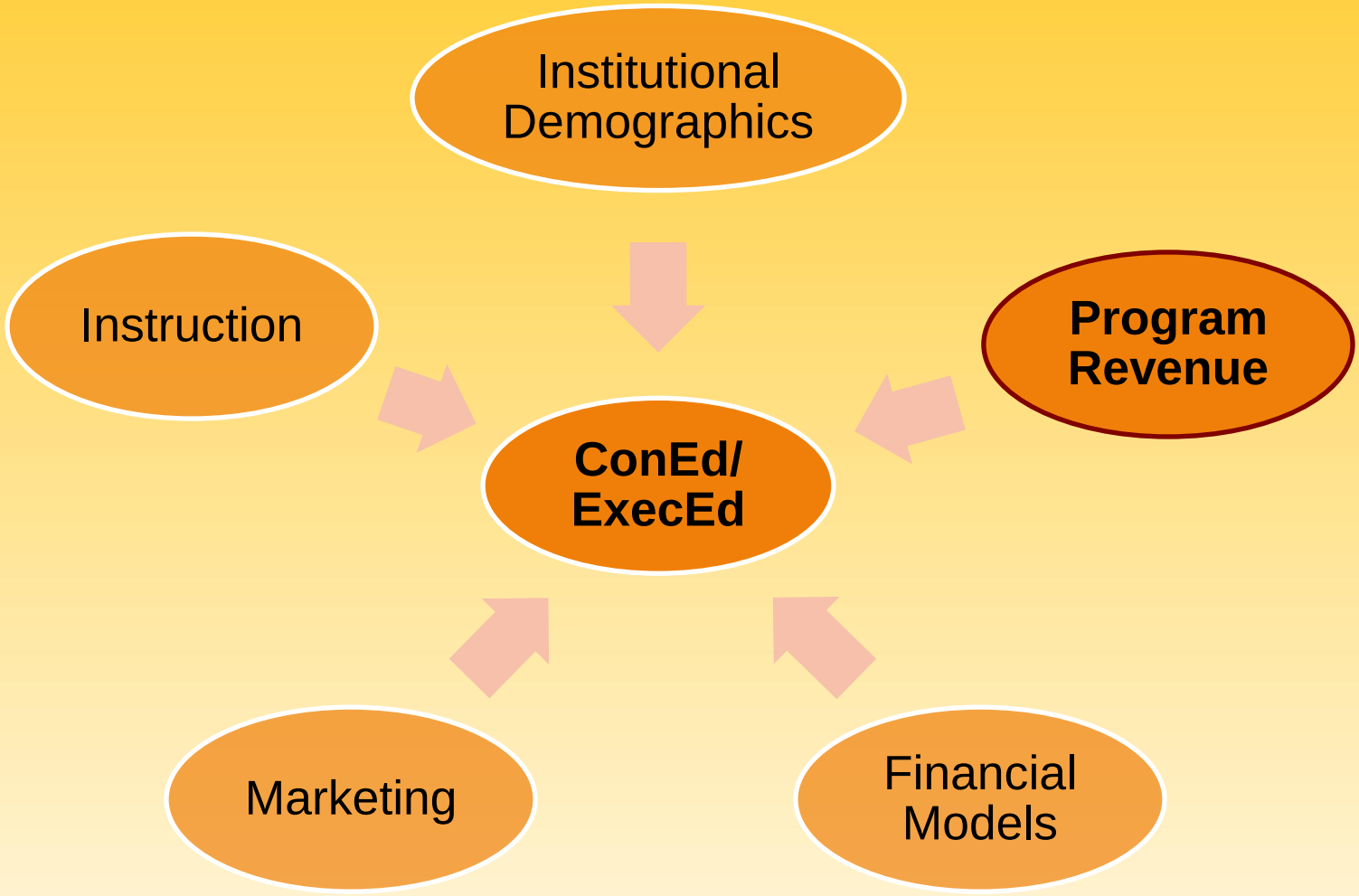
- Executive Director
- Progra
- Assoc
- Assis
- Progr
- Direct
  Devel
- Director
- Regional Manager
- Operations Manager
- Assistant Director
- nager
- n
- ance
- rporate
  Training
- Program Coordinator

Most Frequent

Director or executive director: 44

Associate or assistant director: 13

Manager: 10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Public Program Revenue

	Annual Revenue				
% Revenue	**<$1M**	**$1-2M**	**$2-3M**	**$3-5M**	**>$5M**
0-10%	12.0%	10.0%	20.0%	0%	22.2%
10-25%	24.0%	5.0%	0%	0%	22.2%
25-50%	**32.0%**	**45.0%**	**30.0%**	28.6%	11.1%
50-75%	16.0%	20.0%	**30.0%**	**30.0%**	**33.3%**
75-90%	12.0%	20.0%	20.0%	28.6%	11.1%
90-100%	4.0%	0%	0%	14.3%	0%

Custom Program Revenue

	Annual Revenue				
% Revenue	**<$1M**	**$1-2M**	**$2-3M**	**$3-5M**	**>$5M**
0-10%	23.3%	9.5%	25.0%	**57.1%**	11.1%
10-25%	16.7%	19.0%	**41.7%**	42.9%	**33.3%**
25-50%	**26.7%**	**33.3%**	25.0%	0%	**33.3%**
50-75%	13.3%	19.0%	8.3%	0%	11.1%
75-90%	13.3%	4.8%	0%	0%	0%
90-100%	6.7%	14.3%	0%	0%	11.1%

Other program revenue

- Several respondents noted a significant (over 25%) source of revenue from other program types
  - 2% from conferences
  - 7% from personal enrichment
  - 10% from international

Most profitable programs

71% of the most profitable programs are in these content areas:

1. Supervision, Management and Leadership (28%)
2. Project Management (18%)
3. Business Skills (13%)
4. Human Resource Management (8%)
5. Business Process Improvement (7%)

Successful new initiatives

- Increase reach online & internationally
- Niche-based programs
- Developing long-term client relationships
- Quality and depth of proposals
- More thorough needs assessments
- Responsive to client and market needs

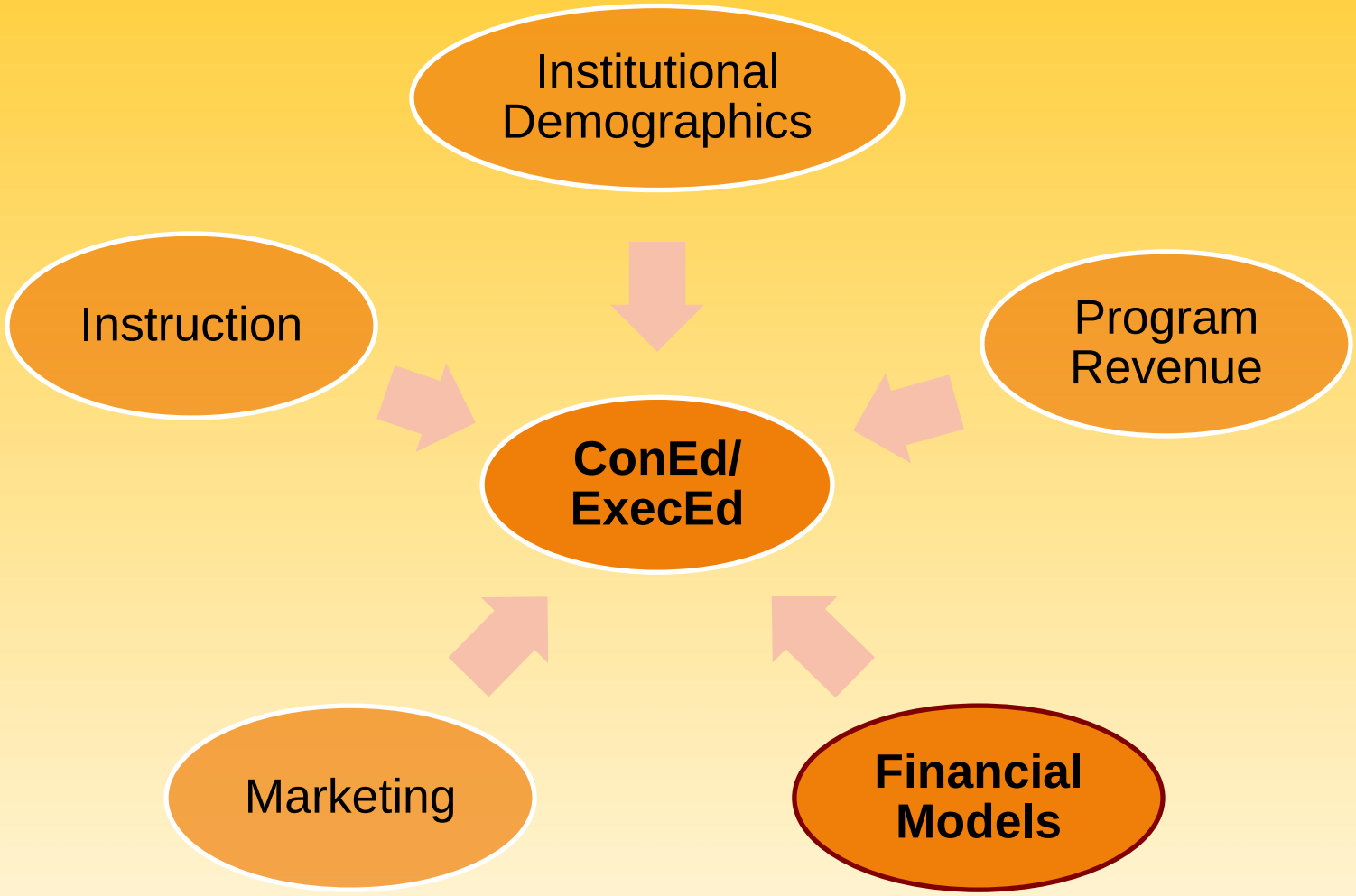
Top Industries Served

Industry	NAICS Code
1. Manufacturing	31-33
2. Health Care and Social Assistance (includes nonprofits)	62
3. Public Administration (all levels of government)	92
4. Utilities (includes energy, oil, and gas)	22
5. Finance and Insurance (includes banking)	52

Industry Opportunity:

Professional, Scientific, and Technical Services (54)

Learn more at: http://www.ntis.gov/about/index.aspx
http://www.census.gov/eos/www/naics/index.html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Various Models

Must cover all direct and indirect expenses PLUS tax to university	71.4%
Must cover all direct and indirect expenses	12.9%
Must cover all direct expenses	10.0%
Cover most expenses	0%
Not required to cover any expenses	0%
Other	5.7%

How is your model determined?

Open - No formula

- Still under negotiations / working on a long term model
- Just cover salaries and expenses as required
- No contribution amount required (thus far) but contribute $15-100k per annum

% Based formula - predetermined

- Set yearly budget goal (all expenses, overhead and contribution)
- A percentage of **gross revenue** (5.5%, 10%, 15%, 20%, 35%)
- A percentage of **expenses** (10%) or **space used**
- Minimum contribution of 5% **Net Margin** (increased to 9% this year)

Specific dollar amount predetermined

- Earn money to pay for faculty research set annually by Dean
- Set by State law
- $70,000

Other arrangements

- Net contribution margin goes back to College / Faculty / School
- Use historical and projected data (budget include direct, indirect, overhead and required profit by University)
- University charges a % tax, and the Faculty / School keeps all profit
- Amount depends on our ability to pay

Recent Changes to Model

Expectations

- No change
- No longer “mission critical”
- Department downsized from 6 to 2 FTE
- Mandatory Annual Breakeven or Profit

Accountability

- Increased: now held accountable to cover our costs (new tracking and control systems)
- University wants more: increasing % of gross revenue tax
- Grown from being subsidized to contributing back to Faculty

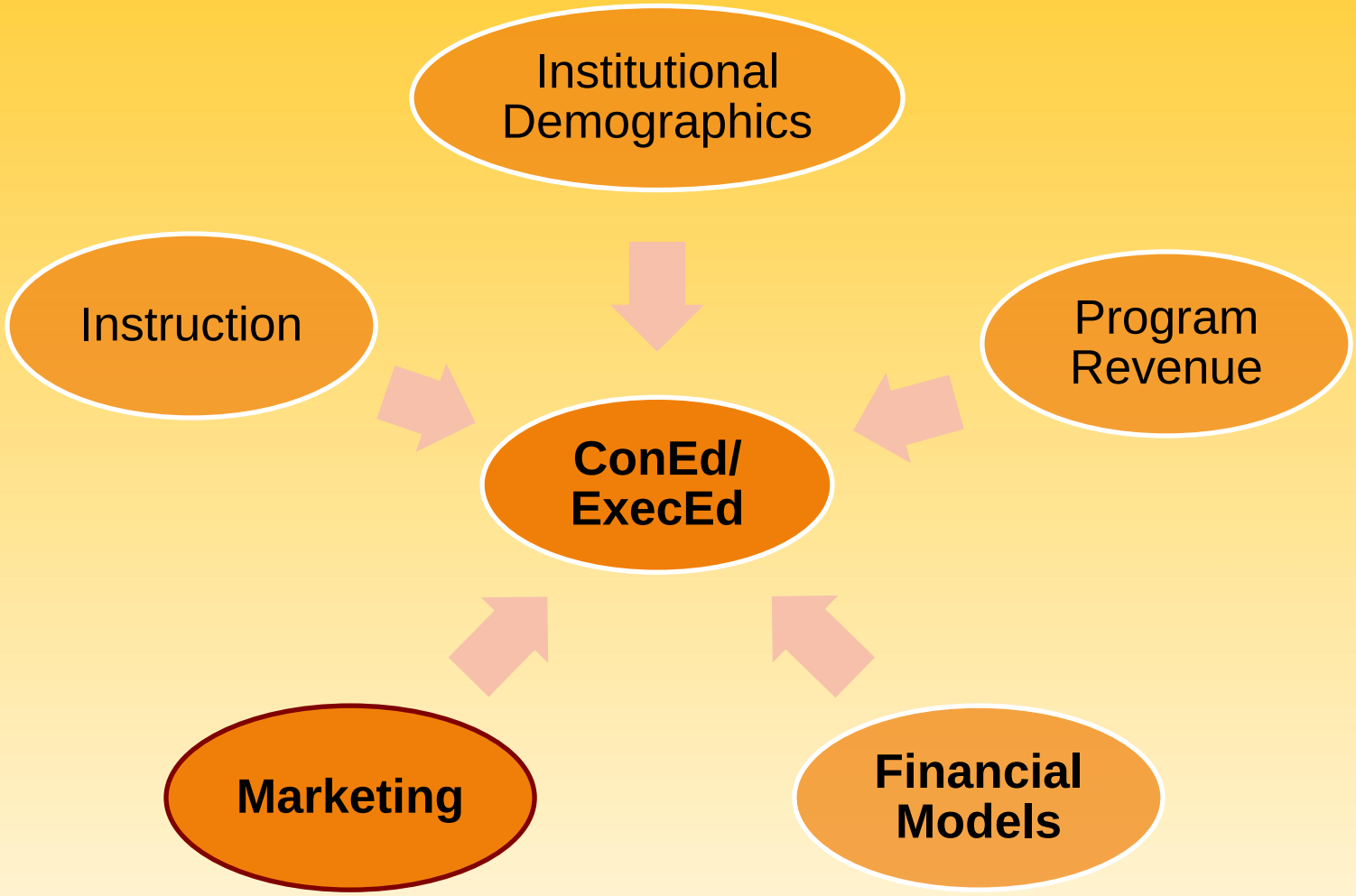
Costs

- No more subsidies from University / Faculty
- Higher costs assigned to unit
- Higher rents for space (above market rates)

Registration System

- Wide variety – 28 different systems
- No dominant provider
- 28% home-grown/ proprietary systems

Popular Systems	% using
Proprietary	28%
Banner	9%
PeopleSoft	8%
Datatel	7%
RegOnline	5%
Excel or other MS	5%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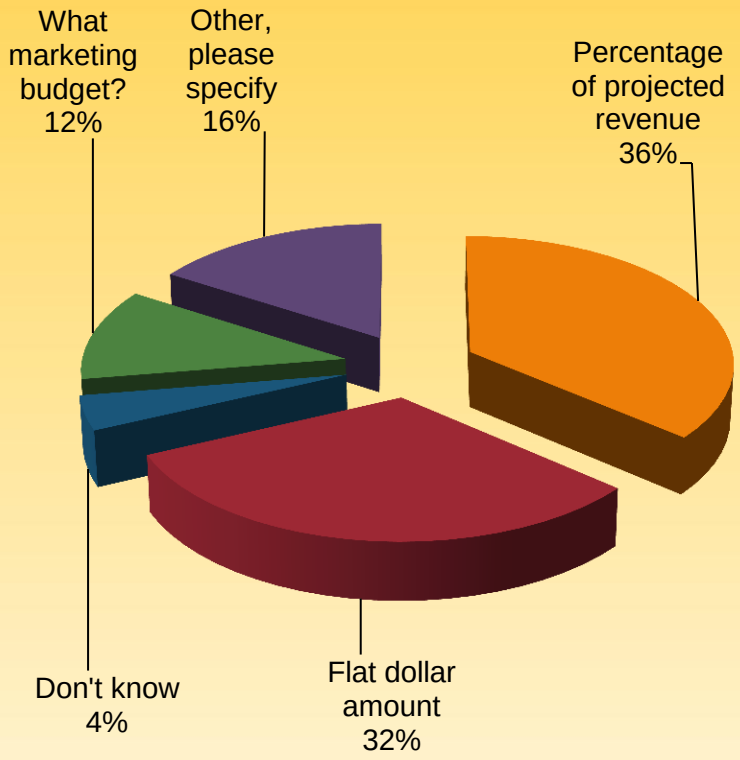
Who does it?

Dedicated department or staff	58%
Hire outside experts	20%
Do some of it ourselves	25%
All of it ourselves	34%

* Does not sum to 100% - combination of

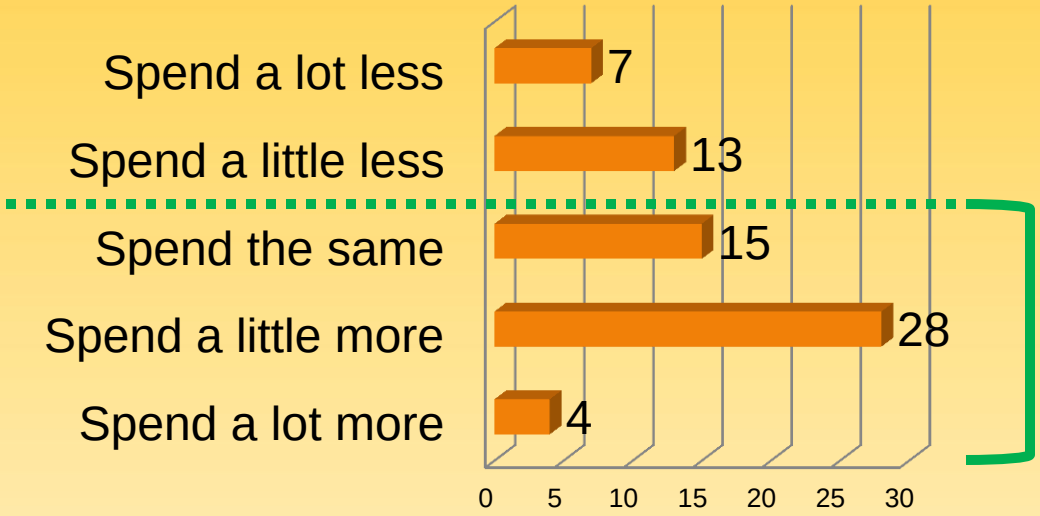
How is budget determined?



Other comments:

- Division wide allocated plus individual course dollar amount in course budget
- Assigned to us by parent organization or director
- Budget based on ROI for each program / Budget created for each program
  (8% existing, 15-20% new)
- Held captive to 4% of an FTE
- There is a budget, but a guestimate… make up as we go
- We need help!

How has the budget changed?



Common Themes:

- Less print advertising and more on direct mail
- More electronic and less brochures (cost)
- Electronic newsletters, email campaigns, social media

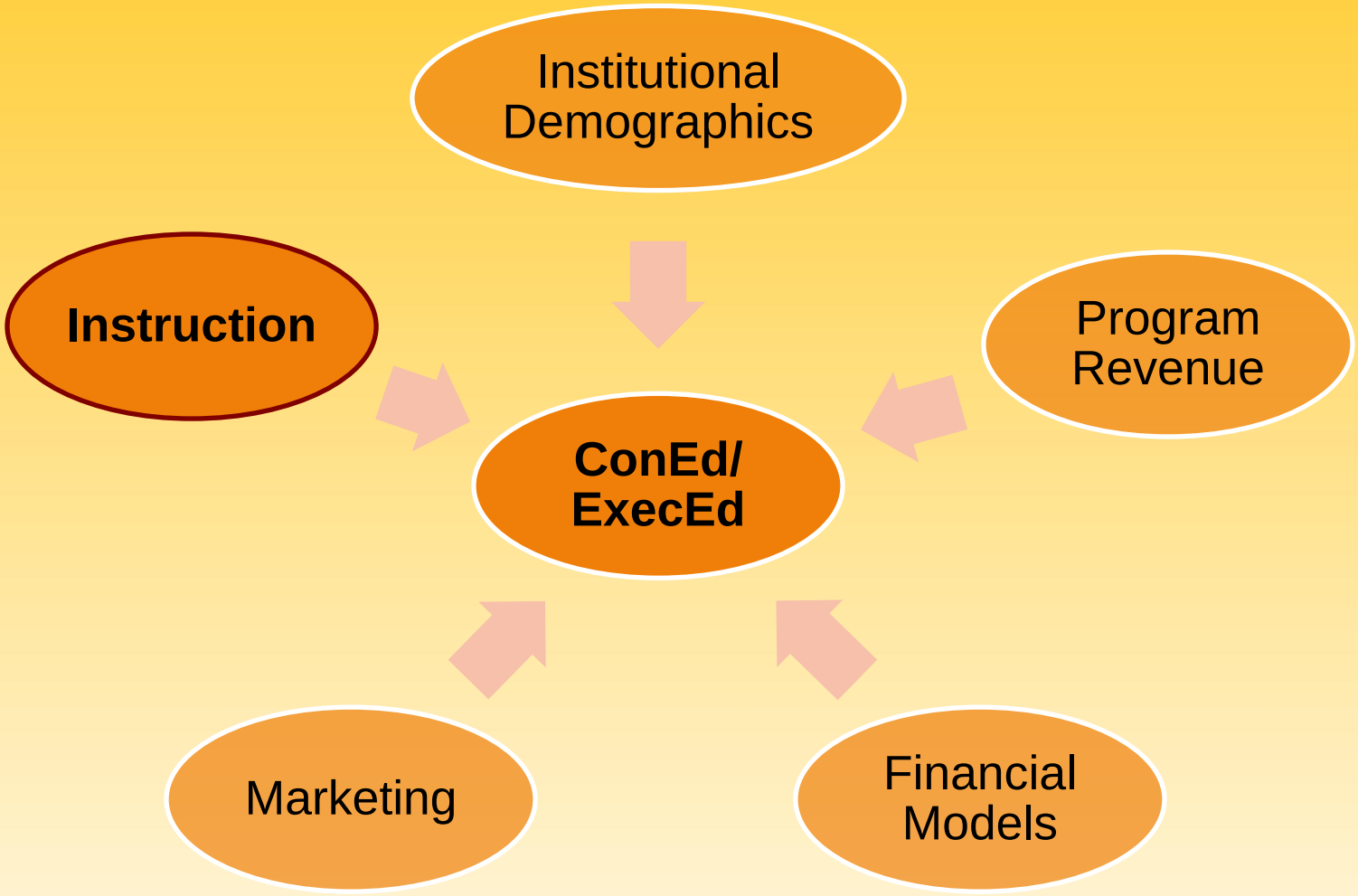
Marketing – Going Green

Common Themes:

- Migrate Print to Electronic (some to all)
- SEO, PPC, email, newsletters, banner ads
- Social Media (link alumni with custom)
- Website and Adwords (Google, Linked in)
- Permissions based conversations! – Opt in

Need to consider:

- HR investment and true cost (redirect staff)
- Lack in house support and expertise
- Custom program alumni yields OE registrations
- Accountability – ROI w/ targeted campaigns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Who teaches?

EXECUTIVE EDUCATION

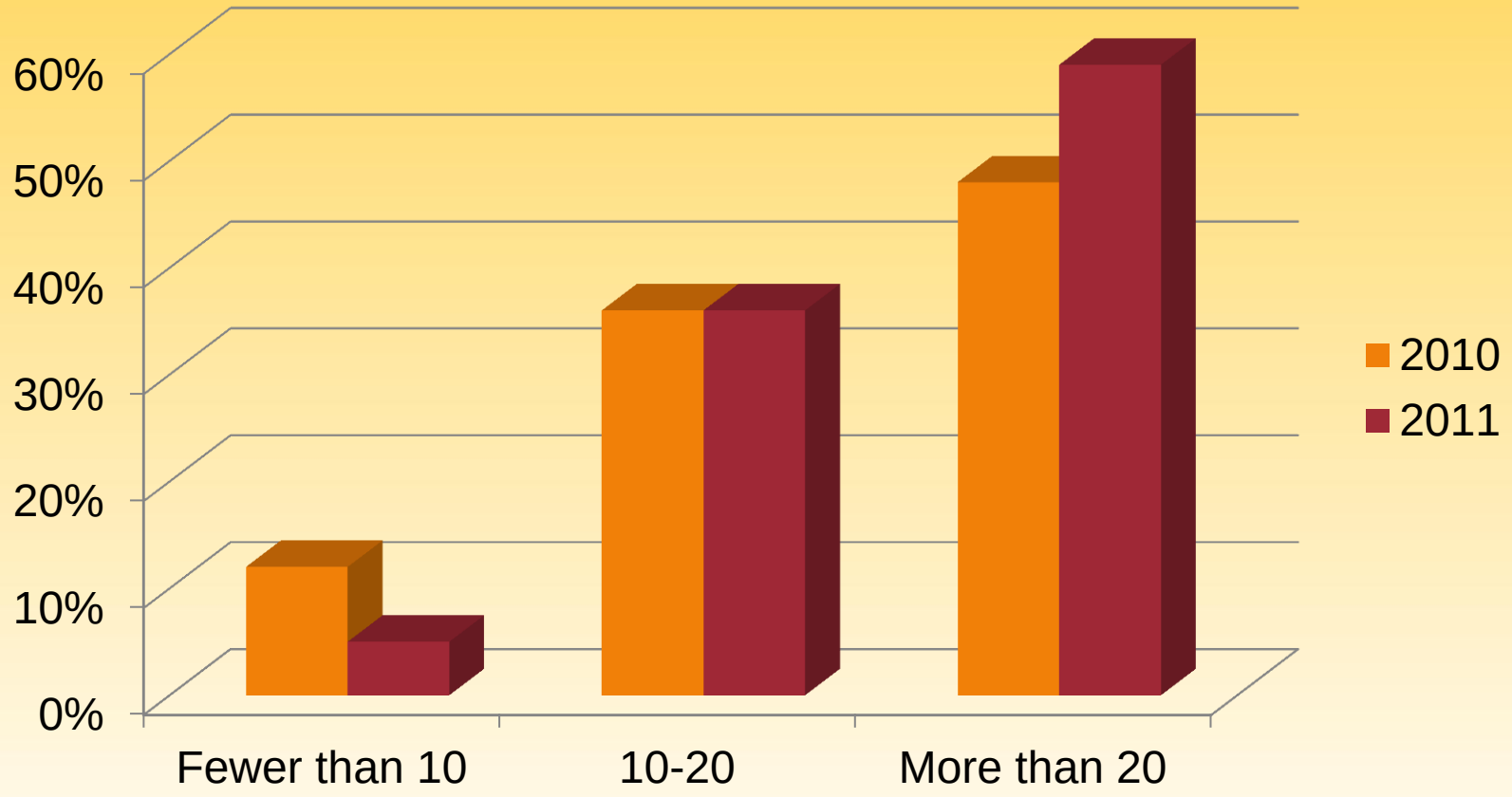
Type	Usage	Frequency
Tenured Faculty	> 50% Time	33%
Non-Tenured (adjunct) Faculty	> 50% Time	3%
Community Practitioners	> 50% Time	8%
Consultants	> 50% Time	9%

CONTINUING EDUCATION

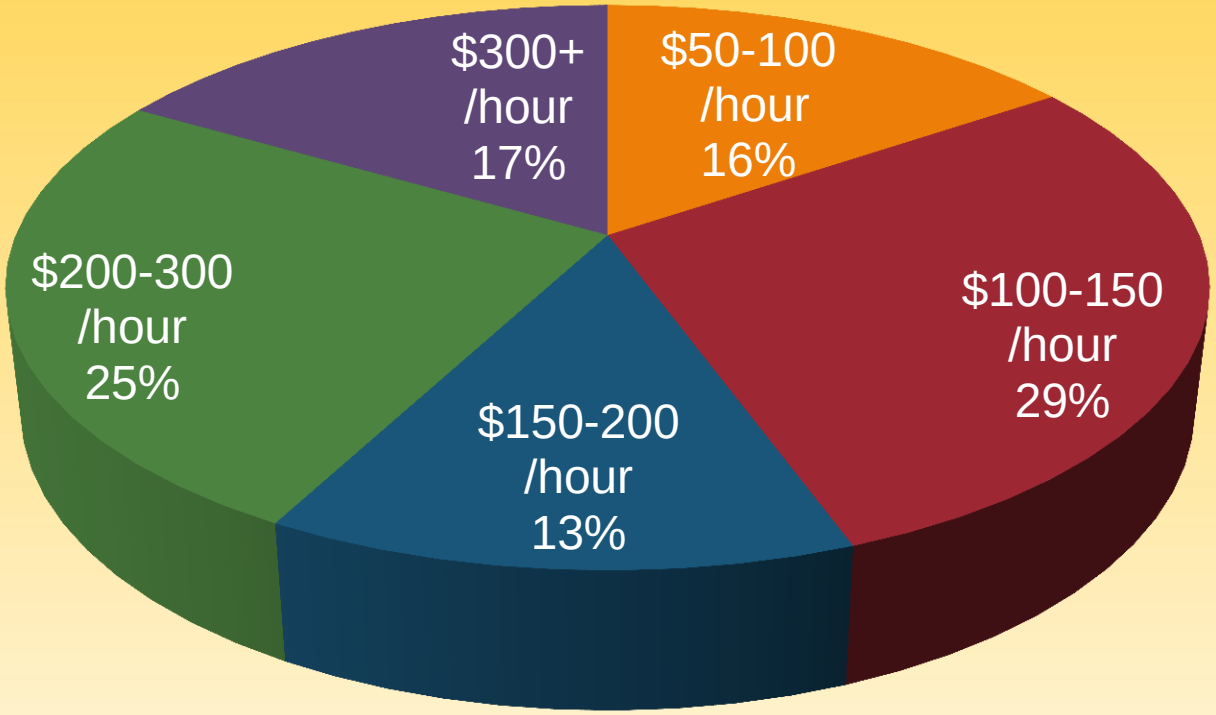
Type	Usage	Frequency
Tenured Faculty	> 50% Time	9%
Non-Tenured (adjunct) Faculty	> 50% Time	3%
Community Practitioners	> 50% Time	34%
Consultants	> 50% Time	36%

- Executive Ed. uses more tenured faculty than Continuing Ed**.**
- Tenured Fac. used <50% of time as instructors for 76% respondents

Number of instructors



Average pay per hour



Rate varies… consider hours delivered

Compensation for development and prep time

- Respondents tend to consider development and prep time as being the same thing
  - 47% do not pay for development or prep
  - 43% said “it depends” and the rates vary
    - $35 per hour to $500 per hour

A LOOK AHEAD – ARE THINGS CHANGING?

Public Programs and Enrollment

2010 expectations for program growth in 2011 :

39% **more**

48% same

12% less

2011 reality:

Fewer programs with fewer people in each but those people are taking multiple courses.

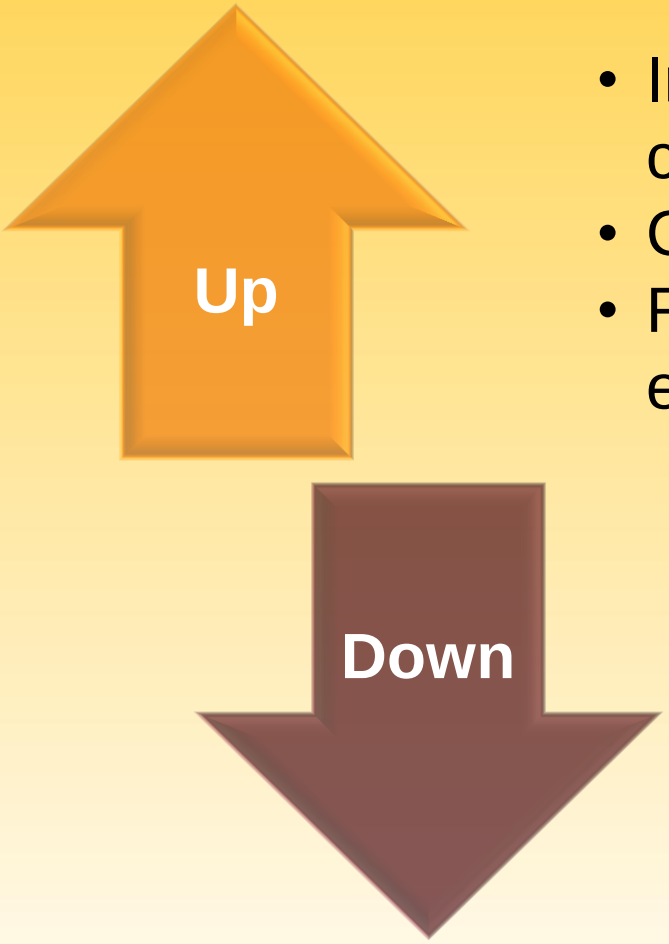
2011 predictions for 2012	More	Same	Less
Number of programs offered	26%	44%	30%
Average enrollment per program	22%	33%	45%
People taking more than one program	42%	45%	14%
People's interest in resume-building courses	29%	36%	35%

Revenue and profitability predictions for 2012

	More	Same	Less
PUBLIC PROGRAM			
Revenue	26%	32%	**42%**
Profitability	18%	**50%**	32%
CUSTOM PROGRAMS			
Revenue	**50%**	30%	20%
Profitability	42%	**45%**	13%

Revenue and profitability of custom projected to increase more than public

Biggest changes predicted



- Interest in blended or hybrid courses
- Custom engagements
- Revenue from custom engagements

- Average enrollment in public programs
- Revenue in public programs

Importance to institution is changing

- More important – 46%
- Same – 49%
- Less – 5%

Why is importance changing?

Courses or content

What we expected . . . . . What happened

- 2010
  - Content enhancement
  - Increase in classes offered
  - Adjustments in format
- 2011
  - Advanced leadership courses
  - Customized content
  - Online or half-day format (includes blended learning)

Changes in delivery format expected more than content changes

	More	Same	Less
Online courses	49%	45%	6%
Blended or hybrid courses	57%	26%	18%
Global delivery	39%	46%	14%

Competition

	More	Same	Less
Within institution	27%	64%	9%
Other higher education providers	43%	53%	4%
Other providers	46%	51%	3%

Market becomes more crowded as competition continues to increase. Differentiation and added-value become more important.

Where to from here?

Thank you!

For more information or questions, please feel free to contact us at:

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