CMED 2013 Benchmarking & Industry Trends Survey

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2013 Team

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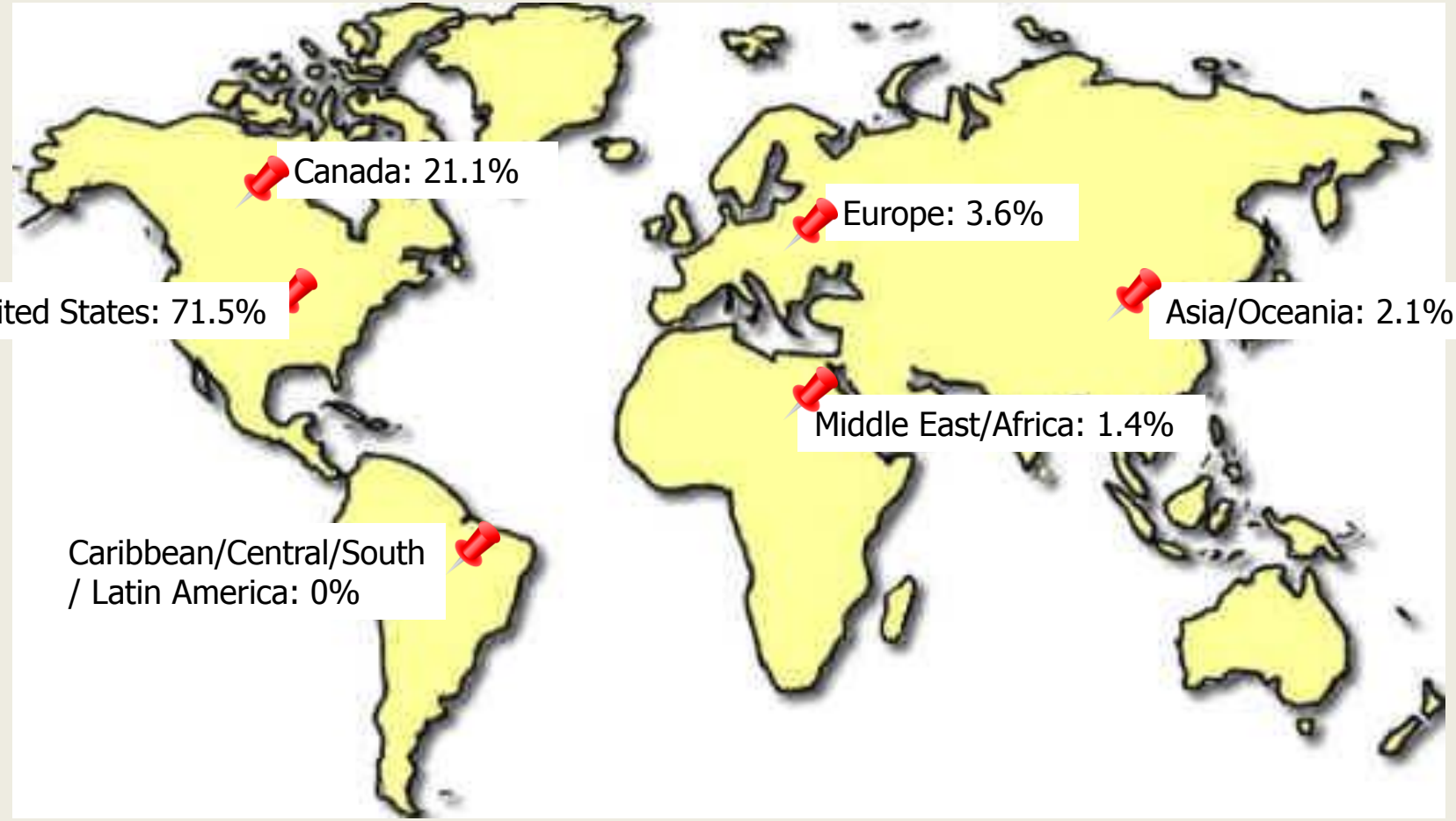
Today's Agenda

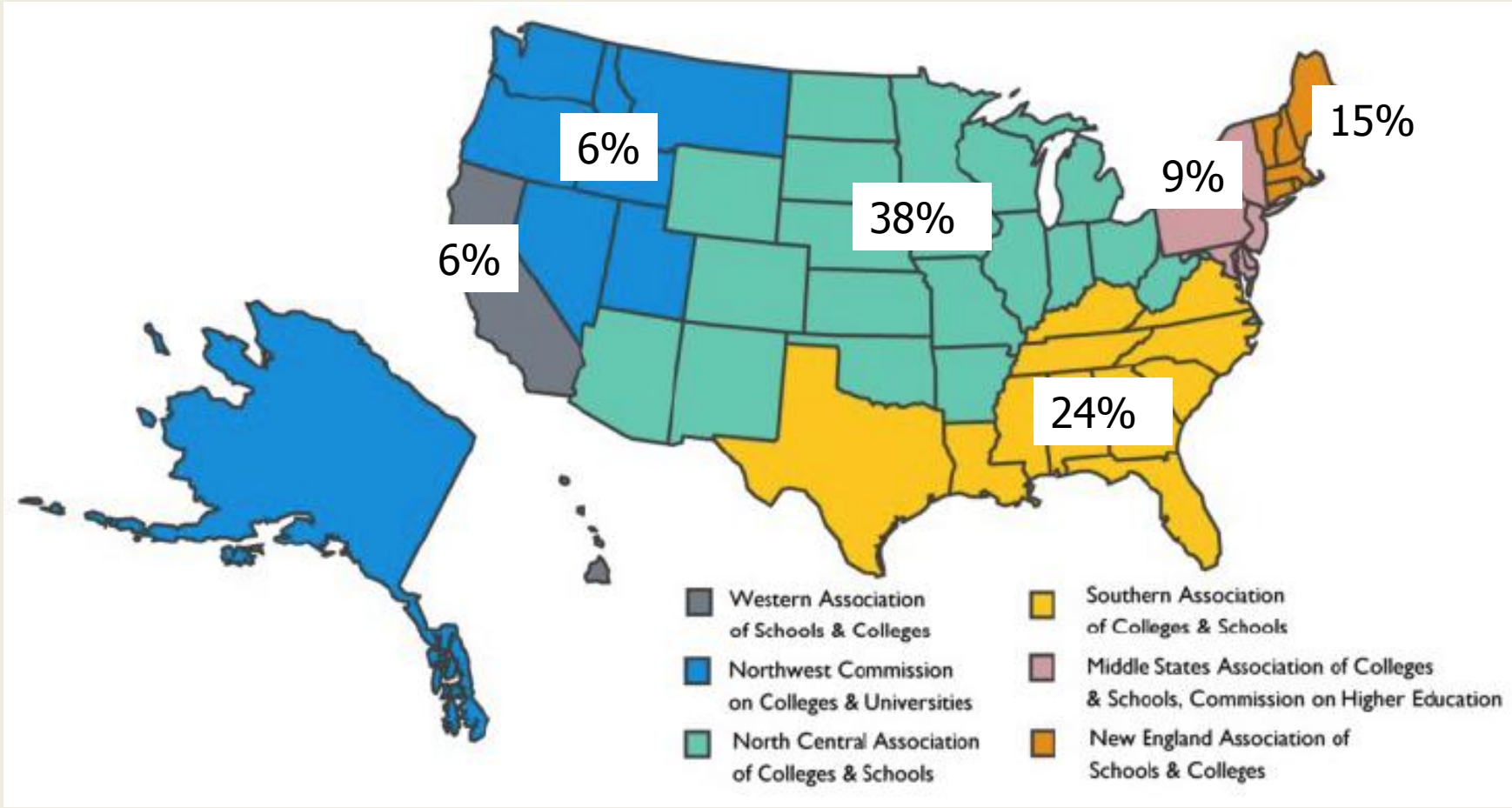
Linda

POPULATION

Who responded?

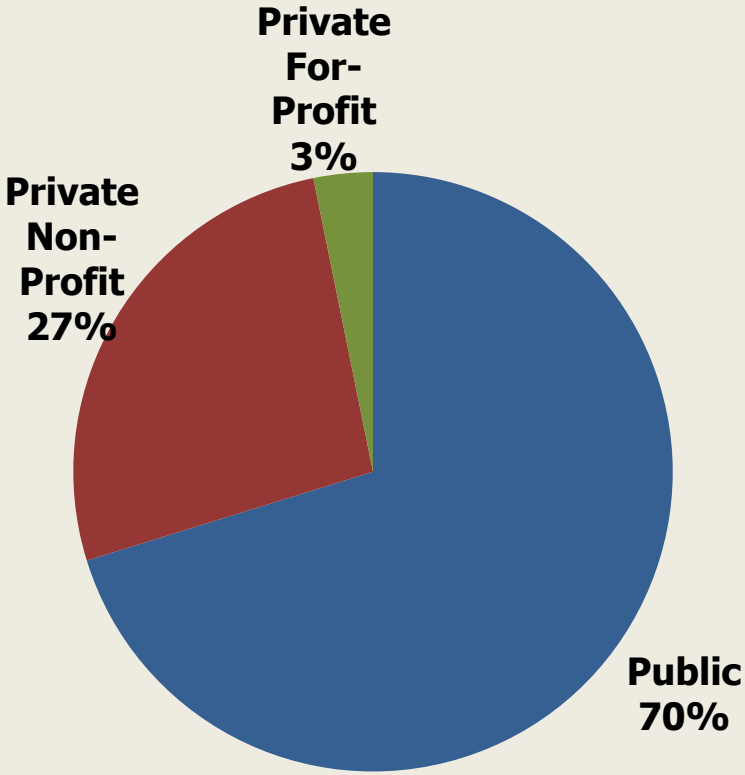


Who responded?



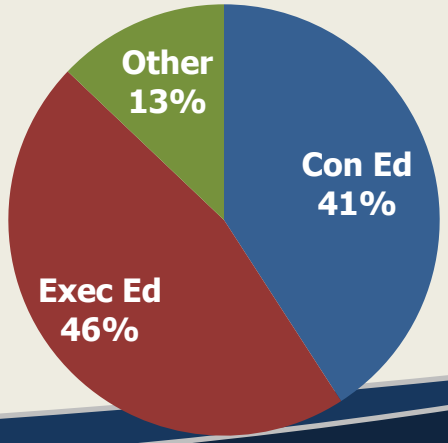
Who responded?

Population of Metro Areas	
Under 100,000	14%
100,000 - 500,000	42%
500,000 - 1M	12%
1M - 2.5M	14%
Over 2.5M	18%

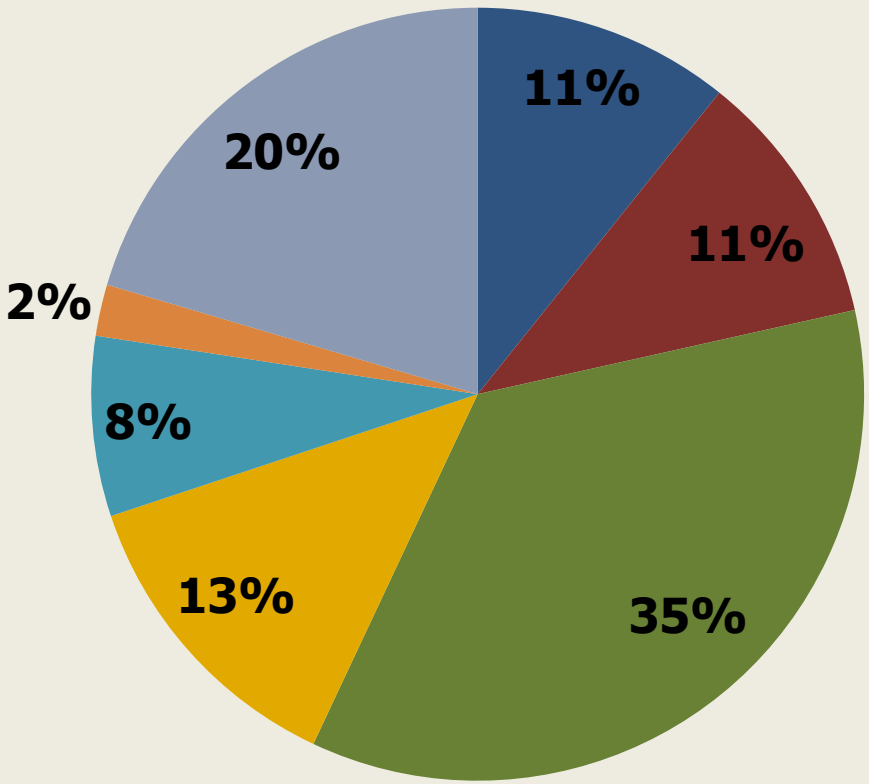


Institution Type

Unit within Institution

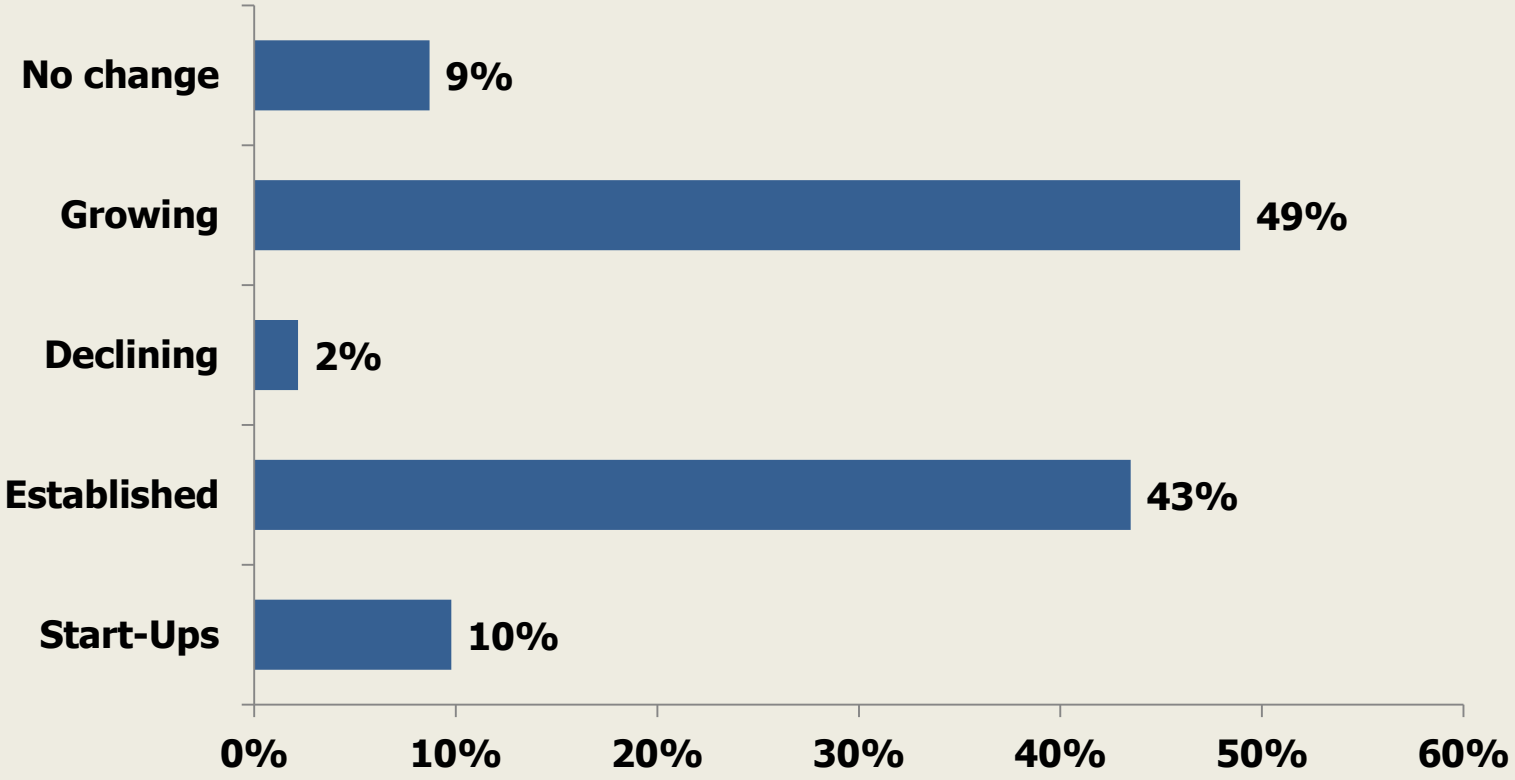


Job title or function of respondents



- Assistant/Associate Director (of the entire department)
- Dean (Associate, Assistant, Full)
- Executive Director (of the entire department)
- Marketing Manager/Director; Business Development Manager/Director
- Marketing/Program/Operations Coordinator or Specialist
- Operations Manager/Director

How Would You Describe Your Department?



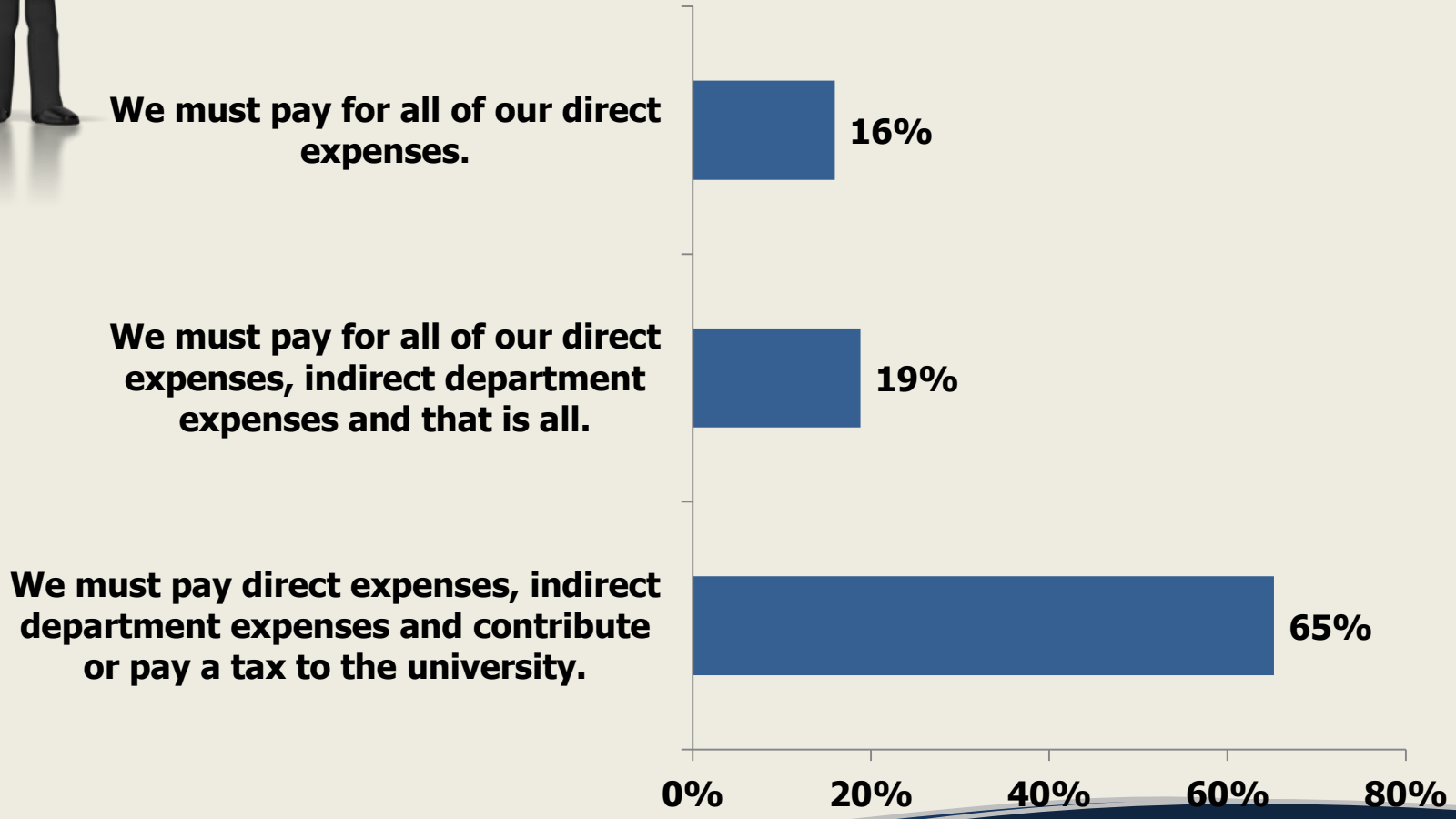
How would you describe your department?

	CE	EE	Other
Established	14%	13%	7%
Established and no change	2%	0%	0%
Established and growing	3%	1%	0%
Established and declining	1%	0%	0%
Declining	1%	0%	0%
Growing	11%	26%	4%
Startup	0%	4%	1%
Startup and no change	0%	1%	0%
Startup and growing	2%	1%	0%
No change	3%	1%	1%

Martina

FINANCIAL MODELS

Department's Contribution to the University



How Has Contribution Changed?

"Victims of our success!!!"

Contributions to college or university are expected to be higher and higher also due to the fact that state contributions (for public universities) have been cut

How is Contribution Determined?

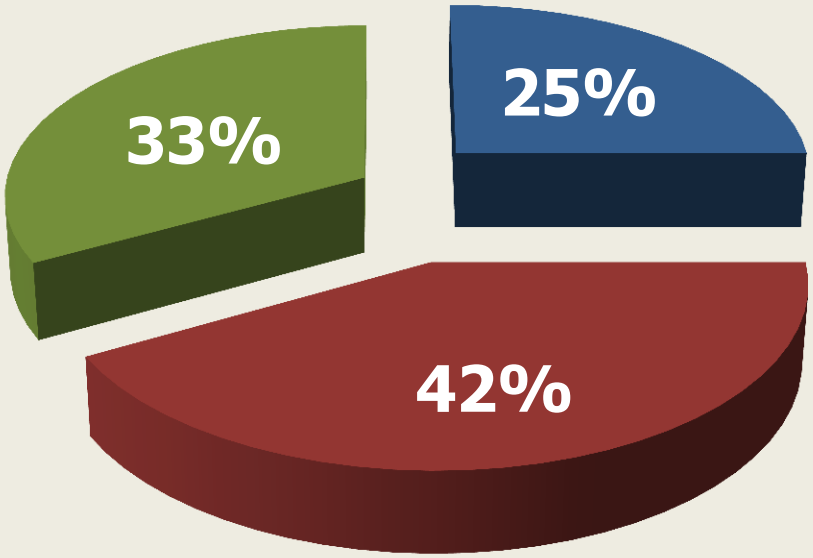
Executive Education

- Most share a percentage of their revenue with the business school
    - Percentage varies, generally set annually based on performance
- Some share other costs (building and other OH)

Continuing Education and Other Centers Types

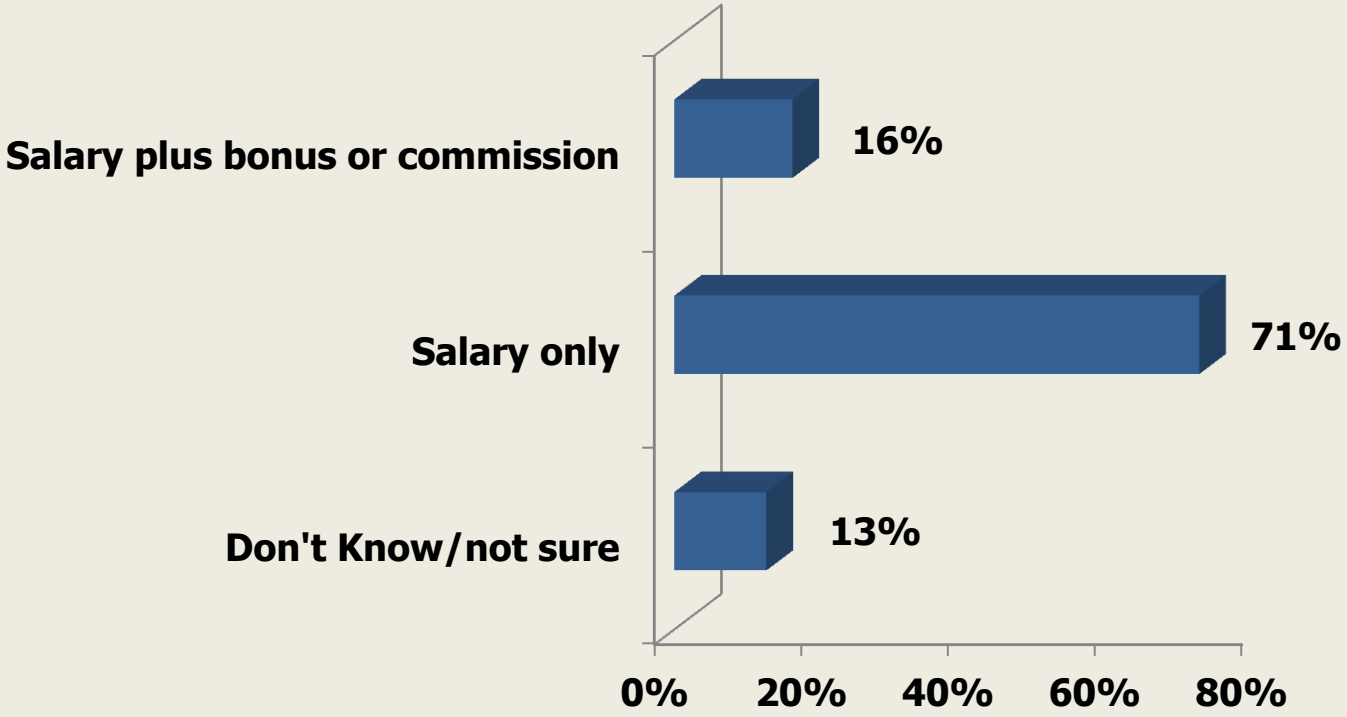
Most Continuing Education Centers have to pay a "university tax" or other type of contribution towards indirect administrative and operating cost.

Have Dedicated Staff to Perform Sales Activities



Higher revenue (3MM+) tend to have more dedicated sales staff

Sales Staff Compensation

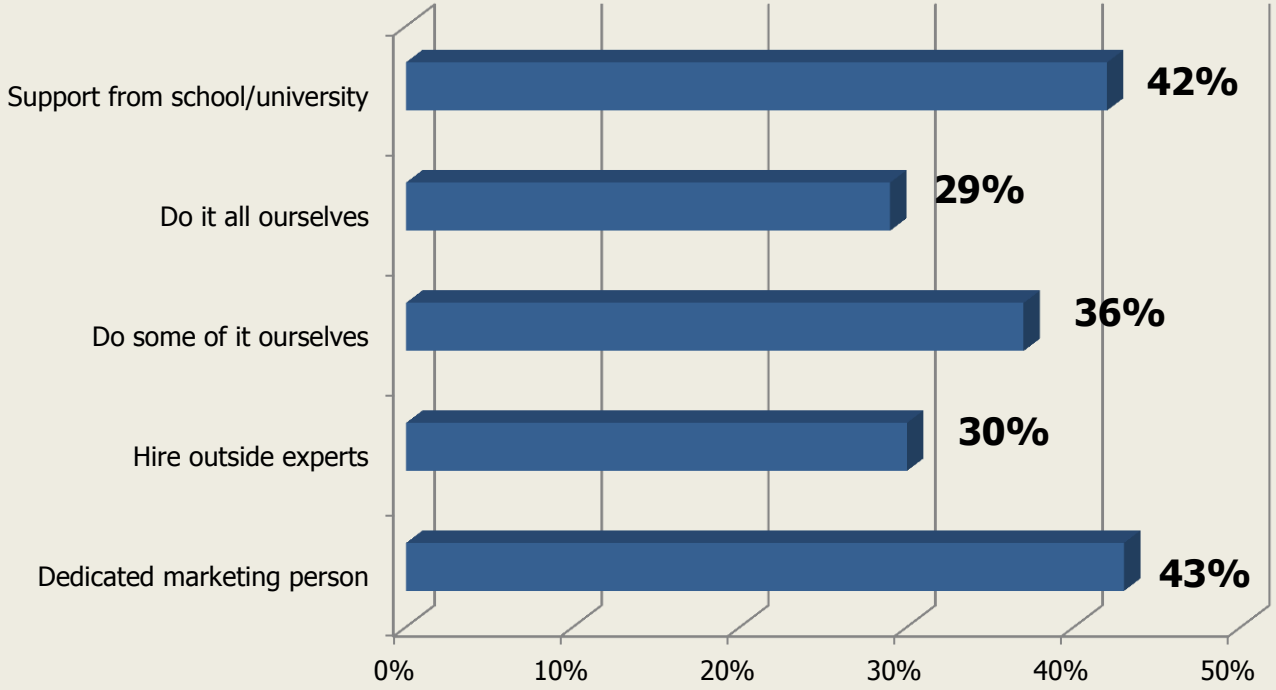


12% paid commission or bonus in 2012 as compared to 16% in 2013

Arne

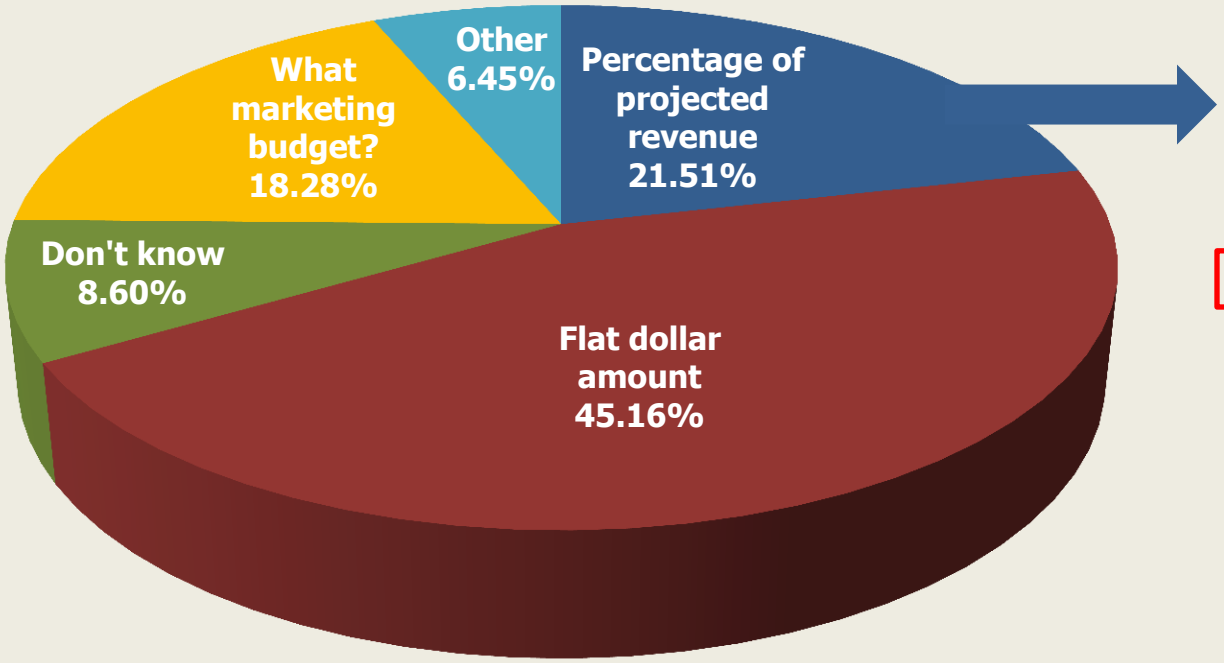
MARKETING

How are marketing responsibilities handled for your programs?



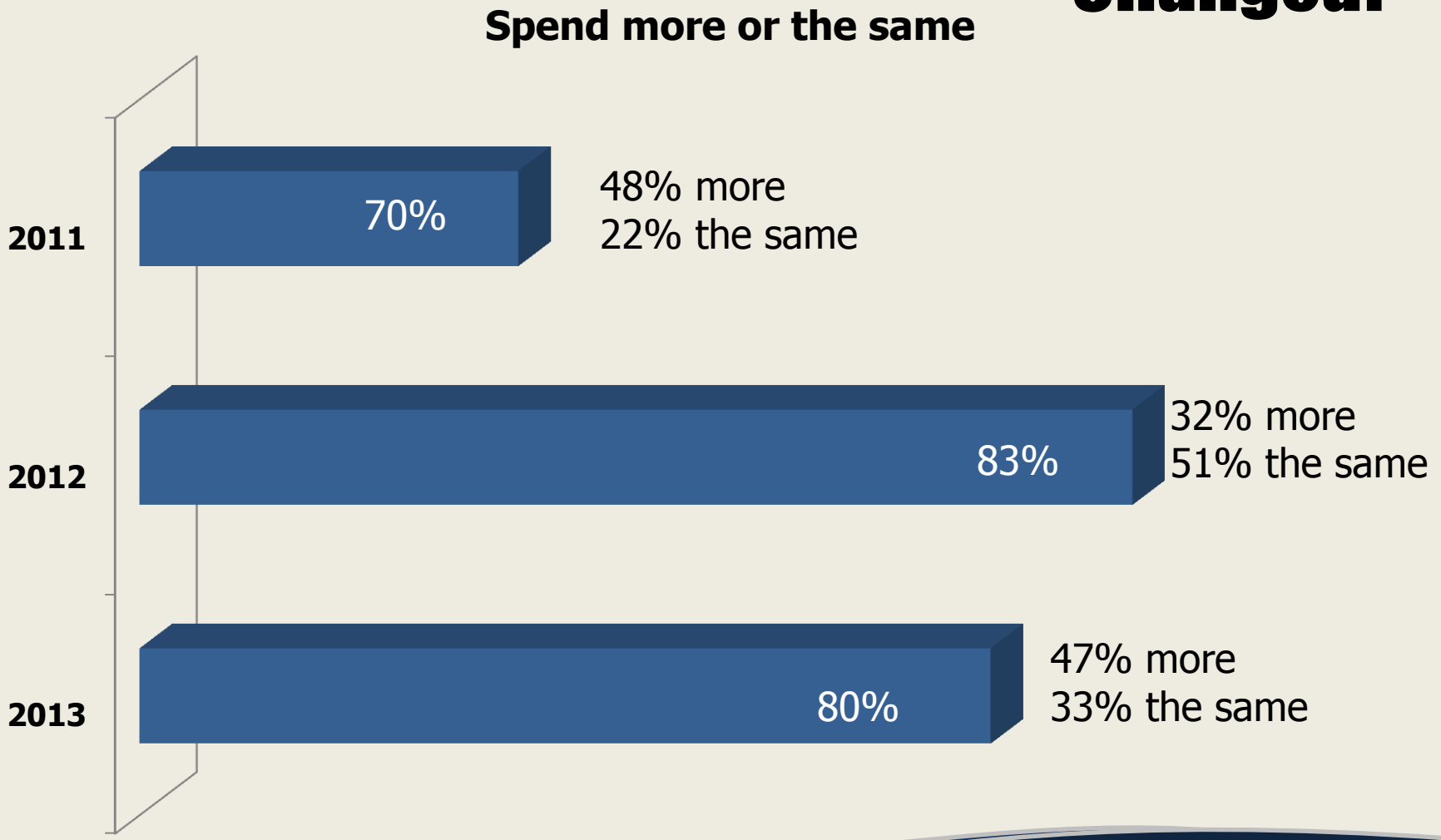
2012
31% said they have dedicated marketing staff

How is your marketing budget determined?



% Rev.	% of total
1-5%	**33%**
6-10%	**45%**
11-15%	**9%**
16-25%	**13%**

How has the Marketing Budget Changed?



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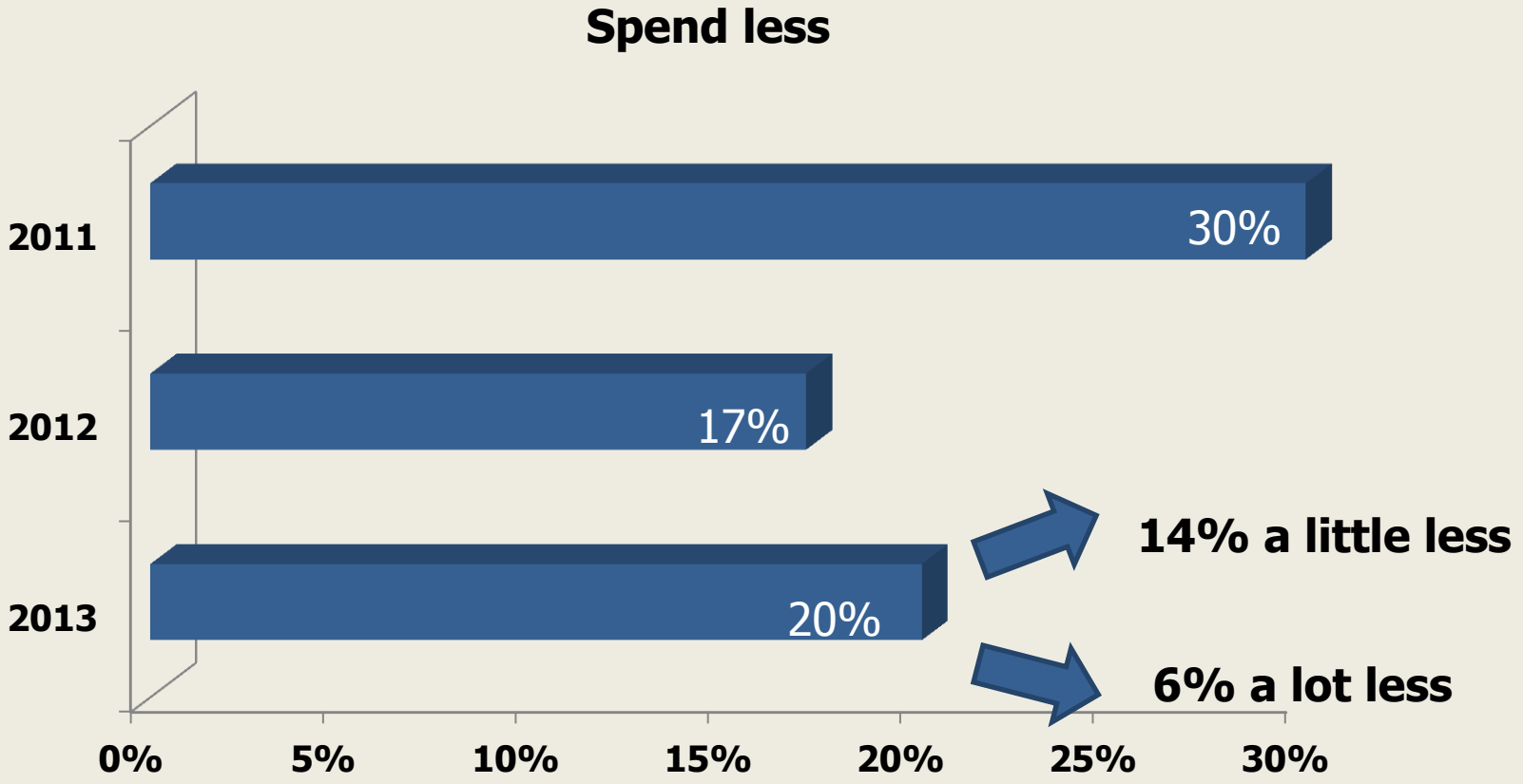


What are your most effective marketing vehicles and offers?

Top marketing vehicles

1. E-mail marketing
2. Online advertising / Pay per click
3. Website

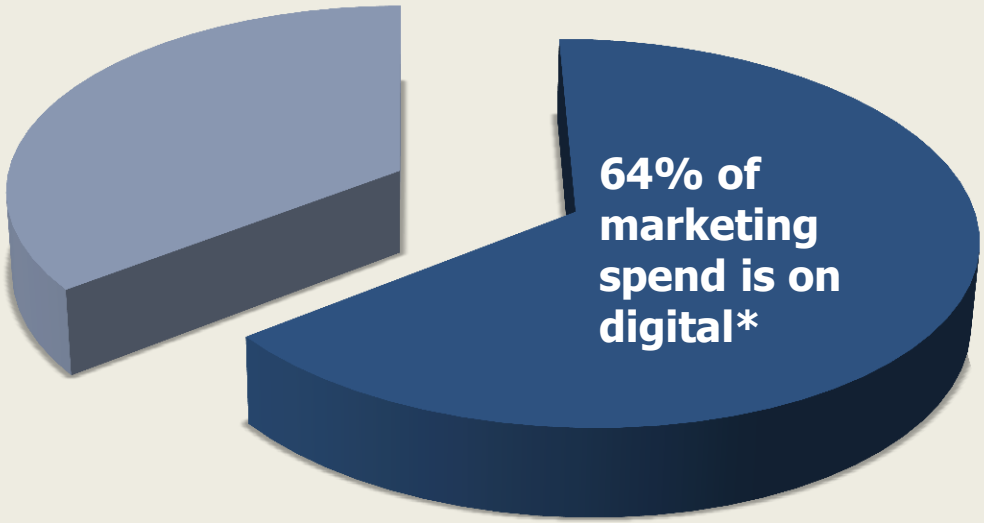
Top offers

1. Information sessions
2. Discounts (early bird, certificate reg discount)

Rank of marketing spend

Top 5

1. Website
2. E-mail
3. Print advertising
4. Pay per click
5. Direct mail

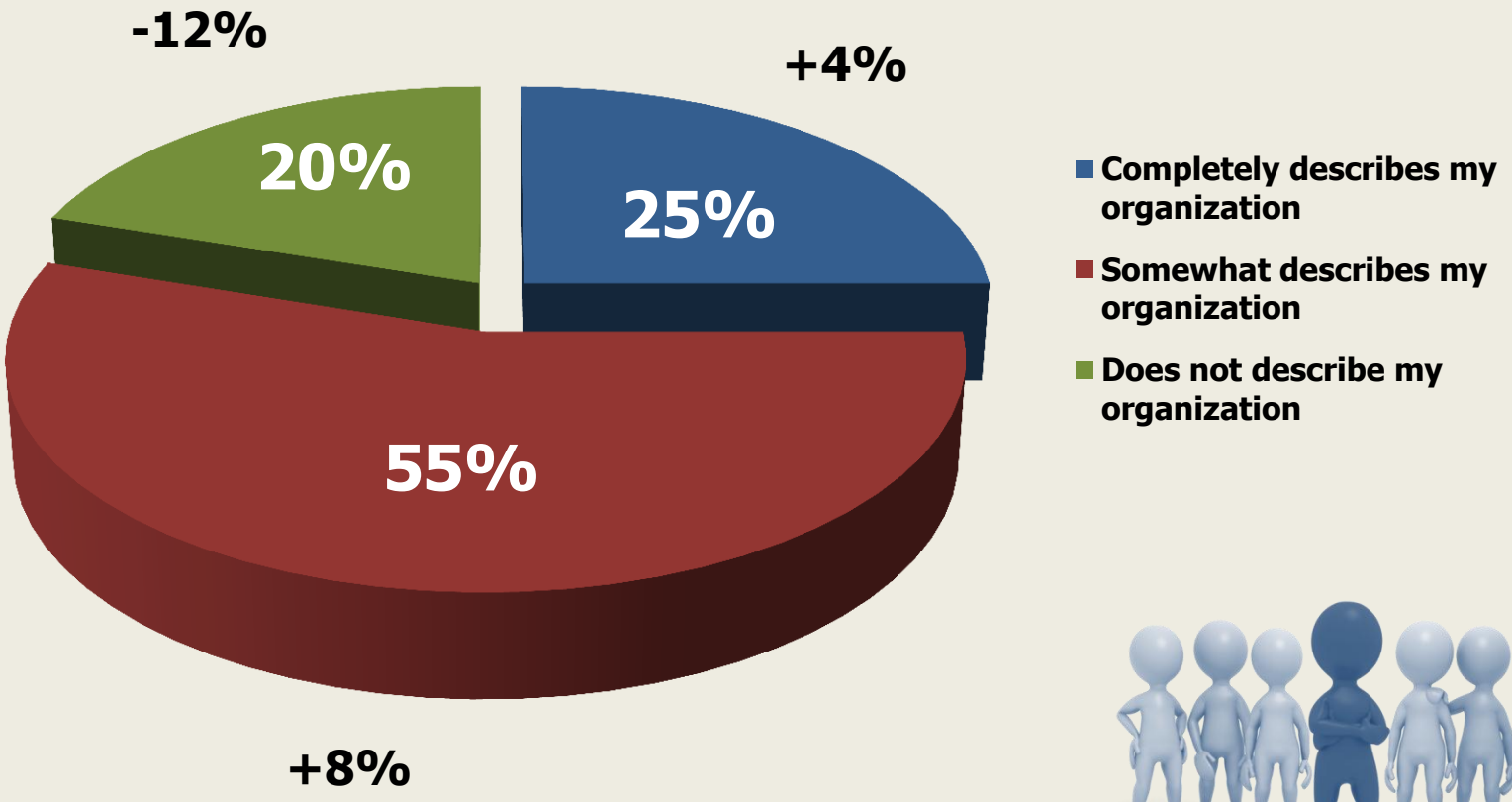


Bottom 5

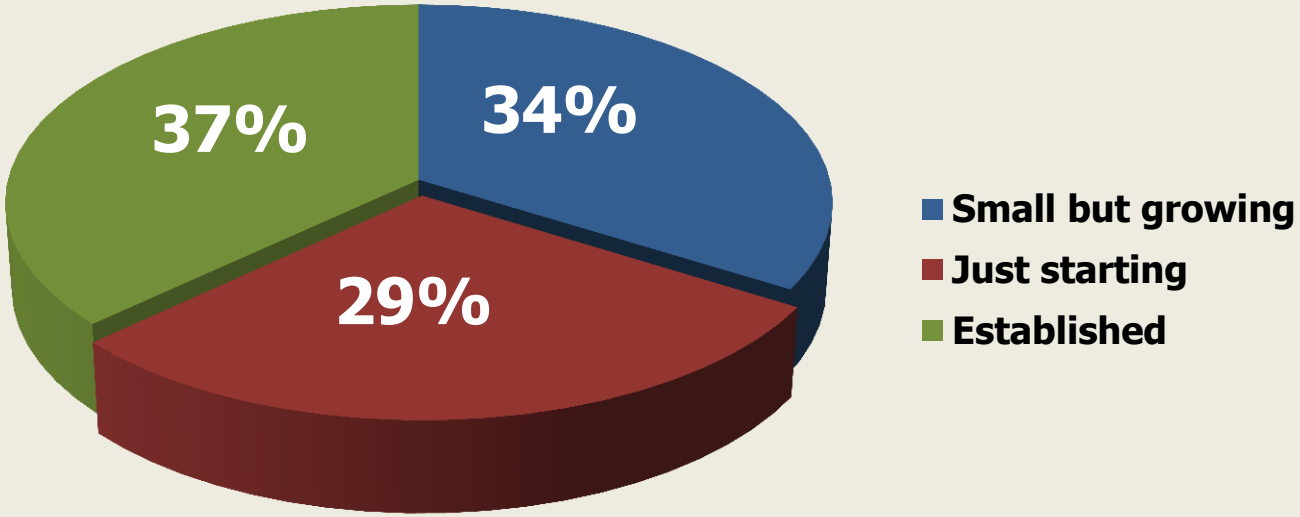
6. Social media
7. On-line display ads
8. Event based marketing
9. Info sessions
10. Referral programs

*Website, e-mail, pay per click, social media, on-line ads

Regularly Analyze Effectiveness of our Marketing Efforts

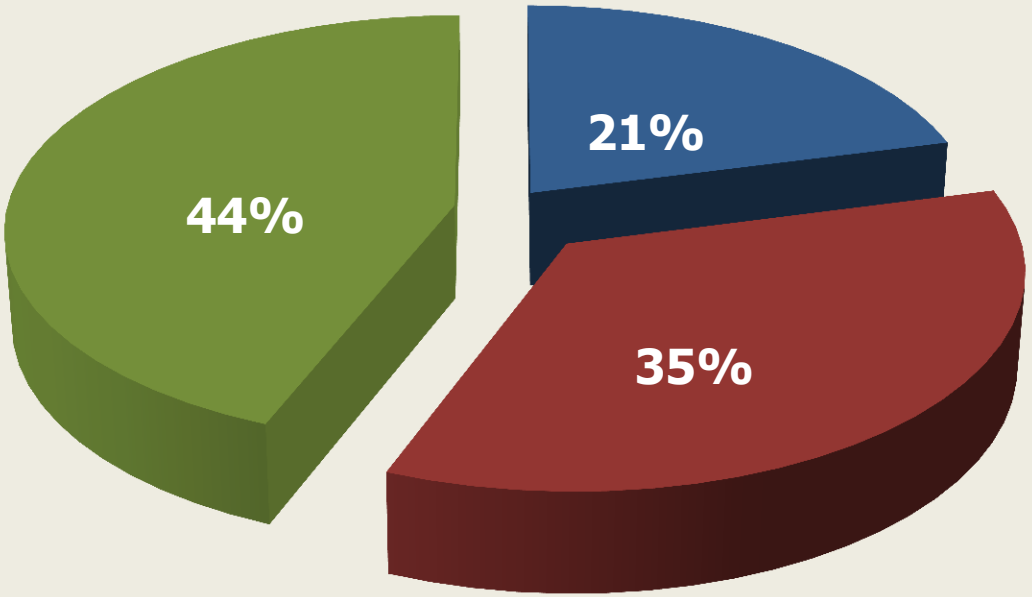


Role of Social Media



Without specifics on why/how it is so successful with Some, it's difficult to draw any conclusions about this.

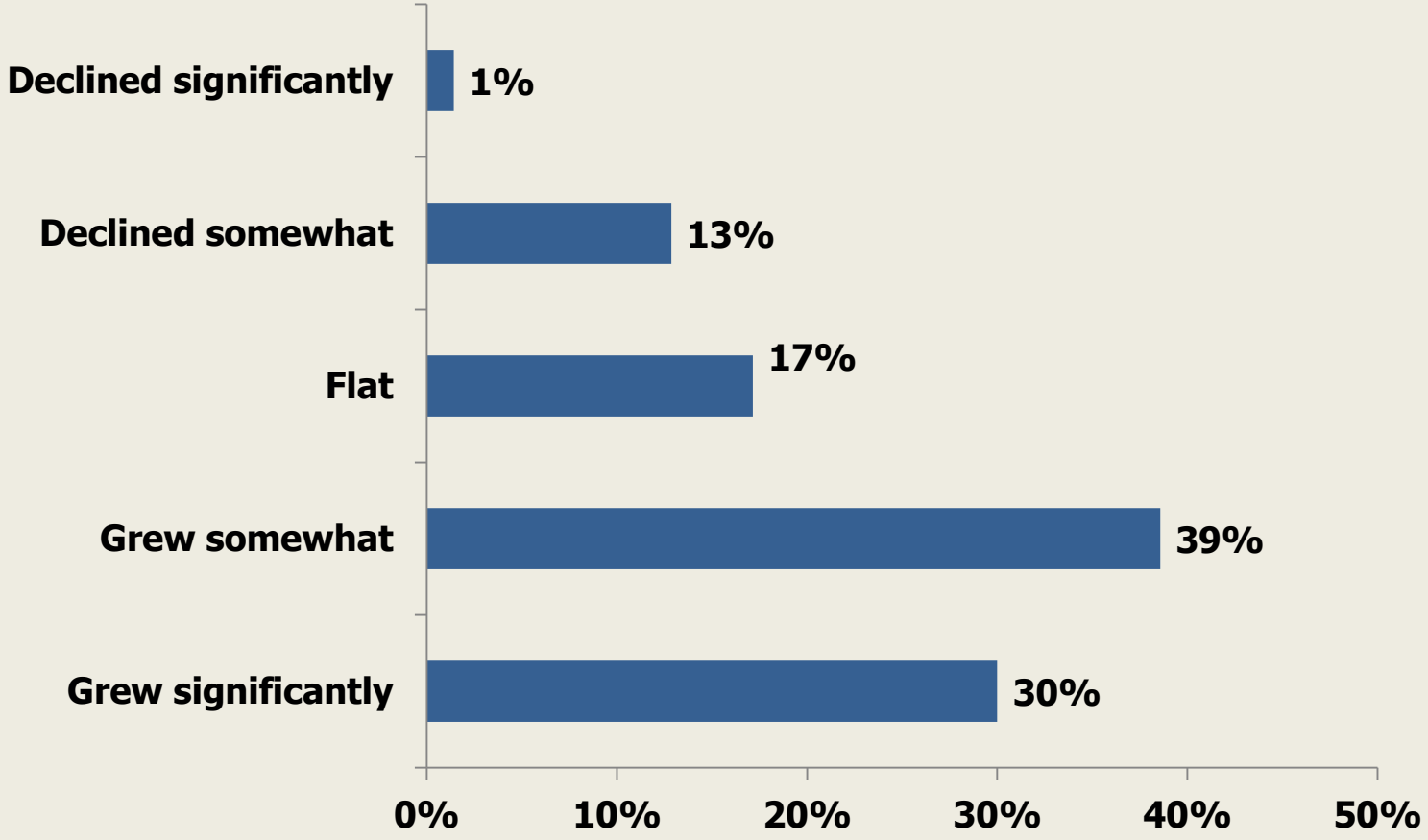
Have CRM System



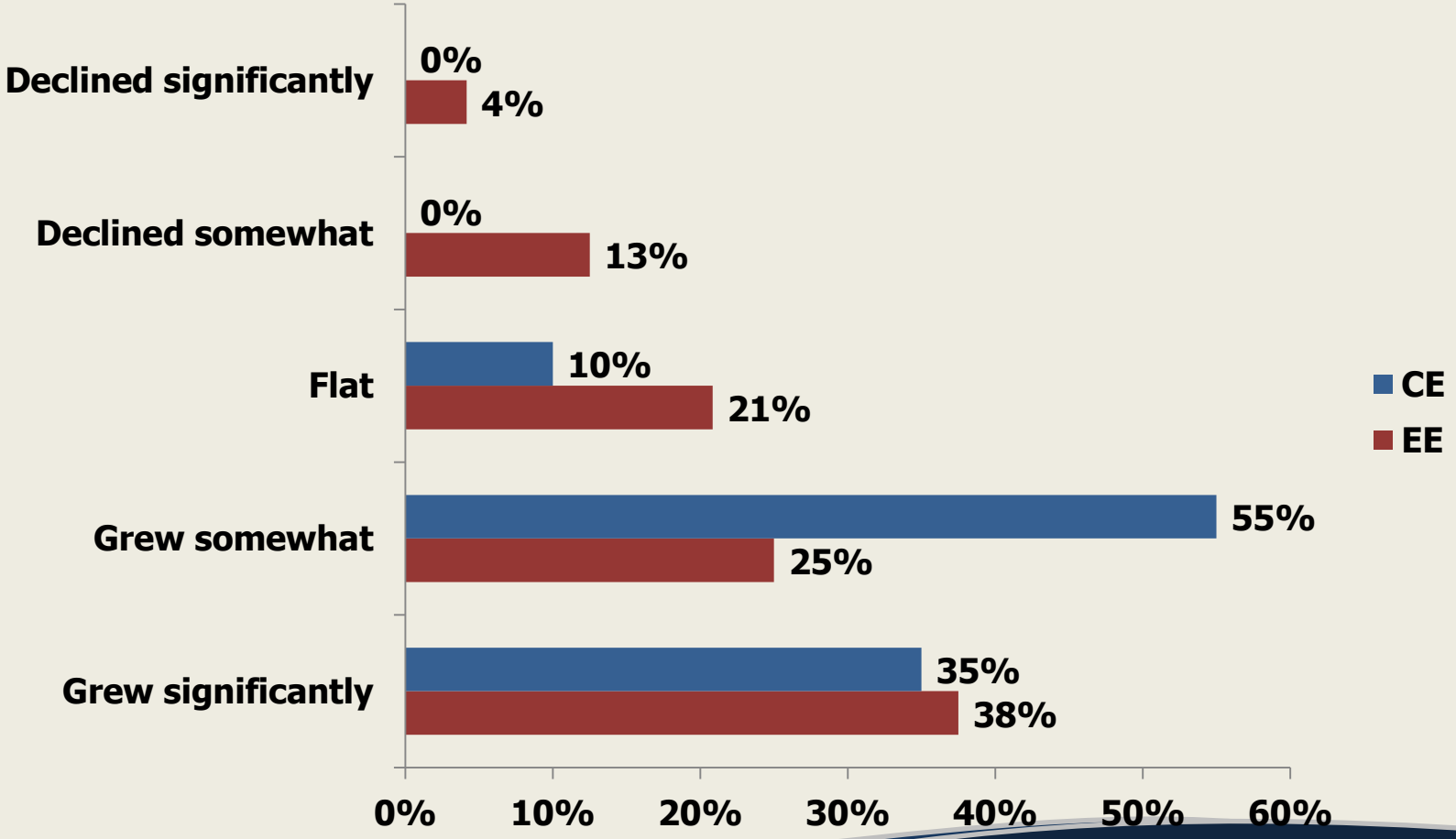
Martina

REVENUE

Business Performance in Most Recent FY



Business Performance in Most Recent FY (CE vs EE)



Contributing Factors to Business Performance

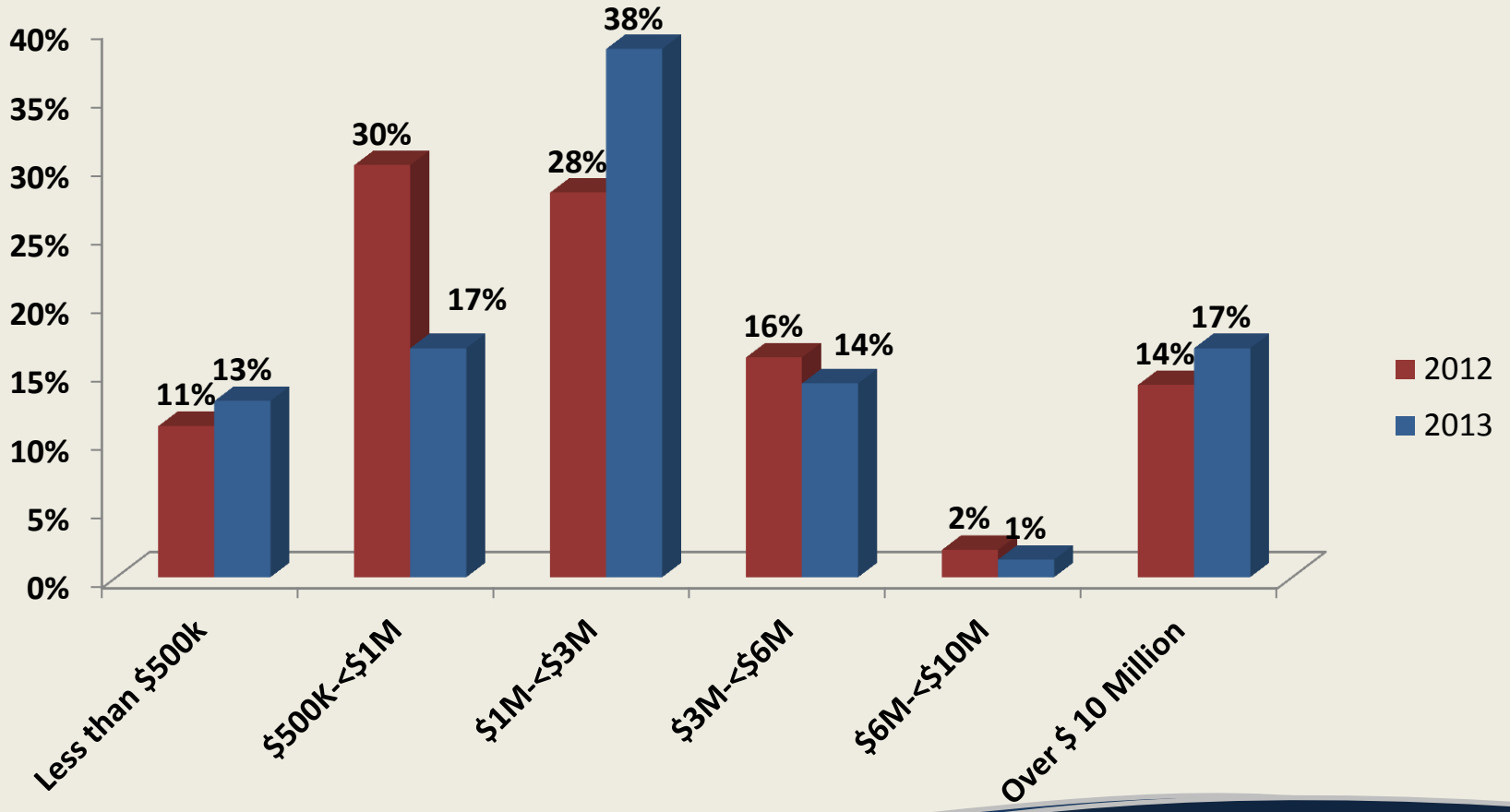
Growing (69%)

- Economy improving
- Increase demand for online programs
- Better marketing expertise
- Stronger brand recognition
- More and larger custom contracts
- Cutting edge technology
- New partnerships intra-university
- New course offerings

Declining (14%)

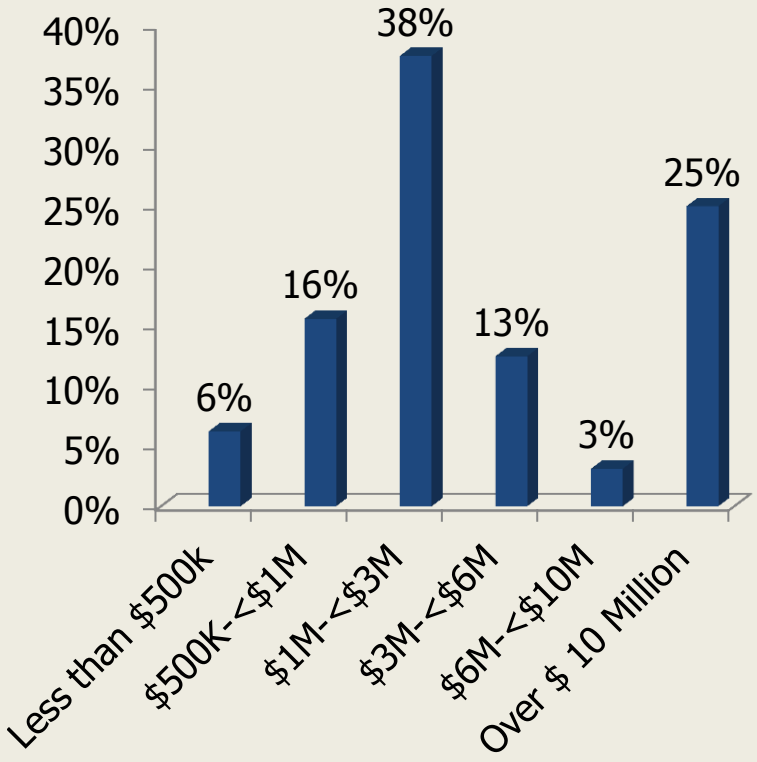
- Sequestration
- Staff changes
- Focus on OE rather than custom
- Increase in competition
- Economy slow recovery
- Lack in sales expertise
- End of large contracts

Total Gross Revenue in Most Recent FY



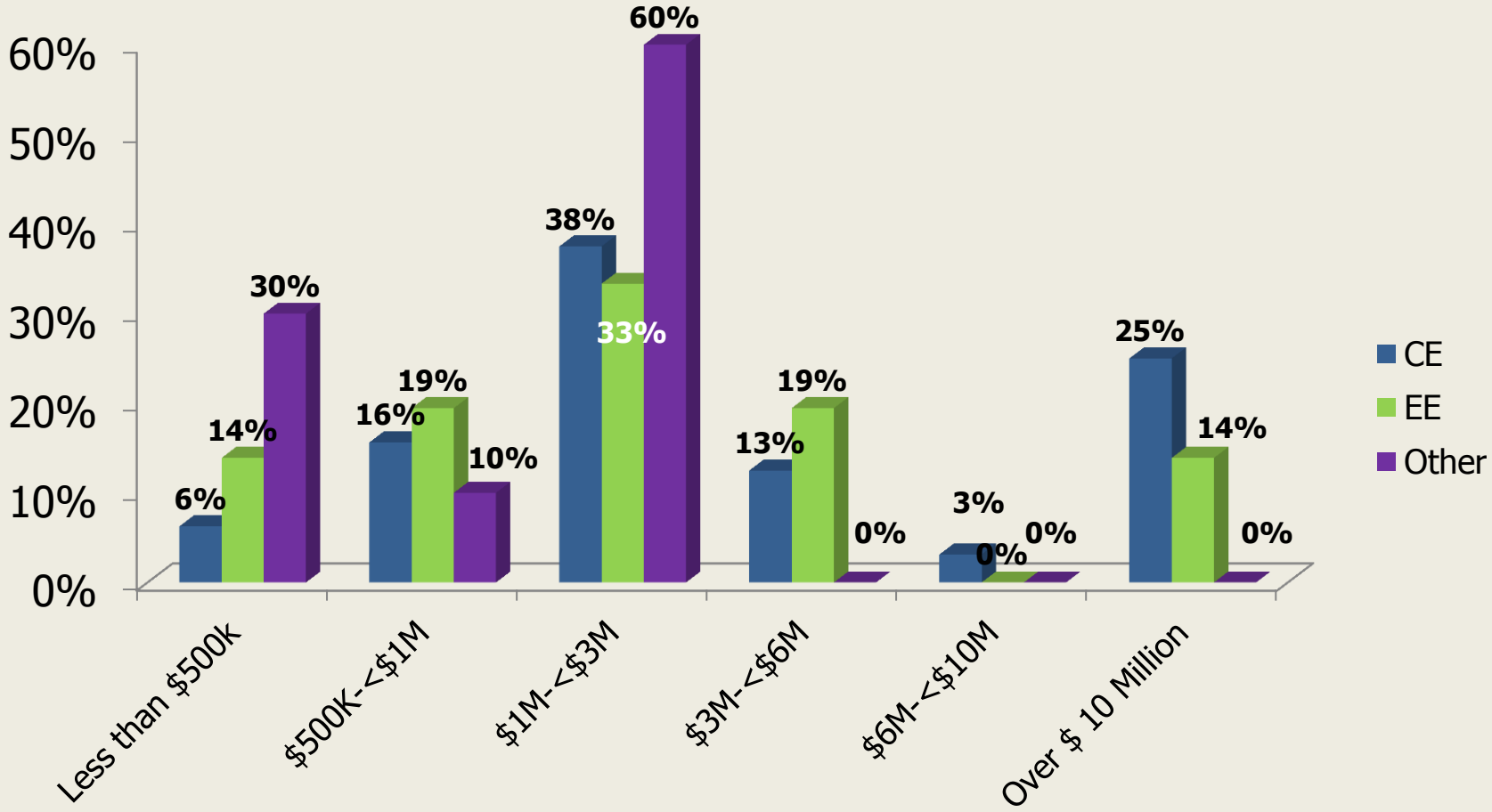
Total Gross Revenue in Most Recent FY

Continuing Education

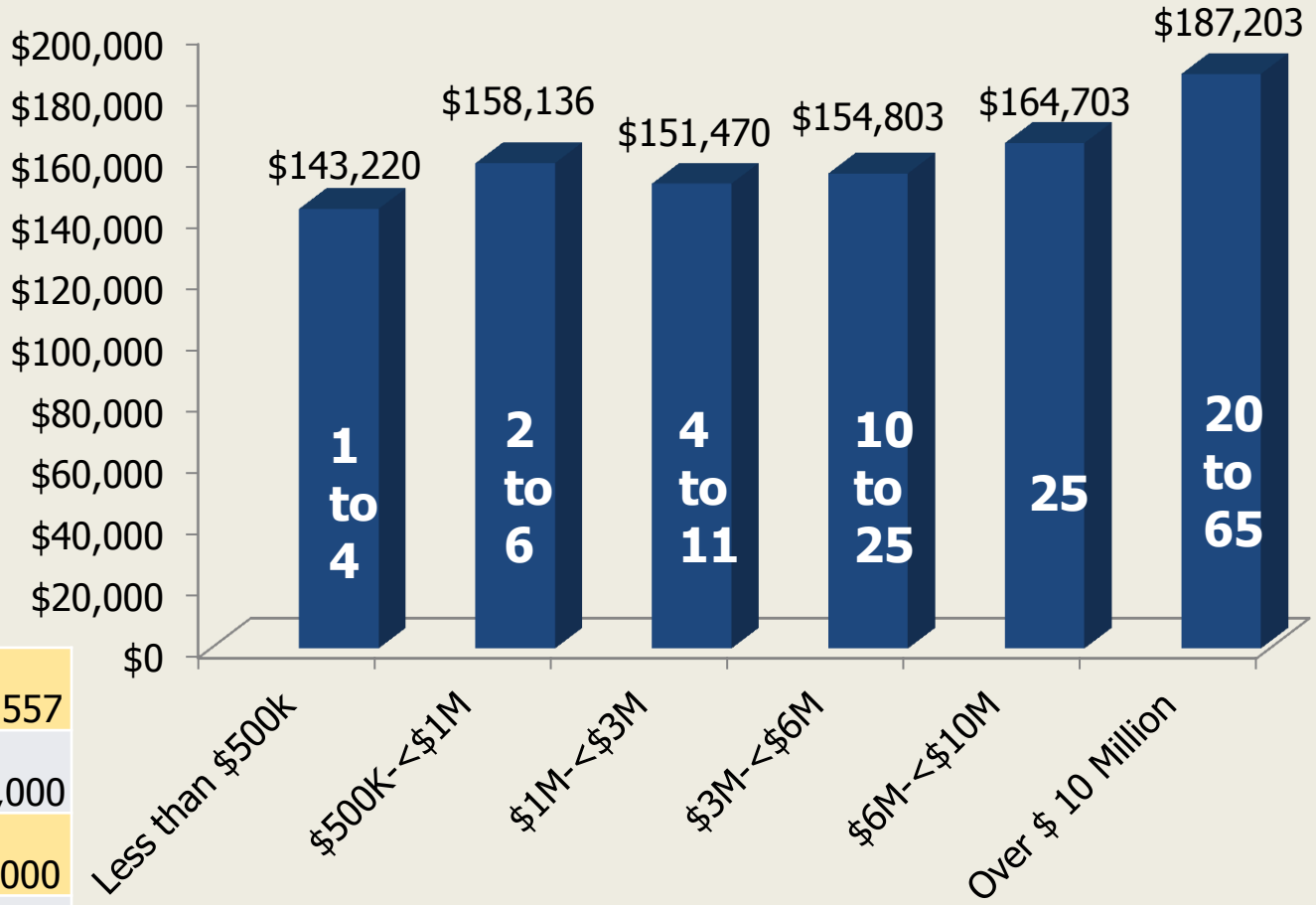


Executive Education

Total Gross Revenue in Most Recent FY

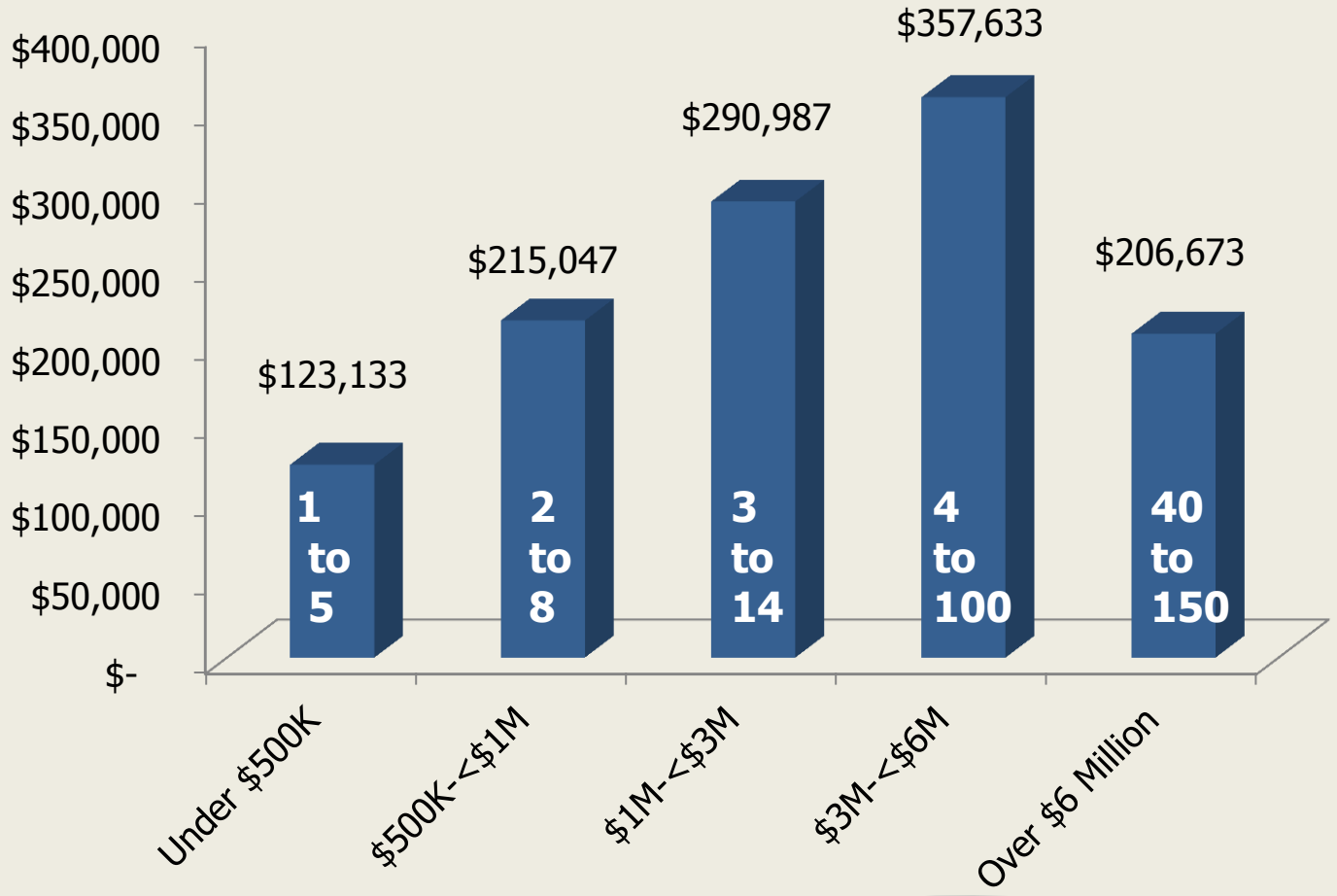


Gross Revenue per FTEs 2013



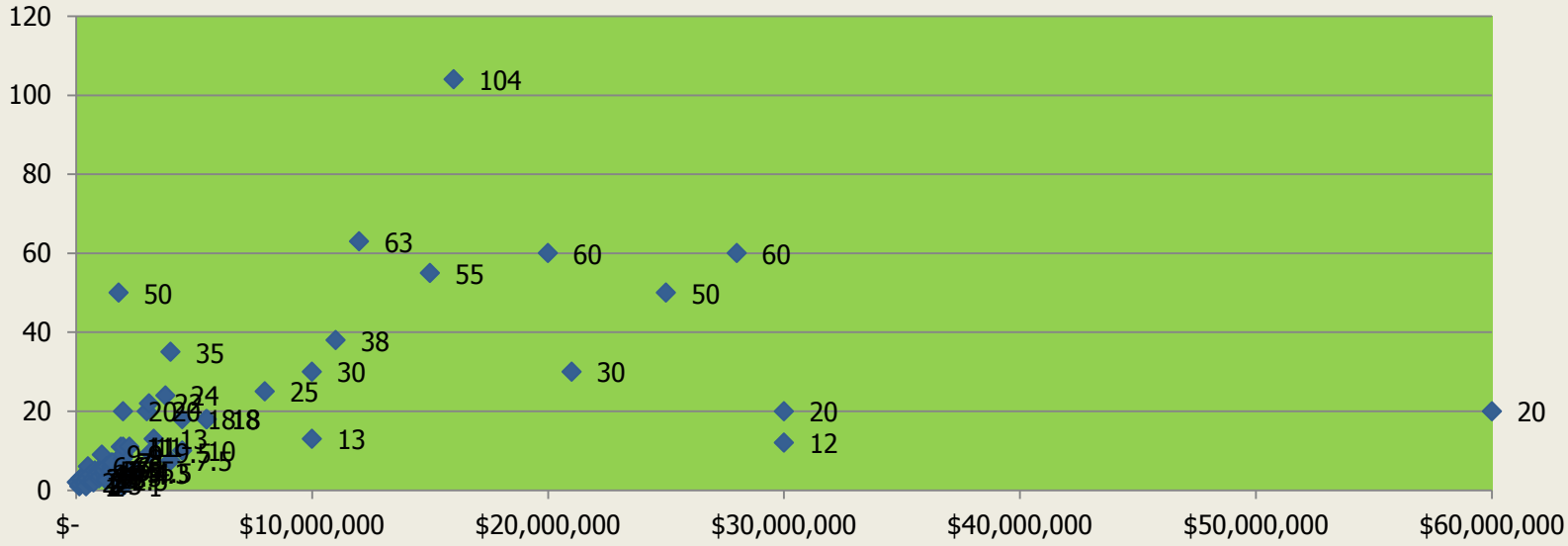
Average	$	4,457,557
Mode	$	2,000,000
Minimum	$	35,000
Maximum	$	60,000,000
Std. Dev	$	9,440,589

Gross Revenue per FTEs 2012



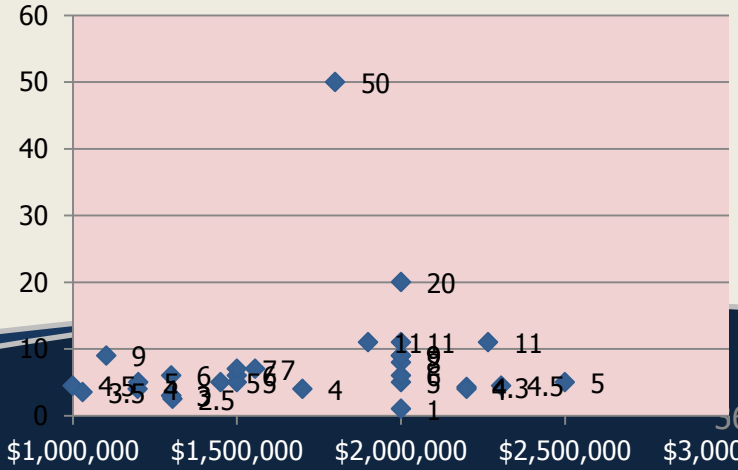
Average	$	248,127
Mode	$	350,000
Minimum	$	50,000
Maximum	$	875,000
Std Dev	$	156,200

Number of Full Time Equivalents (FTEs)

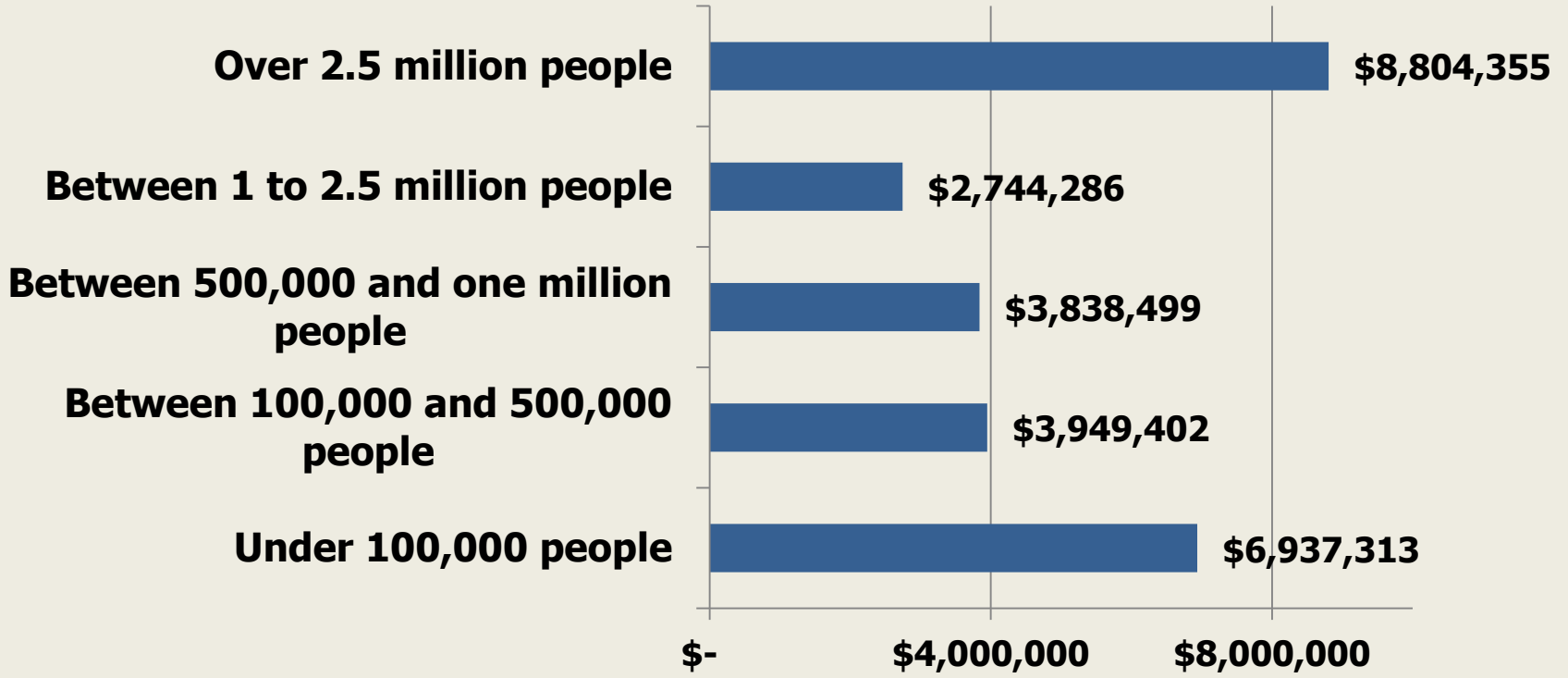


Under 1 Million Dollars

1 to 3 Million Dollars

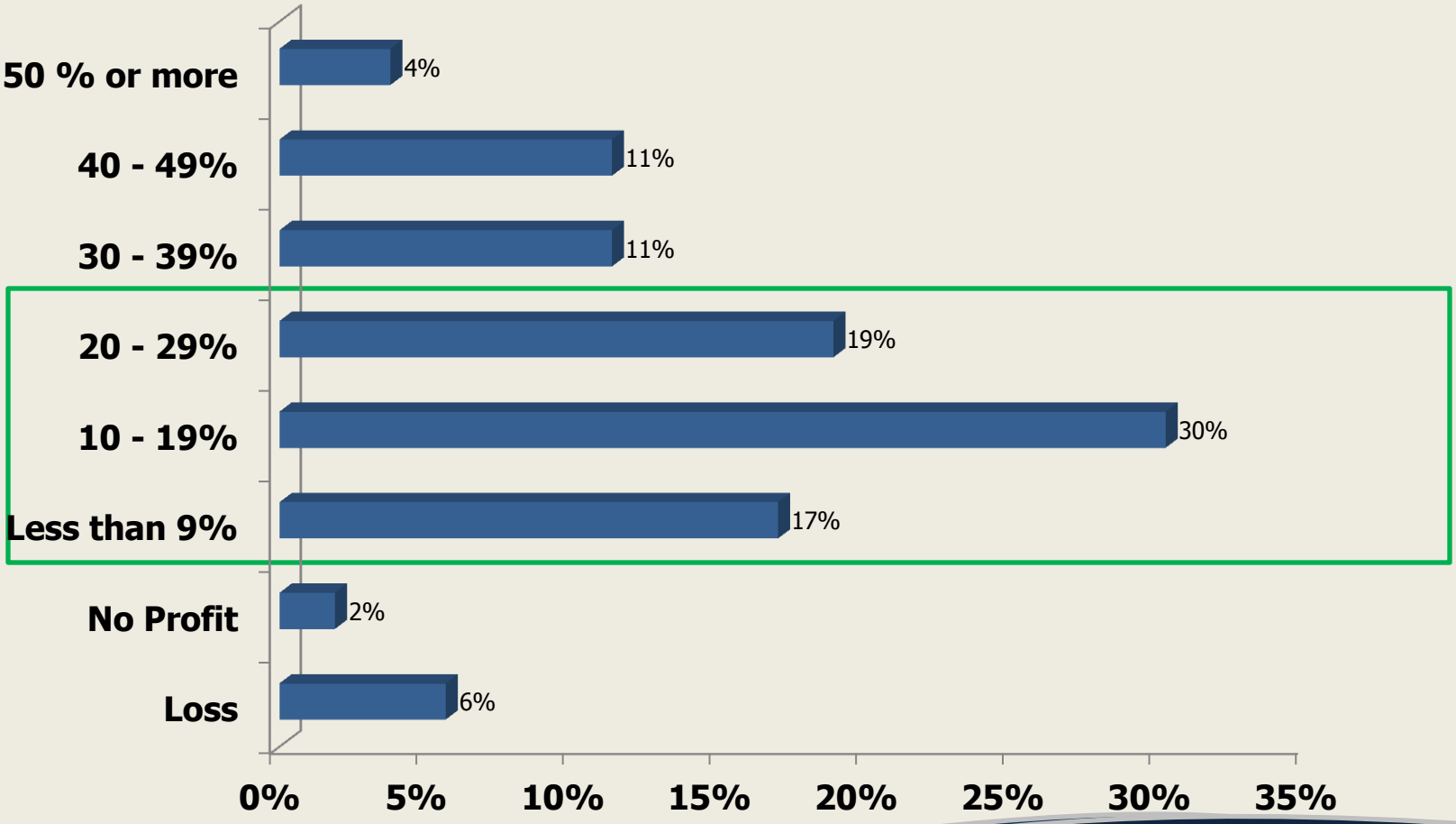


Gross Revenue per Size of Metropolitan Area



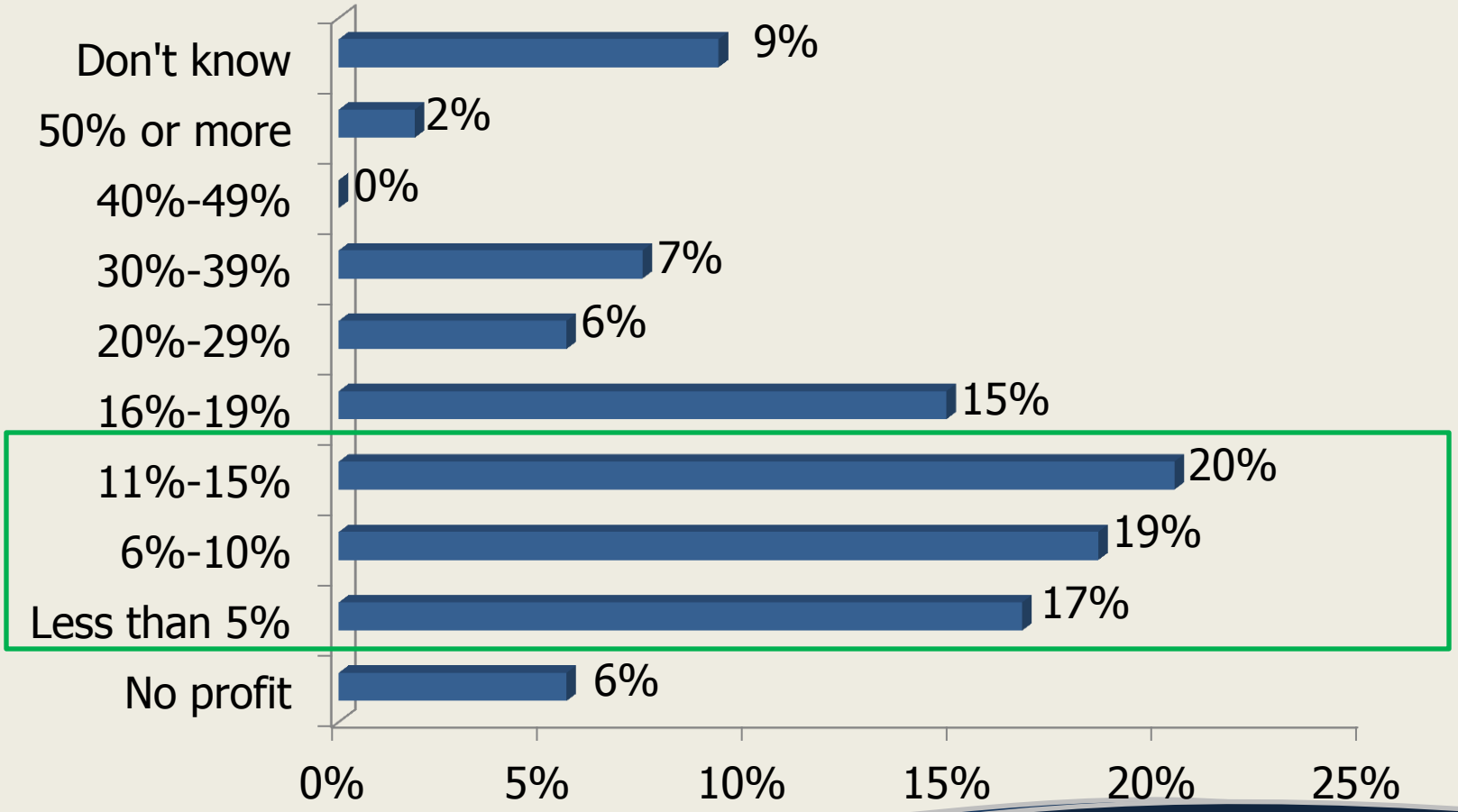
Net Profit Margin 2013

(reflecting revenue - direct and indirect costs)

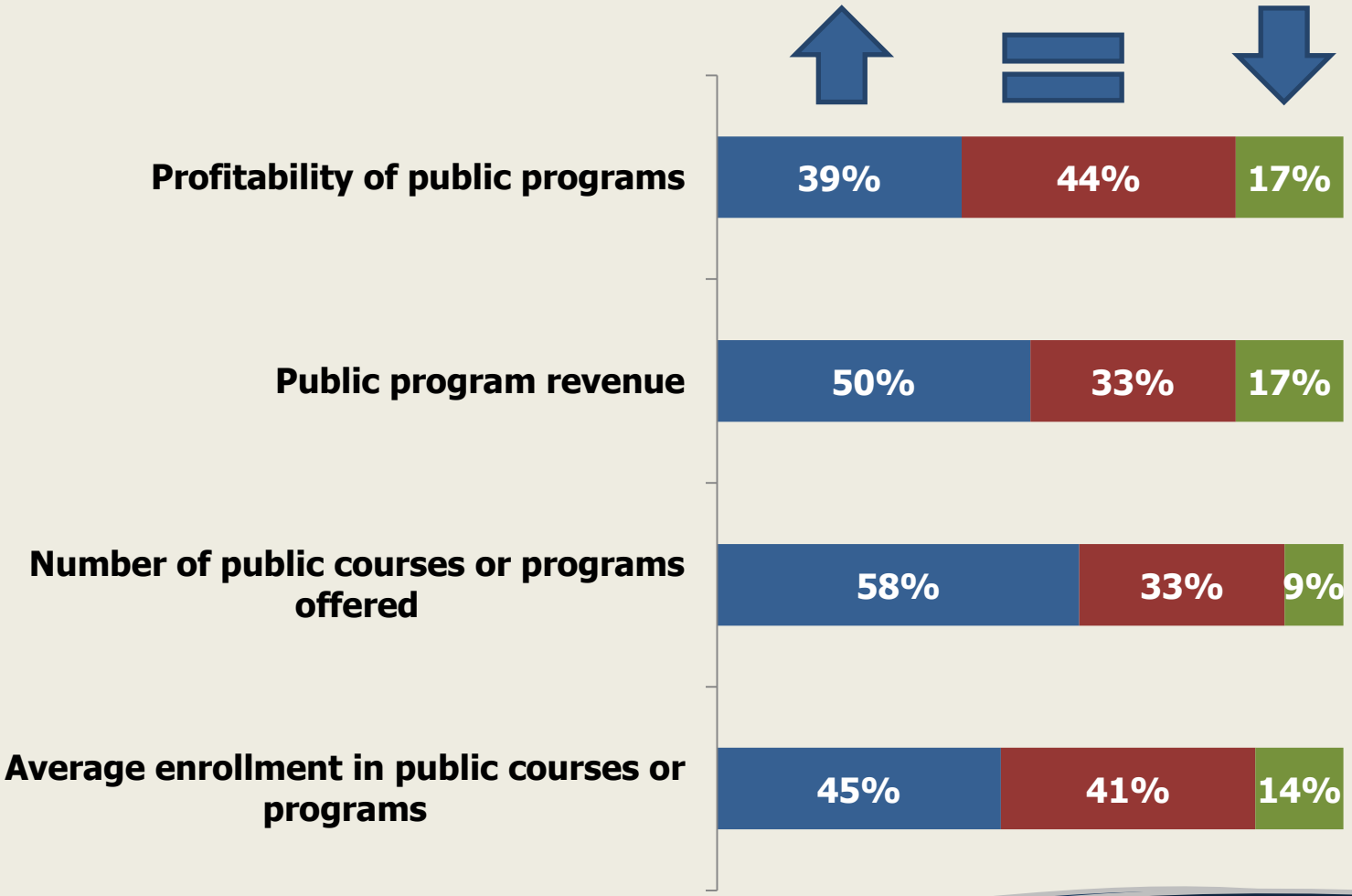


Net Profit Margin 2012

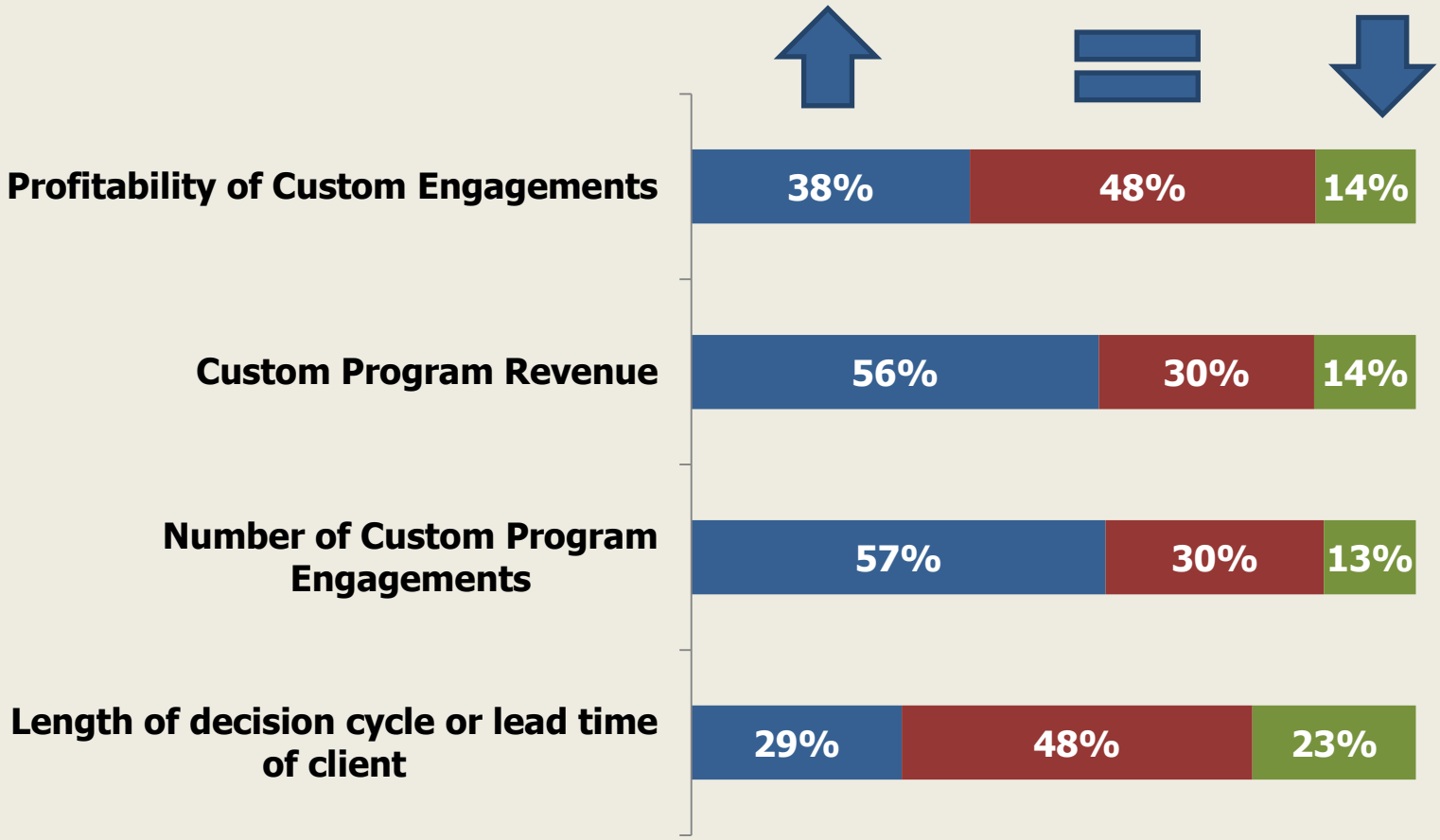
(reflecting revenue, direct and indirect costs)



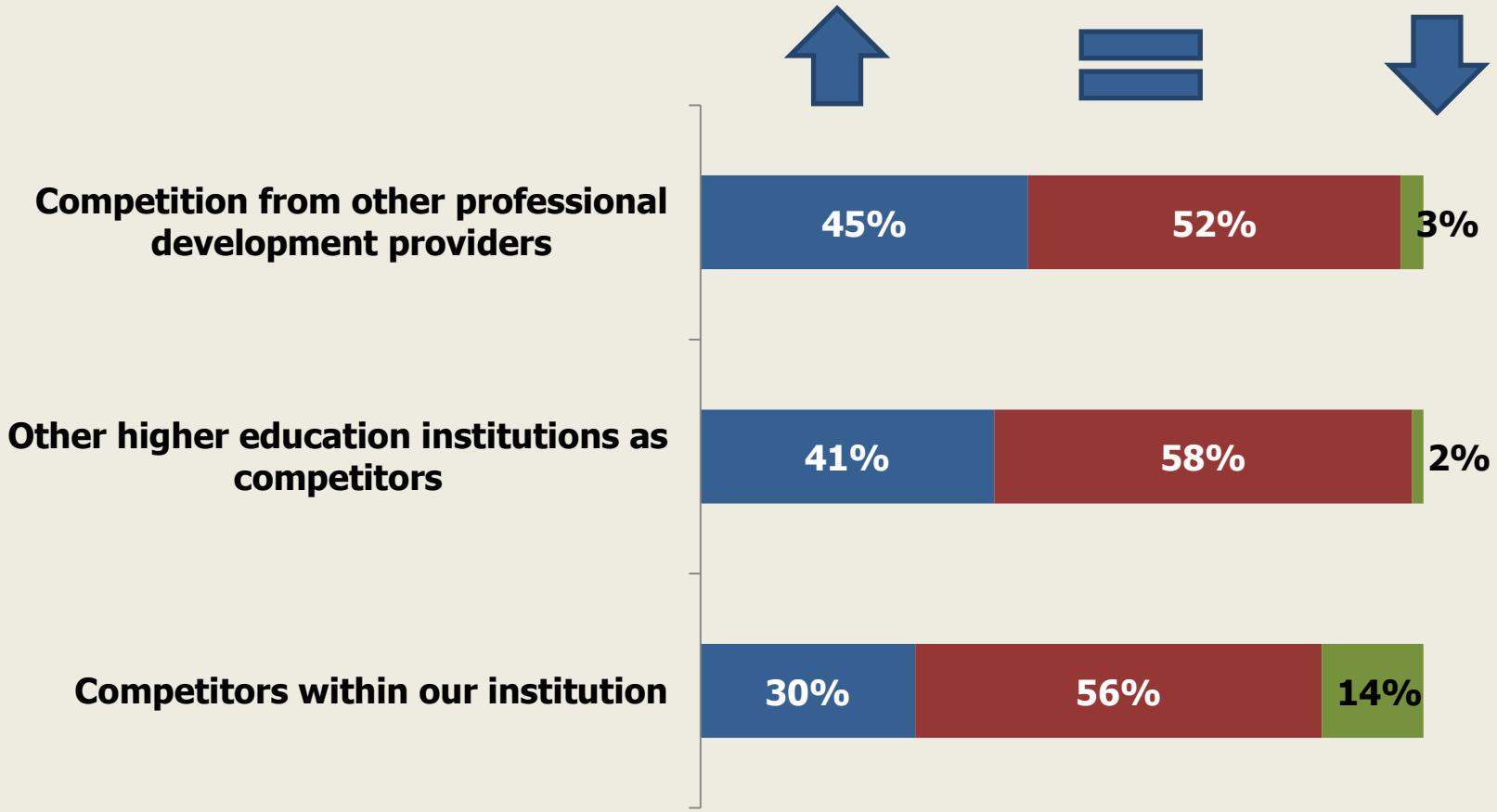
Revenue – Open Enrollment



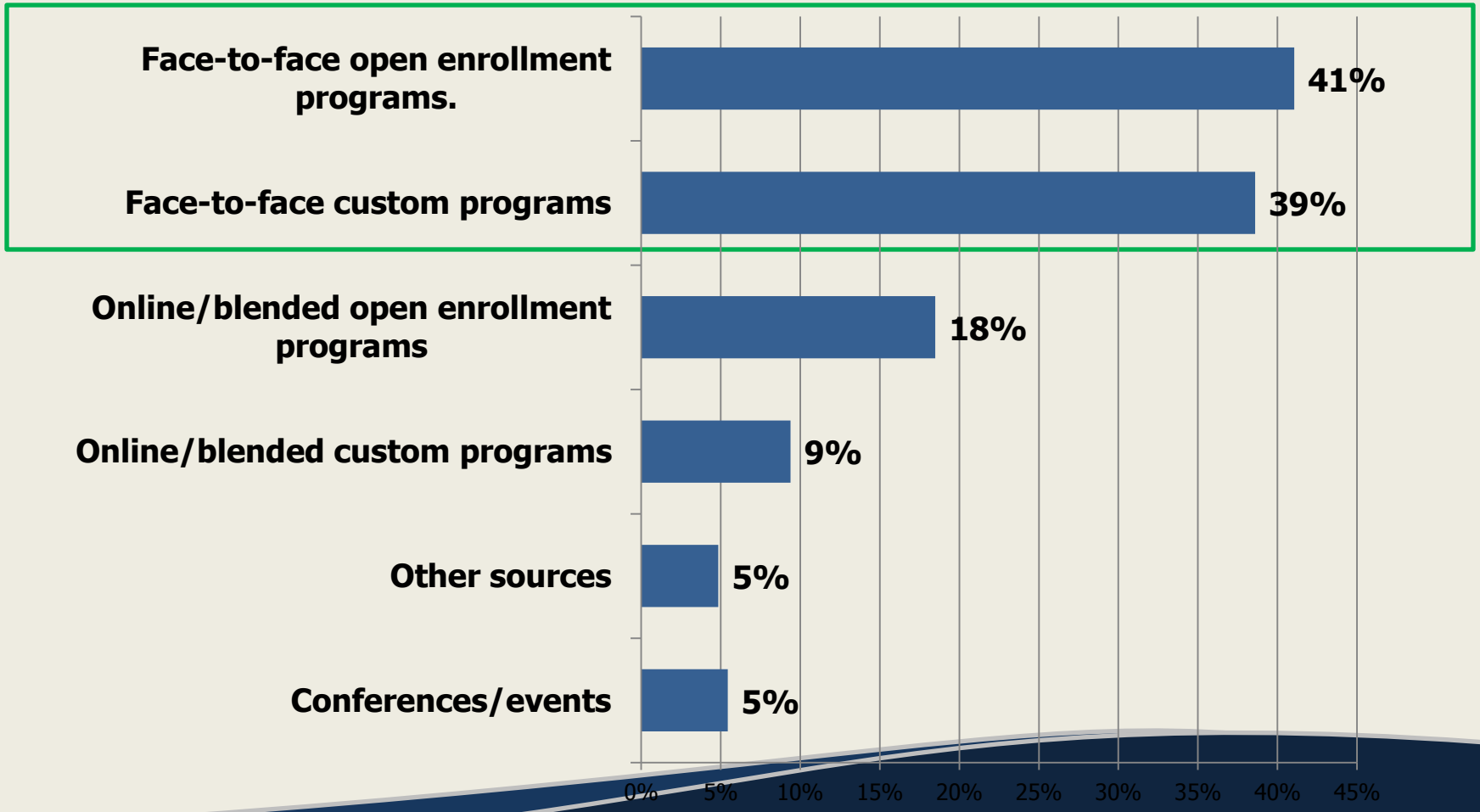
Revenue – Custom



Who is our competition?

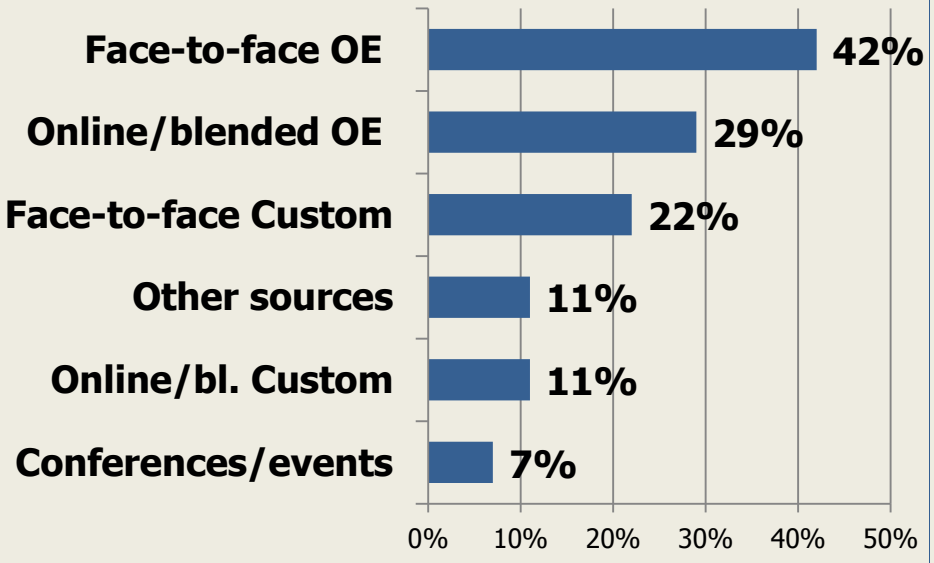


Percentage of Gross Revenue by Program Type

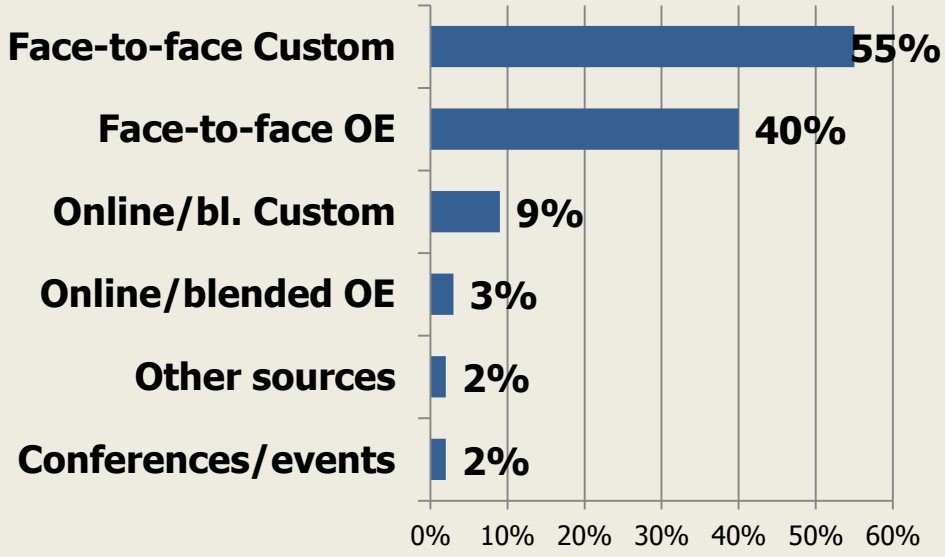


Percentage of Gross Revenue
by Program Type

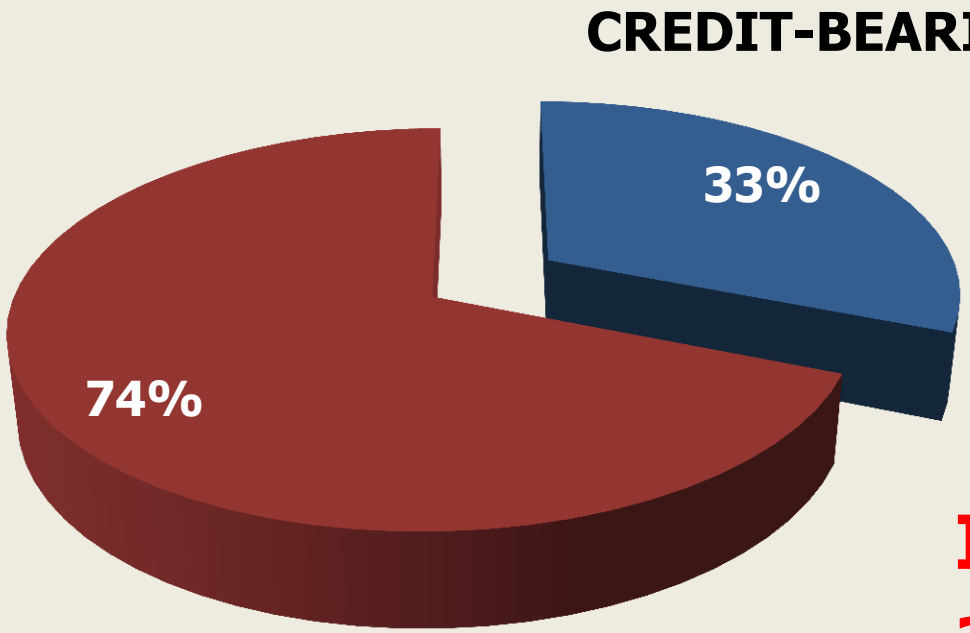
Continuing Education



Executive Education

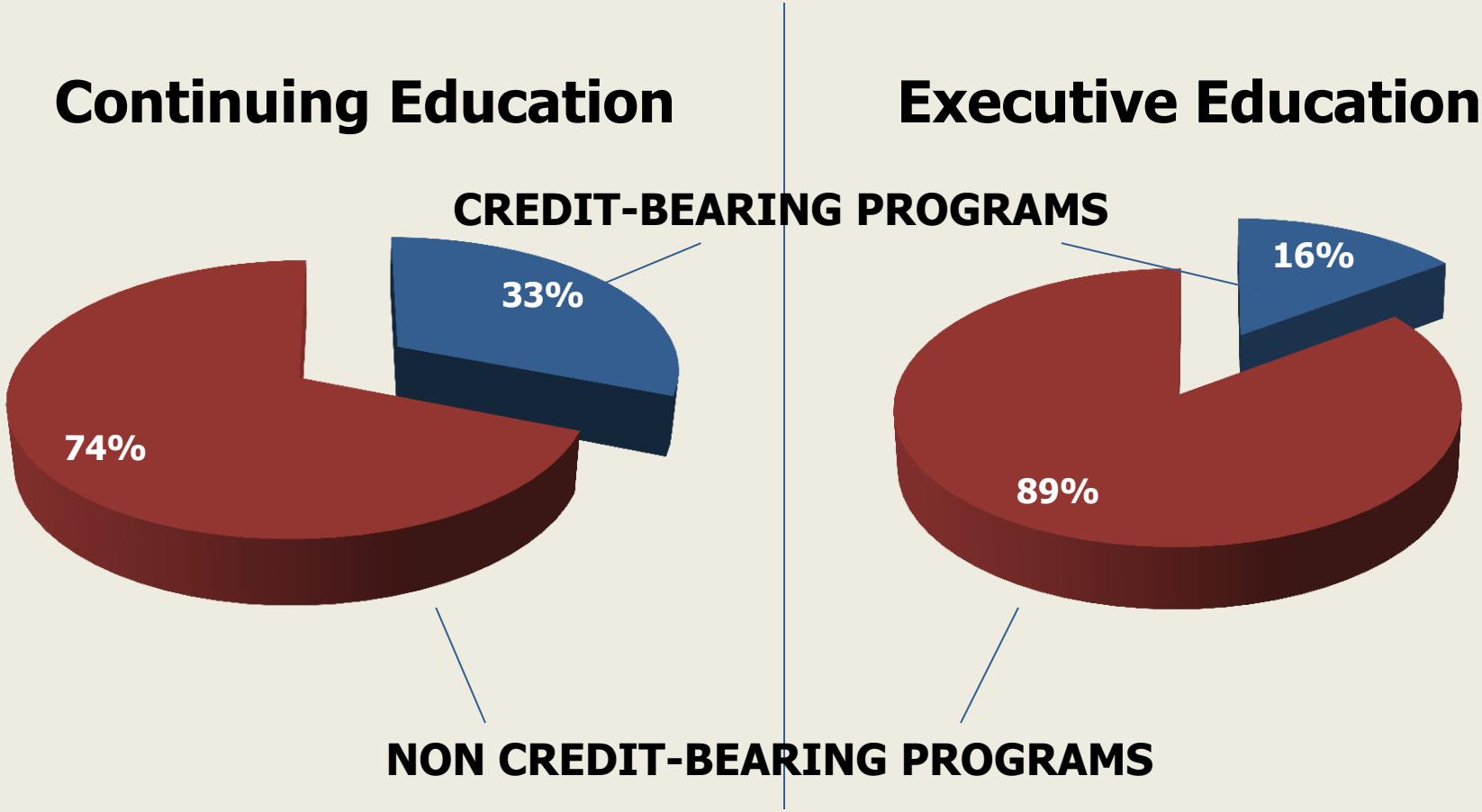


Percentage of Gross Revenue from Credit or Non Credit-Bearing Programs

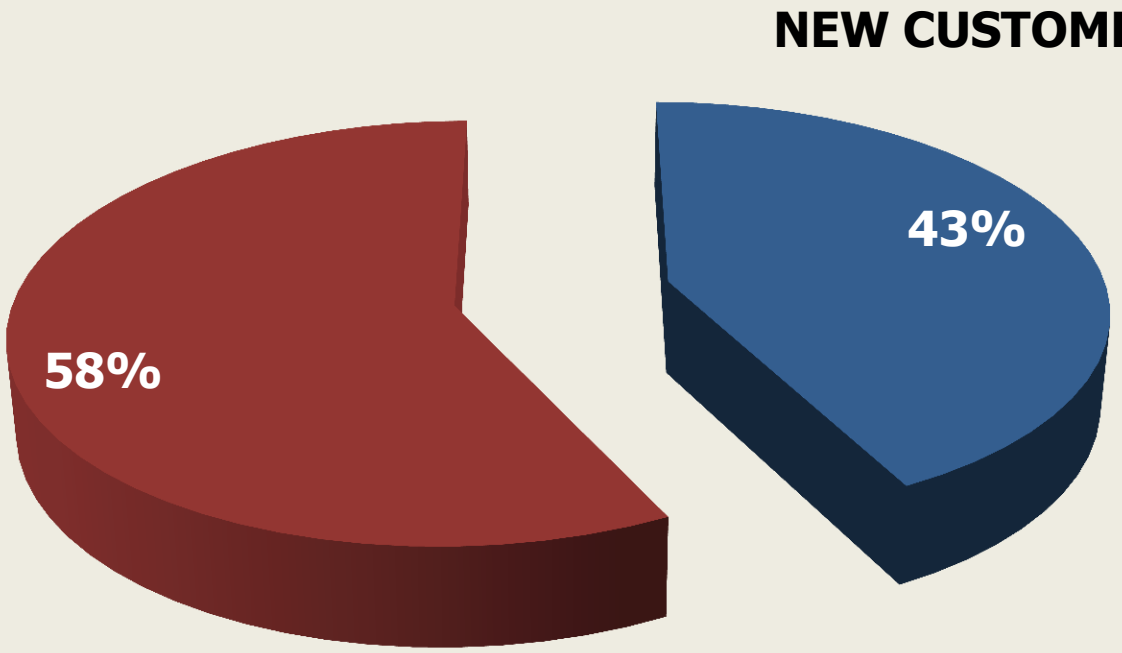


In 2012 it was a 20/80 split

Percentage of Gross Revenue from Credit or Non Credit-Bearing Programs

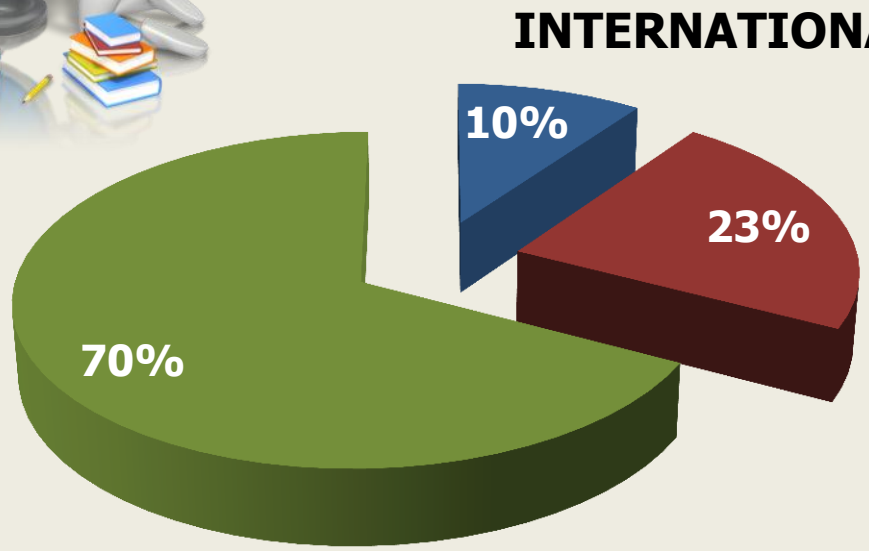


Percentage of Gross Revenue
from New and Existing Customers

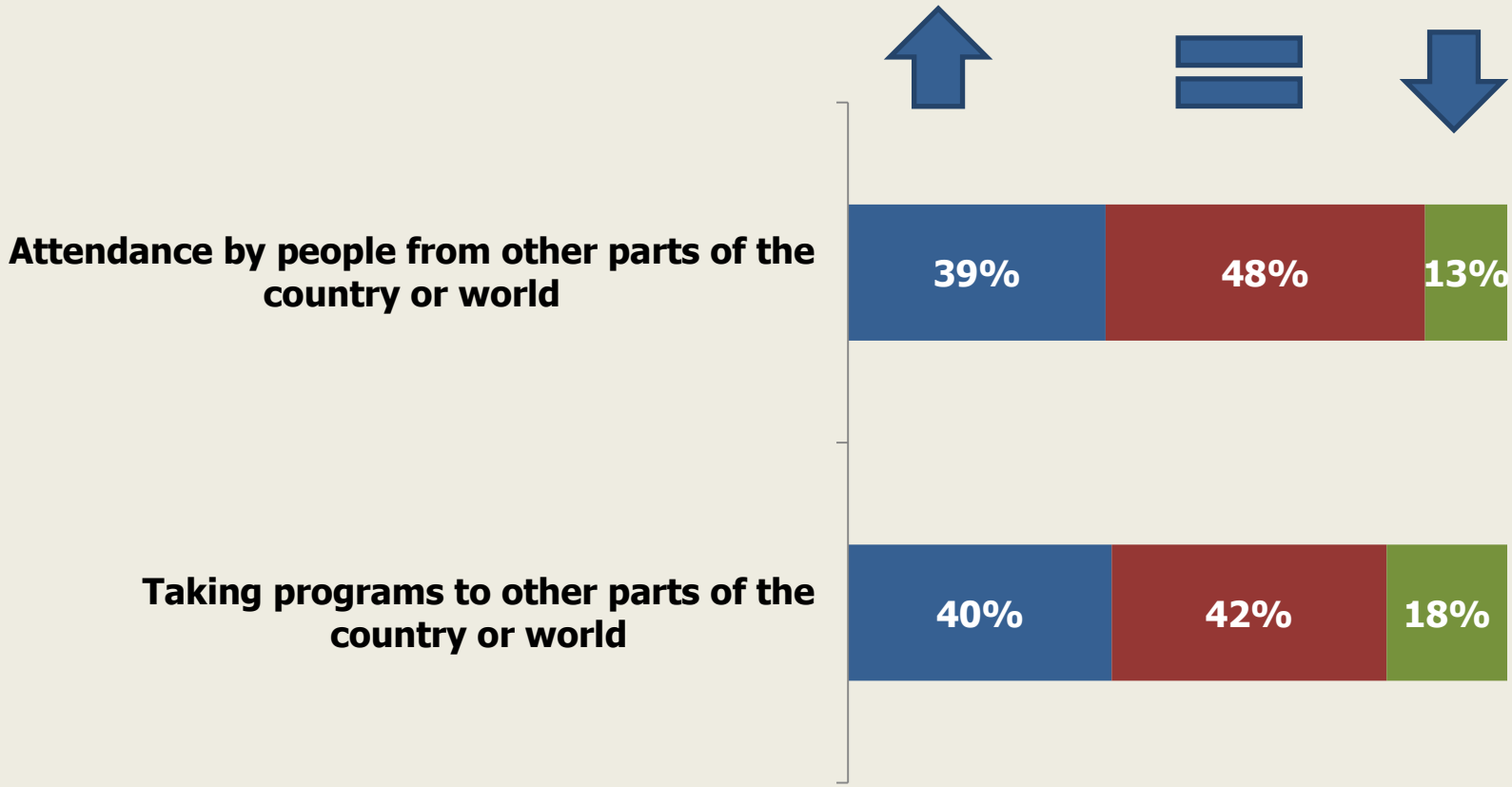


In 2012 it was a 42/56 split

Percentage of Gross Revenue
By Participants' Nationality



Changes in Program Reach?



Linda

PROGRAM/INSTRUCTION

Successful new initiatives

Collaboration & Partnership	10.87%
Delivery Format	19.57%
Marketing	19.57%
Programming	41.3%

- Expansion of programs beyond traditional metropolitan area via partnerships.*
- Unbundling management seminars and allowing participants to have the choice of selecting the seminars they want to earn certificate. Larger and more diverse "audience", growth of program, projection of increased revenue.
- Expanded the number of online programs.*
- Niche products with brand recognition.

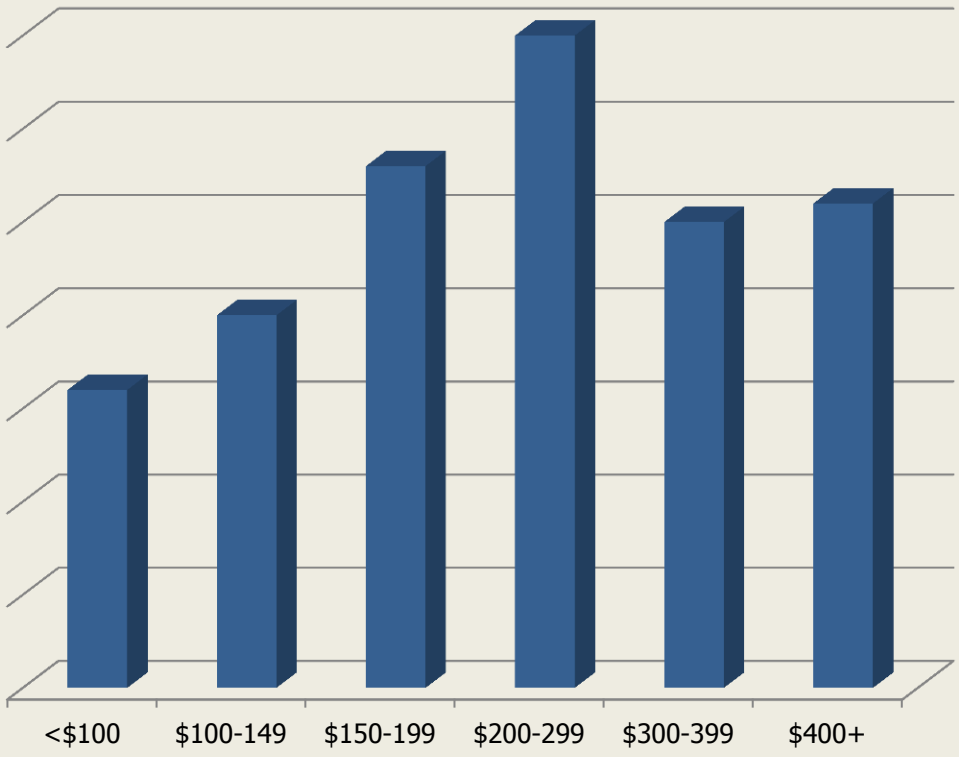
New initiatives (cont.)

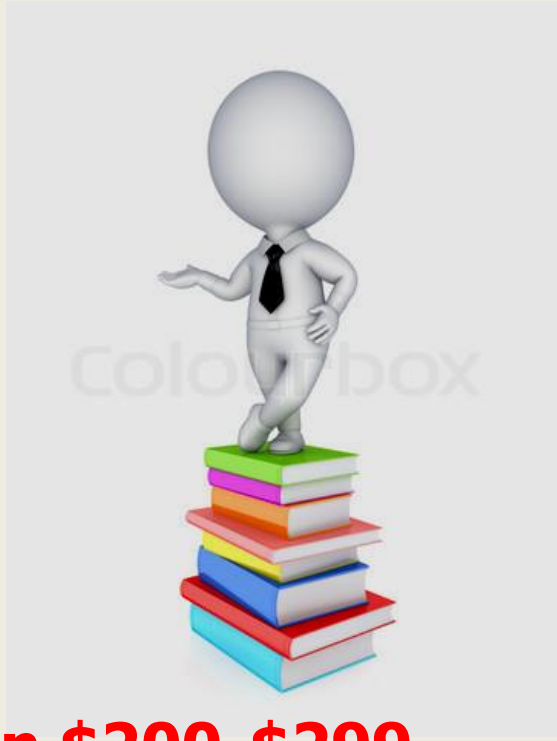
- No notebooks for a custom (four week long) program - use only tablets/IPad.
- Alumni events to get a guest lecture from a premier faculty. Yes it was successful. We had over 250 alumni show up and it lead to many sales leads.*
- New website with enhanced RFIs married to landers and implementation of CRM and Marketing Automation tools.*
- New higher level business education format for experienced managers. Result is a contract to conduct program every six months through 2014. It succeeds because it has been a collaborative effort between our faculty and the employee development personnel at the client.

Who teaches?

	CE	EE	Other
Tenured	21%	44%	27%
Non-tenured	24%	19%	22%
Practitioner	55%	36%	51%

Average Pay per Classroom Hour

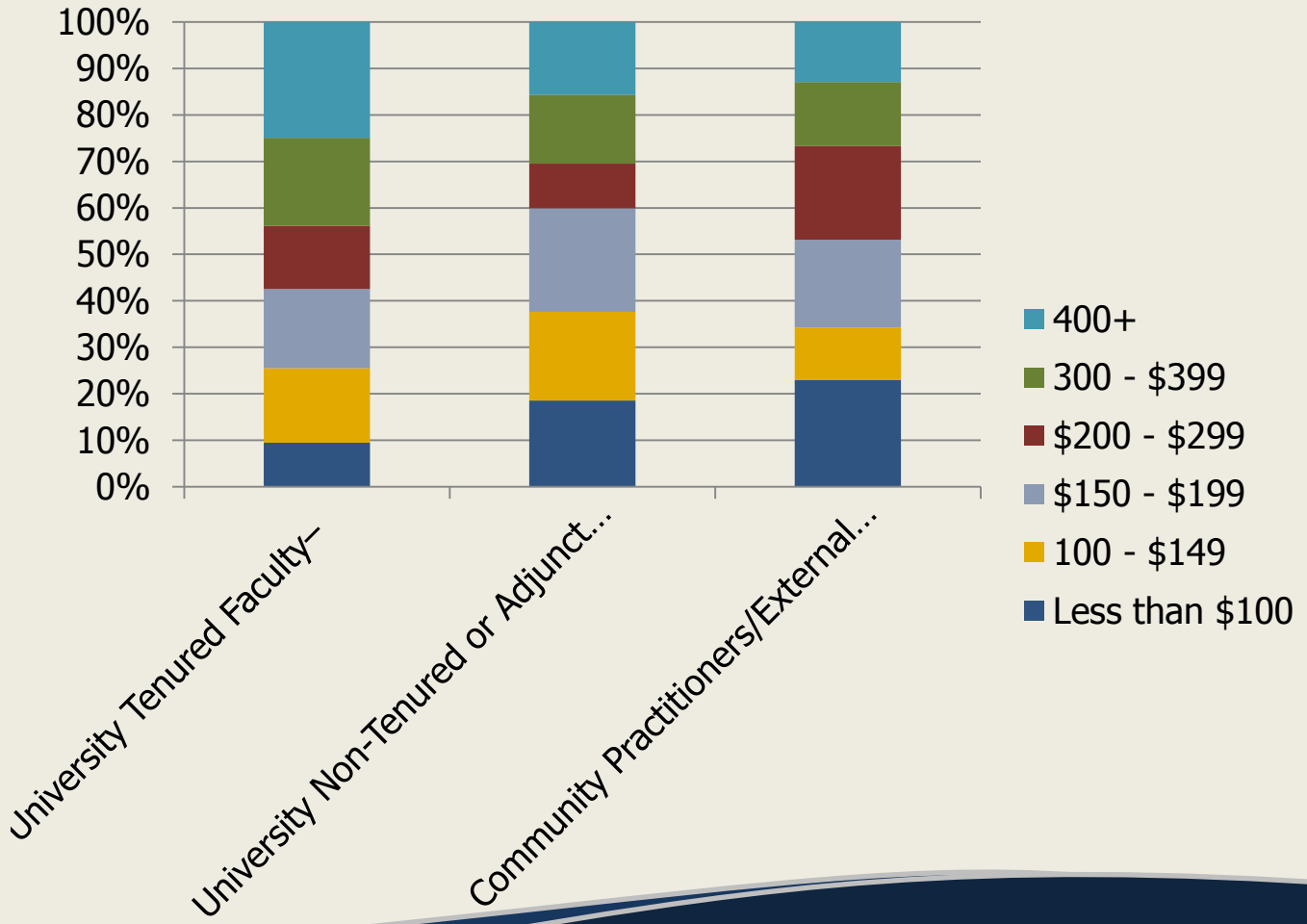




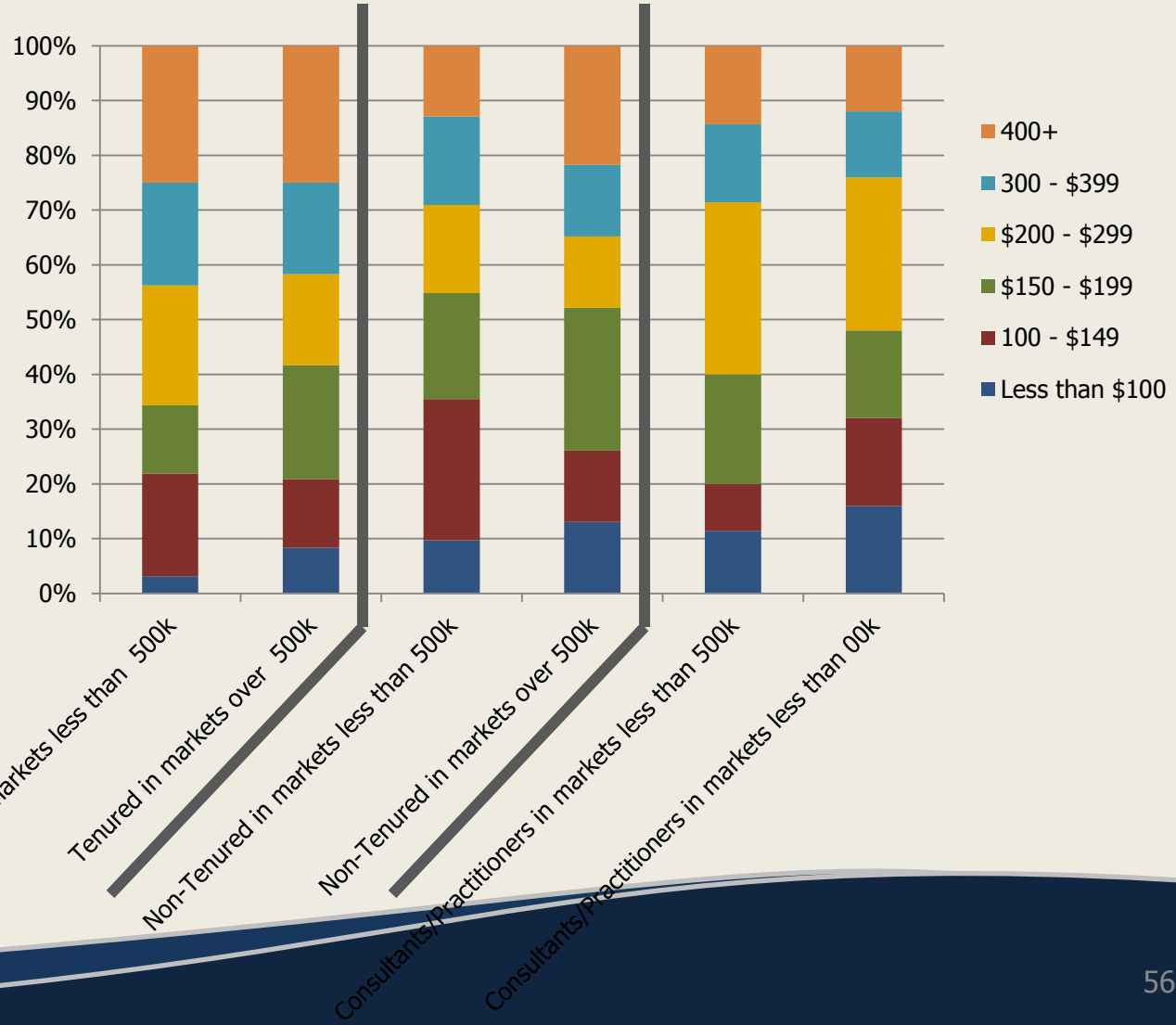
Most institutions pay between $200-$299.
How do you compare?

Average Pay per Classroom Hour by Instructor Type

Tenured faculty are the highest paid type.



Does size matter?



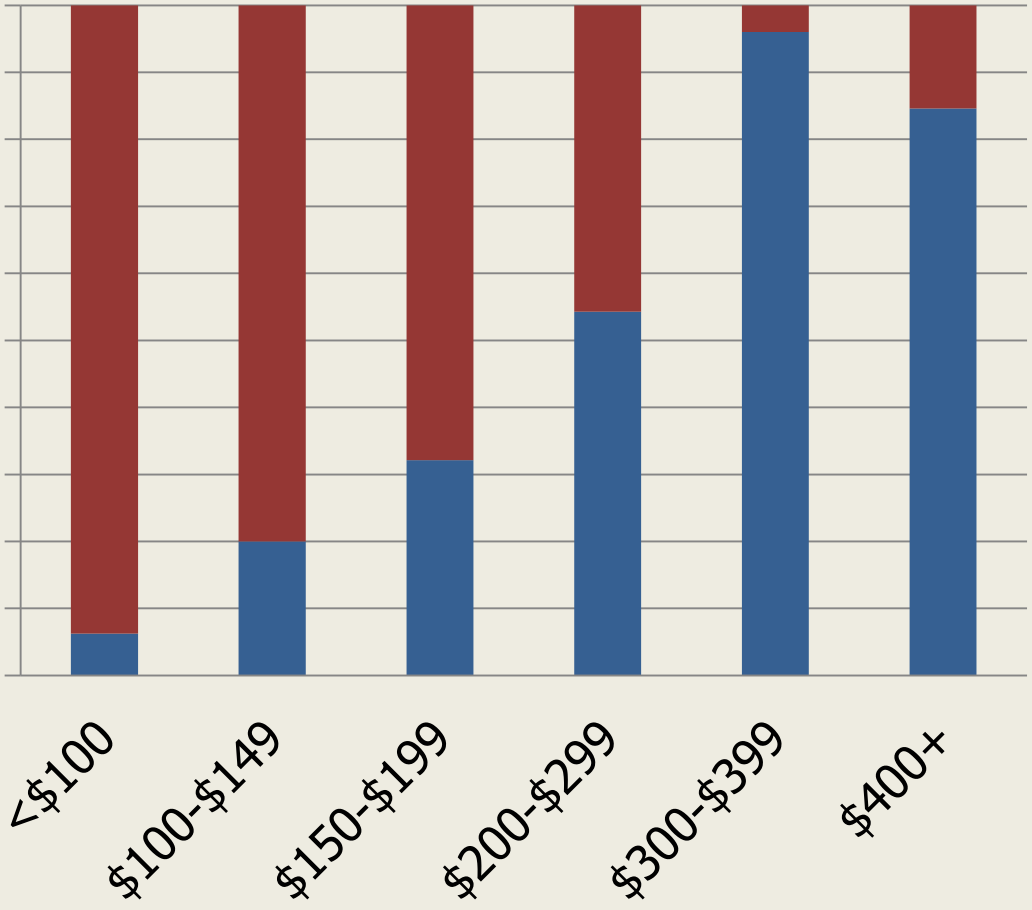
Average Pay per Classroom Hour by Market Size

Fewer than 500k	Tenured	Non-tenured	Consultant
Less than $100	3%	10%	11%
$100 - $149	19%	26%	9%
$150 - $199	16%	19%	20%
$200 - $299	22%	16%	31%
$300 - $399	19%	16%	14%
$400+	25%	13%	14%

More than 500K	Tenured	Non-tenured	Consultant
Less than $100	8%	13%	16%
$100 - $149	13%	13%	16%
$150 - $199	21%	26%	16%
$200 - $299	17%	13%	28%
$300 - $399	17%	13%	12%
$400+	25%	22%	12%

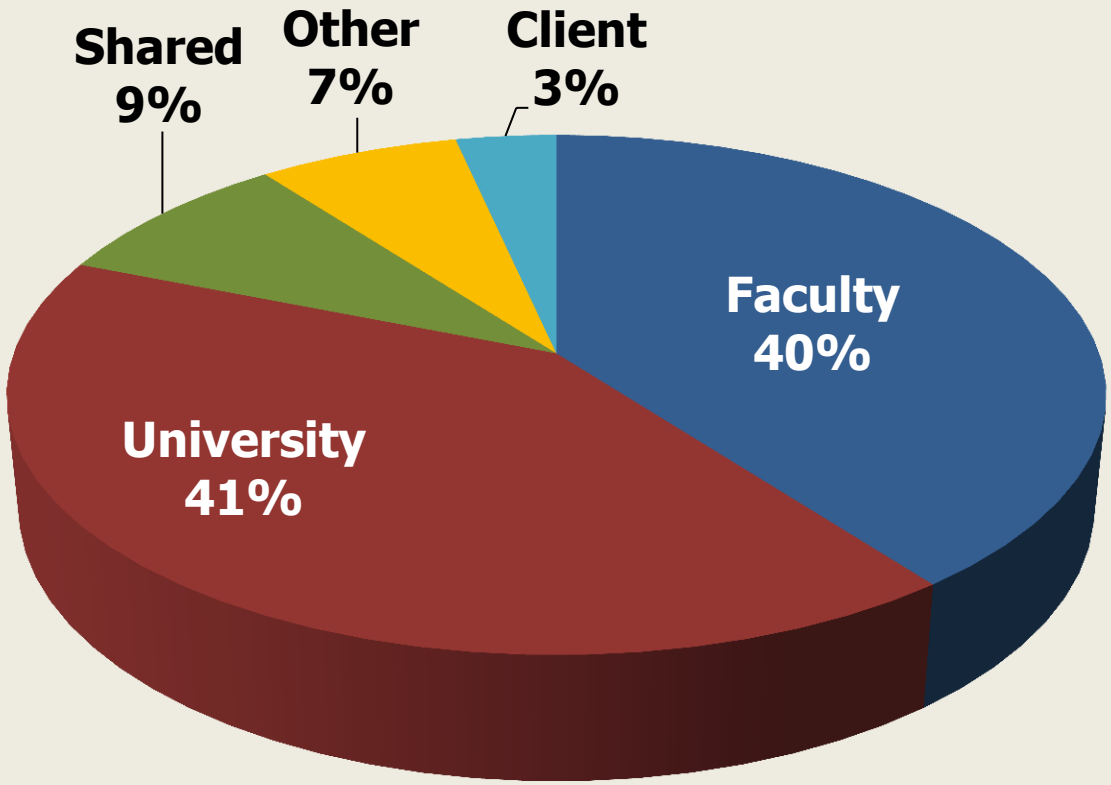
Regardless of market size, tenured faculty are higher paid. Smaller markets tend to pay all instructor types more than do larger markets.

But Exec Ed pays more than Con Ed, right?



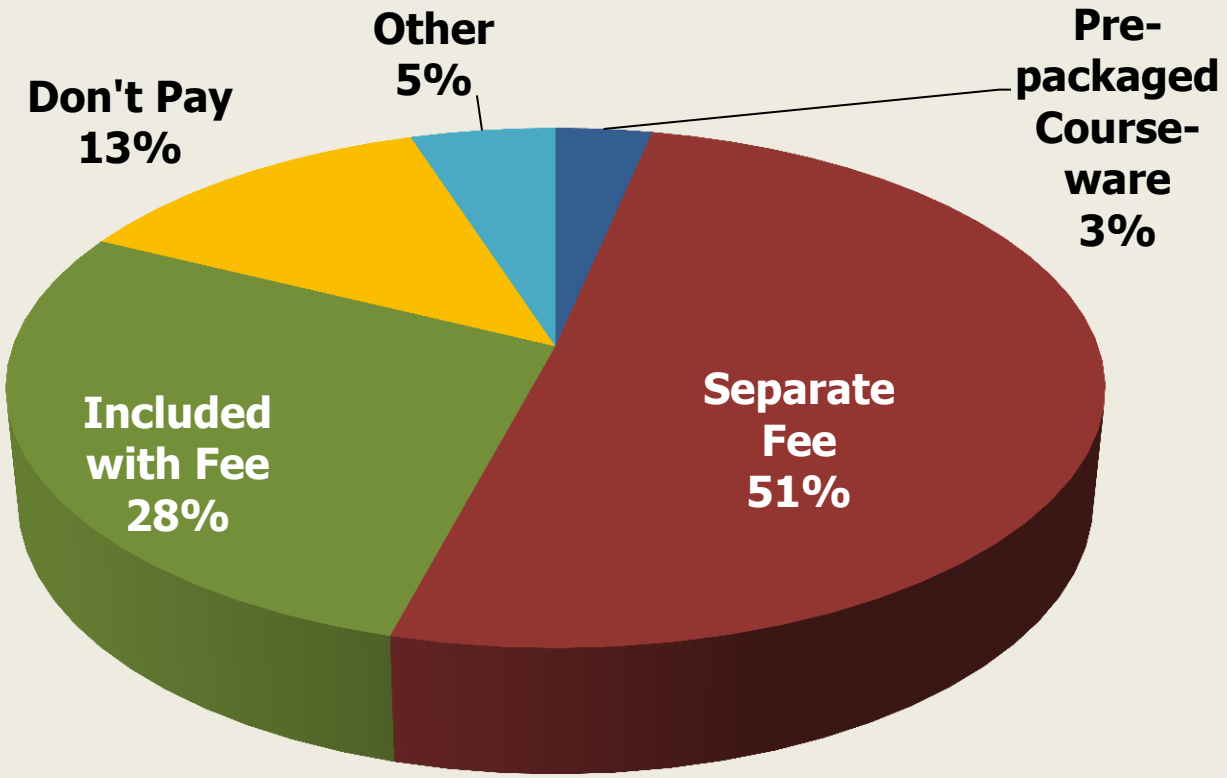
Right!

Intellectual Property Ownership

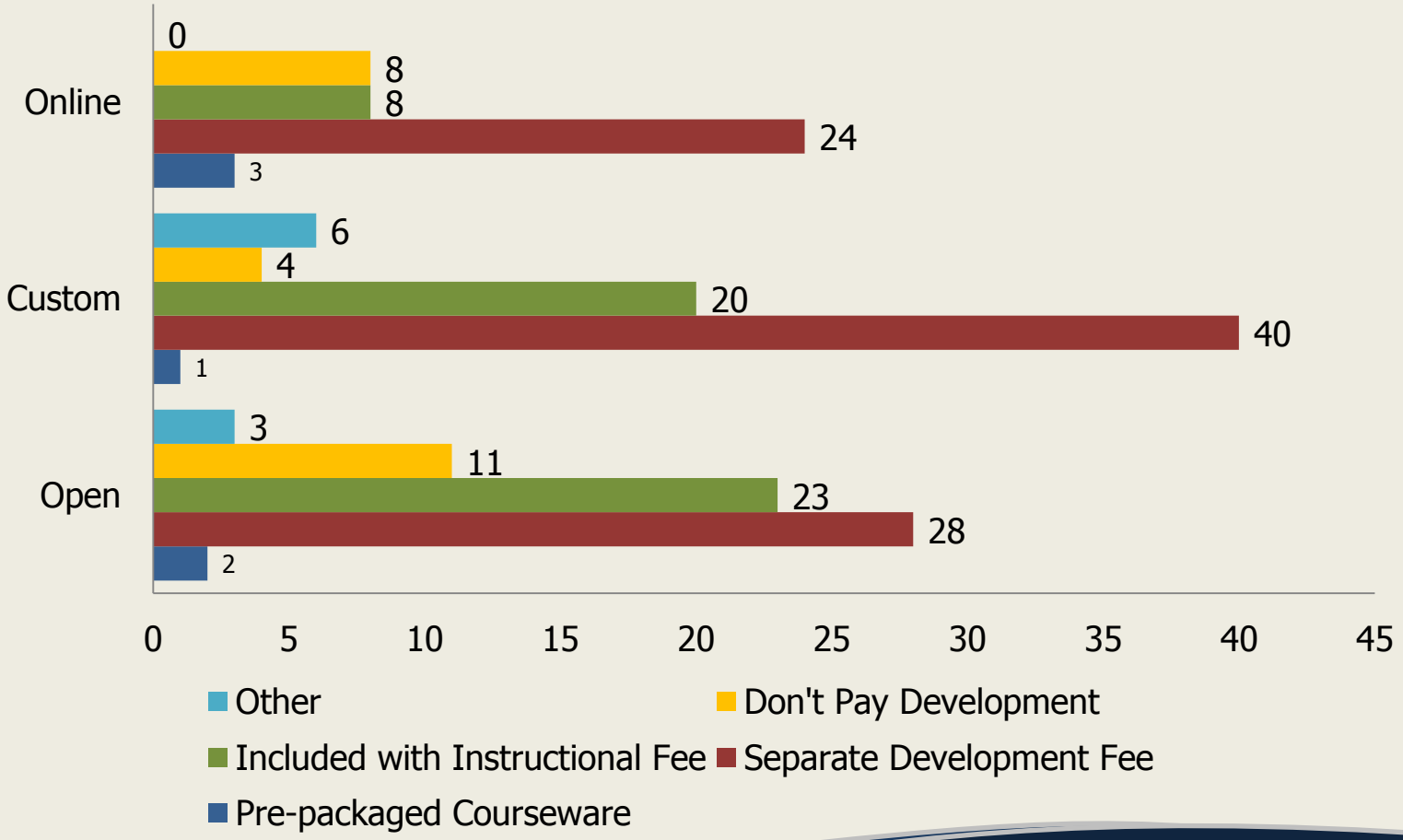


Who owns the intellectual property used in a course?

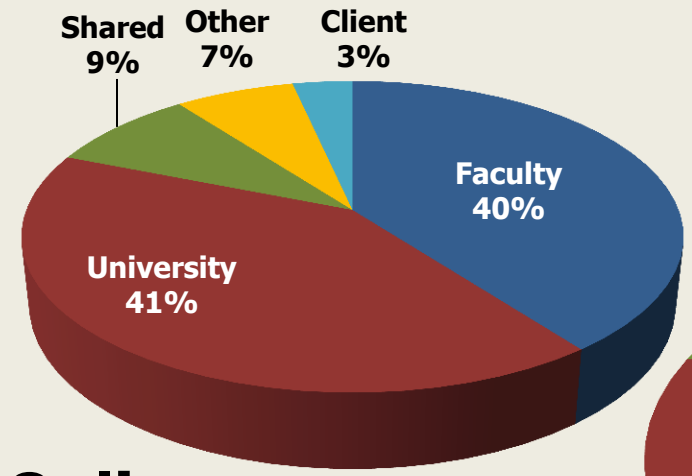
Do we pay for course development?



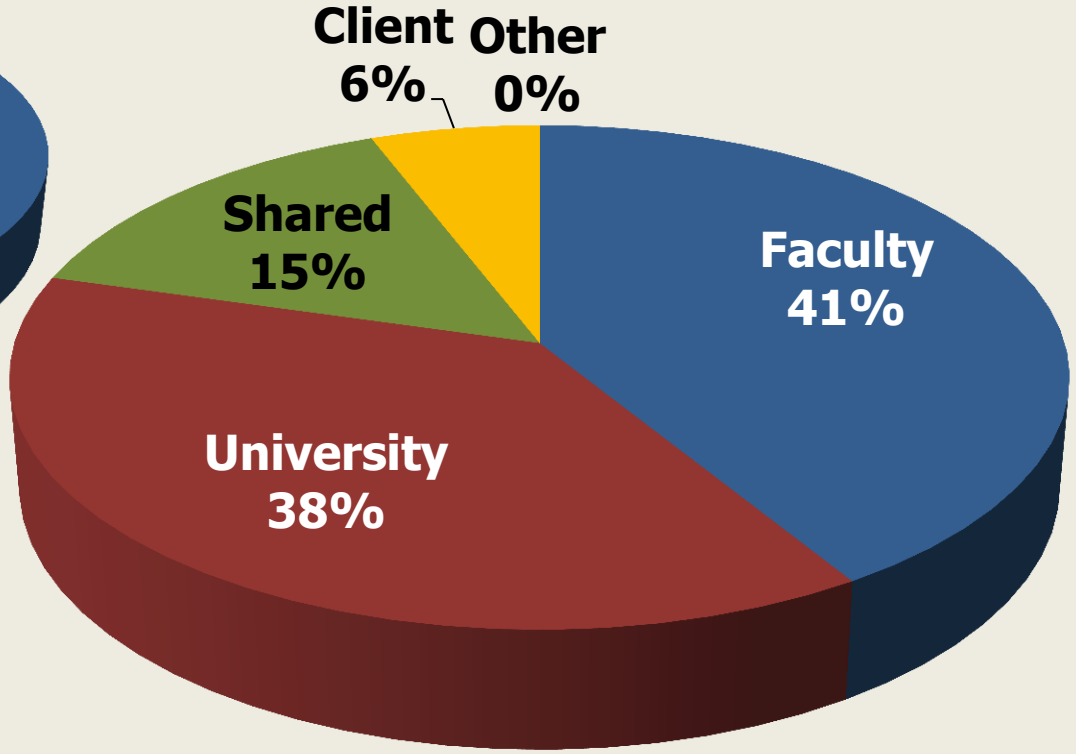
When do we pay for course development?



Who owns it if we pay for it?



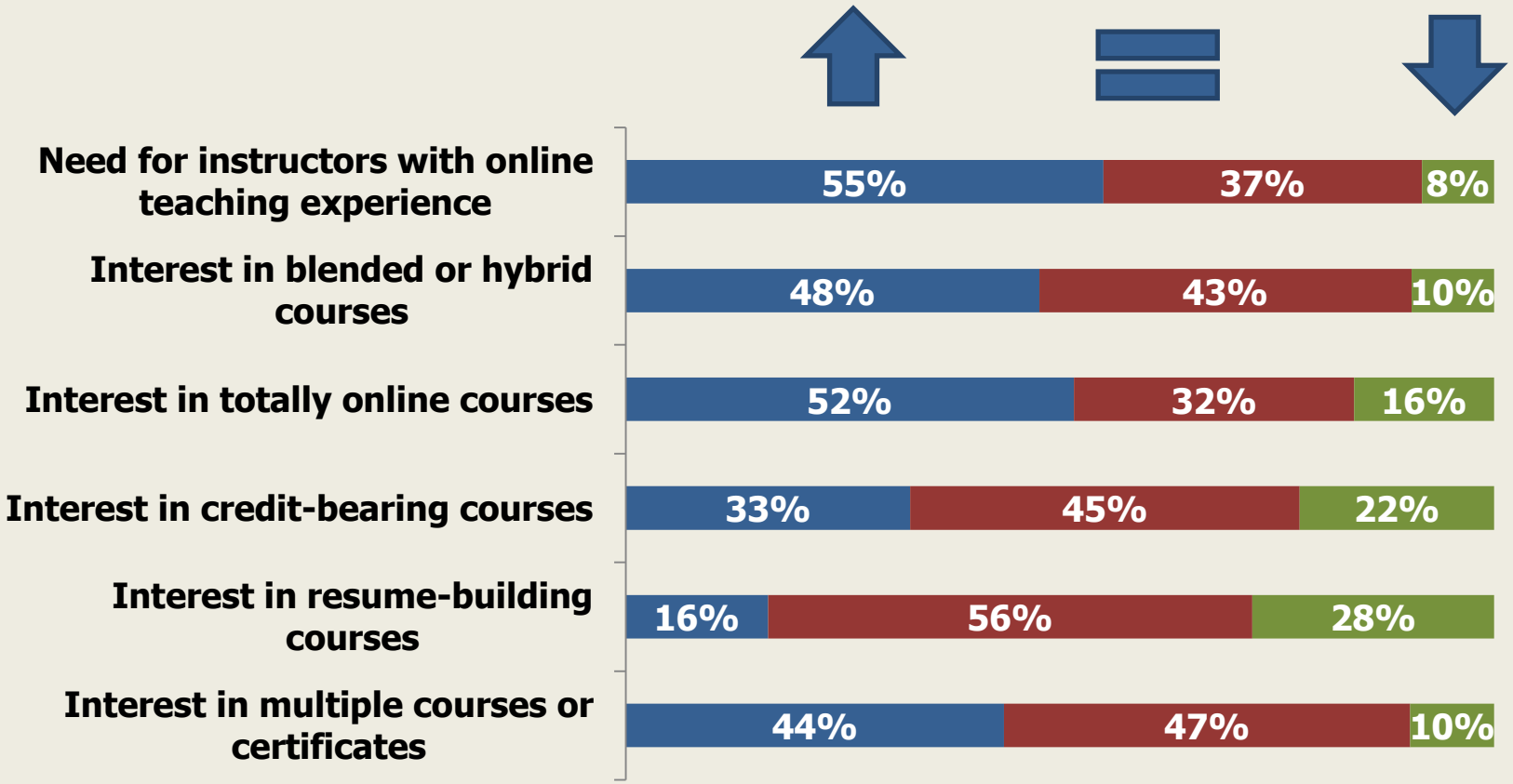
Online



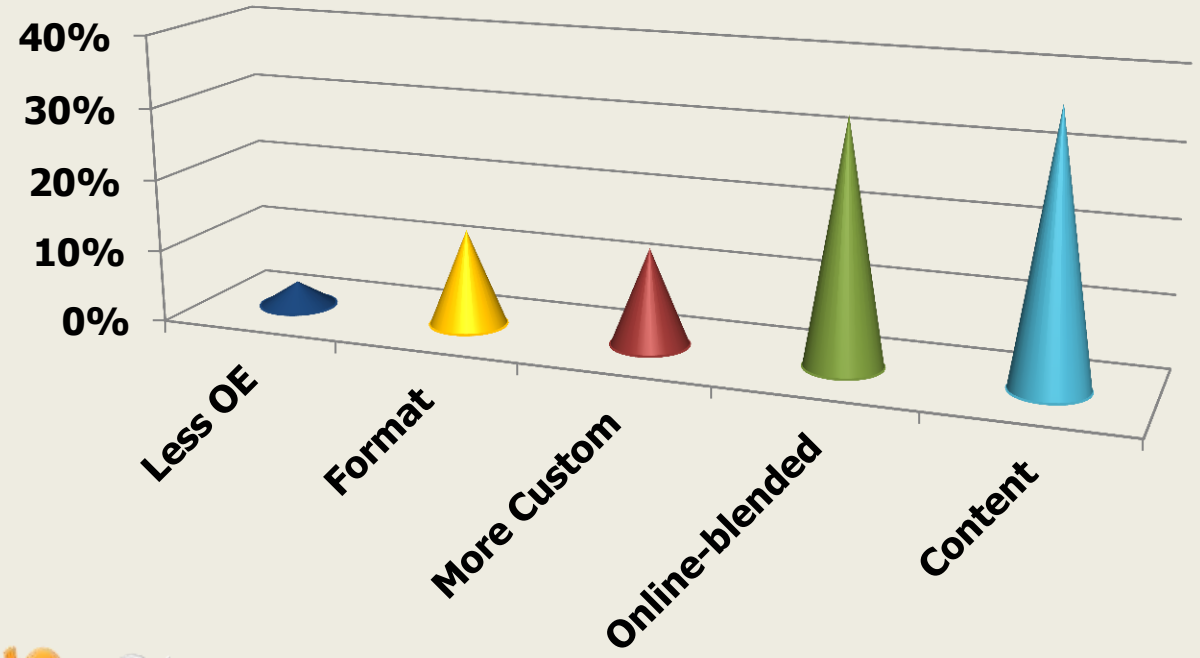
Classroom

When development is paid for, 41% of faculty retain ownership of intellectual property

Program Interests Changes?



Changes in types of courses or content



Questions? Comments?

We are happy to help you!