CMED 2015 Benchmarking & Industry Trends Survey 2015

2015 Team

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Recognizing the contribution of past CMED member Jennifer Madden, Fashion Institute of Technology,
and current CMED member and Board member Tracey Maurer, University of Vermont

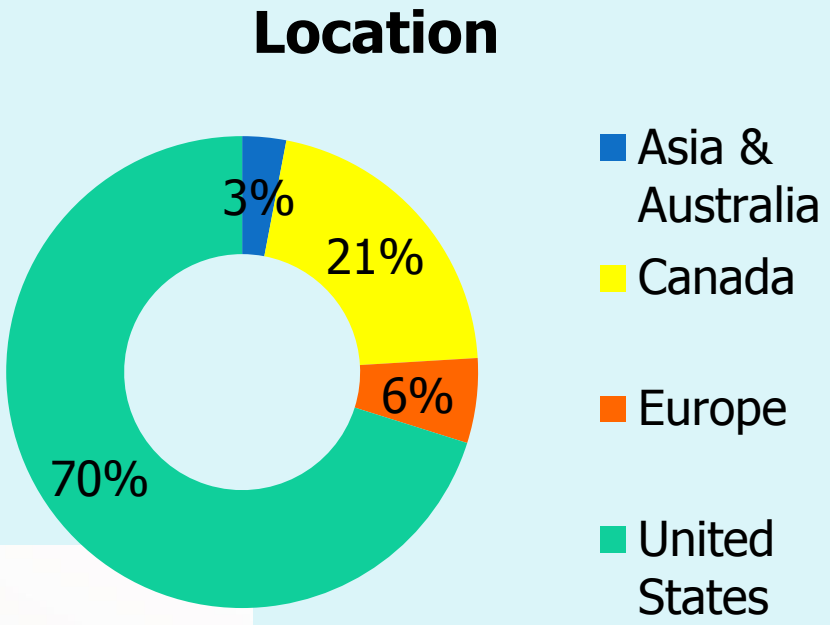
Benchmarking Study

Why is this valuable to you?

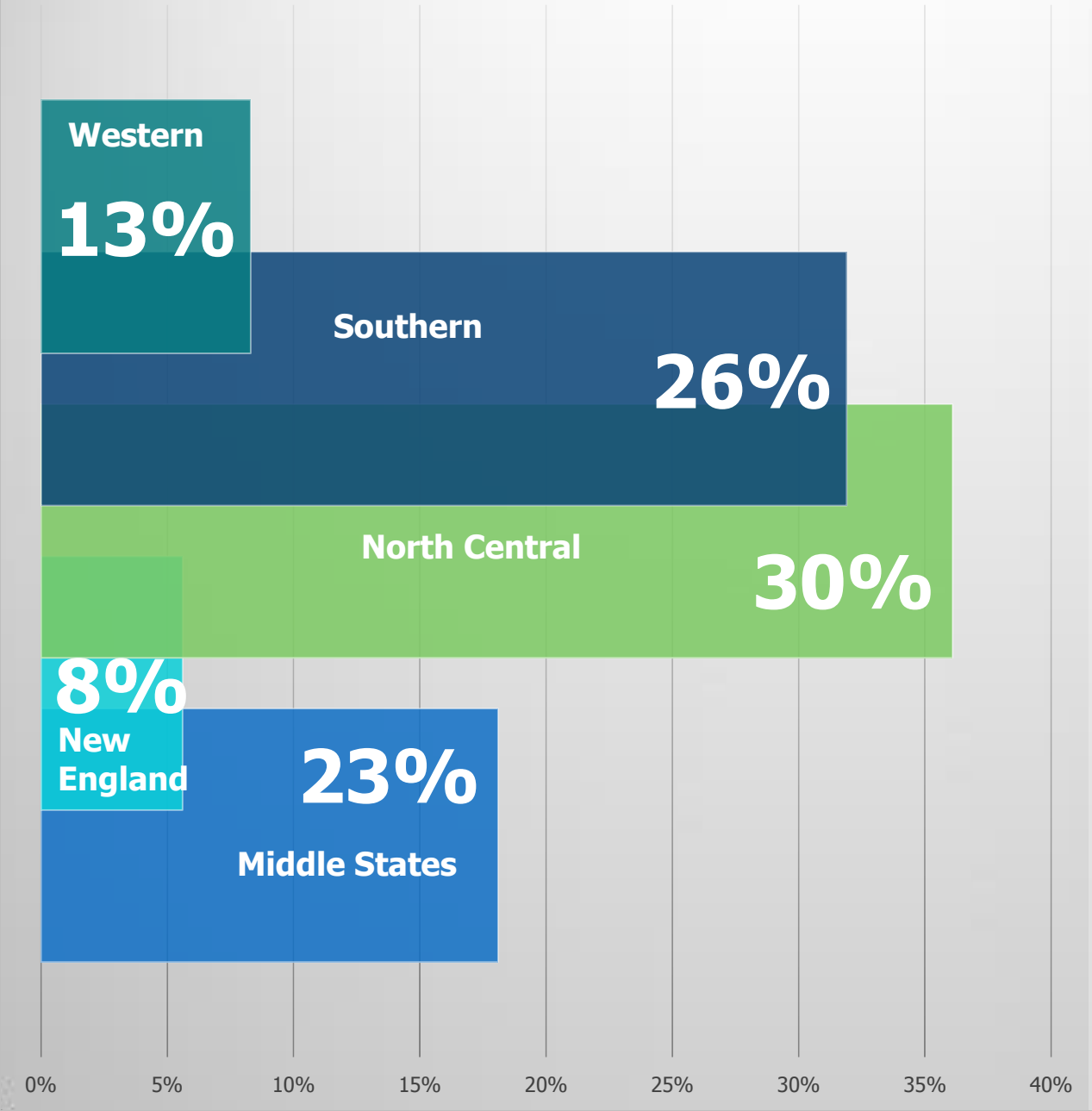
- Provides solid trends across a wide range of University Executive and Continuing Education locations that is not available elsewhere
- Use the data to shape appropriate strategy for your operation
- Use results for building a case for resource needs
- Valuable in communicating with Deans and executives about the industry, and cross-walking the data to your unit
- Data captures a cross section of the industry from the smallest units to the largest

POPULATION

Survey Participants: Where in the World?



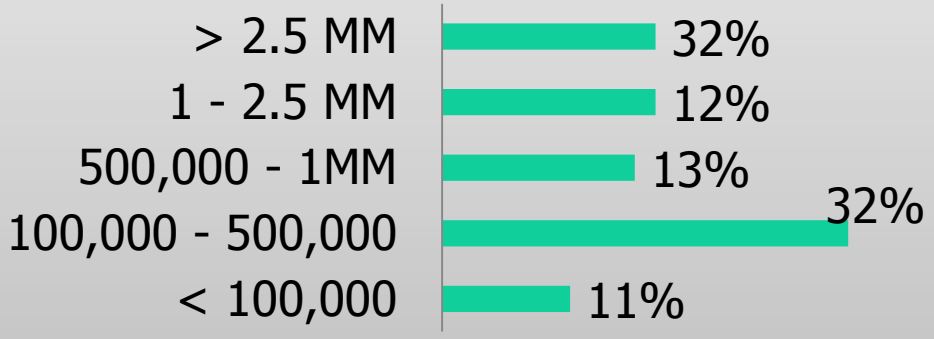
Regional Locations for US Institutions



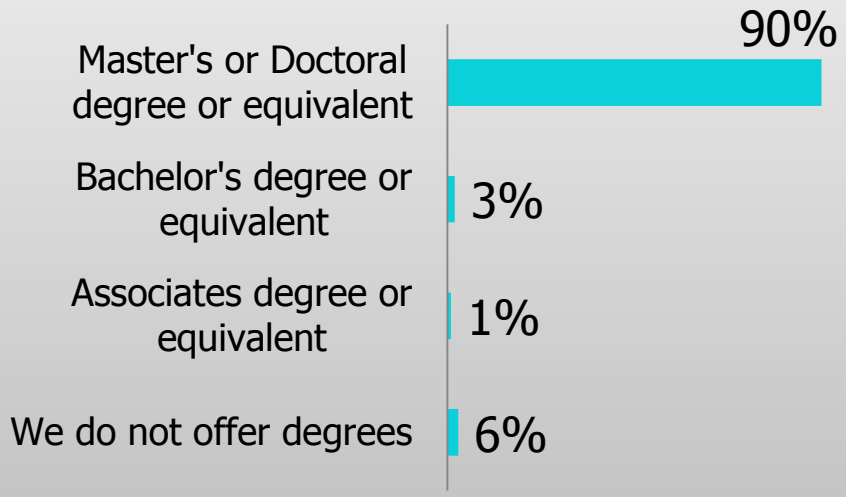
- Western (WASC-ACSCU)
  CA, HI, GU, AS, MP, FM, MH, PW
- Southern (SACS)
  AL, FL, GA, KY, LA, MS, NC, SC, TN, TX, VA
- North Central (NCA-HLC)
  AZ, AR, CO, IL, IN, IA, KS, MI, MN, MO, NE, NM, ND, OH, OK, SD, WV, WI, WY
- New England (NEASC-CIHE)
  CT, ME, MA, NH, RI, VT
- Middle States (MSCHE)
  DE, DC, MD, NJ, NY, PA, PR, VI

Institutional Profiles

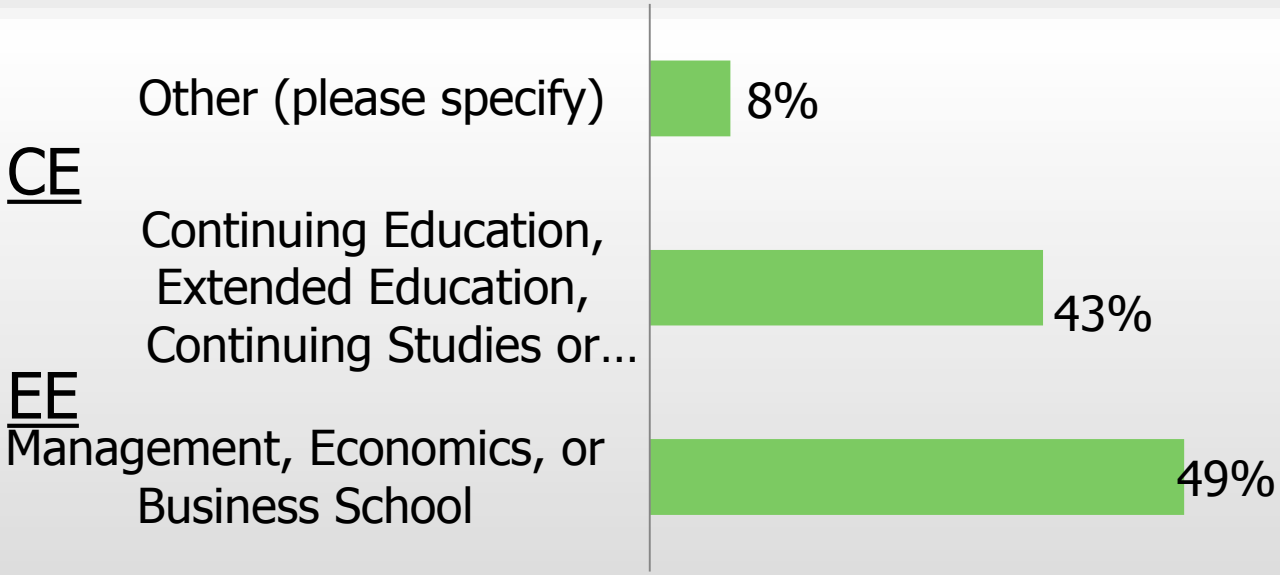
Metro Area Population



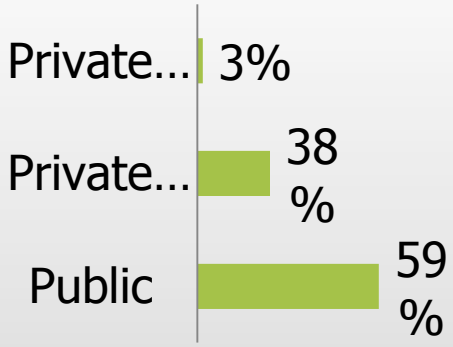
Highest Degree Awarded



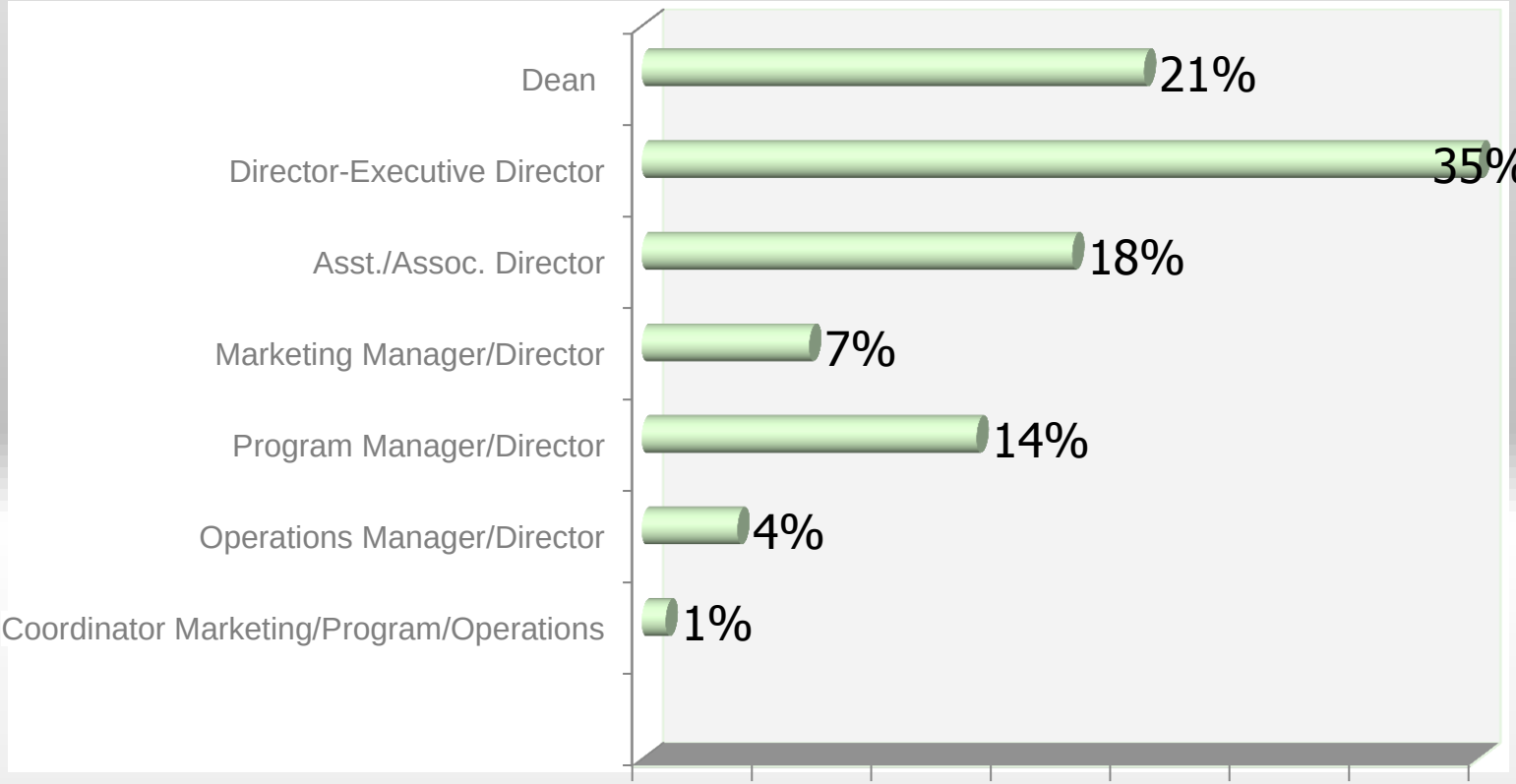
Unit Type



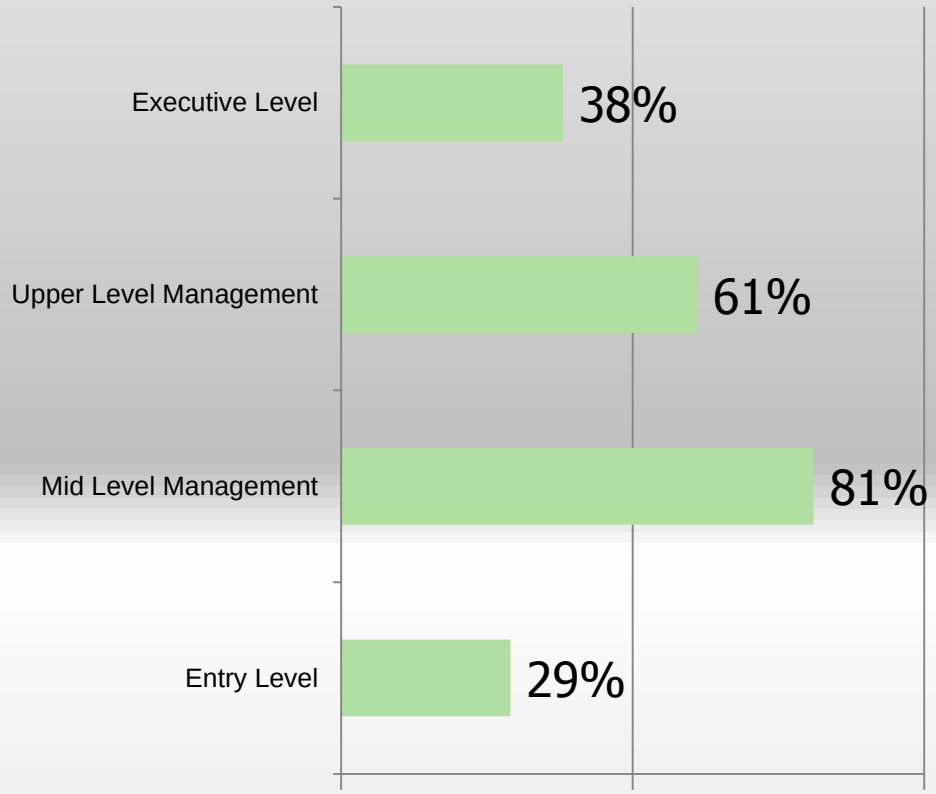
Institution Type



Roles of Benchmark Study Participants

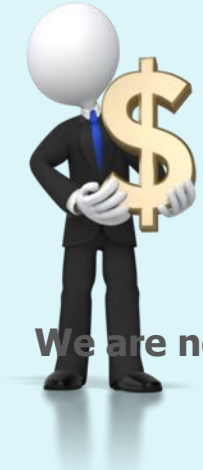


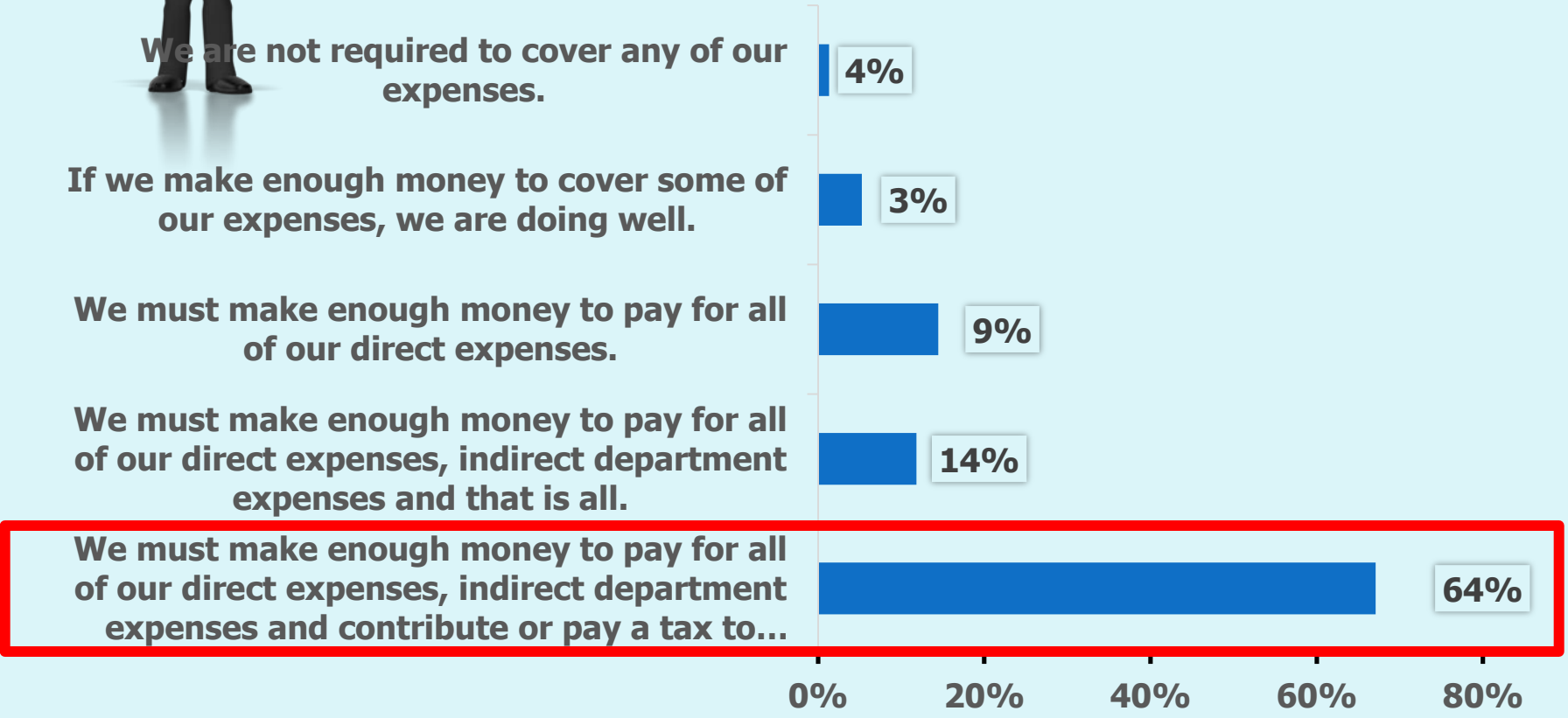
Main program Audience



FINANCIAL MODELS

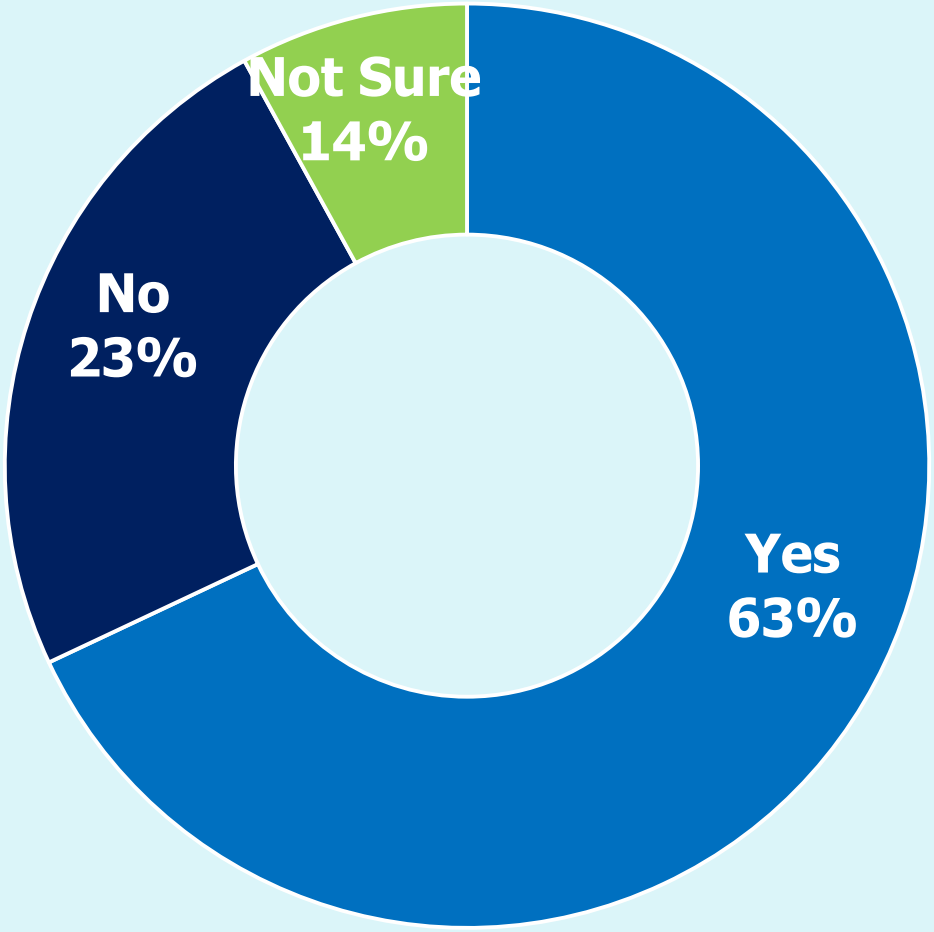
Department's Contribution to the University





* "Other" Represents 6% of responses.

Does your department/unit contribute to school and/or university indirect expenses?



How is the Contribution Determined?

Executive Education

- Most share a percentage of their net revenue (or sometimes expenses) with the school
    - Percentage varies, generally set annually with dean based on performance
    - Based on yearly goals

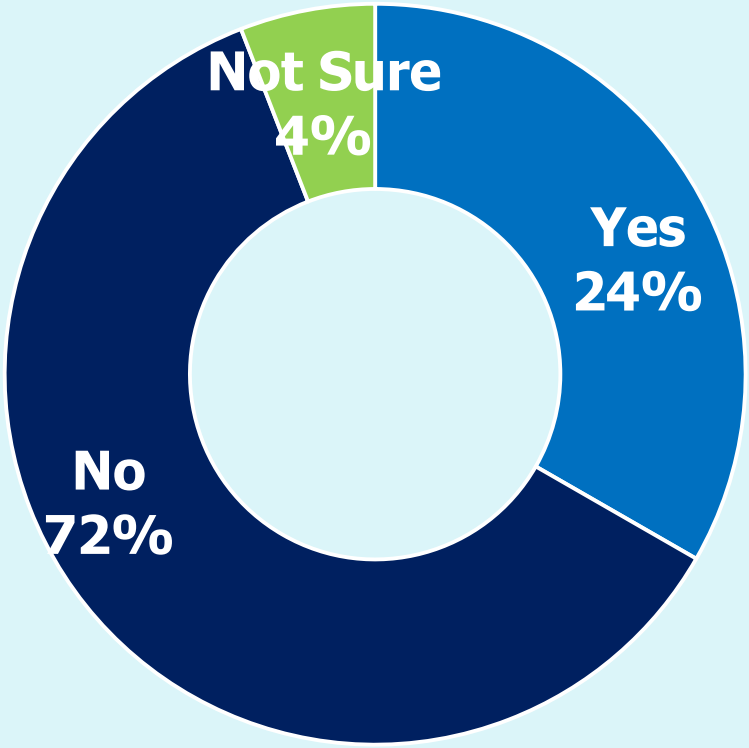
- Many centers do not cover the staff's salaries directly, but they have to share all the profits with the school, after their direct expenses are covered

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.

- Additionally, a few share a percentage of net revenue, with the school

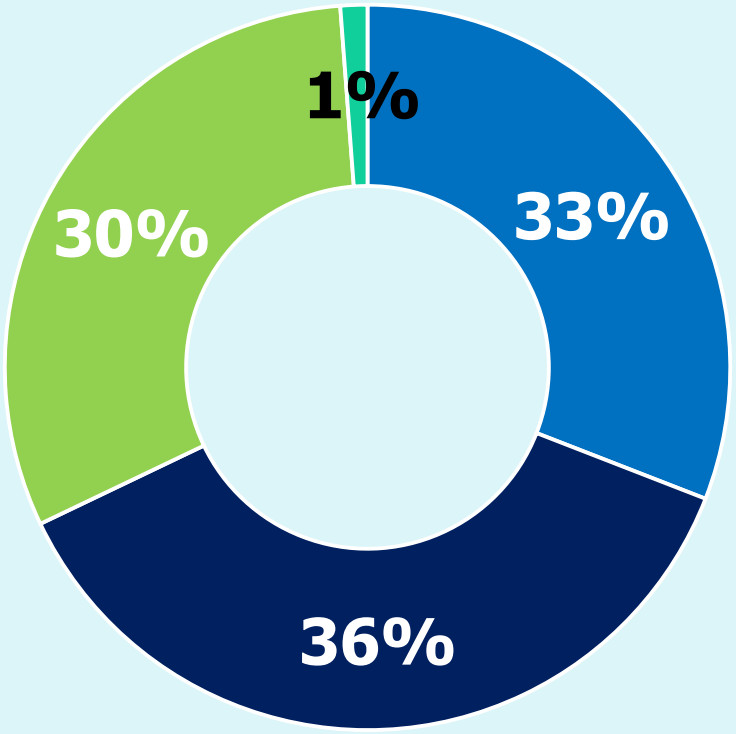
Has the Financial Model Changed?



How Has the Financial Model Changed?

- Went from a profit center to a cost center. All expenses and profits go to the college
- Shift in programs and pricing
- Larger central university tax rate
- Moving from a fixed contribution to a percentage contribution
- Overhead and rent charges have dramatically increased
- Paying university on activity based costing
- Have set up a wholly owned incorporated subsidiary of the university

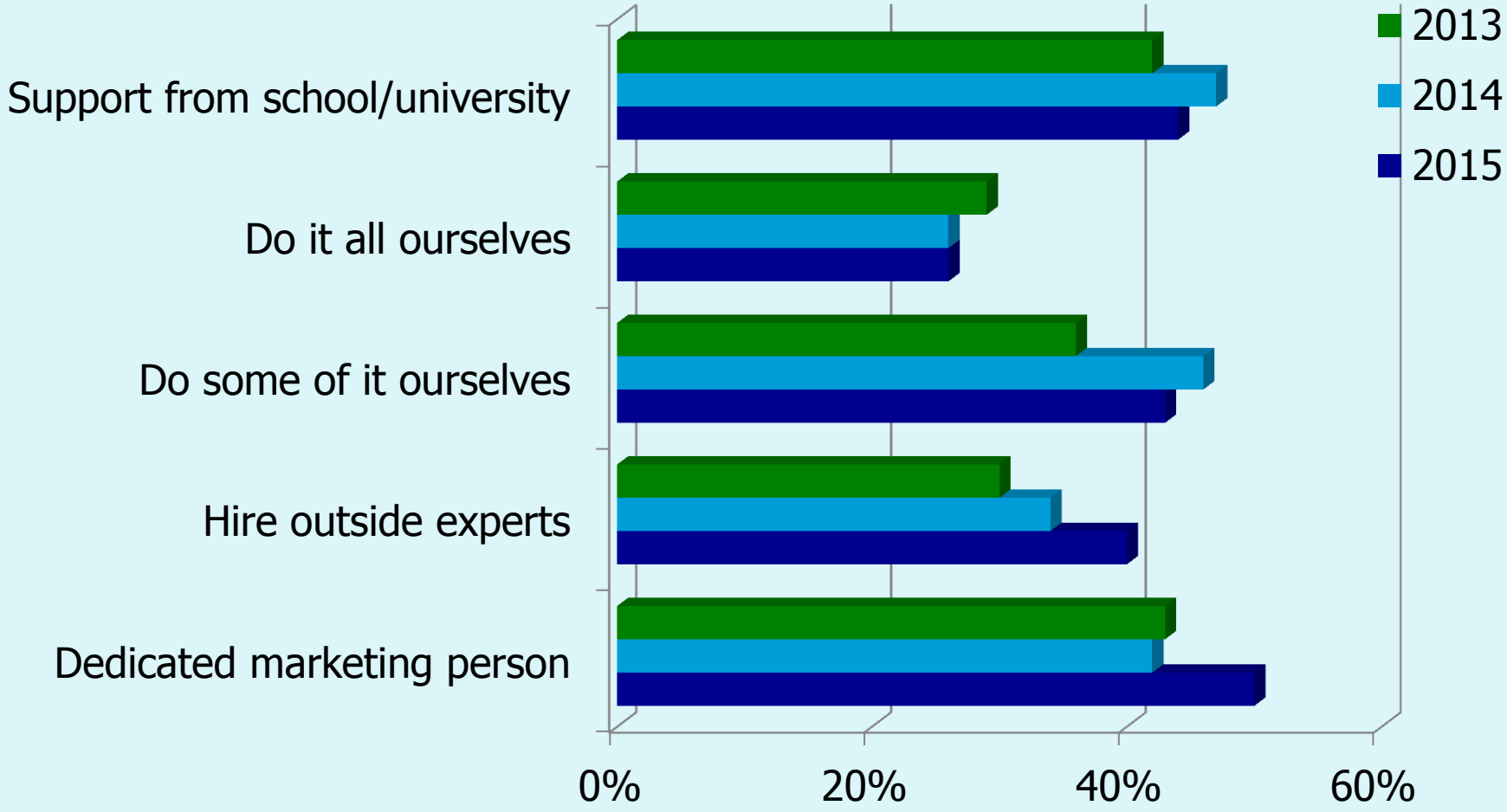
Have Dedicated Staff to Perform Sales Activities



33% of centers have dedicates sales staff!
Higher revenue (3MM+) tend to have more dedicated sales staff

MARKETING

How are marketing responsibilities handled for your programs?

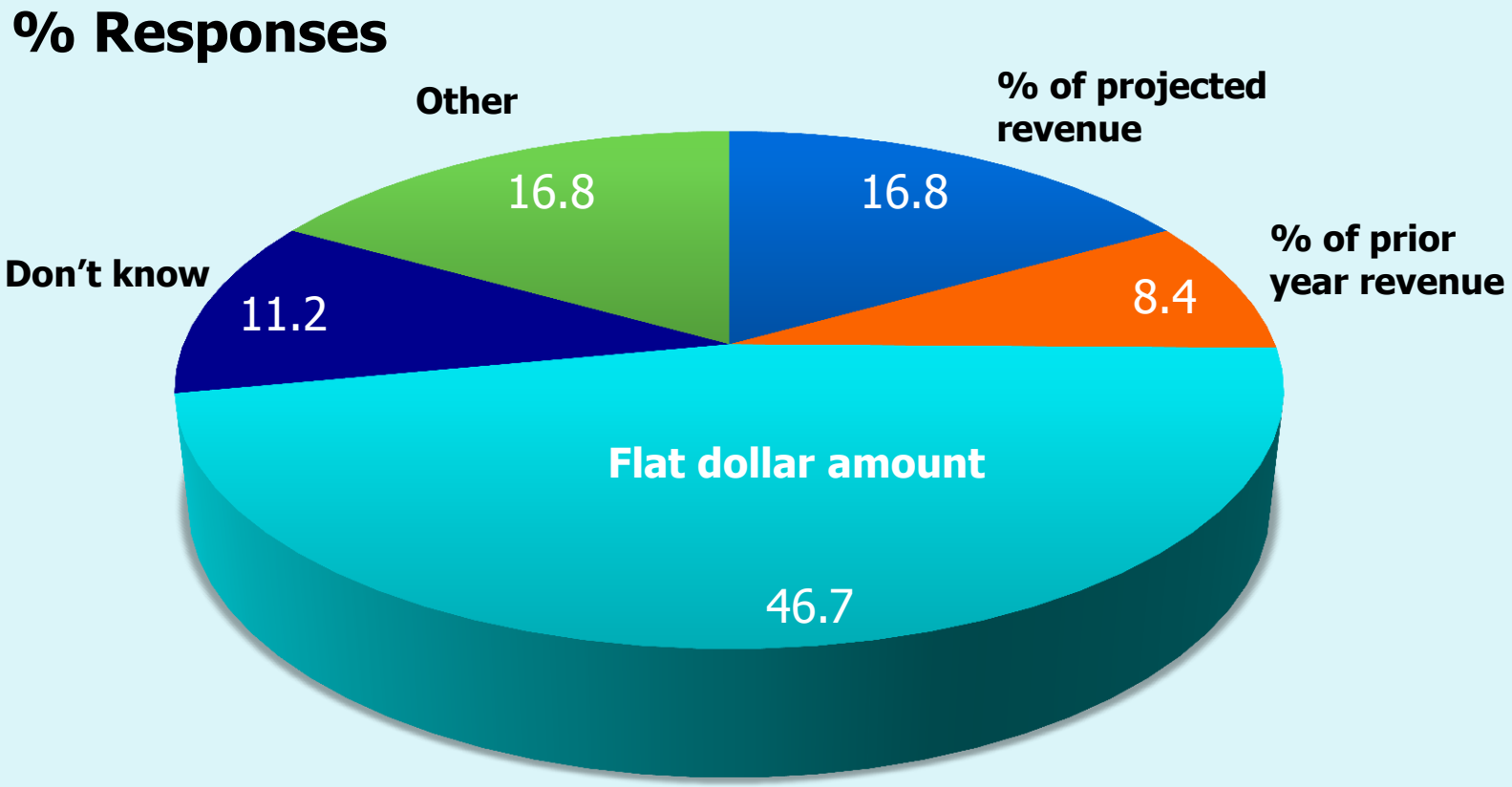


Largest change to date – increase in dedicated marketing staff (2012 was 31%)

What is the amount of your marketing budget?

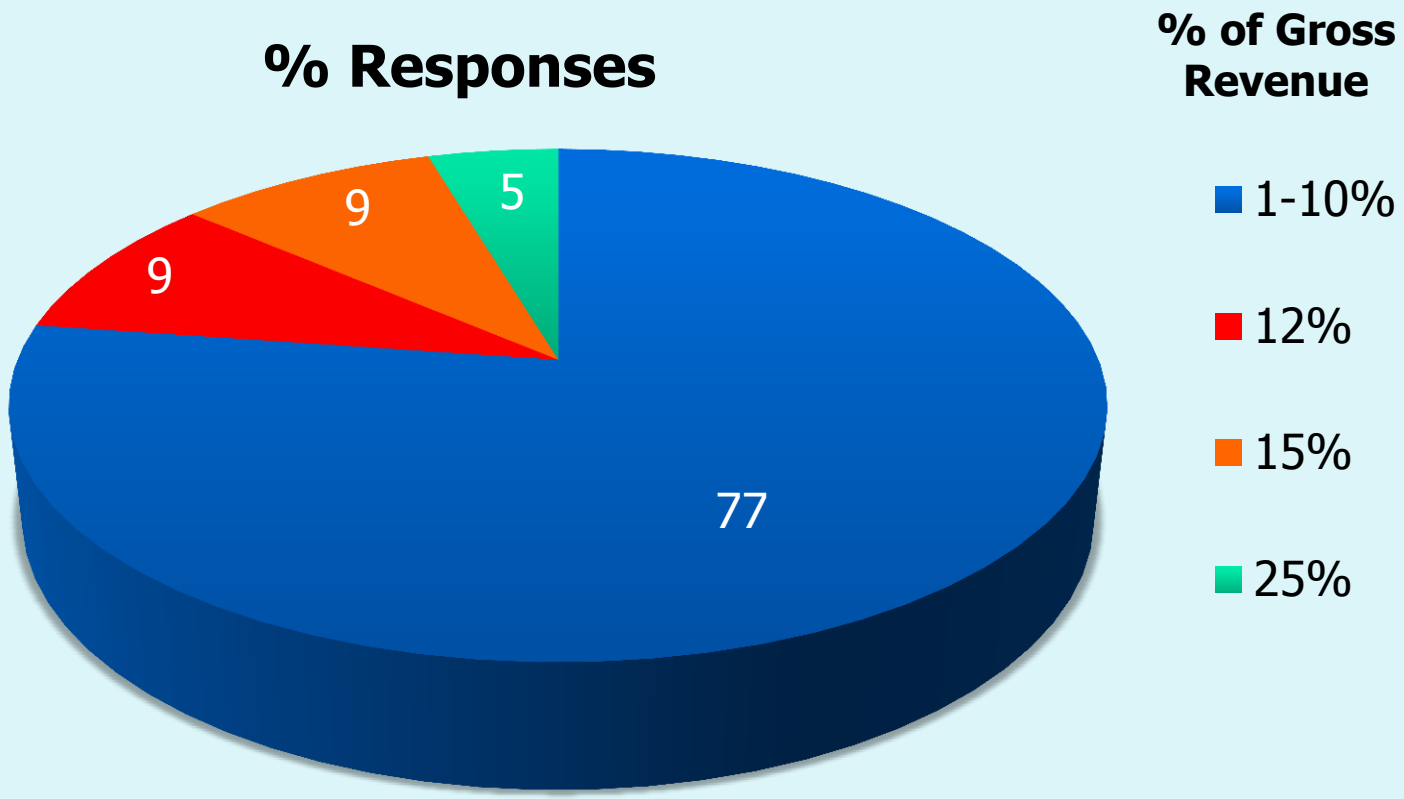
Average	$	500,000
Minimum	$	10,000
Maximum	$	9,000,000

How is your marketing budge determined?

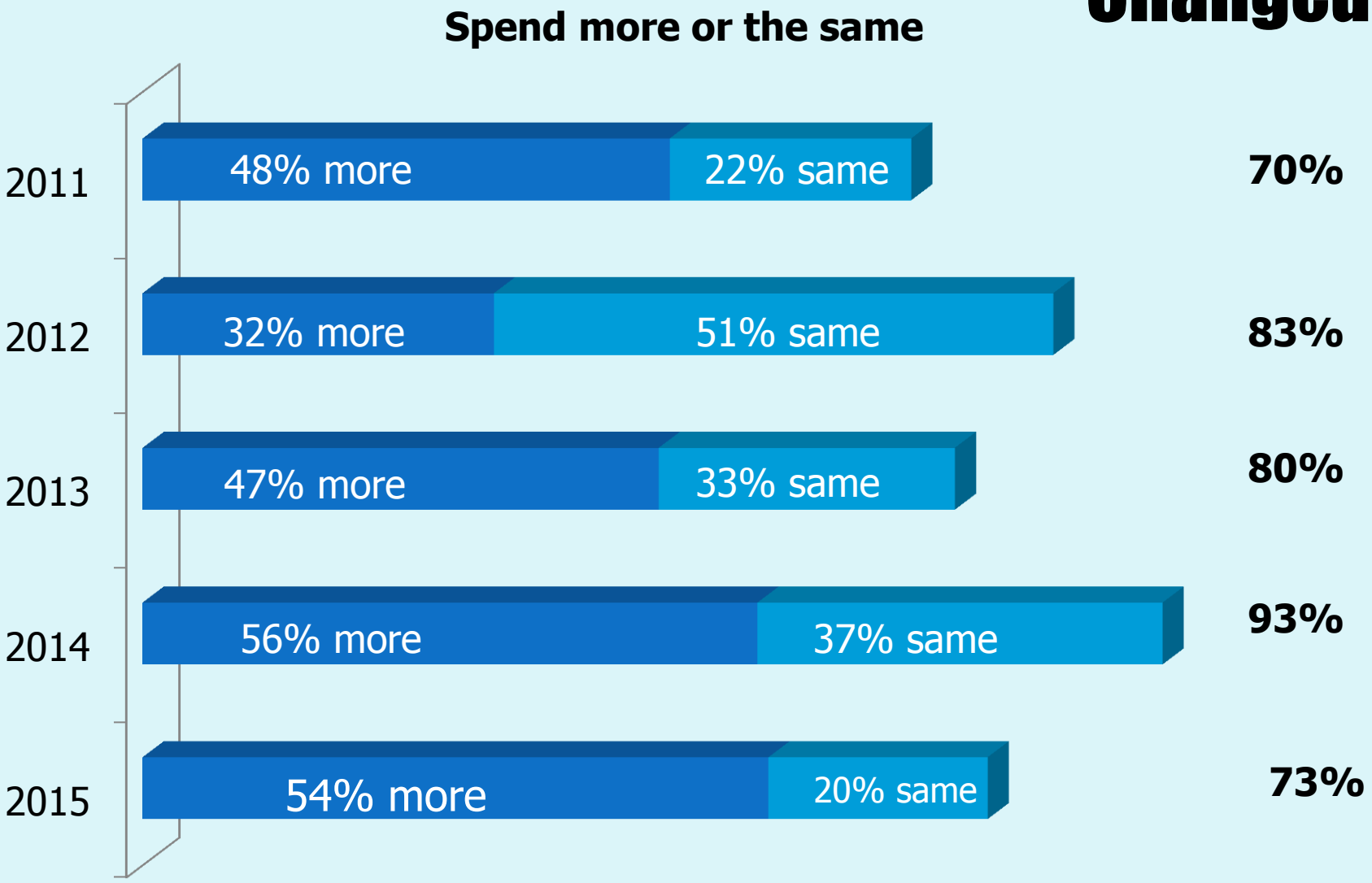


Other: Program % or revenue, depends on the program, marketing divides it up, task based, we don't have a marketing budget, opportunistic, piggy back on what other areas are doing, we fund a good opportunity with no budget amount, based on needs, ad hoc - no set amount, allocated by sr. management

What % of gross revenue is your marketing budget?



How has the Marketing Budget Changed?



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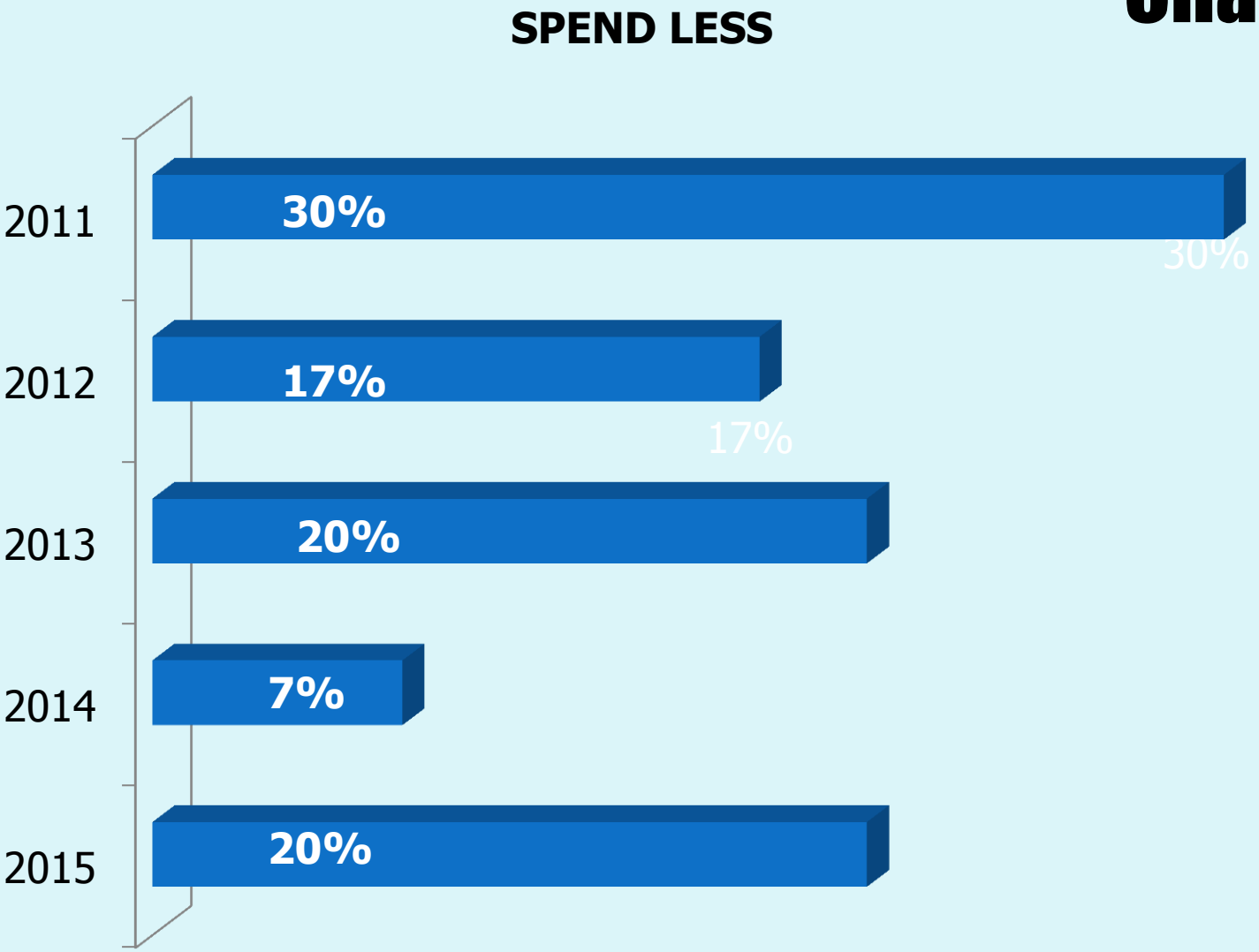
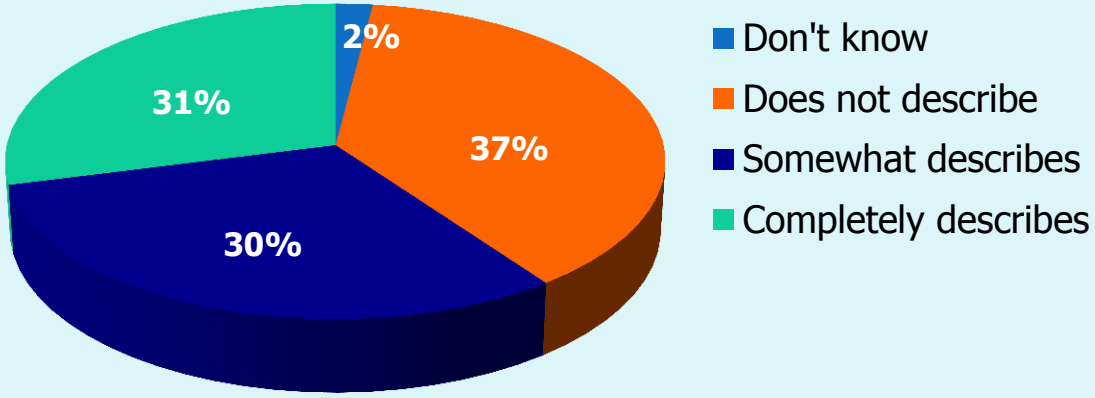
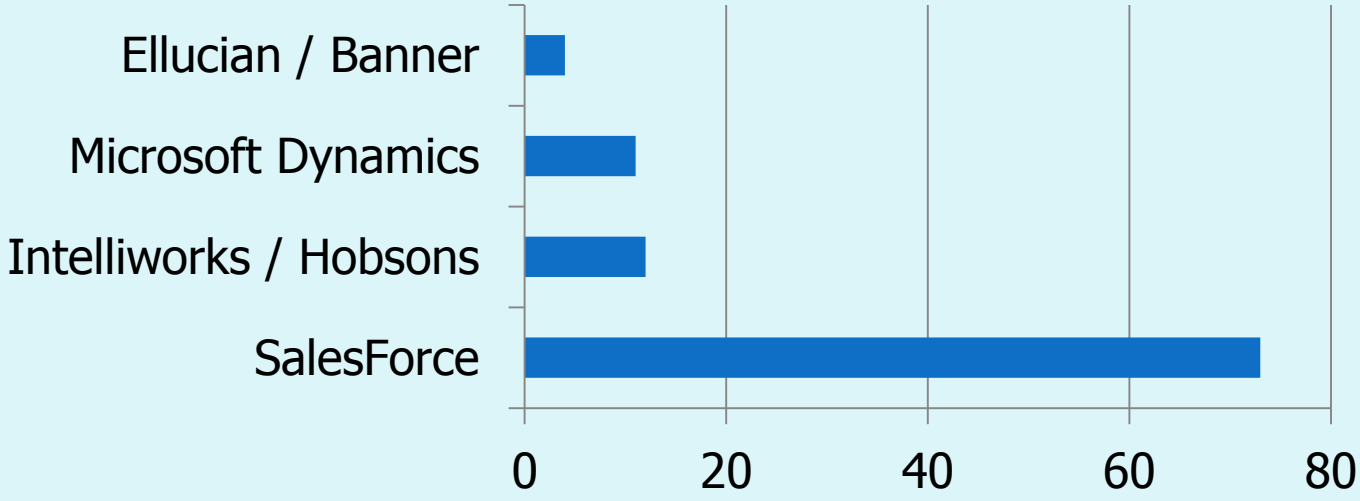


Have and use a CRM System

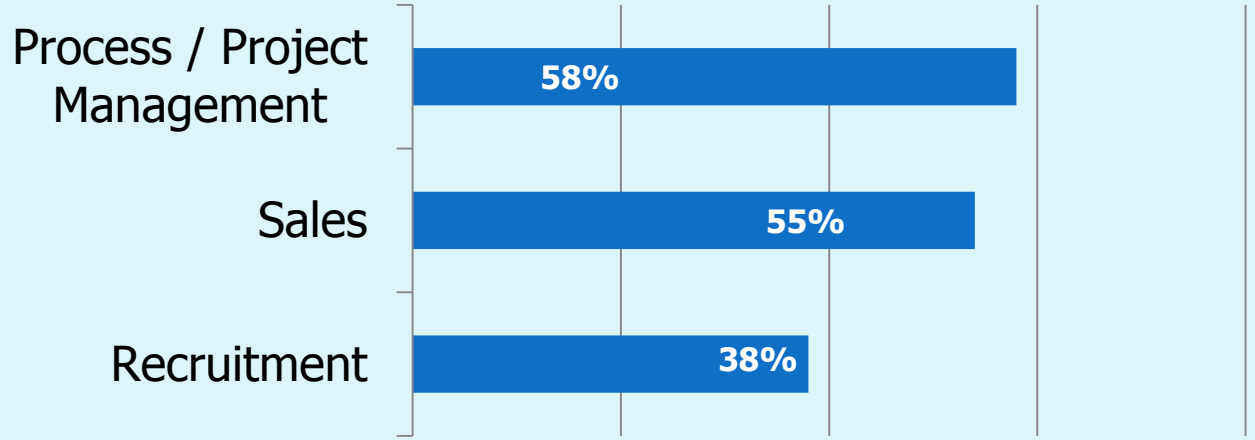


61% have CRM

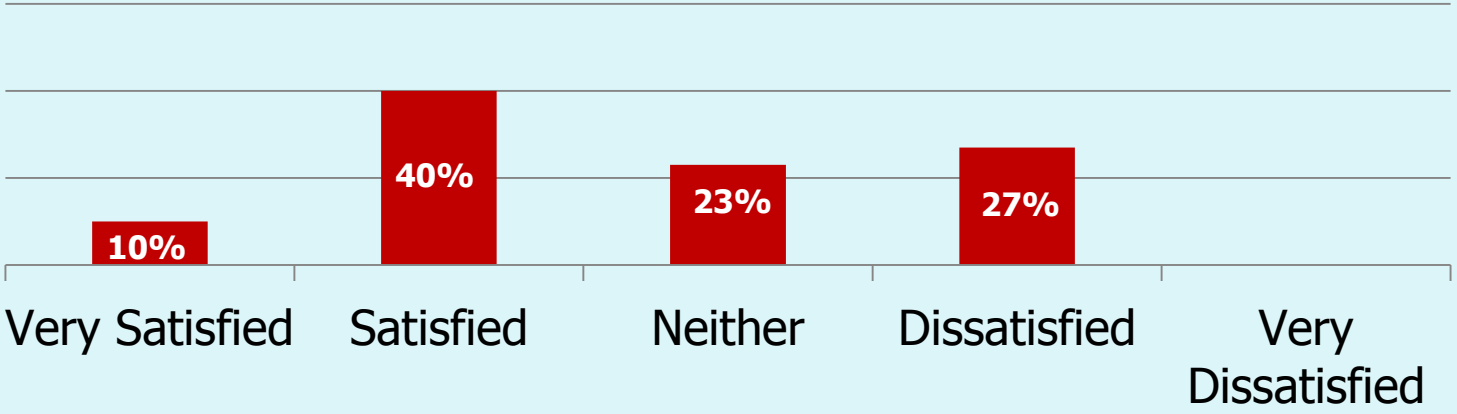


Have and use a CRM System

Main purpose of CRM system



Satisfaction with current CRM system



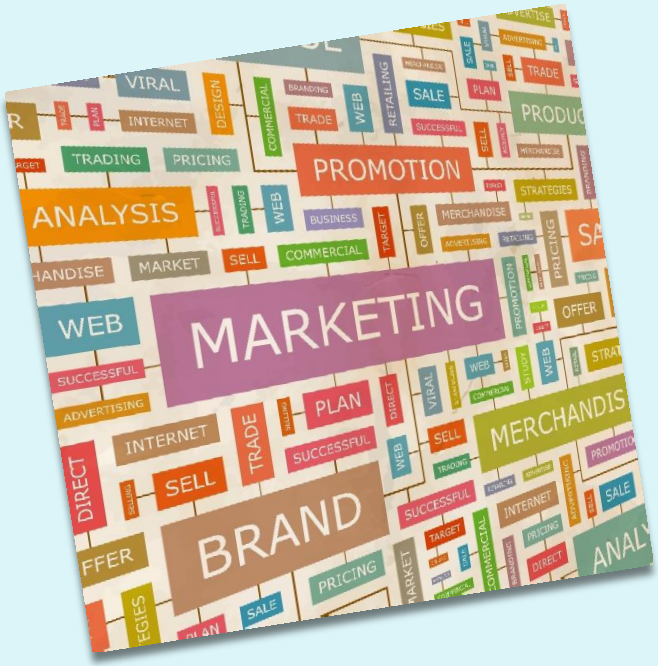
Marketing Mix: Tactics

Most important

- ❑ Website
- ❑ Corporate outreach
- ❑ SEO (optimization)
- ❑ SEM (search marketing)
- ❑ Google Adwords
- ❑ Targeted Online Ads
- ❑ Comments: E-mail marketing to existing pipeline: current or former students/clients as well as cultivation of inquiries.

Important (but not understood)

- ❑ Social media paid advertising
- ❑ Social media activity and content generation



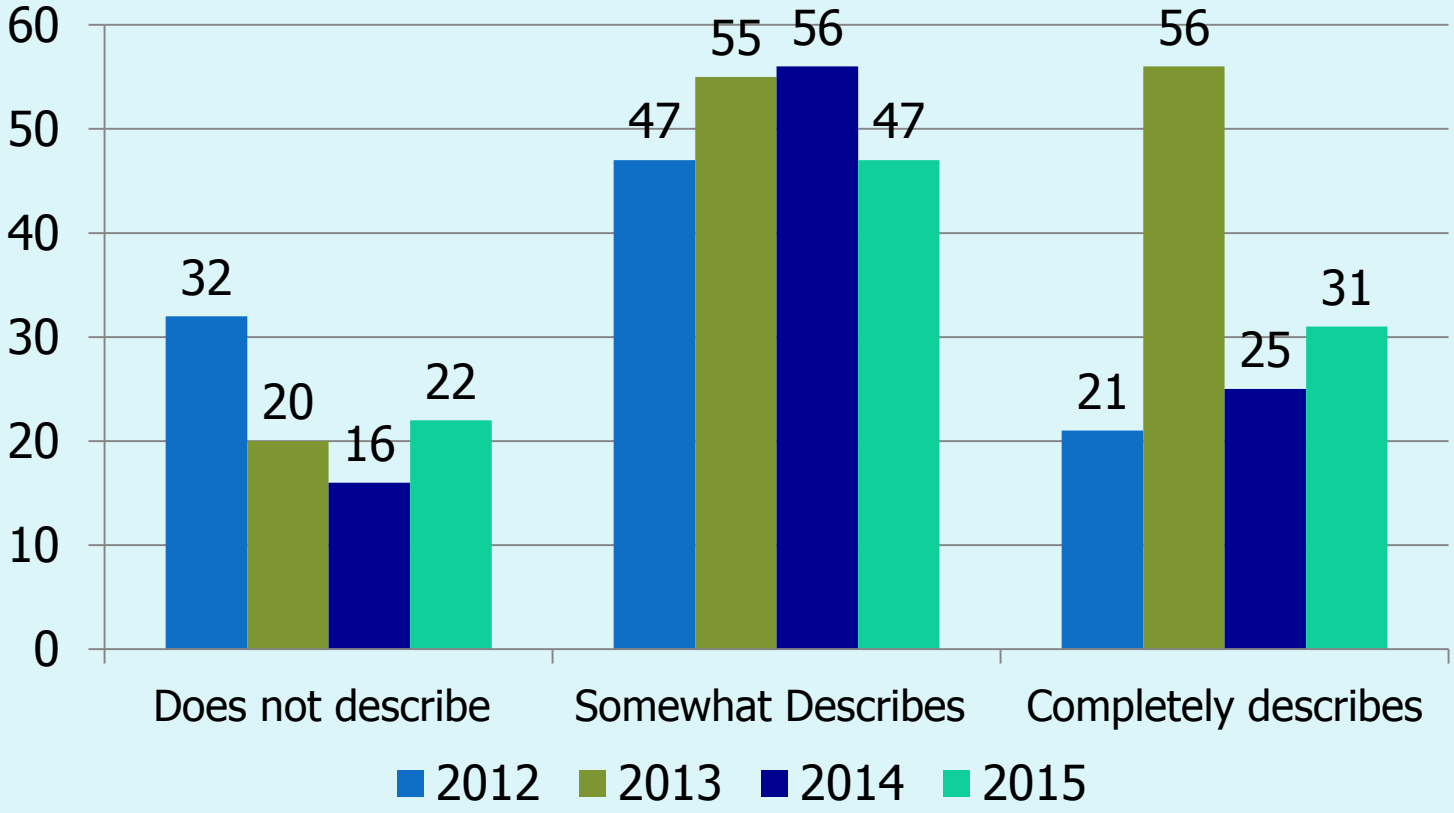
Least important

- ❑ Print ads
- ❑ Purchased lists for email
- ❑ Collateral
- ❑ Information sessions
- ❑ Presence at industry events

Marketing: Most Effective Vehicles and Offers

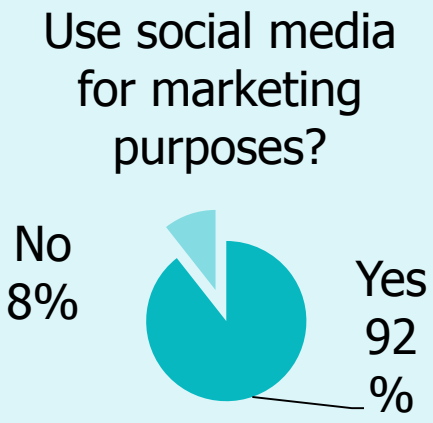
Vehicles	**Corporate Outreach**	• Direct B2B Corporate Calling Effort • Partnership with company on series of programs • Government training programs • Info sessions and presence at annual meetings of target groups
	Targeted Digital	• LinkedIn Ads • Careful segmentation • Google Adword campaigns and SEO
	Email	• Organic lists and past clients • Alumni databases • Associations • Primarily for open enrollment
	Nurture Existing	• Personal email campaigns • Targeted email/newsletter campaigns • Calls and outreach
Offers	**Events**	• Breakfast with featured speaker • Lunch and Learns • Invitation only events to senior leaders • Information sessions
	Discounts	• Early bird, special offer following event, corporate sponsorship

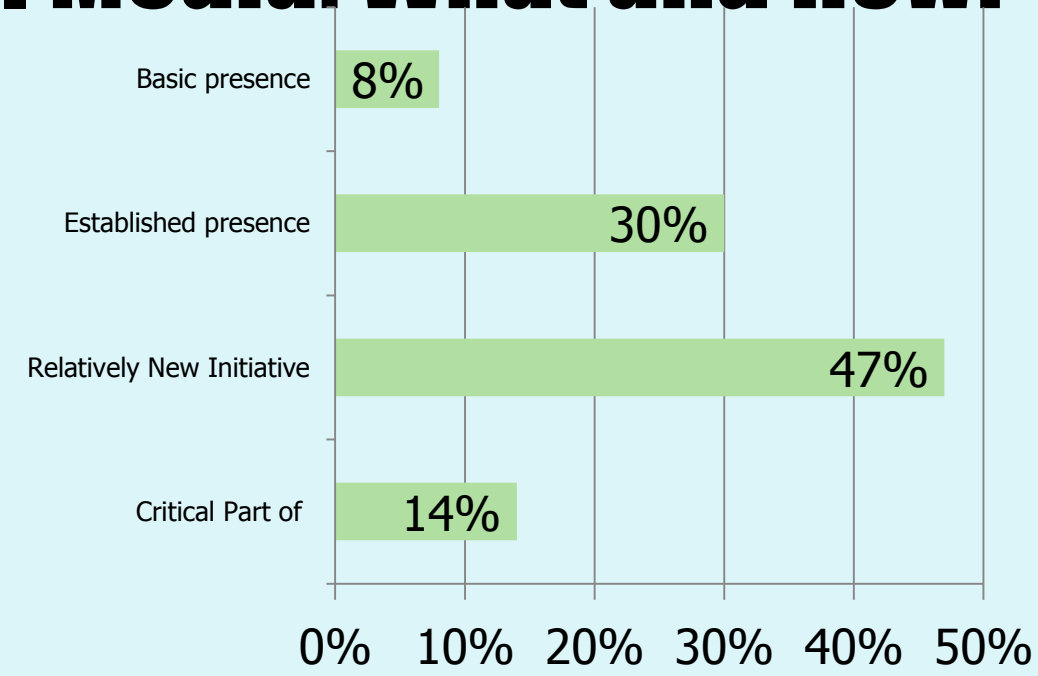
Regularly analyze effectiveness of marketing efforts

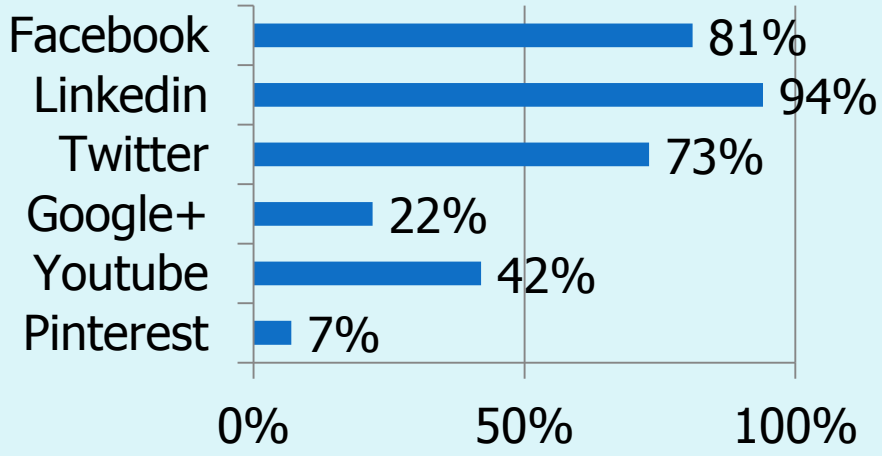


2015

Social Media: What and How?





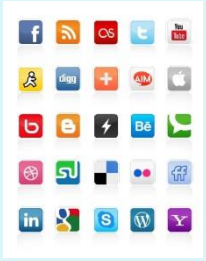


Measurement:

- Emergent (= not sophisticated!)
- Web Analytics (Google, landing pages, unique URLs)
- Social Media Metrics (from within platform)
- Anecdotes (feedback from prospects and staff)

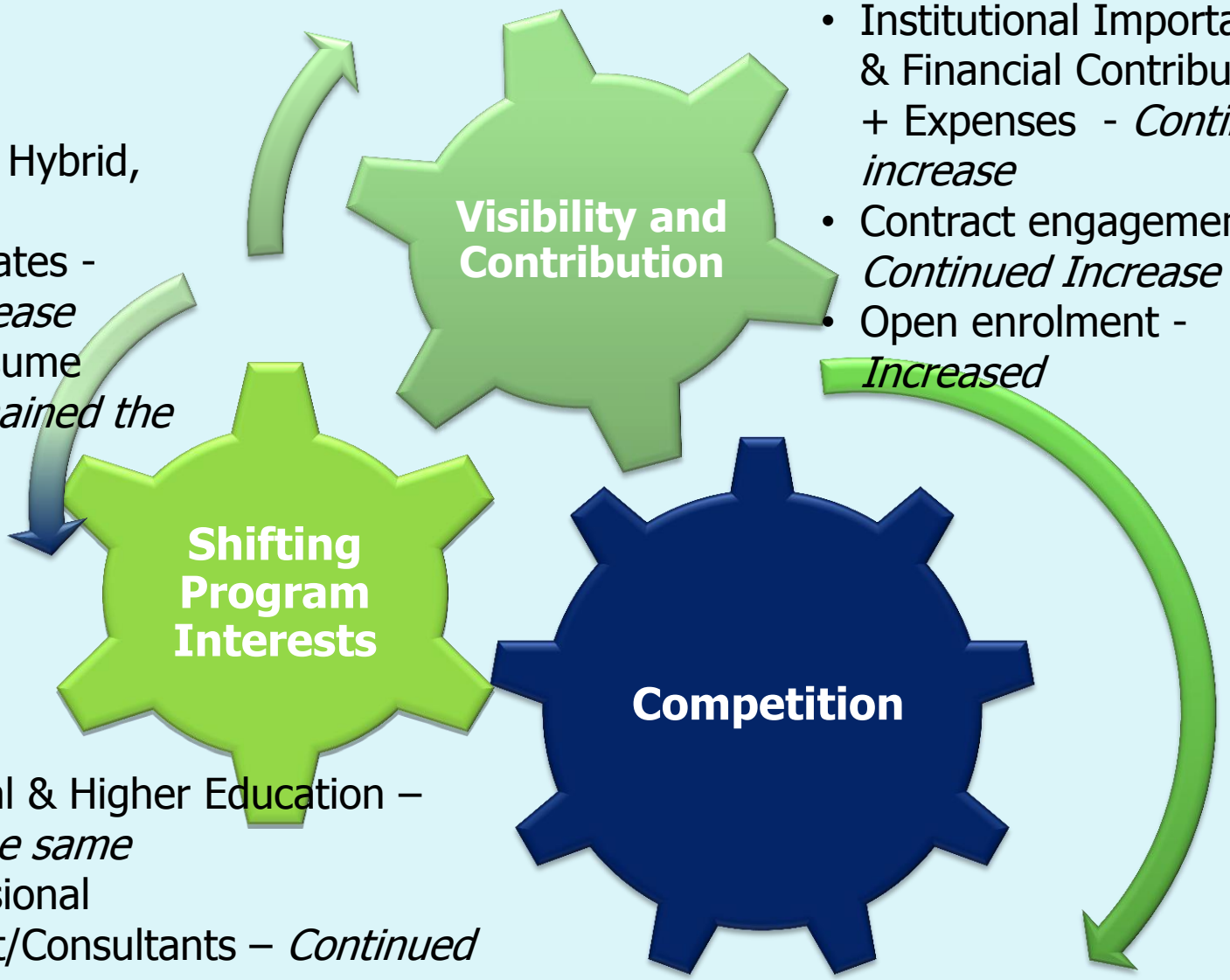
Implementing Lessons Learned for Effective Use of Social Media for Marketing

- Create a Strategy
  - Identify target audiences and platforms used by those targets
  - Know what you want to gain from social media efforts
    - Brand awareness v. engagement v. lead generation are very different
- Prepare to Implement
  - Build a publication calendar
  - Allocate appropriate resources (financial and staffing time)
  - Consider how to set and measure goals and impact
- Manage
  - Continuous crafting and posting of relevant content
  - Be adaptable and ready to change direction and approach



PROGRAM/INSTRUCTION

The Strategic Landscape



Demand

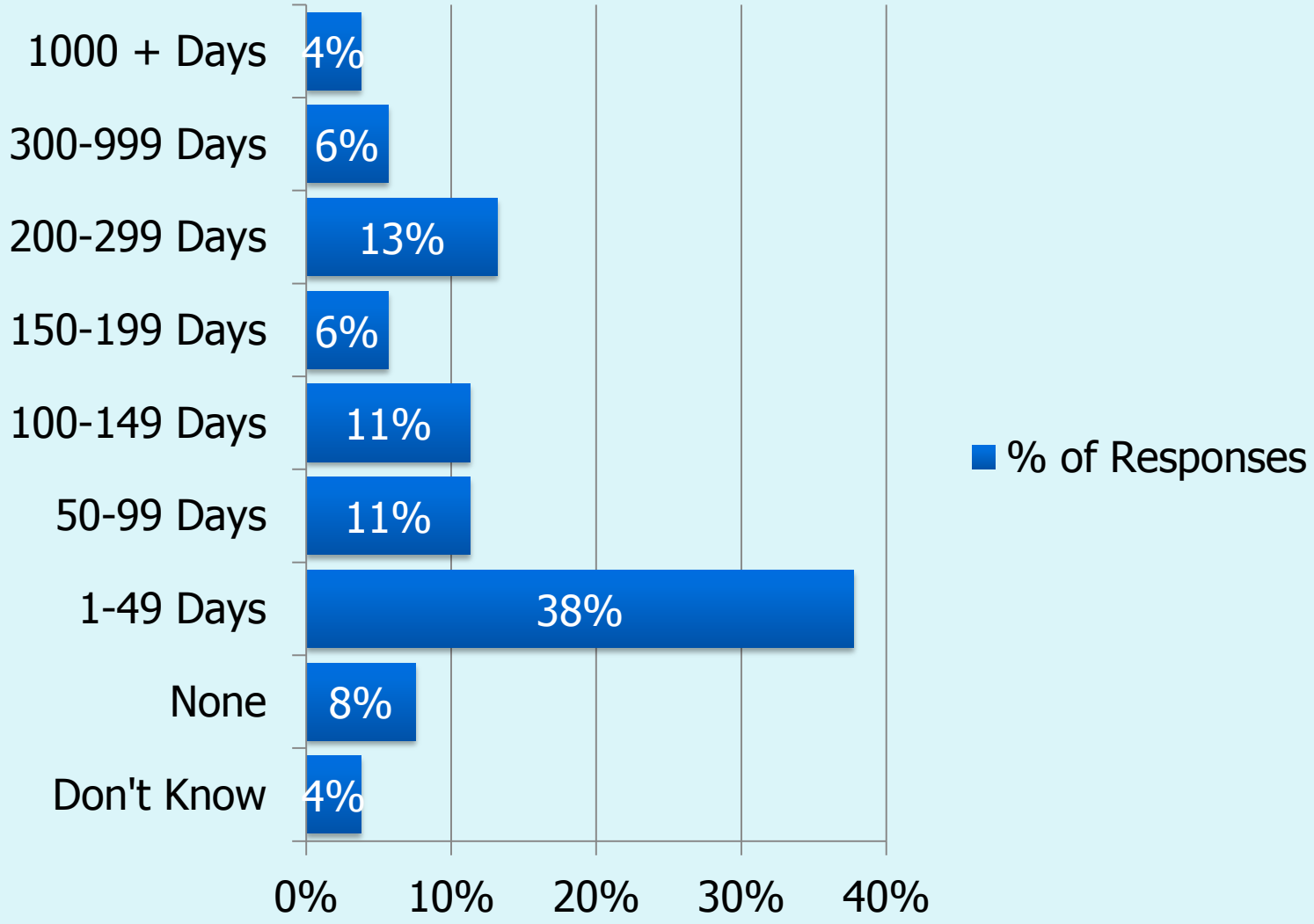
- Credit-bearing, Hybrid, Multiple Course/Certificates - *Continued increase*
- Online, and resume building – *Remained the same*

- Institutional Importance & Financial Contribution + Expenses - *Continued increase*
- Contract engagements - *Continued Increase*
- Open enrolment - *Increased*

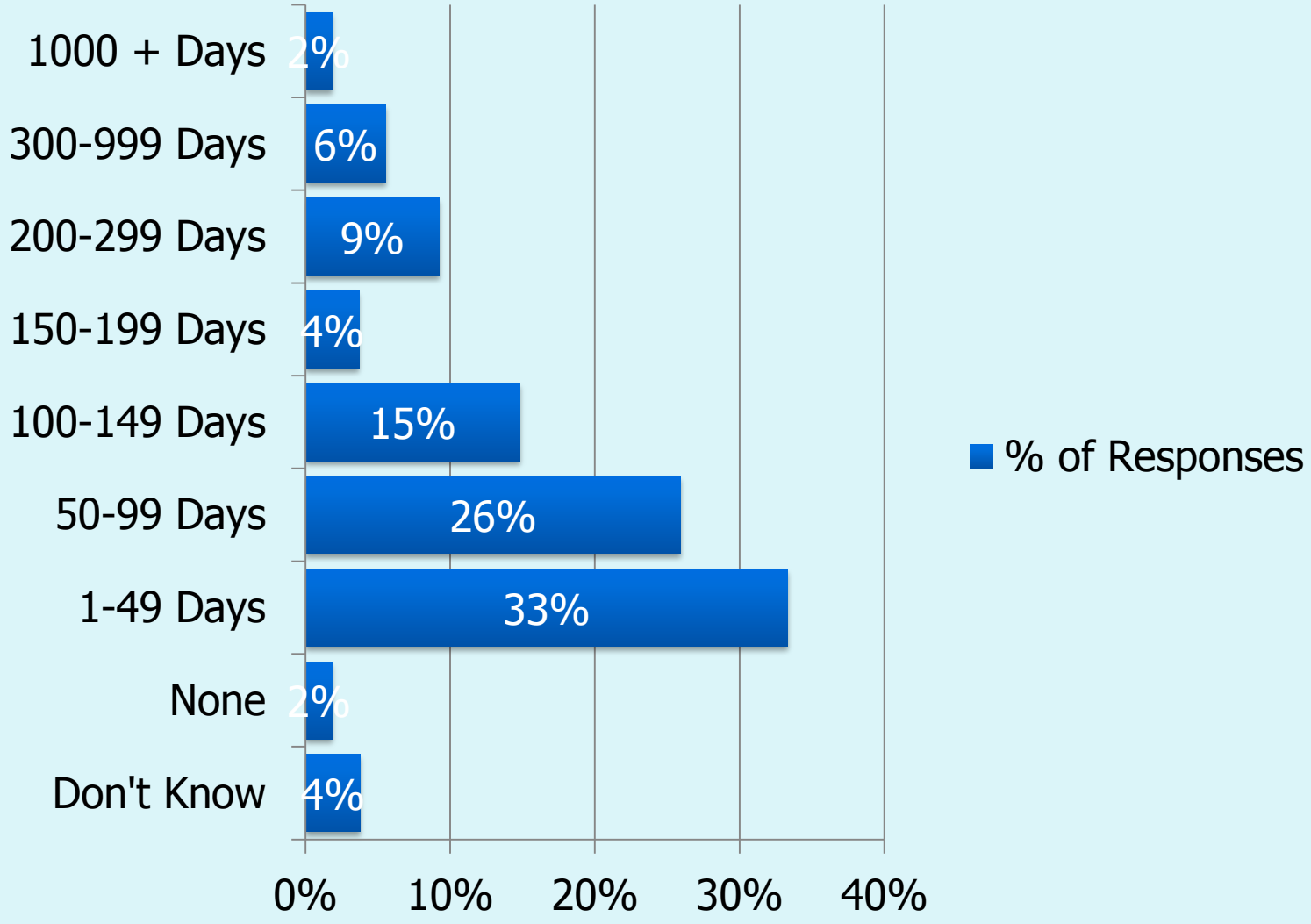
Competition

- From Internal & Higher Education – *Remained the same*
- From Professional Development/Consultants – *Continued increase*

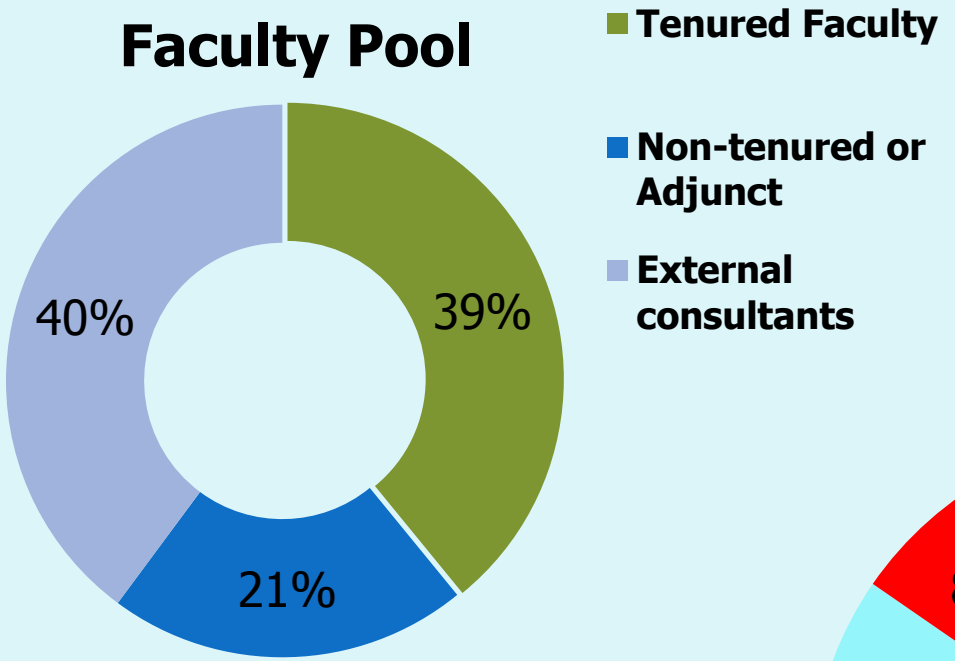
Number Open Enrollment Days per Year

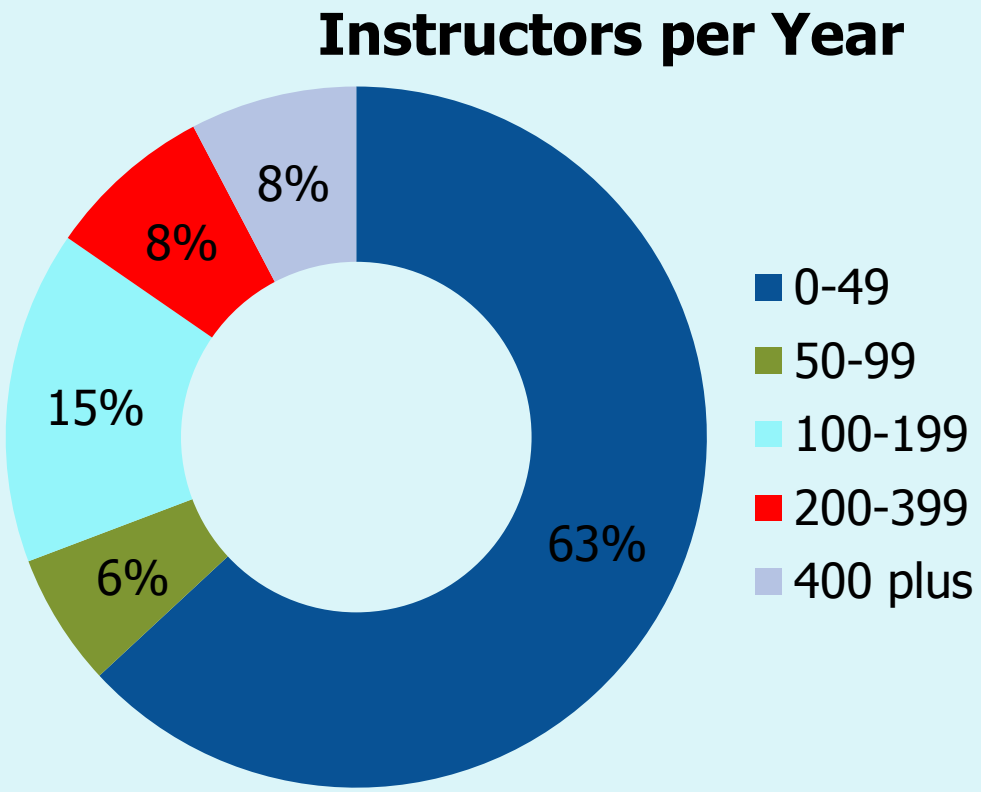


Number Custom Days per Year

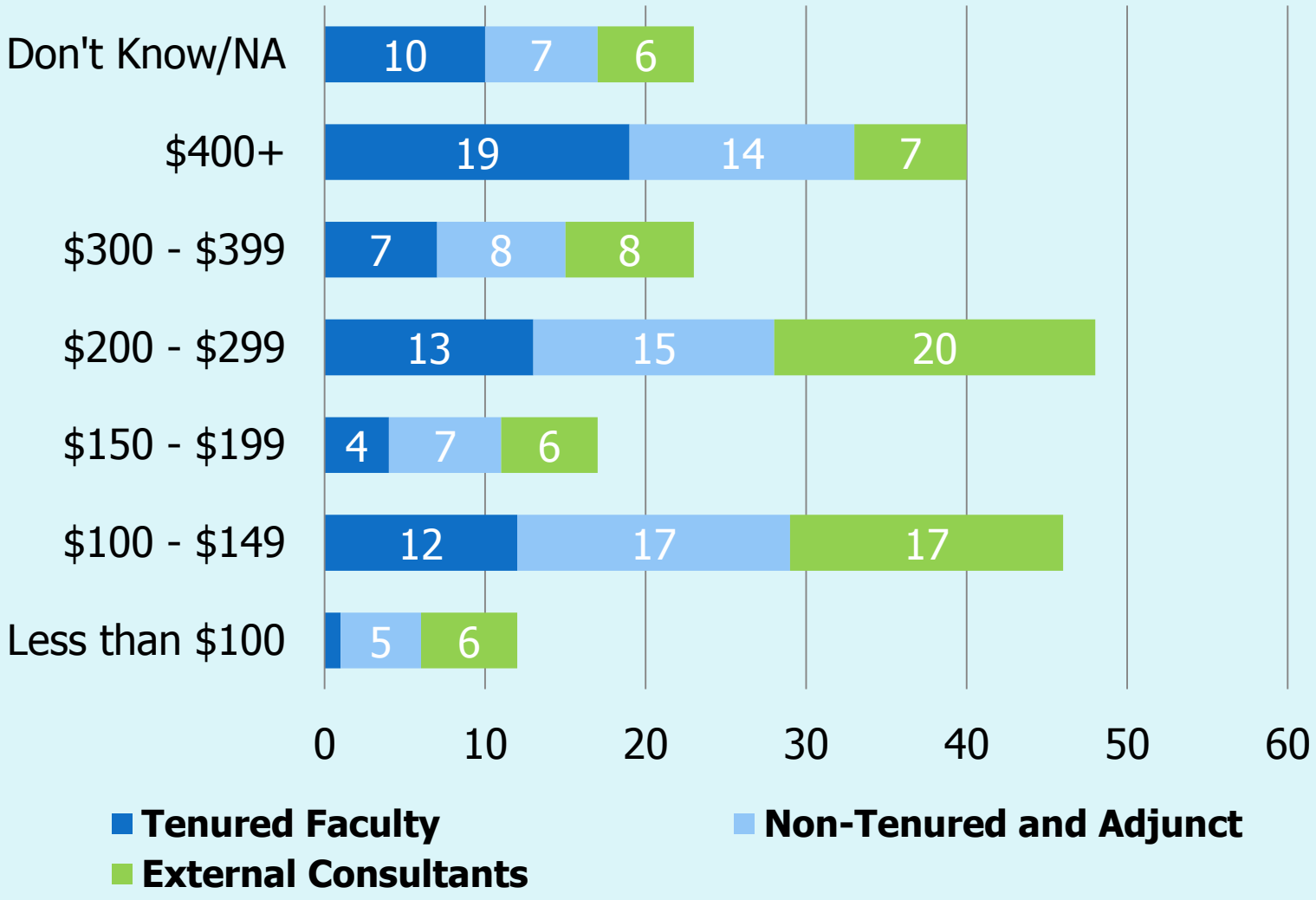


About the Faculty Bench…





How much do we Pay Faculty?



What is in your Program Portfolio?

Non Credit Programs Offered	Response Rate
Leadership and Management	96%
Business	76%
Communications	58%
Project Management	58%
Finance and Accounting	61%
Business Process / Analysis	47%
Human Resources	40%
Information Technology	30%

What is in your Program Portfolio?

Other Non Credit Programs Offered
Health Care, Languages, Paralegal,
Sales and Marketing, Social Media, Supply Chain,
Innovation, Operations, Arts, Humanities, Languages,
Governance, Hospitality, Culinary Sales,
Music, Coaching Safety, Accident Investigation,
Criminal Justice/Criminal and Judicial, Viticulture,
Social Innovation, Philanthropy, Cybersecurity

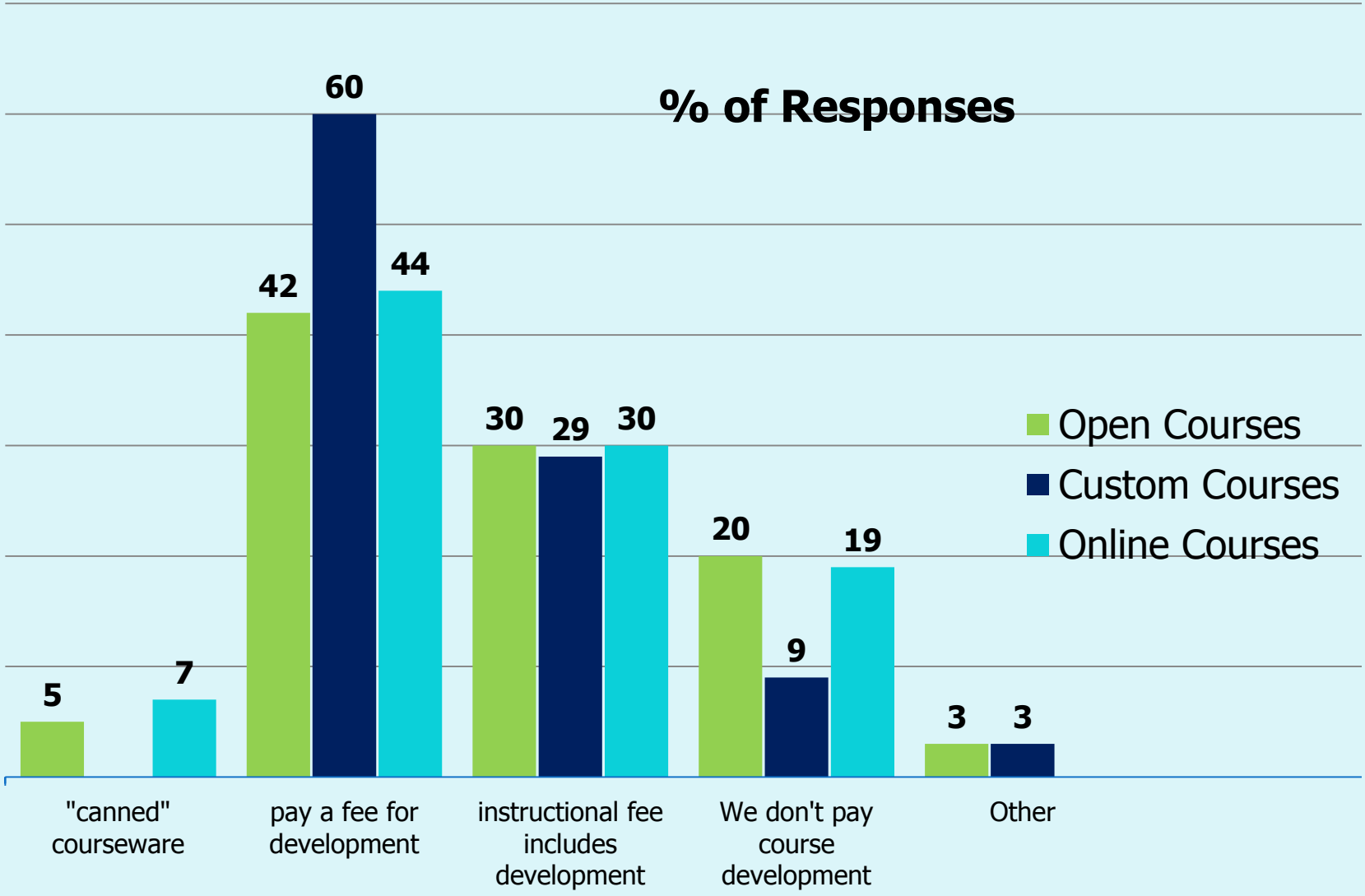
Do you have the right Program Mix?

Represented in Portfolio	Most Successful (ranked by response)	Least Successful
Leadership & Mgmt. Business Communications Project Mgmt. Finance and Accounting Business Process Human Resources Information Technology	Leadership – 33% Project Mgmt. – 16% Business – 11% Management – 9% Finance, Sales & Marketing, Business Process, Paralegal/Legal – 3% Other areas represent 28% of responses	Leadership – 8% Finance – 8% Web Tech – 8% Logistics – 6% Communications – 6% Program Format – 8% Too new to tell – 6% Other areas represent 50% of responses

Most successful "Other" noted: Non-profit studies Supply Chain Certificate programs Custom programs emotional intelligence Engineering and technology Innovation safety Music Non-profit studies Communications philanthropy, healthcare

Least Successful "Other" includes: Managing teams, Law, Marketing, Finance, Human resources, grant writing, Public Service, Humanities, Environmental Health and Safety, Culinary arts

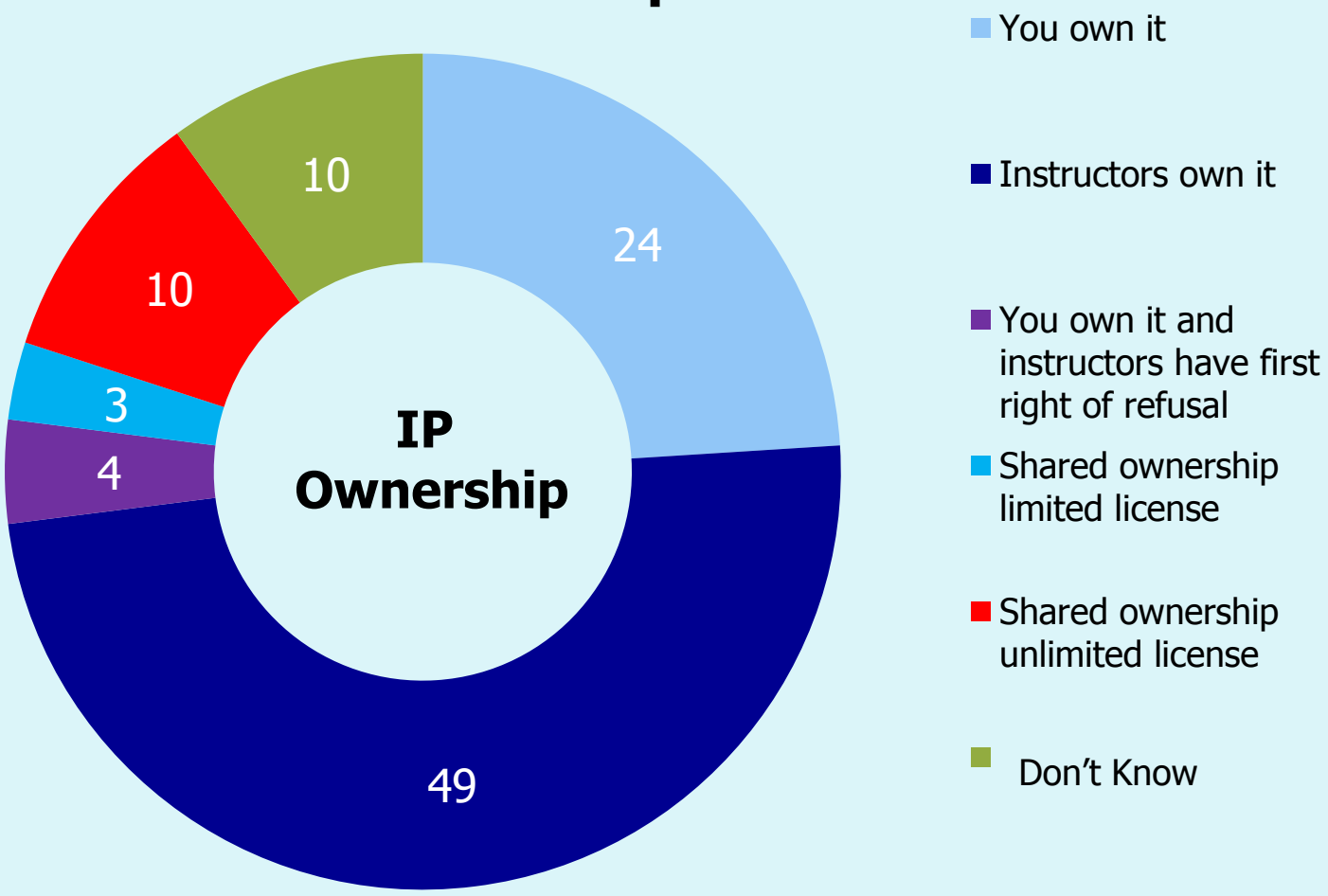
Course Development Compensation



How much do you pay for Course Development?

Hourly Rate	$40	$250
Flat Fee per Course	$600	$7,000
Custom		
Daily Rate	$750	$3,000
Hourly Rate	$40	$333
Flat Fee per Course	$800	$3,000
Online		
Daily Rate	$500	$2,000
Hourly Rate	$50	$200
Flat Fee per Course	$600	$10,000

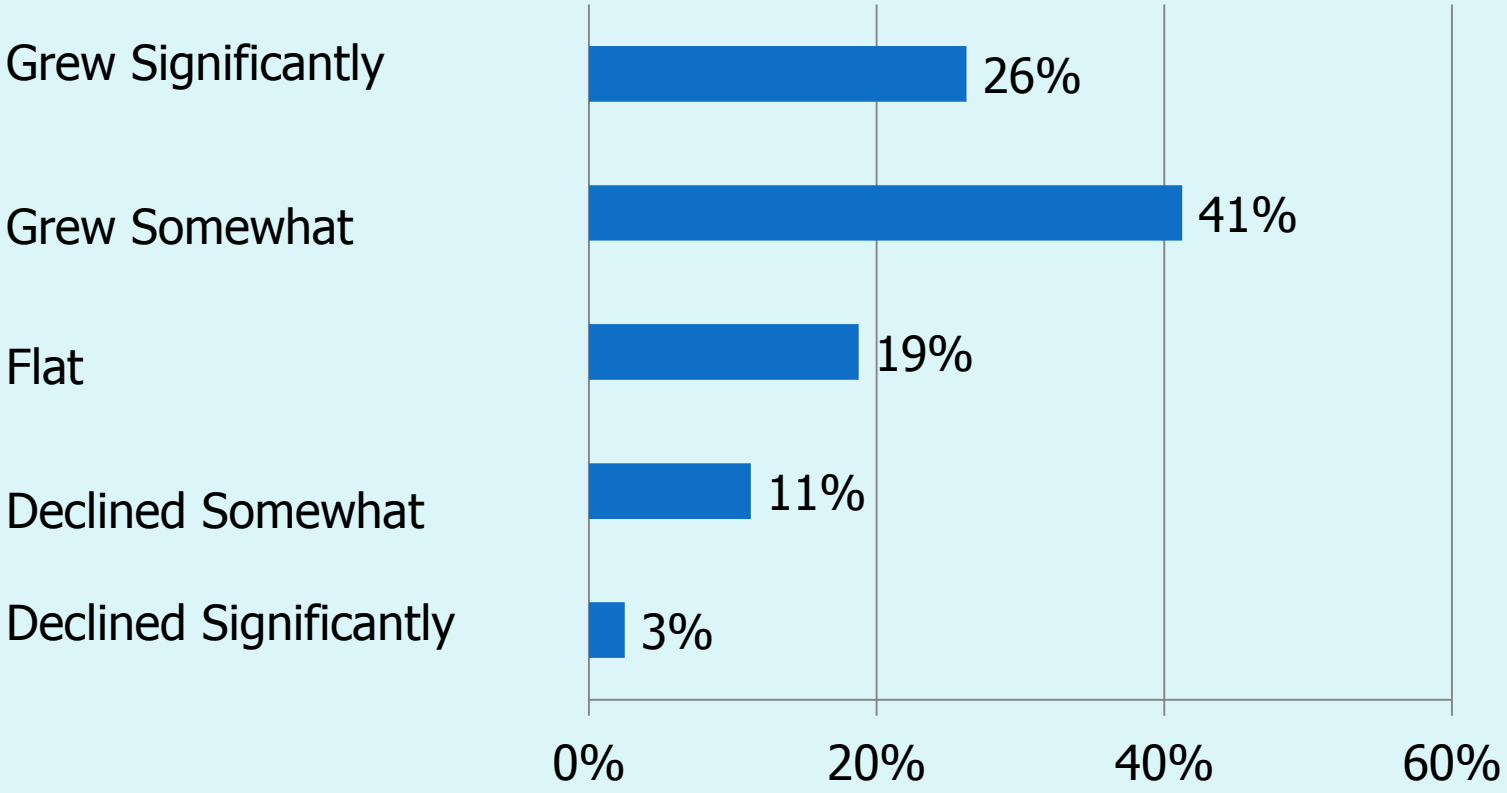
Who Owns the Intellectual Property?



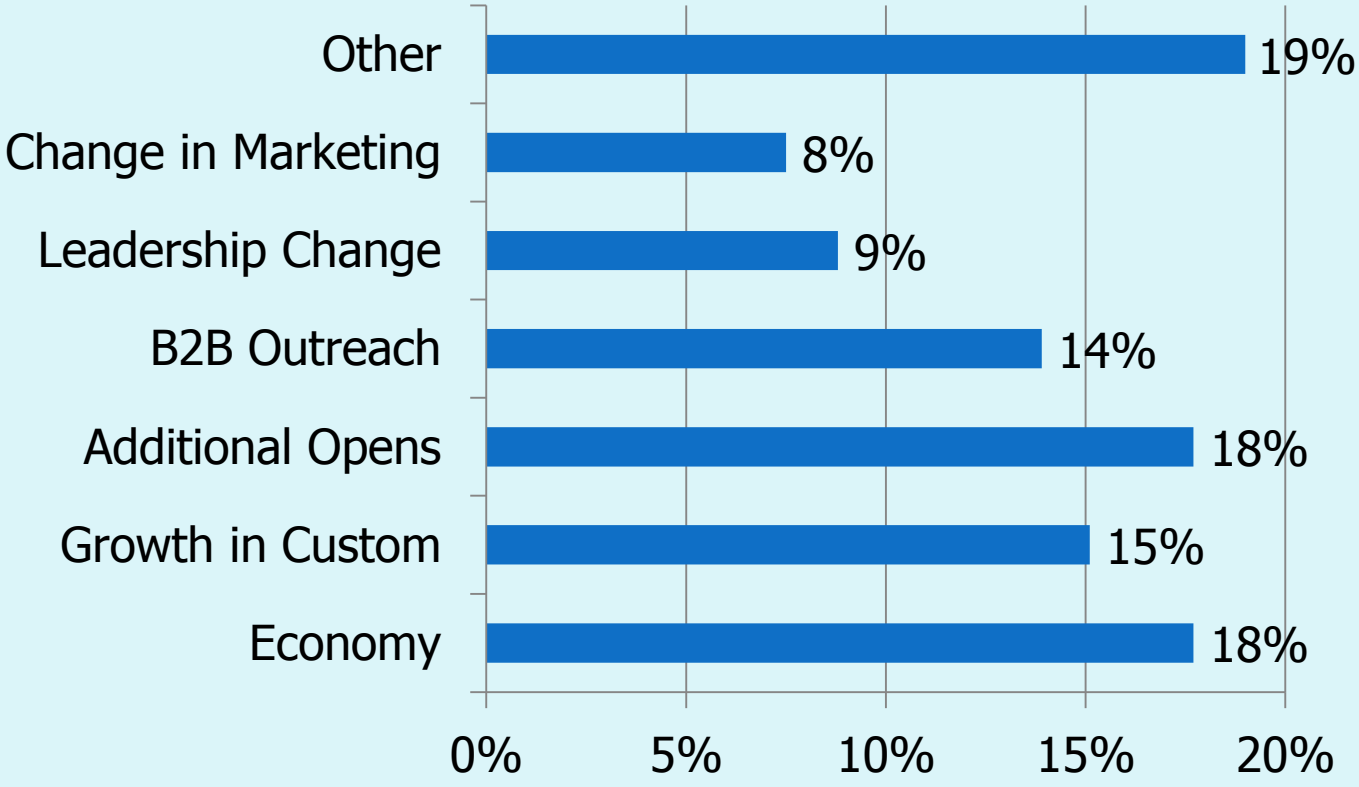
REVENUE

2015

Business Performance in Most Recent FY

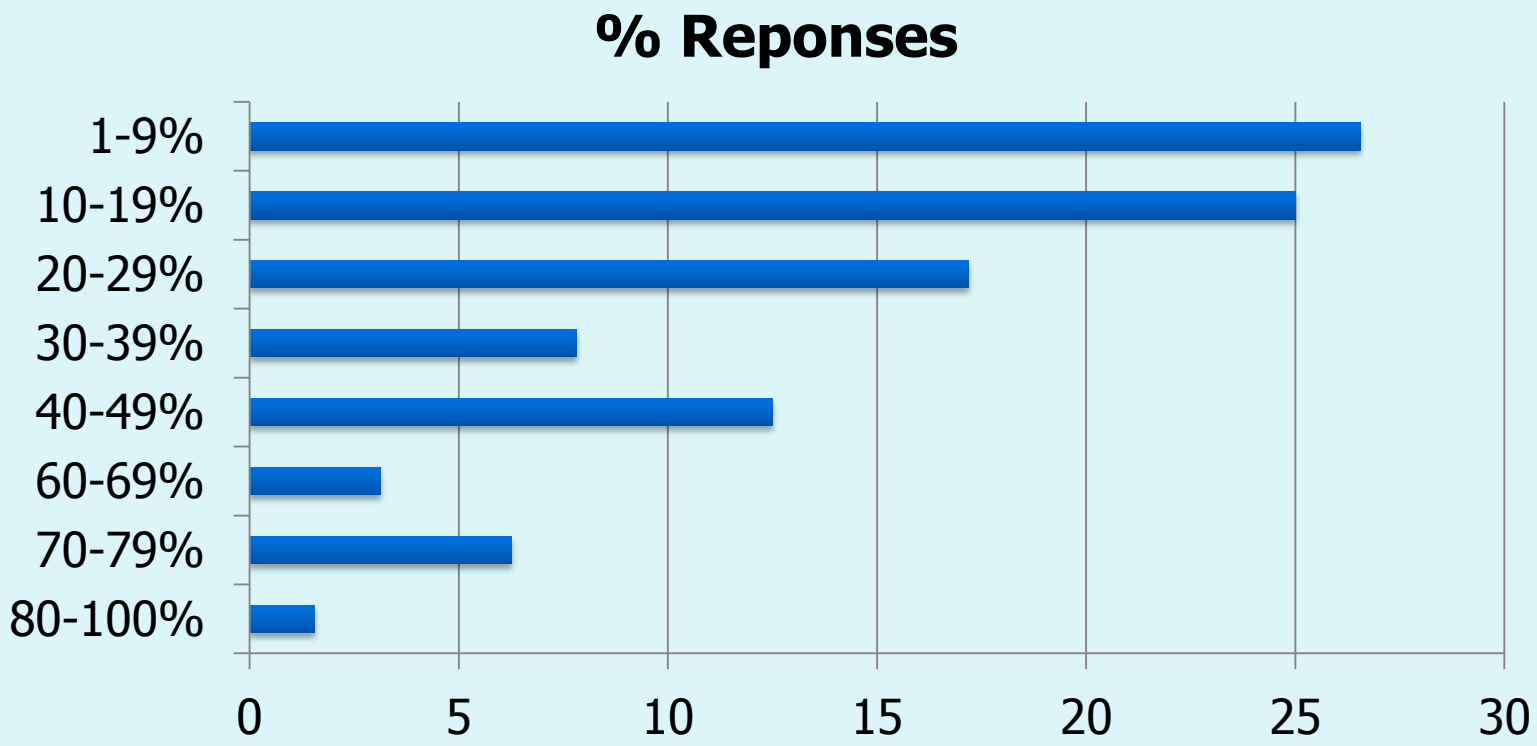


Contributing Factors to Business Performance



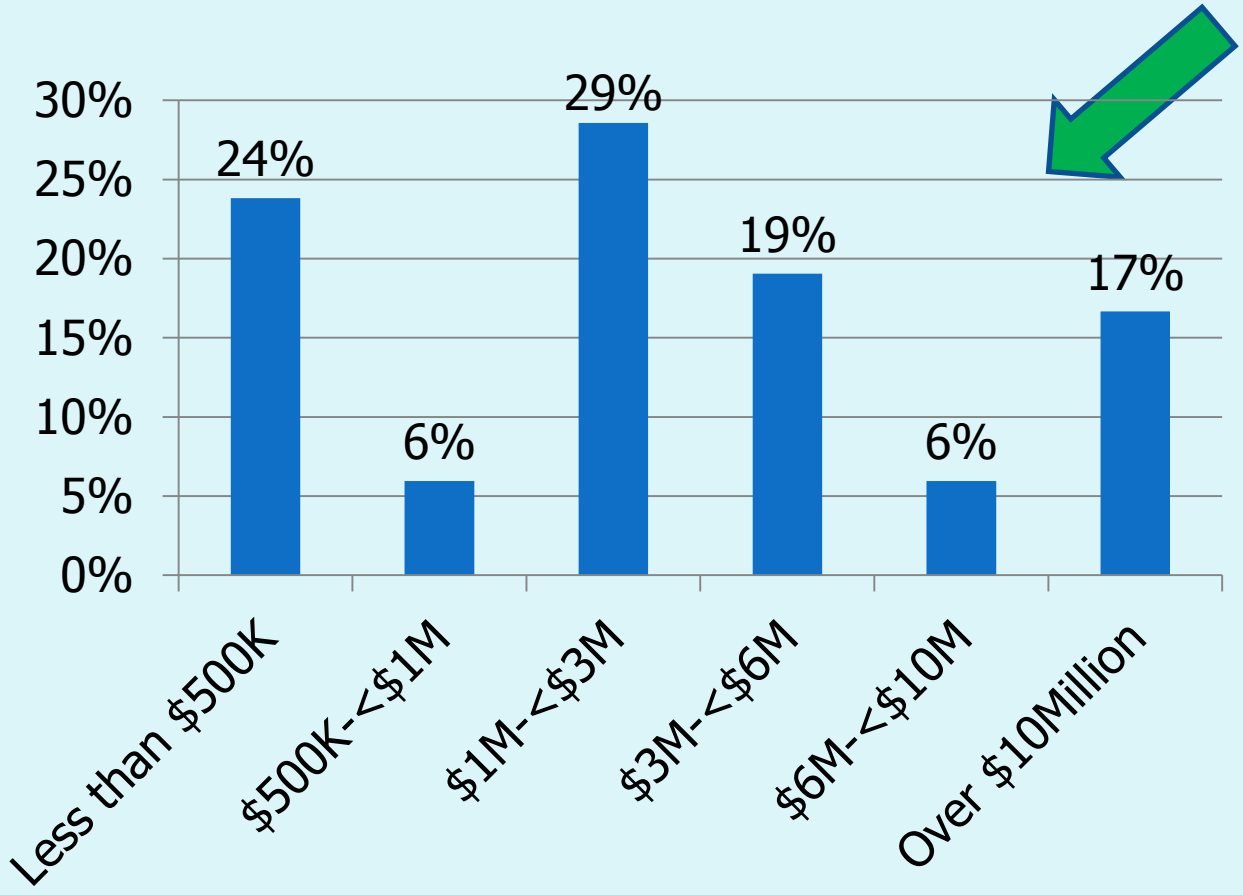
NET Profit Margin

What is your Organizations NET Profit Margin from the most recent fiscal year



NET profit margin = gross revenue less direct and indirect expenses divided by gross revenue

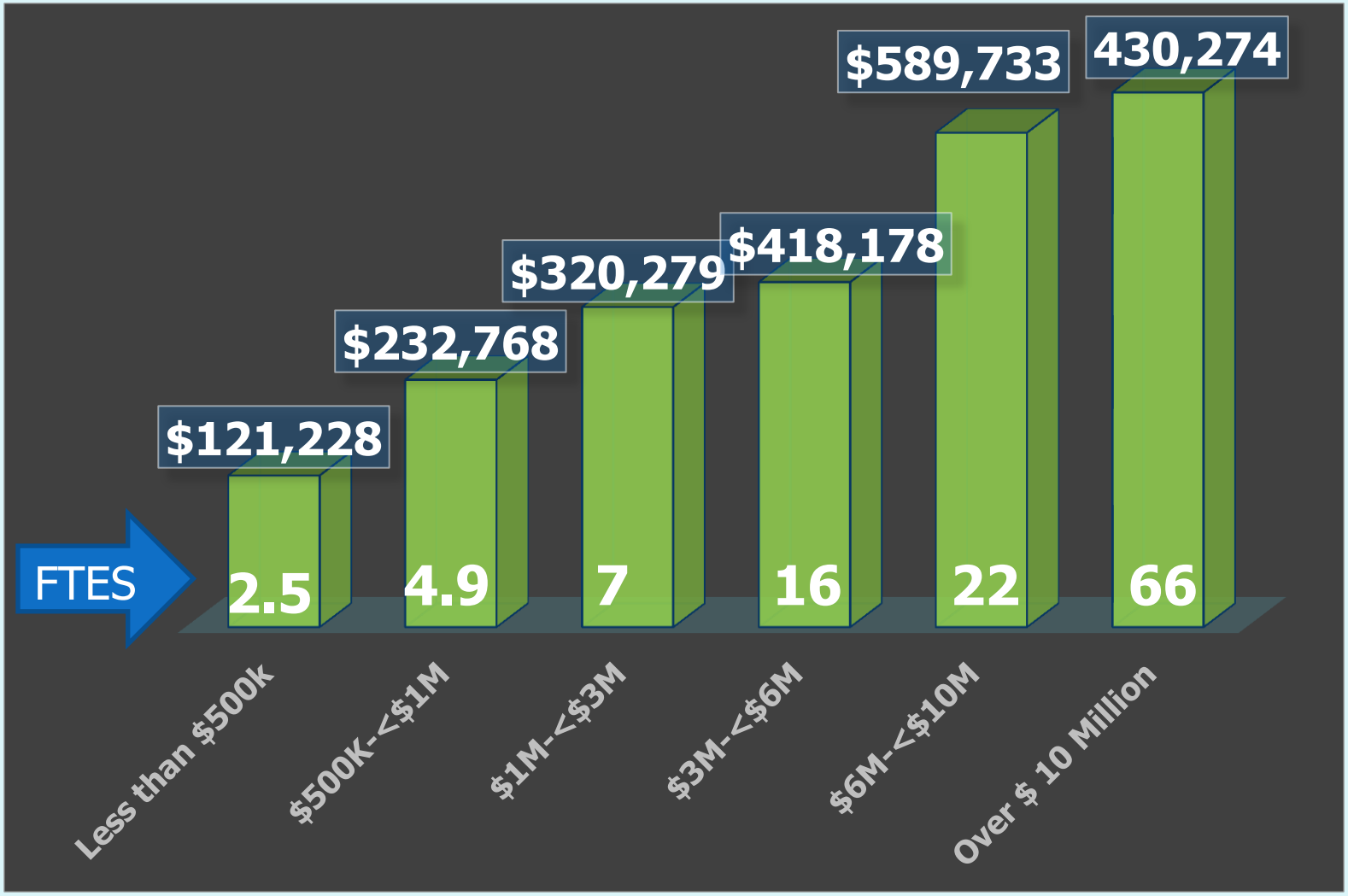
Most survey respondents between 1-3 Million



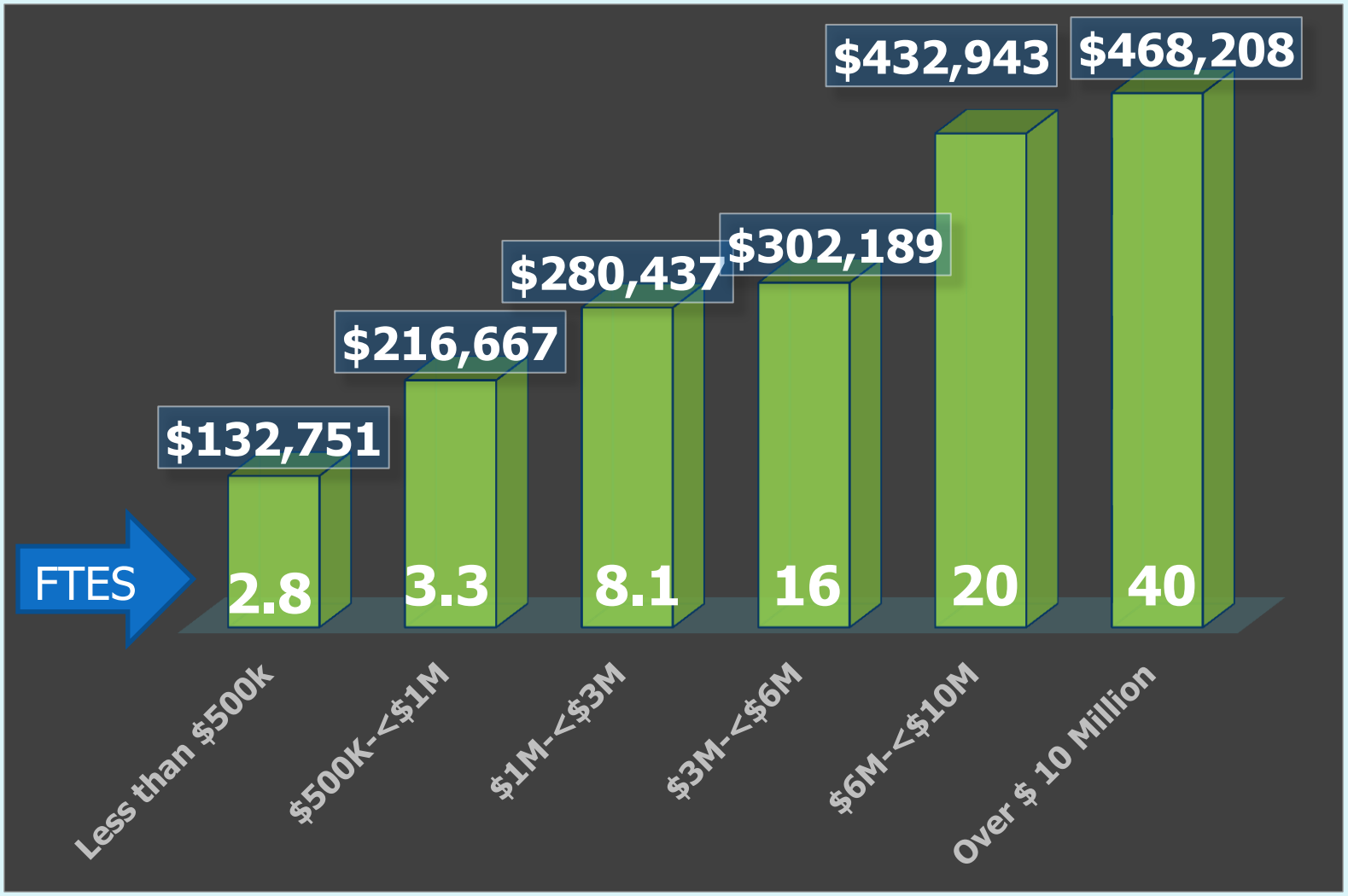
Average	$	5,333,241
Minimum	$	10,000
Maximum	$	130,000,000

2015 Survey

Gross Revenue per FTEs 2015



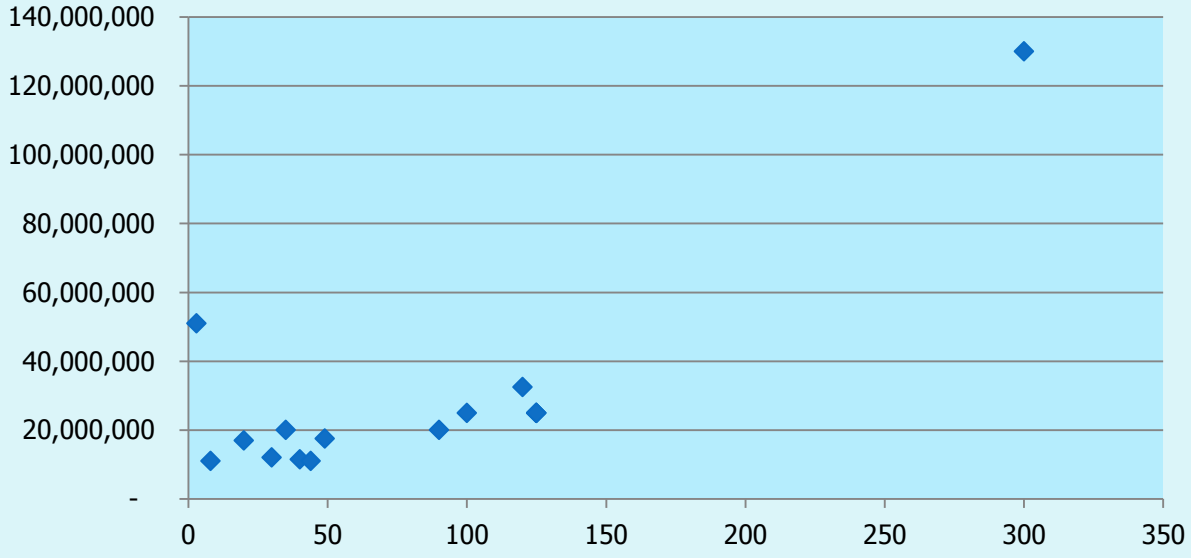
Gross Revenue per FTEs 2014



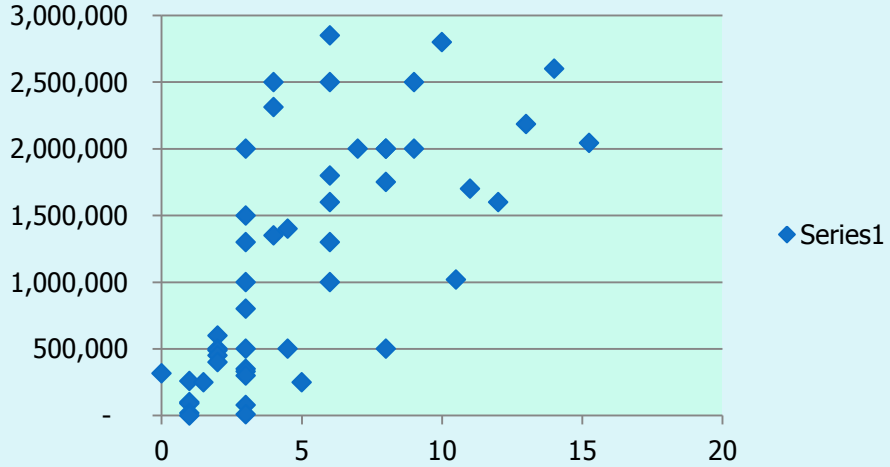
2015

Number of Full Time Equivalents (FTEs)

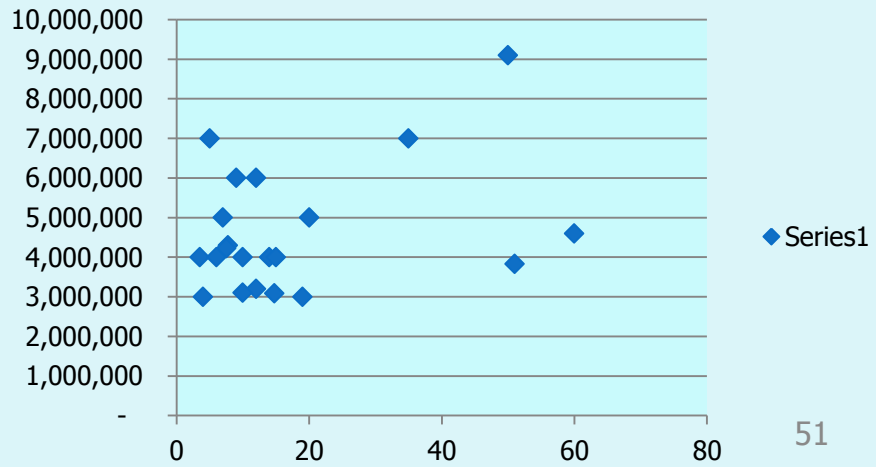
Revenues $10Million and Above



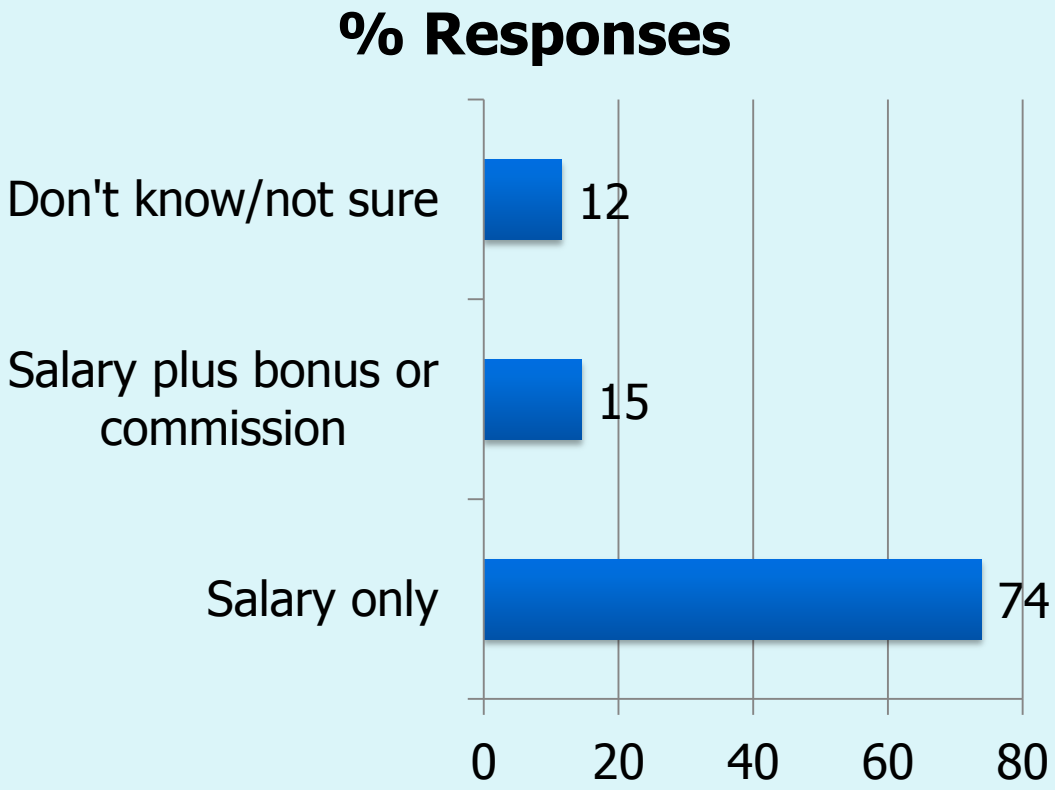
Under 3 Million Dollars



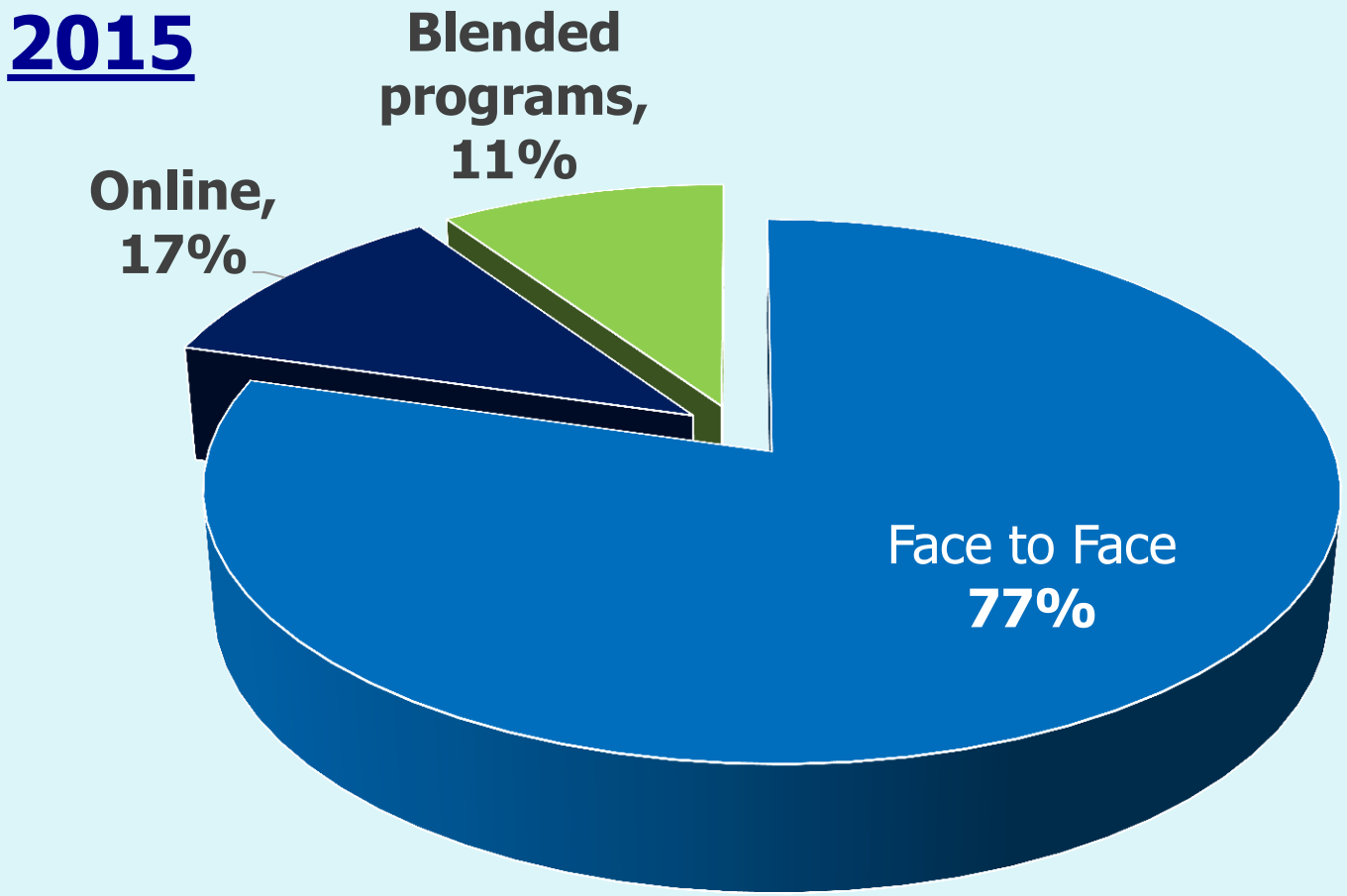
3 to 10 Million Dollars



Compensation to Sales/Business Development Staff

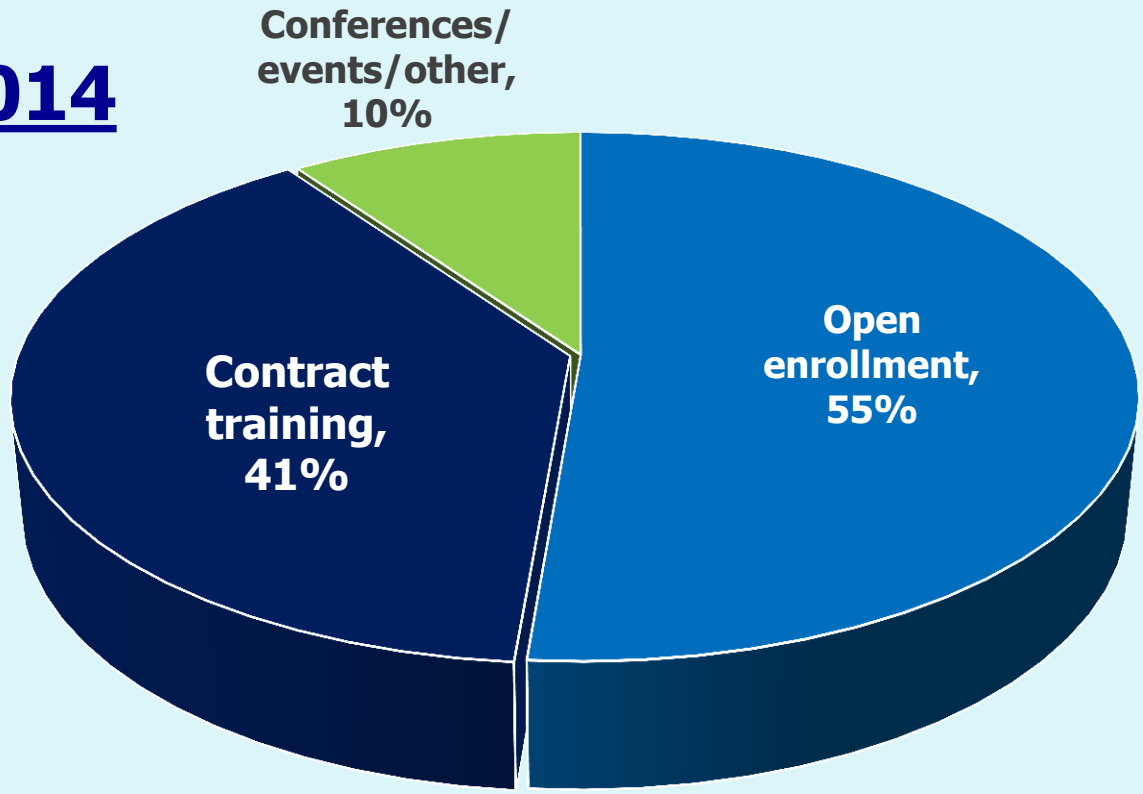


Average Response for % of Gross Revenue from Face-to-Face, Online or Blended Programs



Average Responses for % of Gross Revenue from Open Enrollment, Contract or Conferences

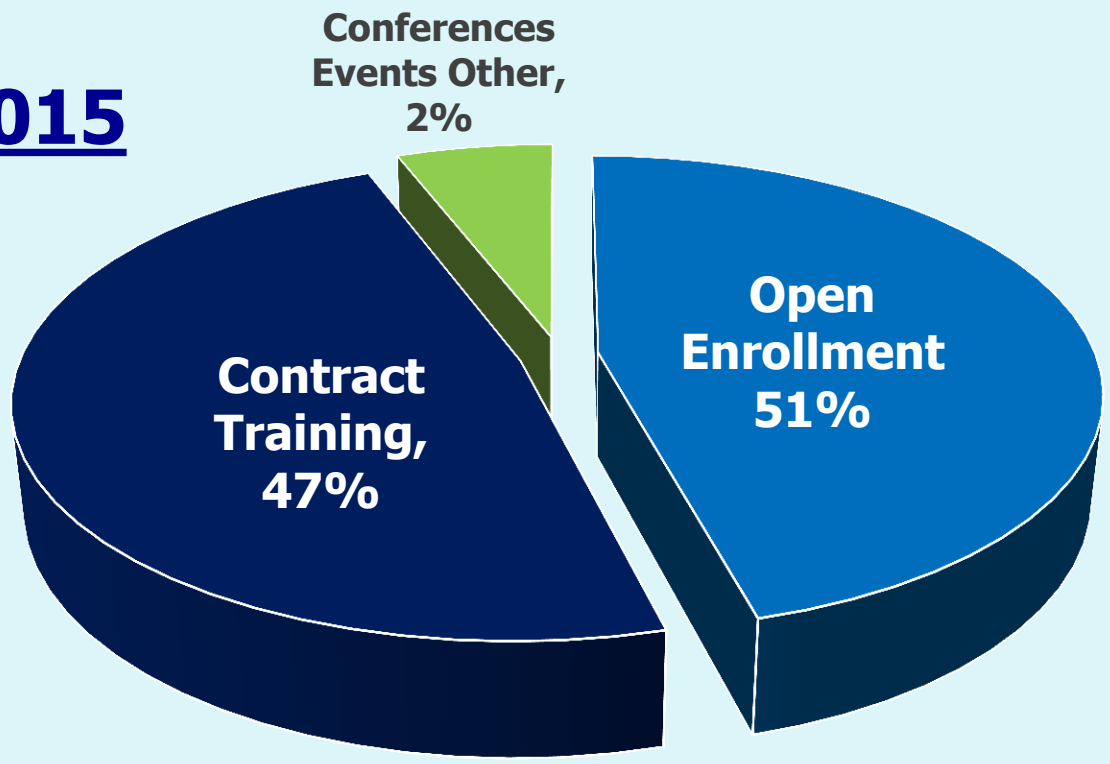
2014



Average Responses for % Gross Revenue

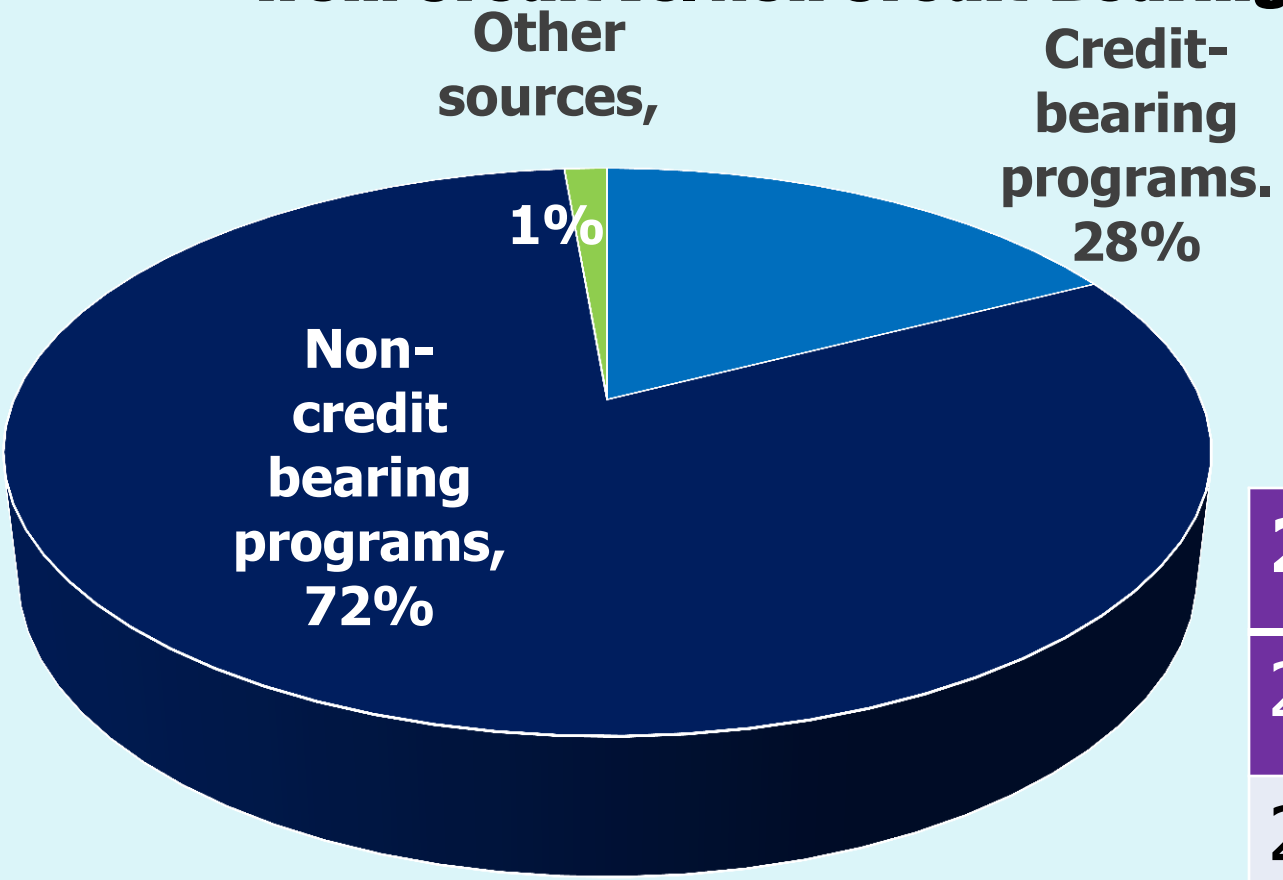
from Open Enrollment, Contract or Conferences

2015



Average Responses for Percentage of Gross Revenue

from Credit vs. Non Credit-Bearing Programs

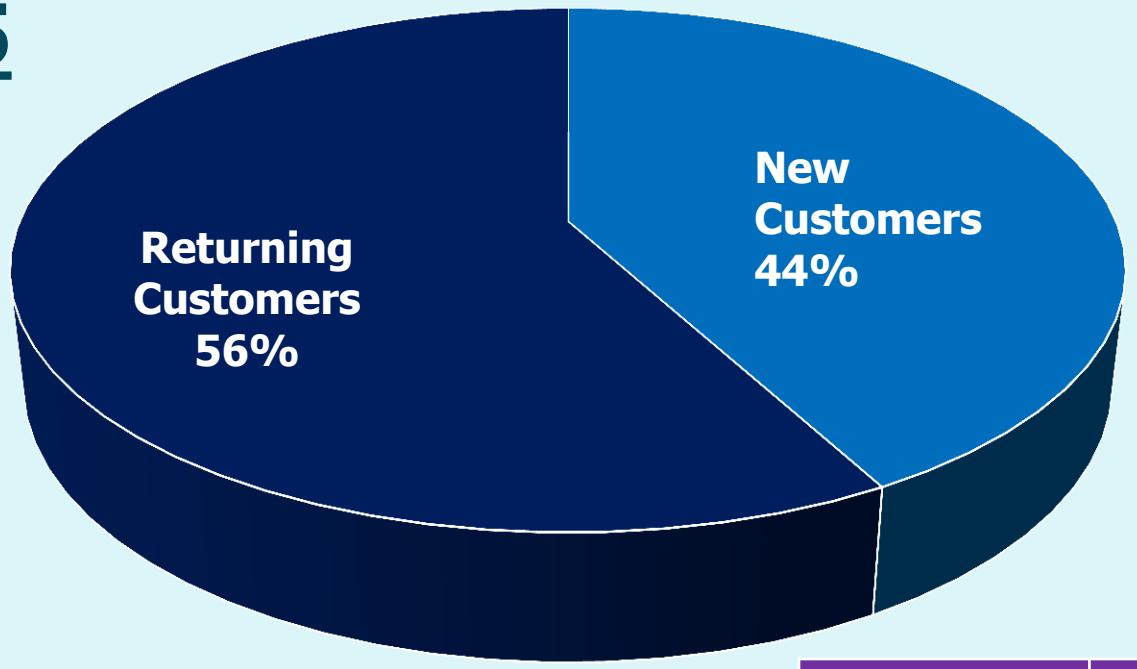


2015	28/72
2014	19/84
2013	33/74
2012	20/80

Average Responses for the % Gross Revenue

from New and Existing Customers

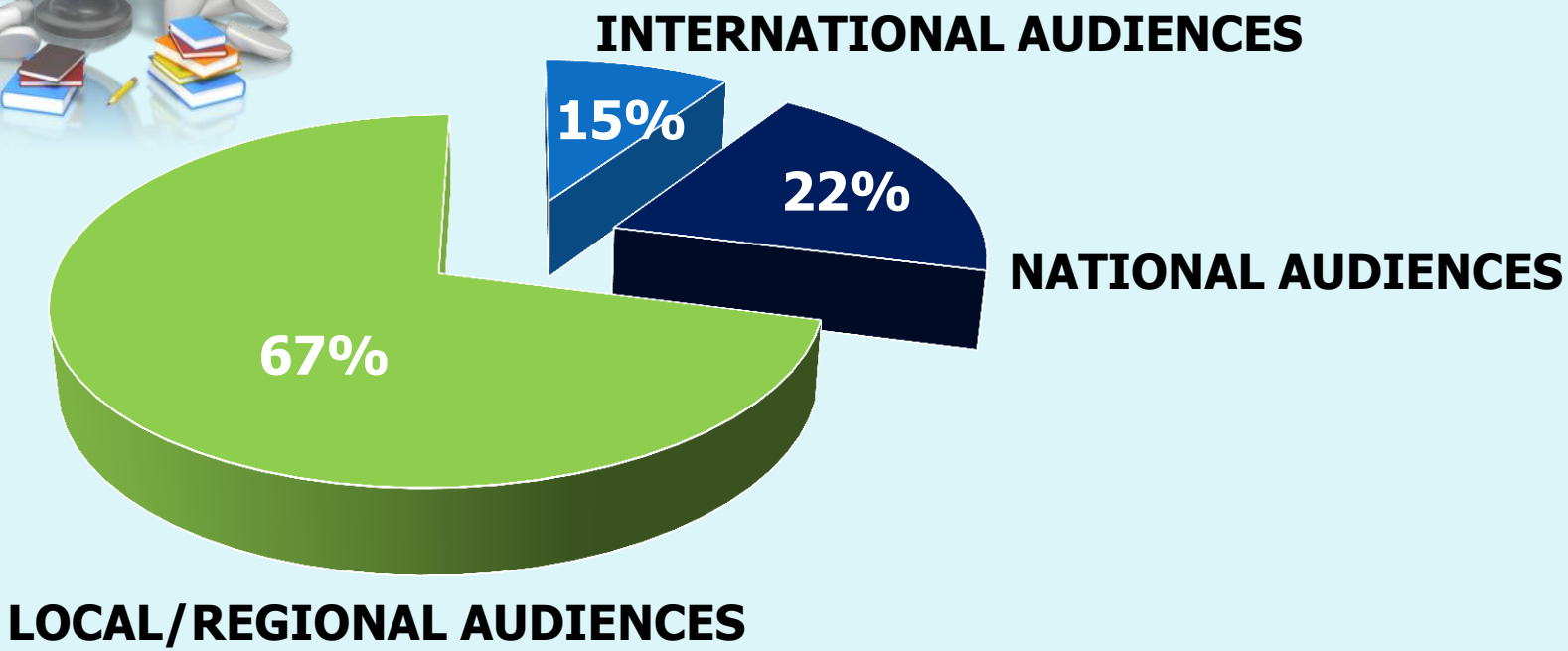
2015



2014	42/58
2013	43/58
2012	42/56

Average Responses for % of Gross Revenue

By Participants' Location



Questions? Comments?

We are happy to help you!