



Case Studies: Pathways to Transformation



CONTENTS

1

Participants

Core and Higher
Education Leaders

2

Overview

Why transformation?

3

Embracing Transformation

From assessment
to impact

4

About Us

Operating partnership
and economies of
scale

Today's Panelists



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Executive Chairman
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SVP and Treasurer
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The background of the slide is a blurred photograph of a graduation ceremony. Several graduates in black gowns and caps are visible, with some in the foreground and others further back. The image is out of focus, creating a soft, bokeh effect. The text "Why Transformation?" is overlaid in the center in a bold, dark blue font.

Why Transformation?

Systemic Issues Requiring Transformational Solutions

- 10 years of enrollment decline
 - 20.5 million to 16 million
 - 43 million people with \$1.8 trillion in student debt
- Poor quality of earnings industry wide
 - Creating large prosperity gaps
- Brick and mortar college supply outstripping demand
- Technology requirements substantially increasing
- Changing consumer behaviors: Demand migration from degrees to credentials and certificates
- Hundreds of colleges not financially viable

Incremental change is not enough – Transformation is required



Large Prosperity Gaps (Poor Quality of Earnings)

Too many institutions achieve a balanced budget through *underinvestment* in critical areas:

- Market rate pay to attract talent
- Fully funding depreciation and equipment replacement
- Technology and employee training
- Marketing and student acquisition
- Student services
- Mission, diversity, and equity
- Academic and student support

A blurred background image of three students running down a school hallway. The students are seen from behind, moving away from the camera. The hallway has wooden floors and brick walls on the left side. The text is overlaid on the center of the image.

**Continuous cost cutting and
underinvestment erodes
competitive position –
a different model is required**



Why Transformation?

Situational assessment

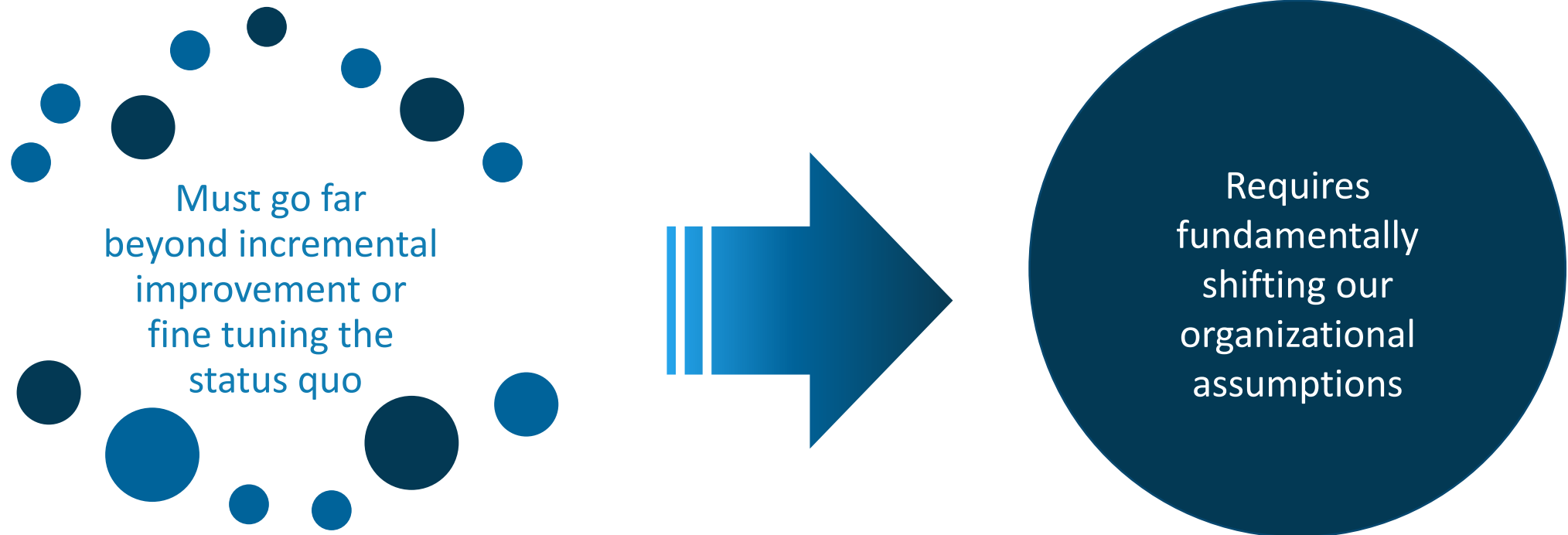
- Higher education business model is under extreme pressure

Problem statement

- Small and mid-sized institutions do not have the depth of resources, economies of scale to transform their business model

Transformational Change

To address how we operate, our depth of thinking, and how we develop and implement strategy that aligns to the marketplace



Two Alternative Approaches

Incremental

- Uncertain future
 - Continuous cost cutting
 - Focus on incremental improvements
 - Doing same things, better
 - Doing small things
- Results in high probability of continuous decline, which can lead to loss of mission

Transformational

- Clarity and confidence in addressing:
 - Revenue growth and diversification
 - Operational effectiveness
 - Technology efficiency
 - Capital strategy
- Lower risk alternative to incrementalism
- Higher probability of prosperity

A person is sitting on the floor in a library, reading a book. They are wearing blue jeans and white sneakers. The background shows bookshelves filled with books. The text "Embracing Transformation" is overlaid on the image.

Embracing Transformation

Two Institutions Embracing Transformation



Greensboro College



About Greensboro College

Traditional liberal arts college in a period of real innovation

- Founded in 1838
- Grounded in tradition of United Methodist Church
- Accredited by SACSCOC
- Located in downtown Greensboro, NC
- Students from 30 states
- 40% ethnic minority and multiracial students



Situational Assessment Leading to Transformation Decision



- Overall American demographic shifts
- High concentration of revenue in campus-based undergraduates
- Significant competition from public institutions due to difficulty of affording a private college
- Very low adoption of online education prior to COVID

Process Used – Board Collaboration and Support

2017: Began conversation in earnest with Board regarding the future

2020: Pandemic prompted sober analysis to determine path forward

- Seek strategic partnerships
- Identify alternatives within 6-24 months
- Develop an investment pool of up to \$3M for growth
- Board remained strategic through the process

Culminated in board endorsement of investment in transformation

Alternative Pathways Reviewed

Developed a matrix of ideal candidates, which included Core Education

Looked at all alternatives – strong desire to remain independent, yet needed growth and transformation

Partnership study with Core Education

- Lead to a collaborative approach to transformation
- Tactical and strategic initiatives

Core-Enabled Supporting Services

Technology – Stabilization, modernization, digital campus

Institutional Research – Data Enablement, Assessment

Workforce Development – Center for Innovation – Core Library of Courses, Marketing and Call Center

Online Program Expansion – Core Library of Courses, Call center and Marketing (June 2023)

Corporate Relationship Development (B2B) – Corporate relationships are being built with Cone Health, Boom Supersonic, Toyota

Traditional Admissions Support – Leveraging Core CRM and Call Center

Inspiring Future

Increased confidence among board and campus – real partner that is proactive in strategy with the administration

Moving forward with new SIS

New Division – Center for Innovation and Workforce Development

- Healthcare
- Aerospace
- Advanced manufacturing
- Technology & Cyber Security

Limited only by our imagination

A large, multi-story brick building with a central pediment and two towers topped with crosses. The building has many windows and a central entrance with a small cross above it. The text "Siena Heights University" is overlaid in the center.

Siena Heights University

About Siena Heights University

Longstanding commitment to adult and online education

- Founded in 1919
- Catholic university sponsored by Adrian Dominican Sisters
- Accredited by HLC
- Headquartered in Adrian, MI with degree-completion locations across the state



SIENA HEIGHTS
UNIVERSITY

Situational Assessment Leading to Transformation Decision



Discussed prosperity gaps with board to identify future pathway

Quality of earnings – structural deficit

Facing technology challenges but understood the importance of digital transformation

Process Used

Long journey to transformation

Invested in developing internal consensus about the need to transform

- Message for traditional faculty in arts and science focused on demographic cliff
- Adult and graduate division was aligned with redoubled focus on workforce development and market-aligned curricula

Needed economies of scale and more resources

Partnership study with Core built on strategic plan task force

Core-Enabled Supporting Services

Technology Assessment: pathway to modernization and digital campus

Capital Strategies

- Revitalized banking relationship
- Venture philanthropy
- Unlocking the balance sheet – restructuring debt, real estate opportunities, endowment restructuring

Workforce Development – Core Library of Programs and Courses

- Health Care, Technology, Advanced Manufacturing, Essential Skills
- B2B Corporate partnership development

Workflow and Operational Improvements

Commitment to the Future

Status quo of accepting difficult financial situation as a given

Cannot cut your way to prosperity

Transformation is the only pathway forward

- Highest risks was to continue with incremental approach
- Business as usual could not continue

Sense of confidence that we can accomplish transformation with Core partnership

The background image shows a large, light-colored classical building with a series of tall, fluted columns supporting an upper level with a balustrade. A prominent clock tower with a pointed roof rises from the building. To the right, there are lush green trees. The sky is blue with some light clouds. The text 'About Us' is centered over the image.

About Us

About Us

Core Education Services, PBC

We are a Public Benefit Corporation with a vision to **transform the business model of small and mid-sized institutions**. We create a culture of prosperity for our institutional partners.

Our Methodology

We leverage economies of scale to achieve operational effectiveness, technological efficiency, and market expansion. We accomplish this through **innovative shared services**.

12

Institutional
partners

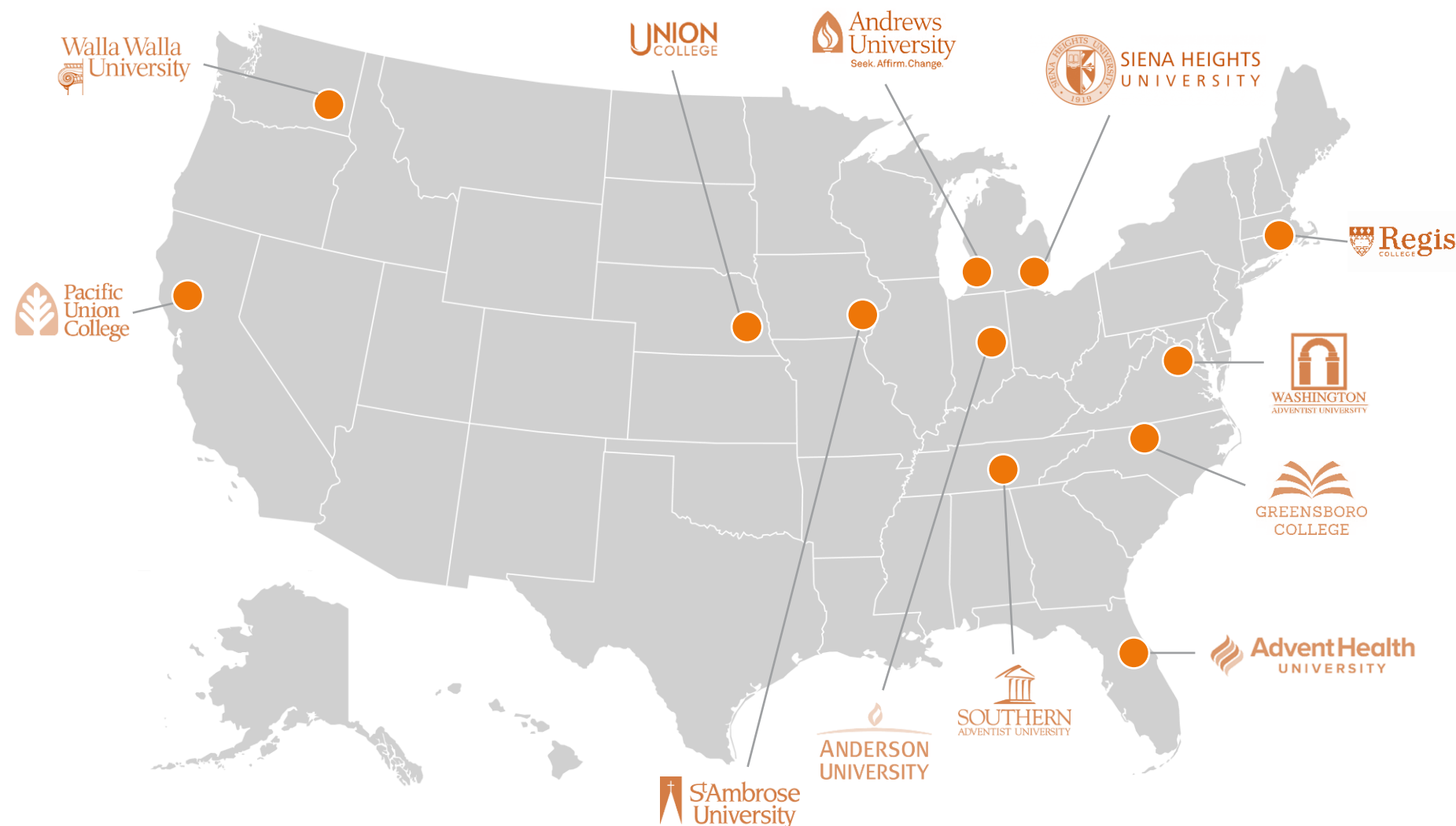
\$600M

Combined system
budget

Cost Recovery Financial Model

Allowing institutional partners to enjoy
stronger financial returns from services

Institutional Partners (12) - \$600M Combined Budget





Visualize Prosperity through a Different Lens

The Core team of approximately 80 people has deep strategic and operational experience which allows us to view things differently, using innovation and business intelligence to achieve operational effectiveness, technological efficiency, and market expansion

Core Educational Services, PBC - Senior Team



As a supporting service organization, our executives function as part of your team. Through our economies of scale, Core has assembled a best-in-class functional senior team with a depth of talent that would otherwise not be available nor affordable to small and mid-sized institutions.

This team along with a supporting cast
(~80 people and growing) support our institutional partners.

Challenges and Solutions

Institutional Challenges

A lack of depth in personnel and economies of scale are among the many challenges facing small and mid-sized colleges.

Core Solutions

Core has a talented team of 80+ people with significant organizational and operational depth that would otherwise not be available to small and mid-sized colleges.

As a supporting organization, we work alongside our institutional partners to implement ambitious goals and help transform the business model.



TECHNOLOGY AND ADMINISTRATIVE SOLUTIONS

- | | | |
|------------------------------------------------------------------------|----------------------------------------------|--------------------------------------|
| ✓ Operations – Workflow, Market Aligned Operating rhythms and Policies | ✓ Institutional Research | ✓ Post Transaction M&A Support |
| ✓ Capital Strategies | ✓ Student Information System (SIS) oversight | ✓ Advancement – Venture Philanthropy |
| ✓ Financial planning and Treasury Services | ✓ Campus Technology Support | ✓ Active Management |
| | ✓ Revenue Technology | |
| | ✓ Technology stabilization | |



REVENUE & PROGRAM SOLUTIONS

- | | | |
|---------------------------------------|---------------------|------------------------------------------------------------|
| ✓ Marketing support – improving yield | ✓ Digital marketing | ✓ Market research |
| ✓ Admissions | ✓ Research | ✓ Academic Program Content Library (credit and non-credit) |
| ✓ Academic programming | ✓ Advancement | |
| ✓ Student Support Team | ✓ Call center | |

Primary Supporting Services



Prosperity Pathway

- **Revenue Growth of Diversification**
 - Campus, Transfer, Online, Workforce Development, Academic Programming
- **Operating Effectiveness**
 - Workflows, Operating Rhythms and Policies, Financial Reporting and Modeling, Capital Strategies
- **Technology Efficiency**
 - Revenue technology (CRM, Web, SIS)
 - Data analytics
 - Stabilization and modernization

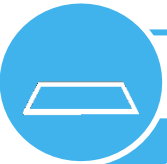


Technology Pathway

- **Stabilization and Modernization**
 - Campus Technology
 - Enterprise Technology
 - Revenue Technology
 - Data Analytics

Secondary supporting services includes Institutional research, Financial and treasury services, Advancement and Venture philanthropy, Capital strategies,

Core's Management Models



Active Management

- We work along side of our partners on execution of plans to achieve stated goals
- We provide leadership for selected supporting services – planning, day-to-day execution, operational support
- We are accountable for execution, supports management of vendors reporting to the institution



Hybrid Management

- We engage more intensively: Active Management+
- We provide staffing and systems infrastructure for selected supporting services
- Our accountability usually extends to include internal staffing and personnel management for selected supporting services



Managed Services

- We hold full accountability for all functions of selected supporting services
- We engage in talent management of all resources related to selected supporting services
- We are responsible for all system and infrastructure upgrades and replacements for selected supporting services

Three models depend on extent of immediate gaps, competencies within the institution, internal strategy and bandwidth, and extent of vendor relationships

Core Supporting Services

Growing and Diversifying Revenue	Technology and Efficiency	Academic Supporting Services	Financial Planning and Treasury Services	Operational Support
<p>Marketing, improving yield, lead generation, e-commerce paradigm</p> <p>Workforce development and Online Course content</p> <p>Business-to-business, local direct marketing, and business development</p> <p>Transfer students</p> <p>Admissions and student support</p> <p>Workflows, yield improvement</p>	<p>Stabilization and modernization</p> <p>Campus technology</p> <p>Revenue technology</p> <p>Enterprise technology</p> <p>Migration from legacy to modern cloud-based systems</p> <p>Implementation services</p>	<p>Core Library of WFD and Online Courses</p> <p>Non-credit to credit services</p> <p>Academic supporting services</p> <p>Program library of content (degree and certificates programs)</p>	<p>Capital strategies</p> <p>Financial budgeting and modeling</p> <p>Special project fund raising</p> <p>Real estate options</p> <p>Treasury supporting services</p> <p>Endowment alignment</p>	<p>Institutional research</p> <p>Compliance</p> <p>Addressing out-of-market policies and operating rhythms</p> <p>Speed, service and statistics to improve all aspects of the operation</p>



Strategic Rationale for Partnership

Achieving Long-term Prosperity

- Expertise in both strategic and tactical supporting services across all functions of the organization
- Services provided on a cost recovery basis – better returns for partners
- Active management – accountability for results
- Lowers risk for operational execution
- Leverage economies of scale
- Innovation and creativity for the benefit of institutional partners



core.edu