



Business Innovation Background



Opening Comments

- Strategic Plan: W&M as a leading liberal arts university with the best undergraduate education
- W&M Promise is in support of this fundamental goal
- Business Innovation responds to and helps catalyze the Promise
 - Reallocate funds to strategic priorities
 - Enhance operational excellence
 - Encourage innovation



Process

- Business Innovation Steering Committee
- RFP and selection of Censeo
- Censeo completed “Blitz Diagnostic”
- End of Phase I: Assessment
- We have learned a lot



Brief Findings

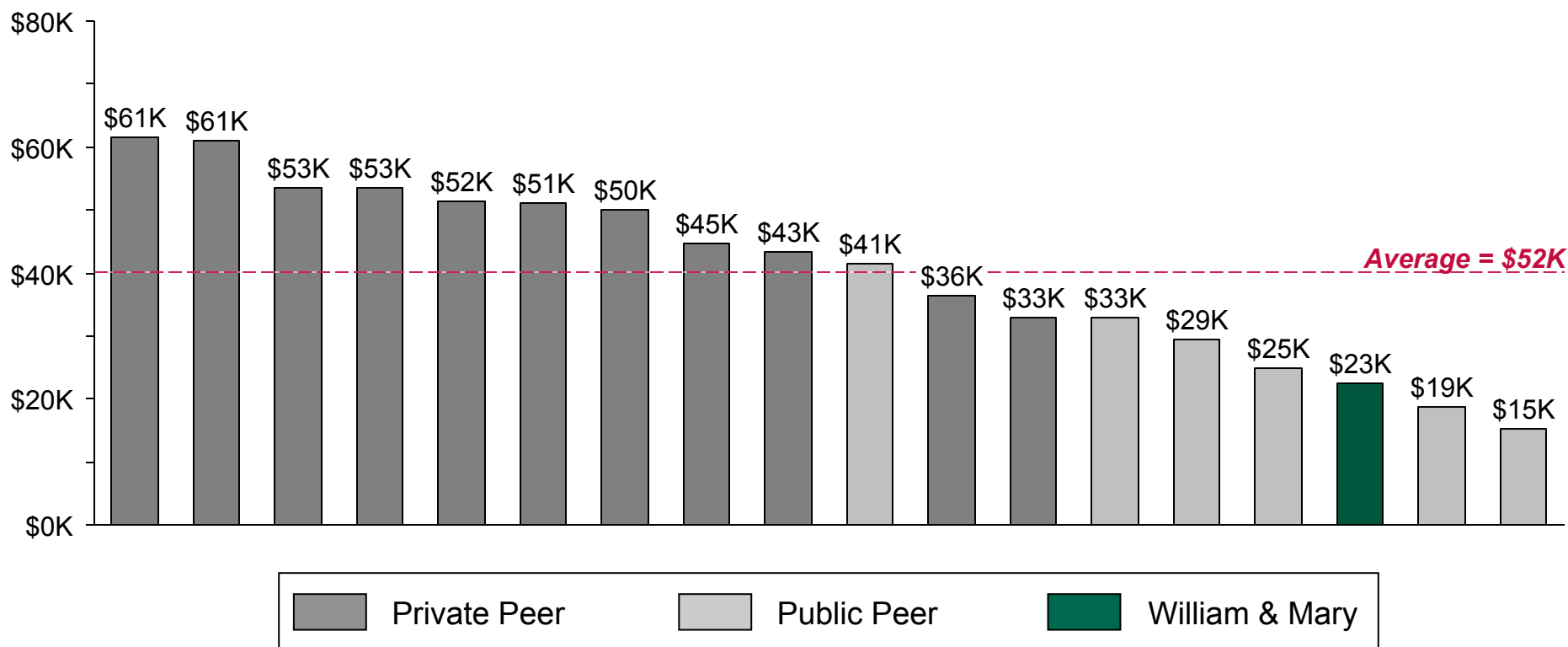
- There are opportunities for significant savings and process improvements
- We need to understand the opportunities more fully (“deep dive”)
- None will be easy (degrees of difficulty)
- Will take time—savings not realized immediately
- Different “flavors” of savings
 - green/gold (non-personnel/organizational)
 - central/local (who gets the savings)
 - reinvested/repurposed (how are the savings deployed)
- We have to be careful as we pursue change

But making these changes is essential—benchmarking



Compared to operational peers, W&M has among the smallest core expense per student

**FY12 Core Expense per Student (\$K)
W&M v. Operational Peer Group**

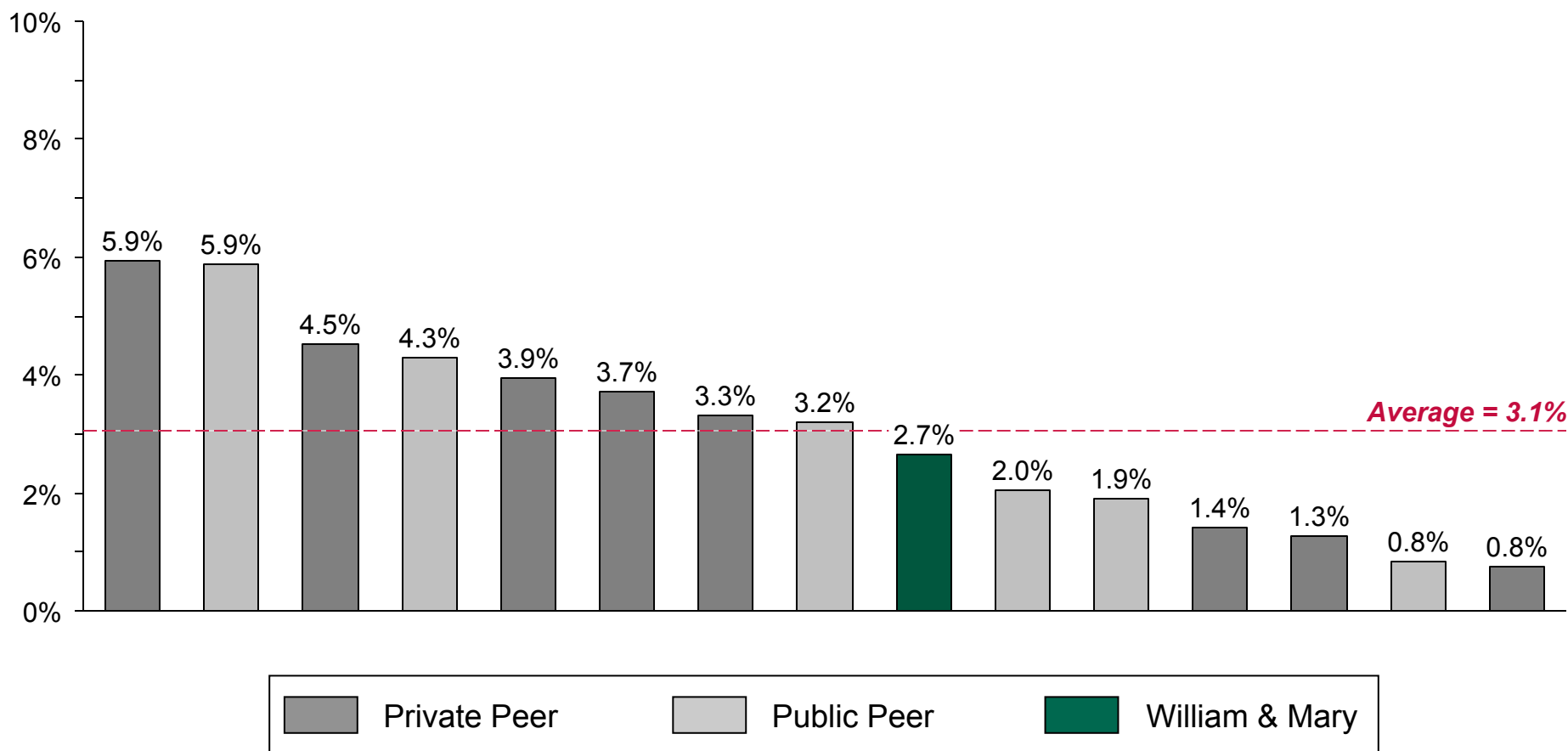


That is also true if you look at just Instruction or Admin & Academic Support expenses.



W&M has an average level of growth in Instruction expenses

Growth in Instruction Expense per Student, FY06 – FY12
W&M v. Operational Peer Group

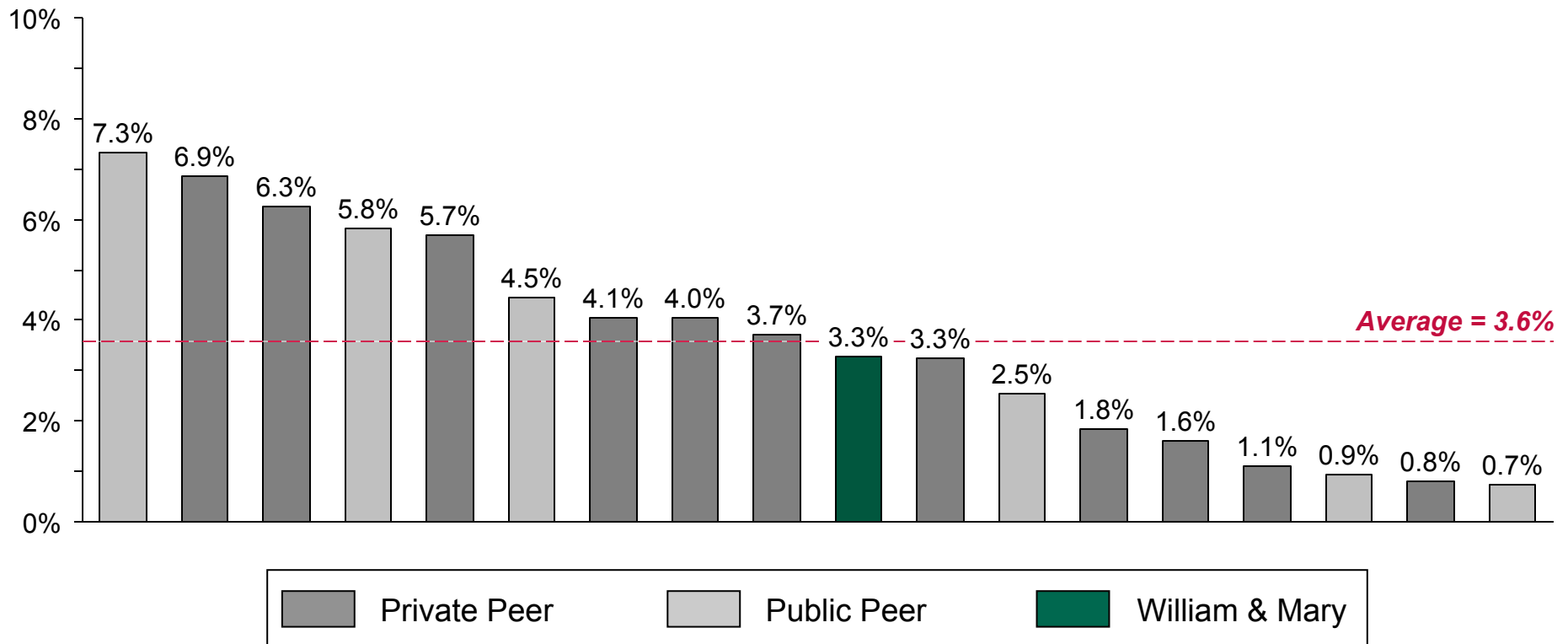


Source: William and Mary Audited Financial Statements, 2006-2012; Operational Peer Group Audited Financial Statements; IPEDS Institutional Characteristics Survey 2006-2012
Note: High-end and low-end outliers removed to preserve data fidelity



W&M's Admin & Academic Support costs grew near the average of operational peers, but at a higher rate than Instruction cost growth

Growth in Core Admin & Academic Support Expense per Student, FY06 – FY12
W&M v. Operational Peer Group



This is a challenge for higher education. We need to hold down Admin & Academic Support costs and limit their growth.



Conclusions

- We are lean
- But that increases the need to focus our scarce resources even more on instruction
- We want to hold down the rate of growth in core administration and academic support expenses



Strategic Plan FY2015-2019 – Delivering the Promise



Welcoming



Leading Liberal Arts University



**Connected
for a Lifetime**



**Staffed/
Equipped**



Global



In Touch

New Financial Foundation



W&M Strategic Planning Dashboard – Measures 1-11

Challenge: Leading Liberal Arts University							
Measures	10-yr. Trend	2009-10	2010-11	2011-12	2012-13	2013-14	Target
1 Undergraduate acceptance rate		34%	32%	35%	32%	33%	34%
2 Undergraduate yield rate		34%	35%	33%	33%	32%	34%
3 Undergraduate SAT scores: 25th – 75th percentile range		1240-1450	1260-1440	1240-1450	1250-1460	1270-1460	1250-1450
4 Undergraduate graduation rate: Completions within 6 years		90%	91%	90%	90%	Avail. 3/2015	93%
5 Student-faculty ratio		12:1	12:1	12:1	12:1	Avail. 4/2014	< 13:1
6 Small undergraduate classes: Percent with 2-19 students		48%	47%	48%	49%	Avail. 4/2014	50%
7 USNWR: Commitment to Teaching		6	5	8	6	3	1
8 Faculty Salaries: SCHEV peer group percentile		29%	22%	26%	23%	25%	60% by 2018
Challenge: Diversity							
Measures	10-yr. Trend	2009-10	2010-11	2011-12	2012-13	2013-14	Target
9 Undergraduate students who are members of historically underrepresented groups		23%	25%	26%	27%	28%	N/A
10 Graduate/professional students who are members of historically underrepresented groups		13%	14%	15%	16%	15%	N/A
11 Undergraduate Pell Grant Recipients		11%	13%	12%	12%	Avail. 3/2015	N/A



W&M Strategic Planning Dashboard – Measures 12-19



Challenge: Global Engagement							
Measures	10-yr. Trend	2009-10	2010-11	2011-12	2012-13	2013-14	Target
12 Undergraduate students with international citizenship		2%	3%	3%	4%	4%	N/A
13 Graduate students with international citizenship		12%	11%	12%	13%	15%	N/A
14 Undergraduate students who study abroad			44%	38%	43%	45%	60% by 2018
15 Total international student enrollment			403	479	551	575	600 by 2016
16 Total countries with students enrolled			61	60	50	55	60 by 2016
Challenge: Lifelong Connection							
Measures	10-yr. Trend	2009-10	2010-11	2011-12	2012-13	2013-14	Target
17 Alumni giving participation rate: undergraduates with degrees		23.4%	23.9%	23.6%	23.9%	Avail. 9/2014	40% by 2020
Challenge: Communications							
Measures	10-yr. Trend	2009-10	2010-11	2011-12	2012-13	2013-14	Target
18 USNWR: National Universities		31 (tie)	33 (tie)	33 (tie)	32 (tie)	Avail. 9/2014	N/A
19 USNWR: Public Universities		6	6	6	6	Avail. 9/2014	N/A



W&M Strategic Planning Dashboard – Measures 20-30

Challenge: Business Plan							
Measures	10-yr. Trend	2009-10	2010-11	2011-12	2012-13	2013-14	Target
20 USNWR: Financial resources rank		85	97	112	114	Avail. 9/2014	< 70
21 Total sponsored program expenditures (millions)		\$54	\$57	\$55	Avail. 4/2014	Avail. 4/2015	\$60 by 2014
22 Debt Service as Percent of Operating Expense		6.7%	5.9%	6.6%	6.9%	Avail. 9/2014	< 7%
23 Annual giving to the Fund for W&M plus expendable scholarships (in millions)		\$6.2	\$6.3	\$6.2	\$6.4	Avail. 9/2014	
24 Total annual giving not including big gifts (< \$100k gifts; in millions)		\$14.7	\$14.8	\$15.2	\$17.1	Avail. 9/2014	
25 Total New Private Gift Activity (in millions). New gifts plus new commitments.		\$45	\$37	\$80	\$104	Avail. 9/2014	
26 Endowment per student (year end)		\$71,406	\$81,408	\$82,870	\$87,963	Avail. 10/2014	\$175,000 by 2020
27 Total Endowment (in millions)		\$540	\$625	\$644	\$698	Avail. 10/2014	\$1,500 by 2020
28 Average per-borrower cumulative undergraduate debt		\$21,367	\$20,835	\$24,344	\$24,400	Avail. 2/2015	< \$20,000
29 Undergraduate students who graduate with debt		38%	41%	41%	38%	Avail. 3/2015	<40%
Challenge: Administrative Resources and Infrastructure							
Measures	10-yr. Trend	2009-10	2010-11	2011-12	2012-13	2013-14	Target
30 All E&G Facilities Condition Index		7.6%	7.8%	6.3%	6.9%	5.7%	< 10%



Strategic Initiatives and New Ventures

April 25, 2014



A great liberal arts university providing the best undergraduate education

- Will Bergen '15 and Rachel Hyneman '15 will be spending the summer in Switzerland
- At CERN, the European physics consortium that was the site of the discovery of the Higgs Boson
- Funded by the National Science Foundation
- The U.S. is limited to 12 undergraduates at CERN this summer.
- W&M has two!

