



The Council of
Independent Colleges



An Introduction to Core Education:
*Transforming the Business Model for CIC
Institutions*



1

**Introductions &
Overview**

Networks & Strategic Partnerships

2

Fireside Chat

Marjorie Hass & Rick Beyer

3

General Discussion

SPEAKERS



Marjorie Hass
President – CIC

Marjorie Hass became president of the Council of Independent Colleges in 2021. From 2017 until her appointment to the CIC presidency, Marjorie served as president of Rhodes College. Previously, she served as president of Austin College. Earlier in her career Marjorie spent more than 16 years as a member of the philosophy faculty and subsequently as provost at Muhlenberg College.

Hass was a member of the CIC Board of Directors from 2012 to 2016. She also served as a board member of the Association of American Colleges & Universities and as former chair of the board of the National Association of Independent Colleges and Universities. Hass earned bachelor's, master's, and doctoral degrees in philosophy from the University of Illinois at Urbana-Champaign. She has published widely on the philosophy of language, logic, and feminist philosophy and is an award-winning teacher.



Rick Beyer
Founder, Executive Chairman – Core Education PBC

Rick Beyer has a unique combination of experience in higher education and business. A former college president and board governance chair, successful technology CEO, and senior operating executive of a \$1 billion public company, Rick has consistently been at the forefront of industry-leading initiatives and has a successful history of leading organizations through change and growth.

A former Senior Fellow at Association of Governing Boards of Universities and Colleges (AGB), Rick is a regularly-featured speaker on the topic of college business model transformation.

Rick served for more than eight years as a corporate executive at Trimble Navigation (NASDAQ:TRMB) with revenues of \$1.2B. He served as CEO of TracerNET, which was acquired by Trimble. Rick also served as CEO of Lumerit Education that was acquired by Pearson. He was also part of the senior management start-up team at QUALCOMM.

About Us

- **Core Education Services PBC**

We are a Public Benefit Corporation with a vision **to transform the business model of higher education**. We create a culture of prosperity for our institutional partners.

- **Our Methodology**

Core Education is a long-term, mission-critical operating partner with a platform of transformative business model solutions.

We leverage our economies of scale to achieve operational effectiveness, technological efficiency, and market expansion. We accomplish this through a **comprehensive set of supporting services**.

18

Institutional
partners

\$942M

Combined system
budget

Cost Recovery Financial Model

Allowing institutional partners to enjoy
stronger financial returns from services

Core Education is a long-term, mission-critical operating partner with a platform of transformative business model solutions.

Revenue Solutions

- > Workforce Development Platform
- > Admissions support, Campus, Online
- > Student success support
- > Marketing content support
- > Business-to-Business (B2B) Corporate Partnerships
- > Revenue diversification solutions

Technology and Digital Solutions

- > Enterprise Systems (SIS, ERP)
- > Campus / Network Operations
- > Revenue Technology Solutions
- > Business Intelligence Platform
- > Institutional Research

Institutional Operations and Capital Strategy Solutions

- > Workflow and cost optimization
- > Workflow and enrolment yield
- > Capital strategies
- > Advancement and Venture Philanthropy
- > Academic program content
- > Finance, treasury, real estate
- > Campus operations
- > Pre- and Post-Transaction M&A Support



Program Management

Horizontal Integration of Solutions

Business Model Transformation Toolbox

PROSPERITY STUDY PROCESS

- 1. Revenue Analysis** – Revenue concentration, revenue cycles, revenue segments requiring scaling
- 2. Direct Margin Analysis** – Academic expense ratio, central nervous system of a financial model; determines direct margins available for operating expenses
- 3. Prosperity Gap** – Quality of earnings, sets context on journey, areas of underinvestment; Quantifiable number in \$M of annual margin requirement; industry with poor quality of earnings
- 4. Strategic Growth Building Blocks** – Three to five big growth areas that in aggregate will exceed the prosperity gap; programming, market segments, scaling existing revenue segments, fulfilling capacity
- 5. Operating Model** – Implementation plan, internal barriers to success, operating rhythms and polices, timelines, milestones, organizational
- 6. Financial Model** – Range of possible outcomes over one, three and five years; capital requirement, ROI, reinvestment modeling, short-medium and long-term range of results
- 7. Capital Strategy** – Money follows great plans; board needs to own with the president; venture philanthropy; including the base case for financial support of the operating plan

IDEAL PARTNER CHARACTERISTICS

Business Model Transformation

- ③ Leadership: Board and President
- ③ Institutional “will and resolve” to move toward prosperity
- ③ Willingness to develop a mindset of abundance rather than scarcity

Typical Institutional Partner Profile

- ③ Net assets between \$40M and \$500M
- ③ Less about size of balance sheet or student body
- ③ Leadership is primary criteria

Business Model Transformation Toolbox

TRUSTEE SUPPORT REQUIRED

The board plays a critical role in business model transformation within a college community.

- Core works with board leadership to support the president during times of transformation and **helps keep the board strategic** versus managerial
- Core helps the board understand their key roles and builds knowledge of macro trends, their institution's long-term prosperity gap, and the capital strategy necessary for success
- Core offers these services pro-bono as part of our Public Benefit Corporation charter
- **If the board sets a tone or mindset of austerity and scarcity, it leads to a downward spiral of competitiveness**

The board must support the president in times of transformation.

- Solving complex problems and moving an institution to new heights of success requires cross-departmental buy-in. **Strong board support** of the president will carry the weight forward and **can mean the difference between success and failure**
- The board's strategic commitment is required for faculty, staff, and administrators to see **business model transformation initiatives as authentic**.
- The board needs to own the long-term capital strategy

Core Education – Senior Team

Through our economies of scale, Core Education has assembled a best-in-class functional senior team with a depth of talent that would otherwise not be available or affordable to our Institutional Partners. This team, along with a supporting cast (100 people and growing), support the Core Affiliate Network. We are part of your team, not changing who you are, but what you can accomplish.



VENTURE PHILANTHROPY

How It Works

- Capital will follow a credible, ambitious plan for prosperity paired with presidential and board leadership
- Core works as an operating partner to raise funds and unlock the balance sheet for our institutional partners
- Core helps create the business case, ROI, and value proposition for venture philanthropy and nontraditional financiers

Track Record of Success

- **\$2.5M** raised to fund workforce development initiative
- **\$4.0M** line of credit extension due to prosperity plan development
- **\$3.4M** real estate sale, 2x initial value, funding business model transformation
- **\$14M** national asset liquidation process with pending offers, funding business model transformation
- **\$20M** revolving line of credit under review from nontraditional financier

Greensboro College Case Study

After a Comprehensive Prosperity Study – Core has provided continuous implementation support



“Working with Core has entirely changed our outlook for the future.”

Dr. Larry Czarda, President of Greensboro College
(Core Webinar | July 14, 2023)

- 1 Launched initial partnership with technology infrastructure services**
Stabilization of GC's network operations, which impacts students and employees
- 2 Expanded into Institutional Research**
 - a) Drives Business Intelligence and decision making
- 3 Expanded into Workforce Development**
 - a) Core's WFD content platform for revenue growth and diversification
 - b) Expanded into Corporate B-2-B development
- 4 Expanded into supplementary support of campus enrollment**
 - a) Focusing on enrollment yield and matriculation
- 5 Expanded into full outsourcing of the technology team**
 - a) All technology managed by Core
 - b) Modernization and becoming a digital campus
- 6 Currently expanding**
 - a) Capital strategies which includes real estate and non-banking financing alternatives
 - b) Expanding online degree offerings



www.core.edu

For more information or to set up a Zoom session, please contact:
Eve Canty | Vice President, Partnership Development | ecanty@core.edu