



Core Education PBC

# Business Model Transformation Prosperity Study

November 2023

- CIC recently announced our [Corporate Affiliate program](#) to guarantee members unique, high-quality services at a discount aimed at addressing critical issues for members. We know senior leaders are leading the charge to move institutions into a more prosperous state and that more internal data and tailored approaches can be helpful. [Core Education](#) has a promising solution to this business model transformation, and they have entered into an agreement with CIC to provide special pricing and opportunities for members.
- A prosperity study is a 60-day collaborative project that reviews key revenue and expenses, as well as your technology and capital strategies. CIC members access this service at a contractually guaranteed “best fee” representing a 15-20% discount versus non-CIC members. From this two-month study, institutions gain clarity on the top data-backed strategies to transform the business model.
- One additional and notable benefit for CIC members: Core will provide a full credit of the cost of the prosperity study to institutions that select to engage in a multi-year partnership. Core has never made such an offer before, and this offer is only available to active CIC members.

# Comprehensive Prosperity Study Scope of Work

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1. Deconstruct the current financial model
2. Complete a prosperity gap calculation (quality of earnings)
3. Review workflow, operating rhythms, and yield on student matriculation
4. Review key elements of technology, including data governance
5. Develop three to four “Strategic Growth Building Blocks” for transformational growth
6. Make operating model recommendations based on key operating metrics
7. Outline future financial model, capital strategy, and cash flow outlook
8. Provide recommendations for supporting services to assist your institution with implementation

# 1. Deconstruct the current financial model (1 of 4)

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Analyze current financial model and provide insights into key financial ratios and margins



Identify opportunities for margin improvements



Recommend key financial ratios that will help guide your institution to a new business model

# 1. Deconstruct the current financial model (2 of 4)

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Analyze current income statement and provide insights into key financial ratios and margins

- Highlight key financial ratios that are critical to the overall wellbeing of your institution performance
- Provide insights into academic delivery ratios that directly impact the direct margins of the institution
- Identify risks that require action to improve overall financial performance

# Deconstruct the current financial model (3 of 4)

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- Identify at least three opportunities for meaningful margin improvements
- Identify opportunities that are both cost and margin related
  - Opportunities for lowering total costs
  - Opportunities for improving margins
- Review opportunities to unlock the balance sheet to improve financial metrics
- Quantify the margin opportunities as it relates to a future pro forma financial model

# Deconstruct the current financial model (4 of 4)

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- Recommend key financial ratios that will help guide your institution to a new business model
  - Recommend a range of academic expense ratios
  - Provide insights into the required incremental operating expense alignment as revenue grows
  - Recommend specific incremental operating income metrics and ratios that should align with revenue growth
- Develop a five-year pro forma financial model aligned with prosperity study recommendations

## 2. Complete a Prosperity Gap Calculation (Quality of Earnings)



Prosperity gap will help set context on the need for a transformational business model



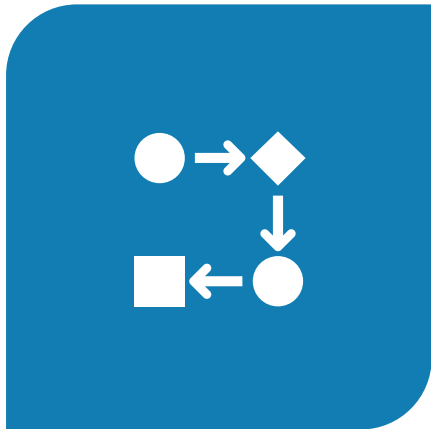
Quantify the annual expense gap in critical areas



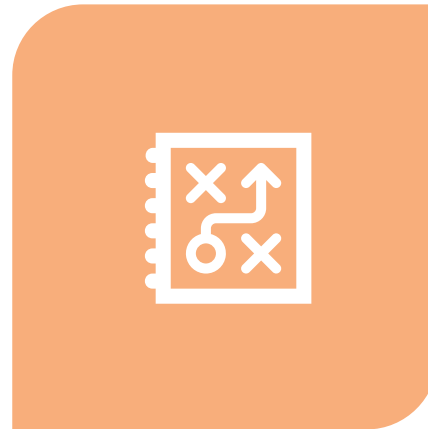
Quantify the required revenue and gross margin growth requirements



# 3. Review Workflows – Yield Impact on Enrollment



Review internal workflows that impact yield on student enrollment



Review operating rhythms and policies that impact yield on student enrollment



Recommend areas of improvement that will help improve yield on student applications

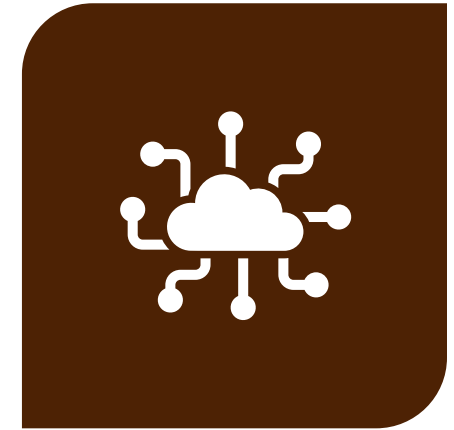
# 4. Review Key Elements of Technology



Conduct a review and establish a comprehensive strategy for data governance

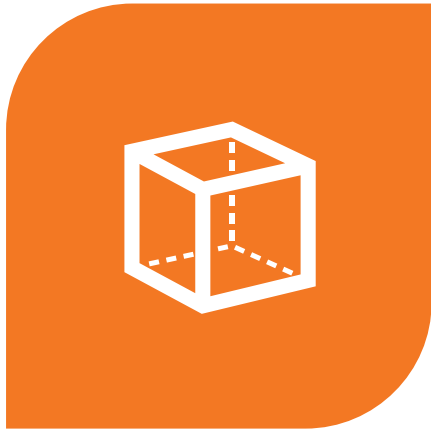


Complete a Revenue Technology Assessment, focused on systems with a direct impact on revenue production



Identify and develop plans to address immediate pain points related to technology

# 5. Strategic Growth Building Blocks – Revenue Growth



Develop 3-4 strategic growth building blocks that in aggregate are larger than your institution's prosperity gap



Recommended strategic growth building blocks will be market aligned and help diversify the revenue portfolio



Revenue growth recommendations will be segmented by related margin expansion opportunities

# 6. Operating Model

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Provide organization recommendations to align with implementation



Provide key milestones, timing and develop an action-oriented plan



Key operating assumptions that drive the overall transformation model

# 7. Financial Model, Capital Strategy, & Cash-flow Outlook



Develop a five-year pro forma financial model that incorporates the strategic growth building blocks



Provide an overview of the capital requirements for growth, which may include unlocking the balance sheet, venture philanthropy and non traditional financing options



Provide a cash-flow outlook that aligns with pro forma financial model

# 8. Recommendations for Supporting Services

Core will provide recommendations to assist your institution with implementation



Core will recommend both Primary and Secondary Supporting Services that leverage an active management approach to execution



Prosperity study will conclude with an opportunity to select Core as the institution's operating partner

# Written Presentations and Deliverables

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- Mid-term Presentation (PPT)
  - Update on all eight scope of work areas
- Prosperity Study Final Presentation (PPT)
  - Final report on all eight scope of work areas
- Financial Model (Excel)
  - Five-year pro forma financial and cashflow statement



[www.core.edu](http://www.core.edu)

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*For more information or to set up a Zoom session, please contact:*  
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