The Business Model Case for Sustainable Advising Redesign: A Toolkit

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AUTHORED BY rpk GROUP:

Donna M. Desrochers
Megan McGufficke

ON BEHALF OF:

The Advising Success Network (ASN)

rpk GROUP
from mission to market

AASCU American Association of State Colleges and Universities
Delivering America's Promise

THE BUSINESS MODEL CASE FOR SUSTAINABLE ADVISING REDESIGN: A TOOLKIT

Brought to you by the American Association of State Colleges and Universities (AASCU)

In partnership with Student Affairs Administrators in Higher Education (NASPA)

On Behalf of The Advising Success Network (ASN)

Authored by rpk GROUP

rpk GROUP
626C Admiral Drive, Suite 511
Annapolis, MD 21401
info@rpkgroup.com
www.rpkgroup.com

American Association of State Colleges and Universities
1717 Rhode Island Avenue NW | Suite 700
Washington, DC 20036
p 202.293.7070
f 202.296.5819
www.aascu.org

Questions about the publication can be directed to Jacquelyn Jones at JonesJ@aascu.org

About the Advising Success Network

THIS REPORT WAS COMMISSIONED on behalf of the Advising Success Network (ASN) — a dynamic network of five organizations who are partnering to support institutional change and improved student outcomes through a holistic approach to addressing the operational, programmatic, technological, and research needs of colleges and universities in direct support of a more equitable student experience. The ASN's mission is to help institutions build a culture of student success, with a focus on students who are Black, Indigenous and Latinx and from low-income backgrounds by identifying, building, and scaling equitable and holistic advising solutions that support all facets of the student experience. To achieve its vision of a higher education landscape that has eliminated race and income as predictors of student success, the ASN believes that a reformed approach to advising will support all students through a seamless, personalized postsecondary experience that creates better personal, academic, and professional outcomes.

Holistic advising redesign is the process of identifying, implementing, and refining high-quality, effective institutional practices that support students as they work toward achieving their personal, academic, and career goals. Recognizing that changes in advising will impact other areas of an institution, this type of redesign typically requires cross-functional collaboration and a focus on people, processes and technology. Successful holistic advising redesign promotes an institutional culture of being student-ready.

Advising as defined by the ASN encompasses more than the student interaction, but also includes the structure and operations of academic advising; the roles and responsibilities of primary-role and faculty advisors; and advising pedagogies, approaches, and models. As such, this report seeks to inform institutional leaders about the business model behind sustainable advising redesign to improve student success. The authors and partners of this report believe that the materials and tools provided can help campus leaders implement a sustainable holistic advising redesign and communicate the institutional benefits to key campus stakeholders.

KEY CONTRIBUTORS

Principal Researchers & Authors: rpk GROUP
Donna M. Desrochers, Senior Associate
Megan McGufficke, Consultant

Project Administrators: American Association of State Colleges and Universities
Dr. Jacquelyn Jones, Assistant Vice President for Student Success
Melissa Welker, Director, Student Success and Advising Partnerships
Shannon Looney, Senior Strategist & Consultant

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Overview

The *Business Model Case for Sustainable Advising Redesign: A Toolkit* and its accompanying *Senior Leadership Primer* provide information and resources to help colleges and universities implement sustainable advising redesign initiatives in ways that support equitable student success. The Primer & Toolkit serve as companions to the *Senior Leadership Guidebook for Holistic Advising Redesign* developed by the American Association of State Colleges and Universities (AASCU) in coordination with Kaizen Education Group.

The AASCU *Senior Leadership Guidebook* provides direction on establishing the building blocks of holistic advising redesign through an equity lens. It provides campuses with guidance on the identification of advising structures, selection of advising software, and adoption of specific advising processes and techniques that benefit diverse groups of students, which is key to ongoing support for these new campus models. The Primer & Toolkit created by rpk GROUP build upon AASCU's initial work, offering a framework and resources to support the implementation and operation of equitable advising activities from a sustainability viewpoint.

The sustainable advising redesign resources are organized into two parts with distinct purposes and audiences:

THE PRIMER PRESENTS A HIGH-LEVEL OVERVIEW OF THE BUSINESS MODEL CASE for investing in equitable holistic advising redesign through a return on investment (ROI) perspective.

The associated **TOOLKIT EXPANDS UPON THE PRIMER AND PROVIDES ACTIONABLE STEPS AND ARTIFACTS** to execute an effective resourcing and sustainability strategy.

The Primer & Toolkit build upon the Advising Sustainability Framework first presented in the AASCU *Senior Leadership Guidebook*. The Toolkit that accompanies this Primer is organized around the Framework's four dimensions of sustainability:

1. Strategic Vision and Processes
2. People and Staffing
3. Data, Analytics, and Technological Resources
4. Fiscal Resources

The Toolkit assists campuses with implementation of the concepts described in the Primer. It supports campuses' creation of more sustainable and equitable advising and resourcing strategies to narrow or reduce opportunity gaps for different groups of students. It contains sustainability planning tools, including rubrics and checklists, and a financial model that campus advising leaders can populate to determine resourcing requirements, estimate ROI, and assess financial sustainability. It also includes several case studies that highlight different aspects and approaches to sustainability, and a sample use case illustrating how to use and interpret the Toolkit artifacts.

WHO SHOULD USE THE PRIMER?	WHO SHOULD USE THE TOOLKIT?
The Primer is designed for the senior leadership team and stakeholders in the higher education landscape. Presidents, provosts, and senior-level cabinet members engaged in the creation and implementation of strategy can **use the Primer to understand the business case for advising redesign.**	**The Toolkit is intended for senior- and mid-level administrative staff** to operationalize sustainable advising redesign at the direction of senior executive leadership. **Administrative staff can use the Toolkit to inform their approach to sustainable advising redesign:** • Student success administrators, including directors and associate directors of advising. • Academic affairs and business office administrators, including Deans or chief financial officers • Other staff involved in day-to-day advising operations.

How to Use the Primer & Toolkit

Advising does not involve a one-size-fits-all approach and neither does sustainability. Senior leadership can use the high-level concepts and Framework presented in the Primer to build a case for advising redesign across campus constituencies and identify their role in championing and supporting the work as it progresses. The return on investment from advising is a key feature in communicating and storytelling around student success — not only within the campus, but importantly to the Board of Trustees and others with influence and power outside of campus.

The Toolkit can be used to support a variety of advising redesigns because the sustainability Framework is robust across distinct approaches and institutions. The Framework elements are flexible and customizable and may look different across institutions in their application and implementation. The Toolkit resources support holistic advising redesign but are equally useful in supporting more limited advising redesign efforts. Campus leaders can use the Toolkit artifacts to plan and implement advising redesign in ways that are operationally and financially sustainable in their context.

Colleges and universities that use the Senior Leadership Primer & Toolkit in conjunction with a strategic advising redesign plan are positioned to implement initiatives that can sustain beyond any external funding. Together, the Primer & Toolkit offer comprehensive guidance to accelerate the sustainability planning and implementation processes for campus advising redesign initiatives.

The Business Model Case for Advising Redesign

The Toolkit is built around the business model fundamentals advanced in the Primer. First, **investing in initiatives that are good for students also makes good financial sense for institutions.** Student success is at the core of the institutional mission, but colleges and universities often fail to make a clear connection back to the business model. While faculty and staff are motivated to help students succeed, that success is also beneficial to institutions when those students continue to re-enroll and pay for additional courses to advance along their degree pathway. Likewise, closing equity gaps is good for students but also contributes to strong institutional business models.

Secondly, **an understanding of the business model helps campus leaders to prioritize resources to activities that serve both students and the college mission.** Decisions around holistic advising redesign can require significant investment of institutional resources. Those investments include time for planning, implementation, and training, and often new investments in technology. It's important that colleges and universities gain a comprehensive understanding of the costs associated with their advising approach prior to determining funding levels and sources. It is critical for institutional leaders to consider how these investments could impact students and their institution's overall business model before making resource allocation decisions.

And finally, **transitioning to a new, sustainable holistic advising model requires more than just a short-term financial investment.** A sustainable approach to advising reform also requires strategic vision; a better understanding of the staff time needed and the value of that time; and the data and metrics to monitor progress, make data-informed decisions, and communicate appropriate information to various stakeholder groups. These elements are captured in the holistic Advising Sustainability Framework and expanded upon in this Toolkit.

Key Terminology

Several key terms support understanding of the Toolkit:

Advising:
A critical component of student success and a 'bright star' in the integrated constellation of student supports at an institution. The advisor-advisee relationship supports students as they identify and attain their academic, career, and personal goals. The Advising Success Network defines 'advising' as encompassing more than the student interaction; it also involves the structure and operations of academic advising, the roles and responsibilities of primary-role and faculty advisors, and advising pedagogies, approaches, and models.

Business model:
An institutional strategy that centers on an understanding of its cost drivers and revenue centers and how they connect to institutional mission and generate net revenue.

Financial sustainability:
Generating positive net revenue to reinvest in existing or new campus initiatives. Financial sustainability requires careful consideration and continuous adaptation of the business model to support ongoing campus operations.

Holistic advising redesign:
The process of identifying, implementing, and refining high-quality, effective institutional practices that support students as they work toward achieving their personal, academic, and career goals. Recognizing that changes in advising will impact other areas of an institution, this type of redesign typically requires cross-functional collaboration and a focus on people, processes, and technology. Successful holistic advising redesign promotes an institutional culture of being student-ready.

ROI perspective:
Applying a financial lens to allocate campus resources in ways that maintain quality, improve student success, and generate additional net revenue.

Sustainability:
The ability to develop and integrate capacities, policies, processes, and funding sources to support ongoing operations beyond the 'startup' or launch phase.

Sustainable student success:
Operationalizing student success initiatives, such as those encompassed in holistic advising approaches, with the necessary infrastructure, resources, and culture so that they become woven into the campus ecosystem.

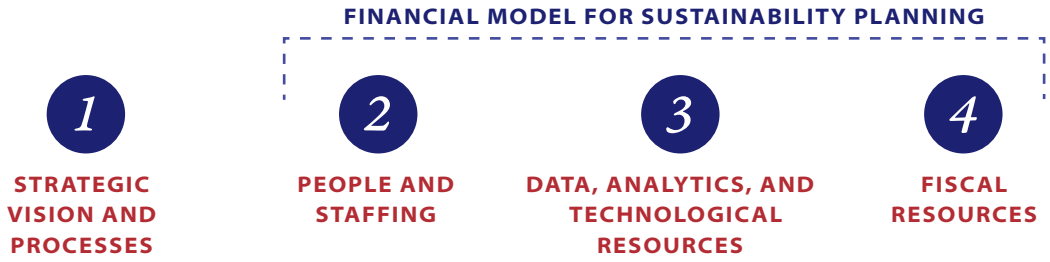
The definitions for 'Holistic advising redesign' and 'Advising' are adapted from AASCU's Senior Leadership Guidebook for Holistic Advising Redesign.

The Sustainability Toolkit: Supporting Holistic Advising Redesign

The Sustainability Toolkit adopts the Advising Sustainability Framework first introduced in AASCU's *Senior Leadership Guidebook for Holistic Advising Redesign*. It explores the various elements that contribute to the planning, resourcing, and implementation of sustainable advising redesign initiatives (see Figure 1).

The Sustainability Framework includes four dimensions around which the direction and strategies in the Toolkit are organized (see Figure 2). Rubrics, checklists, and case study examples are incorporated into the Toolkit to guide campus advising leaders. A separate financial model is aligned with these resources and integrated into the Toolkit (*model* and *sample*).

Figure 1: Advising Sustainability Framework



Each Framework dimension includes an extension describing how the Framework concepts relate to the financial model included with the Toolkit. The financial model closely aligns with the staffing, data, and fiscal dimensions of the Framework, and additional guidance to populate the financial model is provided in Appendix B.

A sample use case that shows select rubrics populated with information for a sample advising redesign initiative is provided in Appendix C. The Appendix also includes select examples and interpretations from a populated financial model based on the sample advising redesign.

Figure 2: Advising Sustainability Framework Dimensions

Framework Component 1:

Strategic Vision and Processes

Sustainable advising redesign begins with the creation of strategy to align the campus mission, vision, and operational functions. Positioning advising as a strategic priority creates a sense of urgency and elevates the importance of the initiative's success. **Exposing campus stakeholders to a return on investment (ROI) perspective during the initial visioning will prepare them to embed this approach during the planning stages, while best positioning colleges and universities to create and maintain sustainable advising operations and at what cost.**

The strategic visioning stage is an opportunity to fully integrate campus diversity, equity, inclusion, and social justice goals into the planning process. Adopting an ROI perspective encourages campus stakeholders to critically examine resource allocations. As a result, they can evaluate which actions and investments are producing equitable outcomes.

An ROI perspective encourages a shift in thinking from "What does this cost?" to "What do we get for the resources we spend?" It requires the consideration of how to best allocate all institutional resources (people, time, and money), to support the institution's advising strategy and meet its student success and diversity, equity, inclusion, and social justice goals.

Maximizing the sustainability of holistic advising redesign is crucial. To do it, colleges and universities are advised to assess their institutional readiness as part of the strategic planning process using the **Institutional Readiness Assessment for Senior Leadership included in the**

Primer Appendix. Readiness may vary, but all campus leaders should:

- Conduct a scan of existing institutional practices and employ design thinking techniques.
- Embrace strategy planning as an opportunity to examine diversity, equity, inclusion, and social justice considerations and set goals.
- Create policies, procedures, and processes directly aligned with overall strategy and equity-based goals.
- Communicate strategic priorities and progress updates.

Institutions less prepared to undertake holistic advising redesign may benefit from additional planning and campus communication prior to a redesign (see the Institutional Readiness Assessment Scoring Rubric in the Primer Appendix). Campuses where stakeholders are well informed and understand the motivations for change may be able to proceed more quickly.

Defining a clear objective and actionable path forward can be a challenge. Various stakeholders may have different ideas about the problem and the appropriate solution. Before beginning the initiative planning process, careful consideration is recommended to ensure strategic alignment across the dimensions outlined in AASCU's *Senior Leadership Guidebook*.

Communication & Engagement

Creating an advising redesign communication plan is critical to achieving sustainability for colleges and universities. Communication plans may reflect the needs and preferences of various campus stakeholders and audiences, including students, faculty, staff, academic leaders, and other groups as appropriate.

As outlined in AASCU's *Senior Leadership Guidebook*, stakeholder engagement and collaboration support a unified approach to redesign and motivates stakeholders around the process to achieve it. Soliciting input from faculty, staff, and students throughout the process further highlights advising's place as a strategic priority.

ADMINISTRATORS: While executive leadership, including the president and cabinet, are typically part of strategy planning, sustainable advising redesign involves senior- and mid-level administrators throughout the redesign process.

- Senior administrators may incorporate a wide array of staff, including the vice president of student success, advising directors, academic deans, and finance or business officers, while mid-level staff may include associate directors of advising or similar positions.
- Executive leadership may provide administrators with guidance on communicating about the campus advising redesign strategy to their respective departments.
- Deans, academic chairs, and other student support leaders can serve as key liaisons and facilitate a strategic communication plan.
- Throughout the advising redesign process, executive leadership should receive periodic updates on the initiative's progress.

PROFESSIONAL AND FACULTY ADVISORS: At most colleges, early communication about advising redesign will be targeted toward advising units and faculty to describe the motivation behind the initiative, the anticipated benefits, and gain insight and support from these key stakeholders.

- Advising workshops and training sessions for relevant faculty and staff provide an opportunity to communicate the projected benefits of advising redesign.
- Opportunities for increased student success and net revenue gains from a holistic advising redesign can be shared to highlight the institutional benefits, beyond benefits to students.
- Faculty members on strategy planning or advising taskforces may organically communicate with colleagues to identify additional barriers to sustainability.

STUDENTS: Communication to students about new advising procedures is critical to the initiative's sustainability.

- Students need information about how to access holistic advising services, and to understand what to expect from a new advising model.
- Communications should outline and explain operational changes, such as the process for students switching from a faculty advisor to a dedicated full-time advisor, and which supports are available for specific student populations.
- Leaders should communicate the rationale for the changes and the expected benefits to the student body.
- Students who experience positive advising outcomes can serve as ambassadors for holistic advising redesign.

Colleges and universities may elect to choose more formal and consistent methods of communication, such as blogs, newsletters, or an initiative website to post updates. They should also establish processes for communicating changes in advising policies or procedures. Since advising practices would ideally be continuously assessed for effectiveness, colleges and universities should expect advising practices to evolve over time.

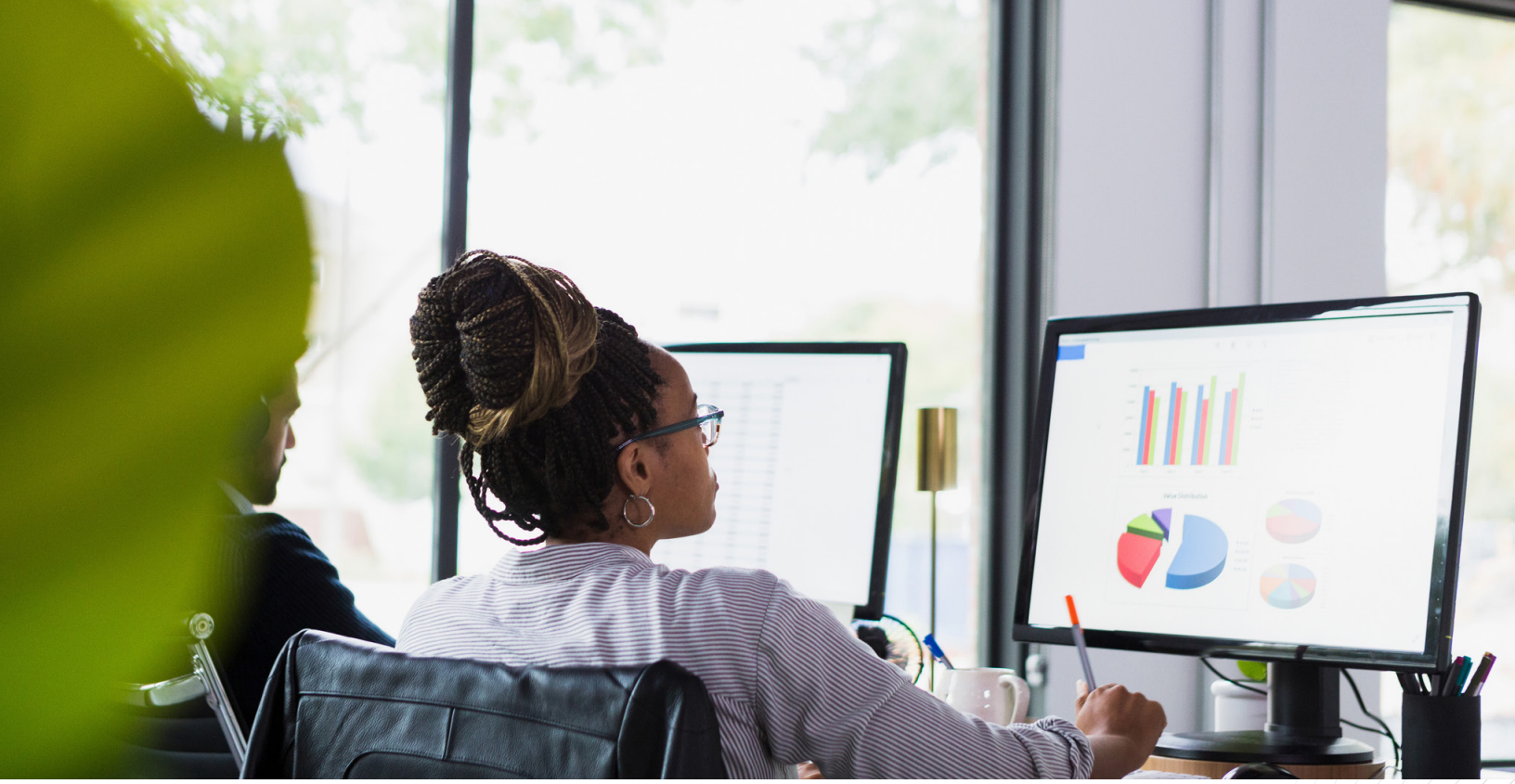
Strategies for using and communicating information on data and metrics is shared in the concluding section of the Toolkit, 'A Culture of Sustainable Innovation: Communication & Trust' (see page 42).

Processes, Policies & Procedures

Developing formal policies for advising operations demonstrates an institution's commitment to the redesign process. Formal policies establish a common understanding among all campus stakeholders. Processes and procedures outlined in policies typically connect to strategic goals and institutional mission.

Advising redesign policies should at a minimum:

1. Articulate the college or university's purpose for implementing holistic advising redesign; and
2. Identify how advising practices connect with related policies or procedures that are already in place.



Preferably, advising redesign policies would also address the organizational structure of proposed advising practices. The AASCU *Senior Leadership Guidebook* outlines factors to consider when setting policies around the structure of advising operations. Examples of structural changes include:

- Establishing a best-fit advising framework and defining an advisor's role at each stage of a student's academic career.
- Clearly defining the advisor's responsibilities during the first year and establishing distinct expectations for advising in later years.
- Instituting balanced advising caseloads among advisors.

Effective policies establish consistent processes across the advising program. Workflows for common advising tasks could be established, such as:

- Proactive academic advising methods
- Steps for setting up advising appointments
- Campus referrals for health and financial reasons
- Providing connections to experiential learning opportunities like study abroad or research practicums

Holistic advising requires personalization for each student, yet consistent policies and practices provide structure and guidance for advising units that foster sustainability and equity.

Policies that address caseload levels or advising responsibilities are part of creating a sustainable business model:

- Caseload expectations identify the number of advising staff required to execute the intended advising redesign plan, which clarifies costs and resources needed to implement the plan.
- Setting expectations around roles and responsibilities helps advisors use their skills in ways that have the greatest impact on students, and therefore leverage their time as efficiently as possible.

Advising redesign policies could also establish processes for gathering stakeholder input. This can include collecting feedback from students, faculty, and advising staff. Advising policies should be developed with the input of these stakeholder groups.

Colleges and universities may already have policies for other campus activities. Oftentimes existing policies can be adapted or serve as a model for advising redesign policies. For example, checklists or rubrics from other campus initiatives could be adapted when developing the action steps for implementing advising redesign.

Diversity, Equity, Inclusion & Social Justice

Holistic advising redesign requires a commitment to equity and serving the needs of students who are historically and currently excluded from the advising system. Research has shown that student success initiatives related to advising and degree planning create a positive impact on student persistence rates across all racial subpopulations.[1] The planning process serves as an opportunity to coordinate advising processes with institutional policies and practices that promote equity.

Strategy creation and planning should identify and address barriers that impact marginalized students within advising processes. Advisors with cultural competency training and an understanding of analyzing disaggregated data can bring a unique perspective to advising departments. Institutions also should identify strategies to ensure they have a diverse advising staff.

When establishing strategic goals related to equity, transparency is vital. Disaggregated data may reveal hidden inequities that can be addressed in the advising redesign. Success metrics can also be disaggregated and monitored to ensure equity goals are being met. If goals are not being met, additional supports or strategies may be needed, or the institution may appropriately consider winding down the investment and transferring resources to more successful initiatives.

A critical examination of student success data can identify refinements to further strengthen the services and supports offered. Considering student characteristics within disaggregated data broadens an understanding of the unique challenges faced by individuals who identify with multiple marginalized groups. Examining quantitative data alongside qualitative data can paint a detailed picture of student success trends across diverse student groups.

> While equity goals are not typically connected to financial gains, a business model lens connects equitable student success to financial sustainability.

Reducing gaps between student success measures across low-income and minoritized groups is often seen as a moral obligation or means of producing desirable social benefits, by improving economic stability, civic engagement, or health outcomes. But **closing equity gaps can have direct personal benefits to students, while also moving colleges and universities toward more equitable student outcomes and greater financial sustainability.** Through

1. Civitas Learning, 2020.

an ROI perspective, closing equity gaps in persistence and retention may reduce the time, expense, and debt that students incur when pursuing a degree, while also providing positive financial benefits for institutions.

- Closing equity gaps in retention and completion boosts institutional measures of student success; it also reduces the number of students who leave college without the degree in which they have already invested time and money.
- Increased persistence across student groups that have historically persisted at lower rates may reduce time to completion, which decreases costs for students.
- Institutions that reduce equity gaps benefit from an increase in tuition revenue from higher retention rates, leading to an increase in anticipated net revenue.

It is important to note that equity goals are often directly related to an institution's mission. Some equity goals may be supported by initiatives that do not generate a positive ROI. For example, an institution may determine that it is mission-critical to offer certain degree programs, even if they do not generate more revenue than they cost. Employing an ROI perspective does not mean that all operational activities must generate a positive 'return.' Colleges and universities can make better resource reallocation decisions when the costs and revenues for their operational activities are clear. With this information, institutions are better positioned to determine the appropriate financial support for activities and programs that are closely connected to institutional mission, or support to specific populations in alignment with their equity goals.

Creating an Advising Redesign Team & Action Plan

Establishing an effective working group is an essential initial activity when planning an advising redesign initiative. Strong leadership for the working group is critical and successful project leads typically demonstrate:

- A commitment to data-informed decision making and continuous quality improvement.
- An understanding of advising operations and concepts related to financial sustainability.
- Excellent communication skills.

The project lead, in collaboration with senior-level leadership, typically assembles a cross-functional working group. The checklist in Table 1 includes administrators, staff, and faculty to consider inviting to serve on a cross-functional advising redesign working group. Working groups are well-positioned to move the work forward when they include, or liaison directly with, someone at the senior leadership level who has decision-making authority.

Table 1: Advising Redesign Working Group Checklist

Include:

- ❒ Project lead — Typically manages the design and sustainability activities including financial modeling and communicates findings.
- ❒ VP of Student Success — Provides strategic oversight, has decision-making authority, and serves as liaison to the executive council.
- ❒ Advising Director — Ensures the sustainability activities align with the advising vision and plan.
- ❒ CFO or business office representative — Assists with interpretation and communication of the ROI framework and concepts; may provide financial data and analysis.

Consider:

- ❒ Staff advisor — Provides professional advisor perspective.
- ❒ Faculty advisor — Provides faculty advisor perspective.
- ❒ Student advisor — Provides student perspective.
- ❒ Information technology representative — Provides information on the technological capacity of existing and future systems.
- ❒ Human resources representative — Provides information on salary levels and personnel benefit rates.
- ❒ Institutional research representative — Provides institution-level data on enrollment, student credit hours, student retention rates, and faculty/staff positions.

Once a working group is assembled, it should begin by establishing a shared understanding around the group's goals and approach. The project lead can facilitate success by defining clear team-member roles and delegating responsibilities such that all team members feel valued and vested in the process. Project leads must be empowered to take a clear leadership role and skillfully navigate and adapt to unforeseen challenges.

Senior leadership may consider what incentives can be offered to promote engagement among the cross-functional working group. For example, course releases for faculty, access to a comfortable physical meeting space, campus visibility around team member contributions and project successes, or other incentives adapted to your campus's unique culture may facilitate greater engagement and success. Misaligned or inadequate incentives could lead to participation, and thus, implementation challenges.

An action plan template is provided in Appendix A to help working groups articulate the problem to solve, the objective, and the initial action steps to move toward achieving its goals. The action plan prompts thinking around anticipated challenges and potential solutions, measures of success, and the resources required to complete stated action steps. An action plan can be designed for an entire project or staged to identify incremental next steps. Action plans could be refined as the project progresses through various stages, which may include information gathering, decision making, testing, and launch.

An example of an initial action plan for the sample use case is included in Appendix C.

Cross-Framework Financial Model:

A Sustainability Planning Tool

The financial model associated with this Toolkit (*model* and *sample*) will help colleges and universities understand the sustainability of advising redesign initiatives. Building a financial model for advising redesign often works best when introduced in the early phases. Once the strategic visioning and process stage of the Sustainability Framework is well formed, financial modeling can support development of the remaining Framework components.

A financial model can help:

- **Identify existing and needed resources** (including staff and faculty time) to fully implement the intended redesign plan.
- **Identify the requisite infrastructure and technology** and the cost of acquiring and maintaining those resources over time.
- **Consider fiscal commitments** required at various phases and encourage long-term planning by showing that resources needed to build and launch the redesign may change once it becomes operational.

A financial model empowers institutions to realistically assess the total cost and resources required to support their intended advising redesign plan and estimate the potential ROI from that investment. The financial model included with the Toolkit is also quite flexible and can be used with various types of advising redesign approaches. For example, possible use cases include:

- A complete, holistic advising redesign (e.g., centralized, decentralized, hybrid, etc.) that structurally supports an advising approach in alignment with student needs and experiences.
- A pivot toward a technology-assisted advising approach that uses technology to perform routine tasks previously conducted by advisors.
- Adding advisors to reduce caseloads and create more meaningful one-on-one student interactions while generating a positive ROI, increased sense of student belonging, and greater connection to the institution.

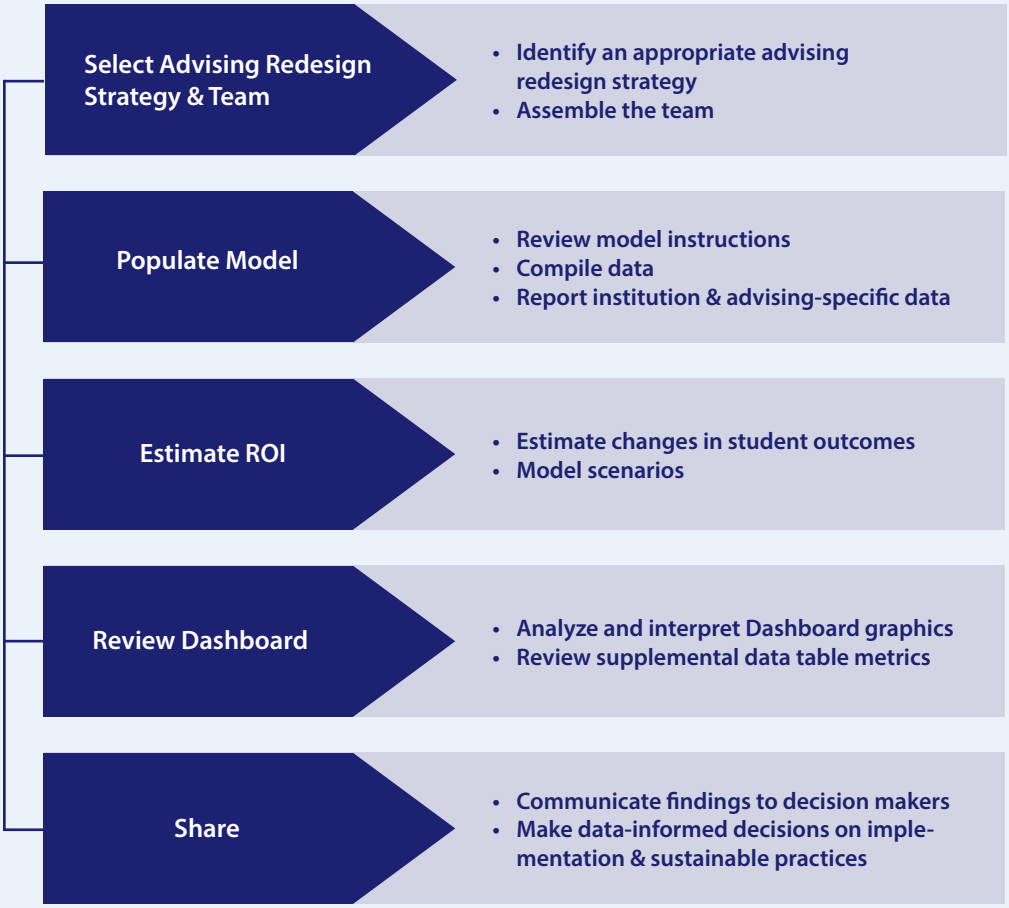
The financial model is intended to help institutions develop financially sustainable plans without dependence on continuous external funding. It is a flexible tool that allows colleges and universities to model various scenarios. For example:

- How do initiative costs change if more advisors are added? Or if technology is purchased that requires an annual subscription?
- How will the project be funded once initial startup funding concludes?
- What student retention goals would the college need to meet to ensure the new advising model is improving equitable outcomes and is also financially sustainable?

The case study shown on page 23 follows the path of an Ohio community college that previously used a similar financial model to consider the impacts of its planned holistic advising redesign.

The graphic shown in Figure 3 illustrates the general steps for using the financial model included with the Toolkit. These steps are elaborated upon in Appendix B and in the financial model.

Figure 3: Financial Model Approach



Key Financial Model Terminology

Applying a business model perspective to holistic advising redesign may be new to some colleges and universities. Key financial terms and concepts in the financial model and Toolkit include:

Revenues

Program funding:
Revenue streams that support the initiative, such as institution budgets, contracts, public funding, philanthropic support, and the time of faculty/staff reallocated to an initiative.

Earned revenue:
Revenue generated by initiative from changes in student behavior, such as tuition and fees the institution receives when additional students are retained for additional terms and/or enroll in additional courses.

Total revenue:
Total amount of program funding available plus any revenue earned from the advising redesign initiative.

Expenses

Compensation costs:
Expenses related to salary and benefits. Reallocated time is typically captured by compensation. Compensation costs usually constitute the most significant cost of initiatives.

Operating costs:
Expenses incurred by a college or university to operate a specific initiative, such as technology, marketing, or professional development costs; operating costs typically exclude compensation expenses.

Indirect costs:
Institution resources that support the initiative but are not directly related to its operations, such as business services (human resources, legal, information technology) or the marginal instruction-related costs incurred when additional students are retained.

Total costs:
Total amount of spending on compensation, operating costs, and indirect costs. Costs may include startup costs associated with getting a new initiative 'off the ground' or ongoing costs expected to support continuing operations.

Financial Return

Net revenue:
Total revenues minus total expenses; when revenues exceed expenses, an initiative generates 'positive net revenue.'

Return on investment (ROI):
The financial benefits from an investment in relation to the cost of that investment, which is measured in the financial model as earned revenue divided by the total costs of an initiative.

Case Study: Ohio Community College

A Community College Explores the ROI of Advising Redesign

In 2017, the Ohio Association of Community Colleges (OACC) piloted a financial model designed by rpk GROUP. The purpose: to build capacity among its member colleges for adopting a strategic finance approach to student success investments. One college was planning to adopt a new team-based advising approach to improve student retention and completion. They evaluated their proposed advising redesign from a return-on-investment (ROI) perspective. The ROI tool, in coordination with other benchmarks and metrics, helped motivate change and reset campus expectations around student advising.

Faced with a $170k initiative funding gap, the pilot college questioned its ability to finance an advising reform. After exposure to the ROI framework, the college used the financial model to determine if expected improvements in retention and increased credit hours from its advising redesign would translate into direct net revenue. The college set three-year goals to improve retention from 52.6% to 57.0% and increase average student credit hour load from 15.3 to 16.3.

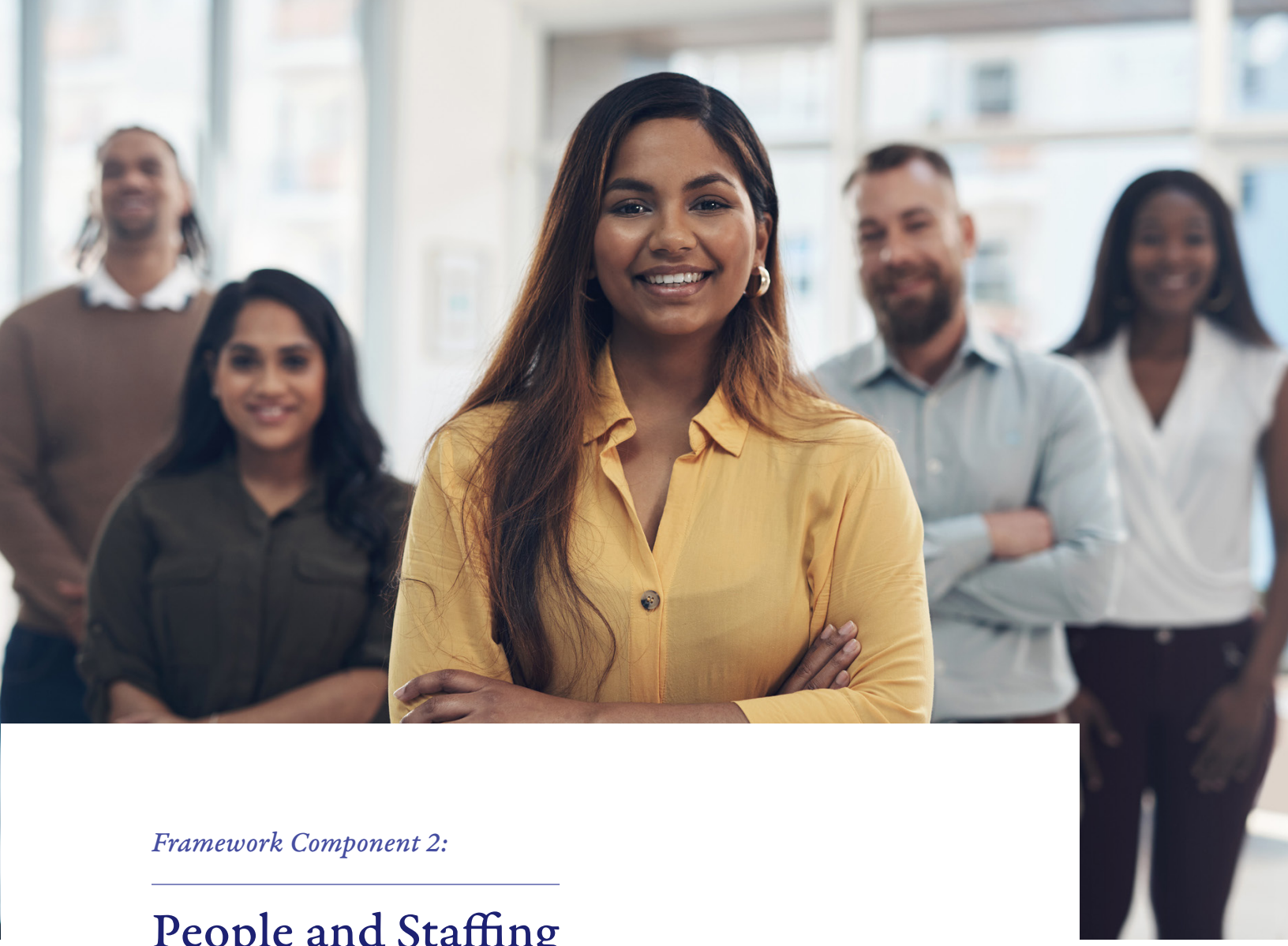
The college collected data on the following:

- The number of students receiving advising support
- Financial information on the anticipated advising transformation, such as sources of funding, staffing requirements, and other initiative expenses
- Institution-wide data on student success metrics

After the college populated the model with the student activity and financial information, it modeled the financial impact of meeting student retention and credit hour goals. When evaluated from an ROI perspective, the college discovered that the projected net revenue from increased retention and student credit hour load was $180k – exceeding its initial funding gap by $10k. Without financial modeling, the college may have abandoned an advising reform due to lack of funds. However, the ROI perspective demonstrated the initiative's revenue-generating capacity.

The information provided by the financial model helped the institution illustrate how the revenue-generating capacity of academic advising reform could sustain increased investments in student support and success. Importantly, it also identified goal posts for advising staff around student retention and credit hour load—showing how improvements on these metrics could generate new net revenue to close the funding gap while simultaneously improving retention and shortening time to degree.

Adopting an ROI approach is most effective when financial analyses are translated into good storytelling that impacts decision making. Leaders planned to use the data to send a message that a new era in staff accountability was emerging—one in which new resources depend on improved student outcomes. Using this approach, institution leaders and staff can better understand how student success is tied to financial sustainability.



Framework Component 2:

People and Staffing

New initiatives often focus sharply on 'new costs.' However, the greatest investment likely to be made in holistic advising redesign is in existing staff and faculty time.

Campuses can plan for anticipated staffing needs by carefully considering the organizational framework necessary to implement holistic advising redesign and the faculty/staff needed to grow and support the work. Staffing needs may fluctuate throughout the different stages in the redesign lifecycle. For example, more staff time may be needed during the initial implementation phase.

With regard to staffing for advising redesign, leaders must consider both new and existing staff and faculty advisors. While new staff or advisors may be needed, oftentimes institutions can uncover additional capacity or potential efficiencies by understanding how existing faculty and staff allocate work time. For this reason, the financial model considers staff and faculty time as an input. Ideally, time allocations would produce outcomes that align to institutional vision and the strategy for holistic advising redesign.

People & Organizational Framework

As noted, the most important consideration for colleges and universities implementing advising redesign is around staff and faculty time. Typically, this involves reallocating existing staff and faculty time to advising, or reallocating time toward new advising activities that align with the holistic advising model. Sustainability plans ensure that the essential human resources are in place to start, manage, and scale advising redesign initiatives.

Various advising organizational structures are outlined in AASCU's accompanying *Senior Leadership Guidebook*. Once a college or university selects an appropriate model, it is critical to ensure that staffing needs are met. This may require hiring additional advisors or advising staff or a reallocation of existing staff and faculty time. Ideally, staffing is aligned with enrollment projections and caseload standards.

All staff and faculty associated with advising should have a clear role in the project's management and success. Gaining a better understanding about how staff spend their time—either by observation, a historical time audit, or active time tracking—can reveal potential opportunities for reallocation and efficiencies. Increased understanding of staff time can also reveal duplication of efforts that can be adjusted to ensure maximal efficiency.

When implementing advising redesign, strategic planning involves considering immediate and future staffing needs. Table 2 is intended to assist institutions in evaluating staff currently involved in holistic advising redesign and assessing what staff will be needed to provide initial support and maintain operational functions throughout the lifecycle.

Examples of staff that may fall into the categories in Table 2 include:

Planning/Project Management Staff:

- Project lead
- Advising Director
- VP of Advising
- VP of Student Success
- CFO or business office representative

Advising Staff:

- Academic Advisors (professional or faculty)
- Advising support staff

Other Student Support Staff:

- Tutoring program staff
- Mentoring program staff
- Emergency aid staff

Technology & Infrastructure Development Staff

- Information technology staff
- Professional development staff
- Academic Deans

Other Staff:

- Human resources staff
- Institutional research staff

Time allocations for different staff will likely shift from year to year. For example, planning may require a significant amount of time for the VP of Student Success in Year 0, but by Year 3, the VP could reallocate time to other strategic priorities. Conversely, an academic advisor may not be heavily involved in the initial planning stages (Year 0), but their time devoted to the redesign could increase starting in Year 1. An example of the time allocation is shown in Appendix C: Use Case Example (see Table C3).

Staffing: Key Considerations

- What staff and faculty are currently involved in holistic advising redesign (Year 0)?
- What staff and faculty will be needed to launch the new operation and provide initial support (Years 1-2)?
- What staff and faculty will be needed to support ongoing holistic advising operations (Years 3-5)?

TABLE 2: STAFF PLANNING RUBRIC

STAFF TYPE	YEAR 0 (STARTUP)	YEARS 1–2 (LAUNCH)	YEARS 3–5 (ONGOING)
Planning/Project Management Staff			
Advising Staff			
Other Student Support Staff			
Technology & Infrastructure Development Staff			
Other Staff			

Professional Development

A shift toward holistic advising may require some advisors and other support staff to develop new skillsets or strengthen existing skillsets. Faculty and staff may need to learn new advising technology systems or about the breadth of opportunities the campus offers under a holistic model. A focus on data-informed decision making may also necessitate new analytical and quantitative skills or a better understanding of how to use that information to adapt practices.

Cultural competency training can also support equity, diversity, inclusion, and social justice in academic advising. This training can help advisors to meet the needs of diverse students by developing an asset-based mindset which views diversity of thought, experience, and culture as an asset. This approach can strengthen advisors' interactions with students and influence students sense of belonging because their identity and experiences are recognized and valued.

Advising Redesign
Professional Development

- Cross-functional training to explain new advising models
- Leveraging advisor strengths to serve students
- Cultural competency training
- Equity-minded asset-based training
- Data utilization training
- Technology platform training
- Policy and procedures for transfers
- Assessment of strategic planning priorities

Investment in professional development takes time and financial resources and ties directly into the financial model. Investing in training for staff ensures they are prepared to create new technology or execute new responsibilities in ways that create efficiencies, and potentially reduce additional resource requirements.

A sustainability lens encourages continuous evaluation of advising training and professional development programs' effectiveness. If student outcome goals are not achieved, caseloads are too high, or the advising process is not operating as intended, ongoing or alternative professional development may be needed.

Financial Model Framework Component 2:

Staffing

Colleges and universities' largest investment is in their human capital. Accurately capturing personnel expenses associated with a holistic advising redesign is a critical part of the financial model. Institutions must capture the full cost to support the initiative, rather than just the 'new' costs.

The financial model captures all staff—existing and new—who contribute to the initiative. That time is converted into salary and benefit expenditures, which are combined to estimate total compensation costs.

Importantly, all staff time should be captured in the model regardless of how it is funded. Time of existing staff redirected to the initiative is time that is not spent elsewhere. The cost of that time needs to be captured, even when it is funded out of departmental budgets instead of an initiative's budget or philanthropic funding.

While capturing all time is crucial, it's also important not to overinflate costs. Staff often wear multiple hats, so only the time spent on advising redesign parameters captured in the financial model should be included.

The financial model offers a six-year timeframe to model the initiative activity. Year 0 reflects the initial planning year before students would have access to the redesigned advising initiative. Year 1 reflects the initial launch year, although the startup phase may continue into subsequent years. Initiatives are usually fully operational during years 3 to 5.

The information populated in the rubric in Table 2 can be used alongside the step-by-step guidance provided in Appendix B to add staffing information to the financial model.

Framework Component 3:

Data, Analytics, & Technological Resources

Sustainable holistic advising redesign depends on a strong infrastructure.

The infrastructure requirements can frequently be identified from the policies and procedures outlined in the first Framework component, Strategic Vision and Process. This may reflect the organizational and digital infrastructure requirements, as well as physical infrastructure such as a new advising space. It can also include the data and analytical infrastructure required to engage in data-informed decision making.

Leveraging Resources & Infrastructure Investments

Colleges and universities financially benefit by leveraging existing campus resources whenever possible. Some existing technologies, processes, website resources, or communication strategies may require little adaptation for a new advising model. In other situations, elements of existing systems can be repurposed or built on to take advantage of prior investments. Repurposing existing infrastructure could reduce new outlays that would otherwise be required for advising redesign.

In some circumstances, new investments—particularly in technology—can provide an opportunity to further leverage advisors' skills in new ways that permit more efficient and effective operations. For example, technologies that allow students to register for courses online allow advisors to redirect their time to assist students with special circumstances or needs. In other cases, technology may increase the workload for the advising staff and require hiring additional advisors. An example is when technology flags students deviating from their pathway to graduation and asks them to schedule an appointment with an advisor.

New technologies and infrastructure may also be required to run back-office operations more efficiently. These investments may include processes and systems to share information among faculty and non-faculty advisors, administer emergency aid expeditiously, or establish data reporting systems to monitor progress toward student success goals.

All these startup and ongoing operating costs warrant consideration when trying to determine the full cost of an advising redesign. The scope of activities and investments included in the advising redesign Framework is largely at the discretion of the institutions. But as a general guide:

If another college wanted to replicate your institution's approach to holistic advising redesign, what would you tell them it cost and what would it include?

Metrics: Data & Analytics to Inform Sustainability

Metrics play a critical role in evaluating advising's growth, impact, and success on campus. Metrics may be employed for basic reporting and monitoring, yet they can also provide helpful context in storytelling that underlines advising's benefits for students and institutions. Selecting appropriate metrics to measure and share is an important part of the sustainability process.

Metrics can be tracked regularly to measure progress toward student success goals. Colleges and universities are advised to establish a process for continuous assessment of student outcomes. The metrics selection process is an opportunity for colleges to incorporate equity goals. Defined metrics can be used to evaluate whether the current approach is working. Consistent monitoring can inform decisions about whether to scale advising operations or consider changes if goals are not being met. With good data and regular monitoring, institutional leaders can evaluate whether current practices require adjustments to better serve students and achieve institutional goals.

It is recommended that faculty and staff who are involved in student data analysis receive cultural competency training that frames data analysis through an equity lens. Embracing equity involves ingraining equity-minded thinking into all aspects of the advising redesign process, including data and analytics.

There are three distinct types of metrics that are useful in monitoring the effectiveness of a redesigned advising model as shown in Table 3.

TABLE 3: KEY SUSTAINABILITY METRICS		
CATEGORY	**DESCRIPTION**	**EXAMPLES**
Process Delivery & Activity Metrics	Metrics that measure quantifiable activities associated with the advising redesign initiative.	• Number of students served • Number of advisee appointments • Number of advising referrals • Number of website visits • Utilization or contact hours for tutoring or other student services
Student Outcomes	Metrics that gauge student success outcomes, disaggregated by race/ethnic and economic subgroups.	• Student retention rate • Average student credit hour load • Graduation rates
Financial Activity & Outcome Metrics	Metrics that utilize institutional data inputs to evaluate the efficacy and sustainability of an initiative.	• Cost drivers & revenue sources • Net revenue • Earned net revenue • Return on investment (ROI) • Cost per student served (unit cost)

Ideally, selected **process delivery and activity metrics** are linked to student outcomes to assess advising efficacy. Typically, process delivery metrics are used to evaluate initiative implementation. These metrics are useful for mid-level leadership and staff who are involved in the day-to-day operations of an initiative.

Student outcome metrics often drive the return on investment at institutions. Student outcome metrics can be collected from existing institutional data repositories and analyzed by the institutional research division. But it's the working group's interpretation and communication of these metrics that is important, so senior leadership can use it to make actionable decisions. Student outcome metrics can be disaggregated to further identify where improvements could boost institutional outcomes.

The **financial activity and outcome metrics** available in the financial model identify also help identify the cost drivers and the cost per student, as well as determine how the activity is resourced. These metrics may be used by senior leadership to make strategic decisions about whether to scale an initiative or reallocate resources to other strategic priorities. Although the financial model presented in this Toolkit focuses on institutional ROI, those outcome metrics that represent student ROI can be used in tandem with the financial ROI metrics to evaluate the strength of an advising redesign's success.

The outcome metrics in the financial model are designed to answer questions in three key areas:

1 Initiative Expenses

- What does it cost?
- What are the cost drivers?

2 Initiative Funding & ROI

- How does the initiative generate revenue?
- What level of resources is required to support the initiative?

3 Sustainability

- How does scale impact unit costs?
- What level of activity is needed to self-sustain the initiative?

The interpretation of the outcome metrics generated by the financial model are reviewed in greater detail in the section on Fiscal Resources Framework component 4 (see page 37).

Financial Model Framework Component 3:

Data and Metrics

The financial model can be used throughout various stages in the lifecycle of a holistic advising redesign. It can be utilized as an advance planning tool during the strategic planning process to estimate expected costs and evaluate the projected ROI from new advising approaches. The model also serves as an ongoing evaluation tool once the holistic advising initiative is operational.

Advising redesign initiatives can produce financial and non-financial returns to many groups beyond the institution. However, this particular model narrows its focus only to institutional ROI; it does not attempt to capture ROI to students or other stakeholders.

Data Requirements

Institutional and advising-specific information are needed to produce a baseline financial model. The information required is summarized in the following list (and in greater detail in Appendix B). It is used to estimate and/or make projections around resource requirements to plan and launch a new advising approach and support continuing operations.

- **Institutional data** on enrollment, student activity, and pricing.
- **Advising activity** including student access and engagement with advising services
- **Staffing information** for those involved with advising redesign, implementation, support, and leadership, including time spent on these activities.
- **Funding** for advising redesign and ongoing operations, including institutional budgets and philanthropic or other support.
- **Operating expenses** such as technology, training, marketing, consulting, and communication.

Success Metrics: Estimating ROI

Once the baseline financial and institutional information is added to the financial model, it can be used to estimate ROI from changes in student success. Two commonly utilized metrics to measure the ROI of student success initiatives are annual retention rate and average student credit hour load. Metrics like graduation rates are a good measure of student success, but not of financial ROI because once graduated those students no longer have a direct financial connection to the institution.

The financial model provides the capability to examine how these two student success metrics could generate earned revenue from a shift in a campus' approach to advising:

1. **STUDENT RETENTION:** Estimates the additional tuition and fee revenue the institution receives when students are retained.
2. **AVERAGE STUDENT CREDIT HOUR LOAD:** Estimates the additional tuition and fee revenue the institution receives when students enroll in additional courses.

The financial model accommodates scenario modeling around expected changes in these two metrics and the differential impact on projected net revenue. It is helpful to model different retention or student credit hour scenarios to assist with goal or expectation setting, and consider how closing equity gaps could impact those scenarios.

Financial Model Best Practices

- ***Use a team approach.*** A cross-functional team can help with data collection by easing data burdens and time constraints. However, be mindful of time constraints, particularly at small institutions with limited staff or expertise to contribute.
- ***Make realistic assumptions.*** Estimating the time commitments to develop and operate the initiative is challenging, but important. Undercounting these efforts jeopardizes planning timelines and resource requirements; overcounting can inflate costs and lower ROI.
- ***Become comfortable with projections.*** Solid projections can be made by considering past trends, program capacity, and past implementation of similar initiatives.
- ***Model various scenarios.*** It's helpful to identify low-impact, high-impact, and preferred scenarios that reflect a range of potential student outcomes.
- ***Recognize this is one tool in the decision-making toolbox.*** There are many reasons to implement a particular initiative, and not everything has to produce a positive financial return. Consideration of other compelling interests alongside the financial impact contributes to an informed decision-making process.

Case Study: Colorado State University

Holistic Student Success Initiatives Create Sustainable Infrastructure at Colorado State

Colorado State University (CSU) is a public land-grant research university with a track record of ambitious student success commitments and dedication to meeting the educational needs of all students. In 2020, CSU enrolled over 28,000 undergraduate students: 30% of students identify with a minority racial/ethnic group, 21% of students receive Pell grants, and more than one in five students is first-generation in college.

In 2005, the senior leadership team at CSU had a vision to drastically increase undergraduate student success. At the time, CSU had a six-year graduation rate around 60%, which changed little over the previous ten years.

To meet the challenge, a core strategic planning team reviewed existing research and determined strategies to increase student engagement and learning outcomes. The process led to the development of A Plan for Excellence: Enhancing Undergraduate Education and Student Success which laid out two key goals:

- ***Goal 1:*** Increase the six-year graduation rate to 70% (from a baseline of 63%)
- ***Goal 2:*** Eliminate equity gaps in six-year graduation rates between minority and non-minority students, accounting for differences in prior educational background

To meet these ambitious goals, CSU employed seven cross-functional teams to develop a wide array of student success initiatives that invested in different aspects of the student experience. CSU's plan leveraged existing student success strategies that were already working and laid the foundation for new infrastructure focused on holistic advising and data-informed practices.* Through this holistic student success framework, CSU reached its graduation goal several years early with the 2012 student cohort attaining a six-year graduation rate of 71%.

CSU started with the business model in mind. In addition to creating a comprehensive strategy with clearly defined student success metrics, CSU meticulously tracked and measured the ROI of the initiative's investment. Ten years after the initiative's launch, the return was collectively estimated to be $30 million.

In 2018, CSU leadership sought to build upon its momentum by launching a second student success initiative with even more ambitious goals:

- Goal 1a: Increase the six-year graduation rate to 80% and the four-year rate to 60%
- Goal 2a: Eliminate graduation gaps among first-generation, low-income students, and students of color

Based on learnings from its inaugural 2006 student success plan, CSU's new strategy also includes a comprehensive approach that combines multiple initiatives that work in tandem across the university. Since its myriad initiatives are strategically interconnected, investments in one project also enhance others, maximizing the impact and ROI of each individual initiative.

Through its focus on strategic planning, leveraging existing infrastructure, and reinforcing investments that support multiple initiatives, CSU highlights the promising potential of sustainable student success.

** CSU Retention Working Group, 2006.*

Framework Component 4:

Fiscal Resources

Once an advising redesign vision and initial redesign plans are established and data is collected, it's time for the working group to assess how the advising redesign will be sustained. This includes determining resource requirements such as start-up and ongoing costs, as well as financial returns and other funding sources.

Expenditures & Cost Drivers

The fiscal resources required to sustain holistic advising in the long term are variable and dependent on the structure of the advising model, along with student enrollment levels, advising participation rates, and various other considerations.

> Before determining the best source of revenue for sustaining holistic advising, colleges and universities should have a comprehensive understanding of the costs associated with their advising approach.

Financial sustainability planning requires estimating initiative costs. Anticipated annual program costs include the personnel expenses (existing faculty/staff and new hires) associated with the program's organizational framework and the operational and professional development supports previously described in Framework components 2 and 3. Any non-personnel operating costs, such as technology, marketing, or communications are also included.

It is also important to understand the primary cost drivers. Even in a technology-rich advising environment, the cost of the technology is often less than the cost of the staff time to use and act upon the information the technology provides. Understanding cost drivers provides insights into areas to look for greater efficiencies to reduce costs.

Holistic advising startup costs may be higher than long-term operating costs. For example, costs associated with comprehensive training periods for advising units navigating new technologies and systems may gradually pivot to more intermittent ongoing professional development sessions. Also, time requirements may decrease as advising expertise grows and policies and procedures are firmly established.

Sustainable Revenue Sources

Creating a sustainable model also requires identifying the sources of funding for program expenditures. Those funds could include institutional budgets, public funding, or philanthropic support. **Most advising operations are funded from internal budgets.** Government grants are sometimes available to supplement those funds and provide additional support to specific populations of students, such as designated racial and/or ethnic groups, low-income, first-generation, and adult learners.

Philanthropic funding may be available to implement specific new approaches or infrastructure. Identifying key campus and community stakeholders may also facilitate improved access to local funding opportunities. Investing in grantsmanship expertise may be a successful strategy for some campuses, but this funding is usually only available for a limited time.

Through this report, colleges and universities can also estimate the tuition revenue recaptured from improvement in advising and other student support services. **Holistic advising redesign has the potential to generate additional revenue for institutions through improvements in student retention or by increasing students' average credit hour load.** Campus teams can model different impacts holistic advising might have on these two metrics and project different ROI scenarios based on various resource allocation strategies.

Fiscal Considerations & Scenario Planning

The financial sustainability of any advising redesign requires appreciation for nuance when trying to make that determination. An initiative may not be immediately sustainable but may become so after several years. This raises important questions about expectations and whether an institution has the capacity to support the initiative in the meantime. Or it may be initially sustainable because of philanthropic funding, but steep ongoing costs may be unjustified relative to the impact the initiative is expected to have on student success.

It's also important to consider a variety of measures. **An initiative can be financially sustainable but the cost per student may not justify the perceived outcomes or the expense.** Those same funds may be used more productively in other areas to serve more students with only a modest reduction in impact.

Smaller impacts spread across larger groups of students can often produce a larger financial return on investment than strong impacts on smaller groups of students. Financial simulations of different scenarios can help inform the best approach. But equity considerations should also inform those decisions to ensure that select student groups (e.g., low-income, first-generation, racially marginalized and/or disenfranchised groups) receive the support needed to succeed.

Colleges and universities can use the financial model to explore the impact of specific student outcomes. In exploring reasonable outcomes scenarios, the working group can:

- Review published program evaluations to assess their impact.
- Examine the results at institutions who have implemented similar advising redesign initiatives to assess their impact.
- Identify peer competitors or similar institutions in their system that can serve as aspirational exemplars.

Each of these approaches would help colleges and universities understand how emulating those institutions' performance would financially impact their own campus. Of course, varying factors can influence the success of any initiative, including factors outside of an institution's control, such as economic downturns, public health emergencies, or natural disasters that affect institutional operations. A range of low-impact to high-impact scenarios should be considered to account for the unexpected. When making strategic decisions about resource allocations, senior leadership may consider the different outcomes associated with multiple scenarios.

> Quantifying sustainability is not a perfect science: Leveraging data, analytics, and technological resources to project potential revenue gains can help institutions make the case for investing in advising redesign.

Financial Model Framework Component 4:

Interpretation & Use

The financial model includes a Dashboard tab with graphics that can be utilized to illustrate the projected ROI of the advising redesign initiative. The financial model generates several different graphs and key metrics:

- **Initiative Funding and Expenditures:** This shows whether the initiative has adequate financial planning and support. An annual deficit indicates that revenue sources are insufficient to cover the total costs of the initiative, and colleges should consider ways to reduce costs or raise revenues.
- **Distribution of Spending:** This shows the areas of spending that drive the overall cost of the initiative. This is key to identifying the overall cost drivers and understanding "where the money is going."
- **Annual Spending per Participant and Utilization Rate:** This shows the unit cost and whether the initiative has the capacity to serve additional students which could lower the cost per student served.
- **Gross Revenue from Changes in Retention and Student Hour Load:** This shows which student success metrics contribute the greatest earned revenue. An increase in student retention impacts a fraction of the total students served, but it is expected those students will take an average courseload when enrolling the next year. Conversely, increases in average student credit hour load are expected to impact all students served, but impact each student by only a very small number of credit hours.
- **Earned Net Revenue and ROI:** This shows whether the revenue generated from improvements in student success exceeds the costs of the initiative. A positive return on investment shows there are additional resources that the institution could use to invest in campus priorities.
- **Total Net Revenue:** Shows the total revenue (budgeted funding & earned revenue) in comparison to total costs and whether earned revenue is sufficient to offset any budget deficits.

Depending on the audience, different graphs may be used to tell a story about the initiative's ROI and the how the data will be used to make future decisions. **The use case example in Appendix C provides interpretation of select financial model metrics.**

Case Study: Middle Tennessee State University

Data and Communication are Key at Middle Tennessee State University

Middle Tennessee State University is a mid-size public university in Murfreesboro, TN with 22,000 students, where about one-third of undergraduates receive Pell grants and a similar proportion come from racially marginalized and/or disenfranchised student populations. Dwindling budgets and a new state funding formula linked to student outcomes prompted MTSU to reframe student success from an ROI perspective. The shift required a culture change aided by clear communication.

In 2013, MTSU launched Quest for Student Success, a new initiative that focused on strategic, data-informed decision making.* Leadership sought to ensure that resource allocation aligned with strategic needs and reflected a 'one university' learner-centered model. A key priority was to "enhance the experience of students to better ensure their success." This elevated the prominence of academic advising within the institution.

MTSU's advising reform included:

1. Adding 47 new advisors
2. New software solutions from EAB (SSC Campus) and Ellucian (Degree Works)
3. Redesign of 27 courses
4. New learner supports for tutoring
5. Robust communication planning and performance metrics

To facilitate clear expectations, MTSU implemented advising accountability measures connected to specific departments and institutional leaders. The initiative's implementation plan outlined a clear communication strategy:

- Targeted accountability metrics ensured that leaders were consistently aware of expectations and progress toward targets.
- Institutional leaders reviewed student data weekly to track key metrics and success indicators.**
- Communicating key data points was critical to MTSU's success.

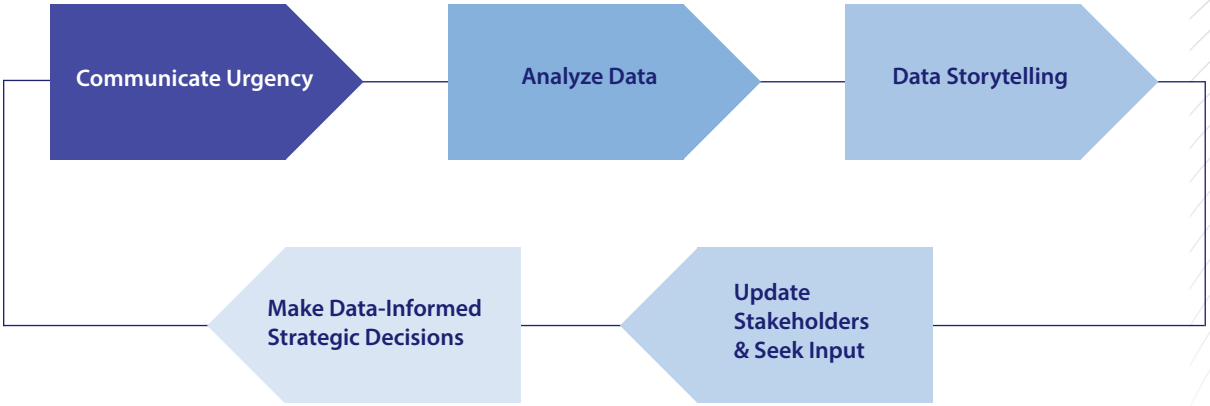
MTSU's freshman retention rate increased from 68.2% to 72.4% in four years. The 467 retained students generated an additional $2 million in gross tuition and fee revenues. Clear communication across campus prompted leaders to consider both student success and financial sustainability when evaluating the advising reform's success. MTSU acknowledged the pressure of budget cuts and prioritized an advising reform that aligned with the institutional mission and financial needs.

**MTSU, 2013*
***APLU, n.d.*

A Culture of Sustainable Innovation: Communication & Trust

With a firm understanding of costs, revenues, and key sustainability metrics, institutional leaders are equipped with the information needed to make and communicate data-informed decisions. These are not one-time activities. At the onset of a project, creating a sense of urgency is key (see Figure 4). Data and metrics should be regularly measured and communicated, even after a campus has fully transitioned to holistic advising redesign. Sowing a culture of continuous quality improvement requires constant circling back to strategic vision and progress toward metric goals. When possible, leaders should link student success outcomes to financial sustainability and demonstrate that connection with data.

Figure 4: Communication Approach



Data-informed Decision Making

When data related to student success metrics are evaluated for alignment with strategic vision and goals, colleges and universities can make more informed decisions. Robust data collection can be used to make decisions about fiscal allocations or reallocations. Instead of relying on historical practices, data-informed decisions leverage demonstrated patterns and outcomes to drive success. This also requires that campus staff and leaders have the appropriate data skills and access to use this information consistently and effectively.

As outlined in AASCU's *Senior Leadership Guidebook*, a culture of continuous quality improvement (CQI) is critical to the success of academic advising redesign. Regularly collecting and assessing data regarding advising service delivery and outcomes is recommended. Effective CQI processes typically facilitate review and reflection of advising data with institutional leaders and other stakeholders. Strategic planning can serve as a foundation for embedding CQI into a college or university's daily operations.

Leadership teams must also identify exit strategies. Institutions are generally better at launching new initiatives than ending existing ones that are not generating desired outcomes. Data-informed decision making involves analyzing the data and sometimes making difficult decisions based on that data. By clearly projecting and measuring long-term success and including student success and financial impact metrics, the financial model may determine when initiatives are working and when they are not working. Leveraging the metrics revealed by the model, an institution can make a data-informed decision about whether to continue, modify, or exit from a student success strategy.

Communication

While student success initiatives can be successful under various conditions, widespread buy-in for an ROI approach to holistic advising redesign is more likely to succeed with clear communication from committed leadership. An important component of any sustainable strategy is the clear communication of progress and results to stakeholders. Ultimately, institutions can leverage the metrics and data analysis gleaned from the financial model to craft a compelling story.

Shifting the focus from spending to return on investment may require a shift in the way that leaders communicate results. Progress towards initiative goals is ideally linked back to vision and mission. Depending on an institution's size, it may be helpful to identify key stakeholders to serve as liaisons to disseminate the messaging throughout different campus communities.

Data and graphics can be used for communication to stakeholders. However, numbers and pictures alone are often insufficient. It is up to senior leadership to use the data and analysis to tell a clear story that resonates with the institution's mission, vision, and commitment to equity.

Creating a Sustainable Advising Redesign

Sustainability is not a single concept. As demonstrated through the sustainability framework, it begins with vision, intentional organization, investment, processes and procedures, and an understanding of the resources needed to support that vision. And adding a ROI perspective also means understanding how resources are used and evaluating where they can have the greatest impact.

It is important to recognize that data-informed decision-making and communication are key iterative processes that are connected and support a strong strategy that ties student success with the availability of institutional resources. Too often, resource allocation decisions are made based on historical allocation patterns or biases about where the institution 'should' be investing. Maintaining status quo allocations may reinforce structural and systemic inequities. But a business model approach to holistic advising redesign can inform strategic decisions that are grounded in successful student outcomes and equity.

The report appendices contain artifacts and resources to support campus leaders as they implement a sustainable advising redesign in accordance with the guidance embedded throughout the Toolkit.

Appendix A, Table 1:

Action Plan Template

CAMPUS

NAME

OBJECTIVE

PROBLEM

THEORY OF CHANGE *(by doing X, we expect to see Y)*

PREDICTED CHALLENGES

KEY STEPS

ACTION 1

ACTION 2

ACTION 3

SOLUTIONS

DEFINING SUCCESS *(Measurable metrics)*

RESOURCE NEEDS

Appendix B:

Financial Model Guidance

The *financial model* was developed by rpk GROUP through work with a diverse set of clients seeking to understand the financial benefits of student success investments. It has been tested and refined through collaboration with two-year and four-year public and private institutions.

Working Group & Initiative Scope

The advising redesign working group should first identify the scope of the initiative so the information added to the financial model aligns with the envisioned redesign. The information included in the model should relate directly to activities associated with the initiative redesign; it should exclude time or expenses for existing activities that are not directly related to the initiative that is modeled.

The working group should then identify a data lead. This person will gather data for the model and share the results to inform the creation of a sustainable advising model. This cross-functional working group will also support data collection and reporting, frame model assumptions, and effectively communicate results to leadership. Some staff may need additional training and support to build capacity for financial analysis.

Data Collection

With support from the working group, the data lead is responsible for acquiring the data listed in Table B1 to populate the financial model. The project lead will have much of the initiative-specific financial information needed, although some institution-specific information may be available from public data sources (e.g., college website, or Department of Education website such as www.collegenavigator.gov or http://www.nces.ed.gov/ipeds/use-the-data) or can be requested from institutional research or human resources.

Table B1: Data Checklist

INSTITUTIONAL DATA

- ❒ Total undergraduate enrollment & percent in-state
- ❒ Total student credit hours attempted (12-months)
- ❒ Average undergraduate student retention rate, total and by student subgroups
- ❒ Tuition & fees per credit hour
- ❒ State & local appropriations (optional)
- ❒ Indirect/overhead cost rate (optional)
- ❒ Student credit hour load by subgroup (optional)

ADVISING ACTIVITY

- ❒ Number of students with access to the advising initiative services (all or specific populations)
- ❒ Number of students utilizing the advising initiative services

STAFFING

- ❒ Positions involved with advising design, implementation, execution, or providing leadership or other institutional support
- ❒ Time spent on initiative activity by position
- ❒ Annual salary rates for positions
- ❒ Personnel benefit rate (optional)

FUNDING

- ❒ Sources of revenue and amounts (budget, foundation grants, contracts)

OPERATING EXPENSES

- ❒ Technology (hardware, software, maintenance fees)
- ❒ Professional development/training
- ❒ Marketing
- ❒ Consulting
- ❒ Communication
- ❒ Student supports

Data Entry & Interpretation

Once the data is collected, it's time to begin populating the model. The process is outlined in Figure B2.

FIGURE B2: FINANCIAL MODEL — DATA ENTRY STEPS

STEP	TAB	DESCRIPTION
Step 1: Add institution-level data	Institution Data	Populate the model with institution-level data on undergraduate enrollment, student credit hours, annual student retention rates, tuition and fees, and state & local funding.
Step 2: Add advising activity data	Advising Activity & ROI Levers	Add data on student access and participation. Add baseline information on projected changes in student retention and average student credit hour load from the initiative.
Step 3: Set equity goals	Equity Goals	Identify campus subgroups (race/ethnicity, Pell vs. non-Pell, etc.) and set five-year goals for student retention and student credit hour load for each subgroup.
Step 4: Report initiative staffing	Employee Time & Salary Expense	Capture all staff — existing and new — that contribute to the initiative.
Step 5: Add initiative funding	Revenue & Expense	Report all funding available to support the initiative
Step 6: Report applicable operating expenses	Revenue & Expense	Capture any operating expenses incurred by the initiative.
Step 7: Review model assumptions	Assumptions	Review the assumptions used in the model calculations and customize as needed.
Step 8: Analyze dashboard and data table	Dashboard	Review the metrics and graphics on the dashboard that provide key financial information.
Step 9: Model different ROI scenario impacts	Advising Activity & ROI Levers	Examine how different scenarios for projected annual student retention and average student credit hour load impact the dashboard metrics. Consider the equity goals set in step 3.

Financial Model: Pitfalls to Avoid

- **Drowning in the details.** The model can become overly burdensome when data expectations are set too high. Start with good approximations and update if more precise data become available.
- **Failure to capture all staff costs.** Compensation costs include all staff involved in the initiative, regardless of how their time is funded. There is no 'free' time.
- **Forcing funding to equal expenditures.** The model is intended to reveal funding gaps and encourage active conversation about how they will be filled. Don't assume these gaps will be filled with general fund revenues.

STEP 1: Institution Data

Institution-level data can be obtained from campus or publicly available sources (described in detail in the financial model file instructions). This information is used in the underlying model calculations and dashboard metrics.

STEP 2: Advising Activity & ROI Levers

The two ROI levers in the model are 1) student retention and 2) student credit hour load. The data lead, in coordination with the working group, can project changes in these metrics that are expected to result from advising reforms. Projected changes are used to calculate the earned revenue and ROI from the additional tuition and fees of student who are retained and/or are taking additional credit hours. If state and local appropriations are reported in step 1, this will also be included in the earned revenue and ROI estimates for student retention, which assumes enrollment impacts state and local funding (to exclude, enter zero for state and local appropriations).

STEP 3: Equity Goals

Identify various student subgroups on campus and report their current retention rate and student credit hour load. Subgroups should include racial-ethnic groups, economic groups such as Pell grant recipients and non-recipients, and other comparative groups of interest such as adult students and traditional-age students. Set a five-year retention and credit hour load goal for each group and the incremental progress that will be required each year to meet that goal.

STEP 4: Employee Time & Salary Expense

Use the information added to the staffing rubric in Table 2 (see page 27) to populate the staffing information:

- ❒ **Report all existing staff and faculty positions** (or individuals) involved in planning, launching, or directly staffing the activities outlined in the redesign initiative. Include any new positions (or expected hires) as well as funded vacancies.

- ❒ **Report the number of positions/staff performing the work.**
- ❒ **Report the average annual salary** for the position (this does not necessarily need to reflect that of the individual currently holding the position, since staffing may change).
- ❒ **Report the approximate percentage of time** spent on the initiative on an annual basis, carefully considering how that work may shift over time. Some staff may only work on the project in certain years (e.g., startup year) while others may only become involved once it is operational.
  - » For staff devoting regular time to the project, consider the time spent each week.
  - » When time is devoted to the project during specific work periods (rather than each week), estimate the annualized contribution.
  - » Senior leadership may spend a small amount of time, but it can equate to significant spending because of higher salary levels.

The financial model will use this information to calculate a total annual salary expense and add the cost of personnel benefits on the Revenue & Expense tab, resulting in total compensation cost estimate for each year. The personnel benefit rate can be customized on the Assumptions tab.

STEPS 5 & 6: Revenue & Expense

Revenue. Any anticipated revenues should be reported in the appropriate funding category. The model assumes that compensation (salary and benefit) expenditures for staff reported on the Employee Time & Salary Expense tab are funded by existing budgets, and are automatically entered into the model on the 'Institutional budgets – reallocated' line within the Revenue & Expense tab. Adjustments may be required to these prepopulated estimates in certain situations:

1. When new staff are reported: subtract the compensation from 'Institutional budgets – reallocated' and report as 'Institutional budgets – new' when new funding is required to support these new hires.
2. When external funds are paying for staff time: If philanthropic, contract, or other external funds are paying for staff time, subtract the compensation from 'Institutional budgets – reallocated' category and report in the appropriate funding category.

Expenses. Add any non-personnel operating expenses in the appropriate categories. Expenses reported in Year 2 will automatically recur in subsequent years to ease the data entry burden. If expenses are not recurring or the recurring expense amount is known, the model formulas can be overwritten with this information.

STEP 7: Assumptions

A set of assumptions are used to add inflation adjustments to projected data, estimate personnel benefits, and estimate indirect overhead expenses. All assumptions can be customized with insti-tutional data when available.

The model also assumes there is a marginal cost to providing instruction-related services when additional students are retained or students increase their course taking (e.g., additional instructors or student support staff are needed). The operating cost discount is applied and recorded as an indirect cost to reflect this additional institutional expense.

STEPS 8 & 9: Dashboard & Scenario Modeling

After the steps above are complete, it's time to review, analyze, and interpret the model results on the Dashboard tab. The Dashboard includes six graphics and various other key data metrics. Tips on interpreting and sharing data from the model are included in the Dashboard tab in the Fiscal Resources Framework component 4 section of this Toolkit.

Two key metrics to consider in Dashboard Figure 5:

- **Net earned revenue** represents the gross earned revenue less the direct and indirect costs of the initiative. The direct costs are the staffing and operating costs while the indirect costs include estimates of institutional overhead, and the marginal costs associated with providing additional instruction to those students (less any cost savings identified).
- The **return on investment** is the net revenue in relation to the direct and indirect costs. In other words, it's the dollar earned for every dollar spent, expressed as a percent.

The ROI for an advising redesign initiative is influenced by a combination of factors and different scenarios, such as:

1. **Changing ROI lever projections:** Model alternative assumptions about student retention and/or student credit hour load. Consider the equity goals established when modeling different scenarios.
2. **Reducing expenses:** Decreasing initiative compensation or operating costs reduces direct expenses, which boosts net revenue and ROI.
3. **Scaling use:** When additional students use and benefit from the initiative, the number of students retained and taking additional credit hours increases.

Appendix C:

Use Case Example

The following use case offers an example of how the resources included with this toolkit could be used in a sample advising redesign initiative. It shows a populated action plan, staffing rubric, and snapshots from the *sample financial model* that accompanies the toolkit, along with interpretation of select metrics in the sample dashboard.

Sample Advising Redesign Initiative:

Create a Structured Advising Support Program for First-Generation Students

Student Success University (SSU) is a fictional public comprehensive institution enrolling more than 14,000 undergraduate students. It seeks to provide additional advising and student supports to the nearly 45% of first-generation (first-gen) students it enrolls.

SSU is considering an advising redesign that will train several current advisors as first-generation advising specialists, which is expected to represent about half of their advising caseload. Two new first-generation designated advisors are budgeted for hiring in the second year after launch.

The anticipated model will include more deliberate coordination with existing emergency aid, peer mentoring, and tutoring services by identifying liaisons for first-generation advisors and students. The university also intends to hire 20 students to serve as first-gen peer mentors.

The university will also explore deficits in its existing advising technologies and plans to purchase new software to serve all students.

SSU anticipates that this support will raise student retention by two percentage points within five years, and average student credit hour load by 0.5 credit hours during the same timeframe.

Sample Action Plan

The action in Table C1 outlines the objective of the use-case example, along with the initial objective and anticipated action steps. Although challenges and solutions are initially surfaced, these could change, along with subsequent action steps as information is gathered by the working group during its initial activities.

Table C1: Action Plan – Use Case

CAMPUS Student Success University (SSU)

NAME

OBJECTIVE
Create a structured advising support program for first-generation students.

PROBLEM
Many first-generation students, including students from racially minoritized groups, have financial, academic, or social challenges and would benefit from additional structured support to persist and succeed. Supports to overcome these challenges may not be available or may be difficult for students to easily identify and access.

THEORY OF CHANGE *(by doing X, we expect to see Y)*
Advising support tailored to meet the needs of first-generation students will increase student retention and completion.

PREDICTED CHALLENGES
- Enhanced services will require hiring more advisors
- Limited staff time to devote to plan development
- Training staff on new technology

KEY STEPS

ACTION 1
LANDSCAPE ANALYSIS OF AVAILABLE FIRST-GEN SUPPORTS

1. Meet with student affairs/advising/IT to inform landscape analysis of available supports & services tailored to first-gen students
2. Identify (or conduct) survey that assesses needs of first-gen students, considering race/ethnic groups
3. Conduct gap analysis, including technology gaps
4. Draft preliminary framework of support services & delivery strategy; include strategies to address equity gaps

ACTION 2
ENLIST STAKEHOLDERS FOR SUPPORT & ASSISTANCE

1. Identify stakeholders in providing first-gen supports & services identified in the framework
2. Source technology solutions
3. Schedule meetings with key stakeholders/groups, present the proposal, and ask for actionable assistance
4. Assemble a diverse team
5. Establish equity and ROI metrics & goals

ACTION 3
DESIGN & LAUNCH SERVICE CENTER

1. Create website and messaging strategy with first-gen support services
2. Design multi-modal access points to effectively serve diverse students
3. Identify dedicated advisors for first-gen students & provide training
4. Deploy new advising technology & train staff
5. Monitor usage and outcome metrics.

SOLUTIONS
- Increased visibility and information on available services could reduce the need for additional advisors
- Align this work into other redesign efforts on campus (e.g., advising redesign, website redesign, technology inventory).

DEFINING SUCCESS *(Measurable metrics)*
- Creation of a comprehensive plan to support first-gen learners
- Launch of new support center services
- Usage metrics (website traffic, visits to dedicated first-gen advisors, tech-system metrics)
- Outcome metrics (changes in first-gen retention), total and by race/ethnic group
- Measure cost per student served in advising
- Measure ROI from changes in outcome metrics

RESOURCE NEEDS
- Staff time
- Leadership buy-in to expand first-gen services
- Additional funding for supplemental support programs
- Technology licensing costs

Sample Staff Planning Rubric

The rubric in Table C2 shows the anticipated staffing required for the planning & implementation portion of the project (Year 0), which includes convening a working group to direct the initiative. As the program launches and scales (Years 1 and 2), the working groups continues to provide general oversight and support while engaging staff more deeply in operational roles. By year three and beyond, oversight and monitoring will become a routine management responsibility, and ongoing operations are well established.

The staffing planned outlined Table C2 is translated into the financial model, as shown in Table C3.

TABLE C2: STAFF PLANNING RUBRIC – USE CASE

STAFF TYPE	YEAR 0 (PLANNING & IMPLEMENTATION)	YEARS 1-2 (LAUNCH)	YEARS 3-5 (ONGOING)
Planning/ Project Management Staff	• VP of Student Success: » Working Group Member » Strategic direction & oversight • Director of Advising: » Working Group Lead	• VP of Student Success: » Working Group Member » Strategic direction & oversight • Director of Advising: » Working Group Lead » Data lead » Implementation Lead	• VP of Student Success: » Strategic direction & oversight • Director of Advising: » Management & monitoring
Advising Staff	• Staff Advisor (one): » Working Group Member	• Staff Advisors (four): » First-gen specialist (50%) » One Working Group member • New First-gen Advisors (two, Year 2): » First-gen specialist (100%)	• Staff Advisors (four): » First-gen specialist (50%) • New First-gen Advisors (two): » First-gen specialist (100%)
Other Student Support Staff	• Emergency Aid Coordinator: » Working Group Member • Peer Mentor Coordinator: » Working Group Member • Tutoring Coordinator: » Working Group Member	• Emergency Aid Coordinator: » Working Group Member » EA Liaison • Peer Mentor Coordinator: » Working Group Member » Peer Mentor Matching • Tutoring Coordinator: » Working Group Member » Tutoring Referral Liaison	• Emergency Aid Coordinator: » EA Liaison • Peer Mentor Coordinator: » Peer Mentor Matching • Tutoring Coordinator: » Tutoring Referral Liaison
Technology & Infrastructure Development Staff	• IT Specialists (two): » One Working Group Member » Two Technology Sourcing & Implementation	• IT Specialists (two): » One Working Group Member » Two Technology Training & Support	• IT Specialists (two): » Two Technology Support & Maintenance
Other Staff			

Table C3: Employee Time & Salary Expense – Use Case

Position/Employee	Average Annual Salary	Number of Positions	% of Time Allocated to Initiative Activity: Year 0 (Start-up) 2022-23	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28
Example: Vice President, Student Servi	*$100,000*	*1*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
VP of Student Success	$100,000	1	15.0%	10.0%	5.0%	2.5%	2.5%	2.5%
Director of Advising	$75,000	1	20.0%	15.0%	10.0%	5.0%	5.0%	5.0%
Advisors	$60,000	4	0.6%	50.0%	50.0%	50.0%	50.0%	50.0%
New First-Gen Advisors	$60,000	2			100.0%	100.0%	100.0%	100.0%
Emergency aid coordinator	$60,000	1	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Peer mentor coordinator	$60,000	1	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Tutoring coordinator	$60,000	1	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
IT staff	$75,000	2	5.0%	5.0%	1.0%	1.0%	1.0%	1.0%

Table C4 shows the revenues and expenses associated with the anticipated advising redesign plan. Most of the activities and expenses outlined in the Table C1 action plan are captured within the Year 1 startup expenses (e.g., activities of the working group team). Ongoing and new expenses are shown for Years 1-5, after the redesign advising is operational. Key costs including the annual costs for advising software, and student stipends for the hiring of 20 peer mentors each year.

Table C4: Revenues & Expenses – Use Case

	Year 0 2022-23	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28
Revenue						
Earned Revenue		$ 299,026	$ 679,513	$ 723,520	$ 778,197	$ 796,596
Institutional Support - budgeted/new			$ 127,345	$ 129,892	$ 132,490	$ 135,139
Institutional Support - reallocated	$ 56,550	$ 209,177	$ 228,368	$ 224,313	$ 228,799	$ 233,375
Government Appropriations						
Government Grants & Contracts						
Foundation Grants	$ 25,000	$ 25,000				
Other Funding						
Prior-year investment (optional)	$ -					
Total Funding	$ 81,550	$ 234,177	$ 355,713	$ 354,205	$ 361,289	$ 368,515
Total Revenue	**$ 81,550**	**$ 533,203**	**$ 1,035,226**	**$ 1,077,725**	**$ 1,139,486**	**$ 1,165,110**
Expenses						
Employee Salaries	$ 43,500	$ 160,905	$ 273,625	$ 272,465	$ 277,914	$ 283,473
Employee Benefits	$ 13,050	$ 48,272	$ 82,088	$ 81,740	$ 83,374	$ 85,042
Faculty/Staff Stipends			$ -	$ -	$ -	$ -
Student Stipends		$ 10,000	$ 10,200	$ 10,404	$ 10,612	$ 10,824
Marketing & Communication	$ 5,000	$ 5,000	$ 5,100	$ 5,202	$ 5,306	$ 5,412
Professional Development		$ 500	$ 510	$ 520	$ 531	$ 541
Office and IT Hardware			$ 2,000	$ -	$ -	$ -
Computer Software and Licenses	$ 15,000	$ 10,000	$ 10,200	$ 10,404	$ 10,612	$ 10,824
Consultants-Professional Fees			$ -	$ -	$ -	$ -
Contractual Services	$ 5,000		$ -	$ -	$ -	$ -
Travel, Meetings & Conferences			$ -	$ -	$ -	$ -
Office supplies, Printing & Postage			$ -	$ -	$ -	$ -
Facility Rental or Expense			$ -	$ -	$ -	$ -
Student Expenses:						
Tuition Waivers			$ -	$ -	$ -	$ -
Textbook Support			$ -	$ -	$ -	$ -
Emergency Aid		$ 2,500	$ 2,550	$ 2,601	$ 2,653	$ 2,706
Personal support (transit, childcare)			$ -	$ -	$ -	$ -
Other Expenses			$ -	$ -	$ -	$ -
Prior-year investment (optional)						
Total Direct Expenses	$ 81,550	$ 237,177	$ 386,273	$ 383,336	$ 391,003	$ 398,823
Anticipated Cost Savings (optional)						
Operating Cost Discount		$ 134,562	$ 305,781	$ 325,584	$ 350,189	$ 358,468
Institution Overhead/Indirect Expenses (optional)	$ -	$ -	$ -	$ -	$ -	$ -
Total Indirect Expenses	$ -	$ 134,562	$ 305,781	$ 325,584	$ 350,189	$ 358,468
Total Expenses	**$ 81,550**	**$ 371,738**	**$ 692,054**	**$ 708,920**	**$ 741,191**	**$ 757,291**
Net Revenue	**$ -**	**$ 161,464**	**$ 343,172**	**$ 368,805**	**$ 398,294**	**$ 407,819**
Earned Net Revenue	**$ (81,550)**	**$ (72,712)**	**$ (12,540)**	**$ 14,600**	**$ 37,006**	**$ 39,305**

Finally, Table C5 displays the retention and student credit hour ROI levers. In the sample first-gen advising redesign initiative, Student Success University anticipates that changes to its advising model will gradually increase student retention each year, resulting in a two-percentage point increase within five years. They also project a half point increase in average credit hour load across the student population served.

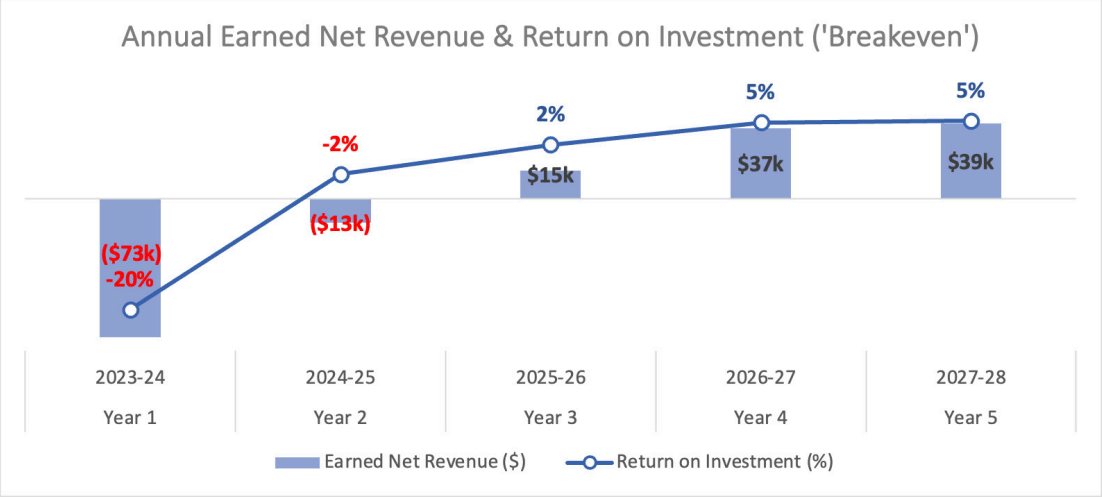
Table C5: ROI Levers – Use Case

Return on Investment (ROI) Levers	Year 0 2022-23	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28
		Projected Change in Retention & SCH Load Resulting from the Initiative				
Annual retention rate (undergraduates)	66.2%	66.2%	66.7%	67.2%	67.7%	68.2%
Annual change in UG Retention Rate		*0.0%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
Average annual student credit hour (SCH) load (undergraduates)	23.8	23.9	24.0	24.1	24.2	24.3
Annual change in UG Student Credit Hour Load		*0.1*	*0.1*	*0.1*	*0.1*	*0.1*

The key financial findings from SSU's first-generation advising redesign demonstrate that the initiative expenses (compensation and operating expenses) are expected to exceed the gross revenues from the two ROI lever metrics in the first two years of operation (see Dashboard Figure 5).

Earned revenue continues to increase as the ROI levers continue to increase, and more first-gen student are projected to engage with the advising services offered. Even though program expenses continue to rise, by year three earned revenues exceed the program costs, showing positive earned net revenue and ROI.

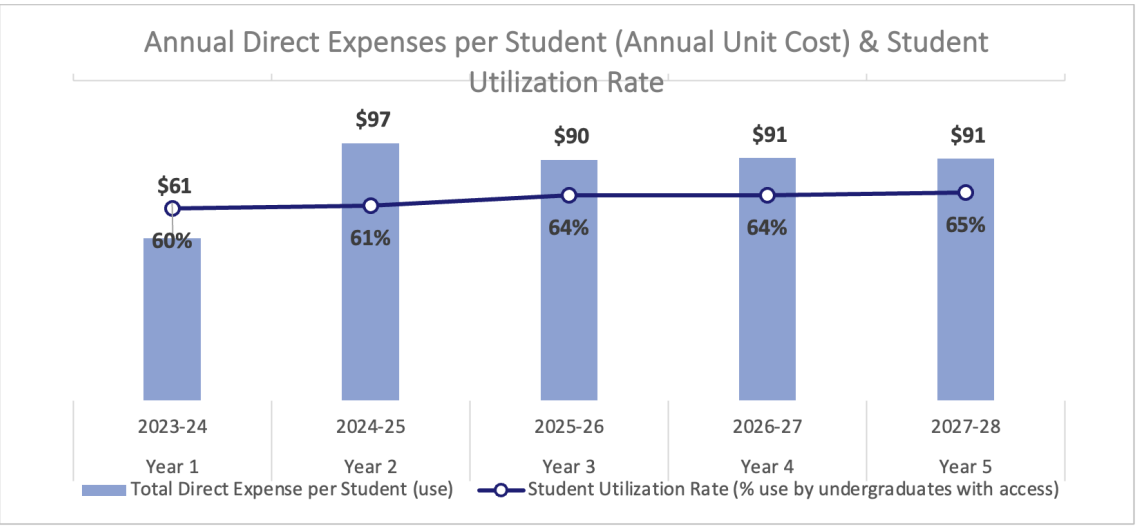
Dashboard Figure 5



Additional key metrics are shown in Dashboard Figure 3. The cost per student served initially rises in Year 2 as costs increase (two new advisors are hired) faster than the number of students using the advising services. In subsequent years, modest increases in student participation do not measurably reduce the cost per student as overall expenses continue to grow. Ideally, the cost per student would continue to decline either because expenses are reduced, efficiencies are introduced, or services are scaled to additional students.

Student use is projected to scale modestly from 60% of first-gen students engaging in the advising services to 65% by Year 5. Efforts to scale to additional students could sharply reduce the cost per student served and increase the ROI.

Dashboard Figure 3



Equipped with the information the SSU working group compiled using the Toolkit resources, the team is well prepared to:

1. **Communicate** progress, plans, and equity goals with key stakeholders and set expectations with senior leadership.
2. **Analyze** data, metrics, and qualitative information collected for the initiative and use that information to identify successes, challenges, progress toward equity goals, and financial sustainability.
3. **Proceed or pivot** depending on the information surfaced in the data and make data-informed decisions about next steps.
4. **Iterate** upon the action plan to periodically create new plans that guide subsequent phases of the initiative or incorporate revisions to the implementation plan.
5. **Sustain** the effort by continuing to focus on equity goals and broad communication on progress towards meeting those goals.

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