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STATE COLLEGES
& UNIVERSITIES

LUOMA LEADERSHIP ACADEMY 2013-2014

ACTION LEARNING PROJECT

Partnership Models of Effective Non-credit Operations

A White Paper Prepared By:

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Executive Summary

Team Members: Deborah Bednarz, MnSCU System Office; Matt Bissonette, Riverland Community College; Louise DiCesare, MnSCU System Office; Troy Gilbertson, Bemidji State University, Abbey Hellickson, Rochester Community and Technical College; Daria Paul-Dona, Minnesota State University, Mankato

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Executive Sponsors: Joyce Helens, President, St. Cloud Technical and Community College; John O'Brien, Interim Vice Chancellor for Academic and Student Affairs; Mary Rothchild, Senior System Director, Workforce Development

Team Charge: The charge assigned to Action Learning Team #1 was to conduct research aimed at revealing current higher education practices for designing and delivering continuing education and customized training. Further, the team was asked to identify and study the most successful models within MnSCU and across the nation in order to make recommendations for promising practices based on the findings.

Team Direction and Focus: To carry out this charge, the team focused on the following objective:

Design a research project that studies and develops a summary of promising practices and lessons learned based on:

- a. Data collected on current MnSCU institutional alignments/mergers building from the Continuing Education/Customized Training (CE/CT) report completed by the 2012 Luoma Leadership Academy Action Learning Project: *Non Credit Instruction: Improving Access to Higher Education and Success in Skills Attainment*
- b. Data collected from small teams of MnSCU CE/CT administrators regarding business and operational practices.

- c. Data collected from other states or regions featuring operational and financial models that support alternative business CE/CT models.

Research Methods

Phase 1

During the fall 2013 semester, the Action Learning Team convened to design a survey and focus group questions targeted to MnSCU CE/CT administrators. The focus group was conducted with the CE/CT administrators during their CE/CT Fall 2013 Meeting. The survey was administered electronically to MnSCU CE/CT administrators following the meeting. Notes regarding the content of the focus group discussions were compiled and analyzed to add additional detail to the quantitative survey results.

Phase 2

During the spring 2014 semester, the Action Learning Team convened to design a set of interview questions that were subsequently administered via scheduled phone conferences or in-person with CE/CT administrators within MnSCU and across the region and nation. Team members compiled their individual notes and analyzed responses for common themes and patterns.

Results

Data collected from both phase 1 and phase 2 research methods were synthesized and analyzed to identify a set of successful models and to make recommendations regarding promising practices on a number of critical CE/CT model features.

Recommendations for Promising Practices

Based on the results, the team concluded that successful continuing education/customized training models in institutions of higher education were characterized by the following promising practices:

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1. Clearly defined purpose and outcomes for CE/CT units both within the individual unit and across the system
2. Clarity of purpose and alignment of CE/CT units across the system
3. Alignment of funding practices to CE/CT unit and system purpose
4. Updated system classifications for Customized Training Representatives (CTR) that accurately reflect the roles
5. Clearly defined metrics for measuring staff/team performance that are aligned with the overall purpose of the unit and system
6. Dedicated funding sources for new program development
7. Focused, coordinated marketing strategy
8. A consultative approach to assessing client needs
9. Clearly identified outcomes and measurement procedures for program evaluation
10. Measures of student competency that are determined on an “as needed” basis
11. Credit for coursework is considered and developed within a “contractual” context
12. Collaboration to reduce program development costs
13. System incentives developed and in place to reward collaborative efforts
14. Cooperative models for shared administrative services are in place to reduce costs related to billing, point of contact, etc.

Statement of the Problem

Despite a tenuous and unpredictable economic environment, Continuing Education/Customized Training (CE/CT) departments, in the past and currently, have been charged with expanding their program offerings. These departments are frequently challenged by fluctuating and often diminishing levels of financial support. In the past, a number of CE/CT departments attempted to address financial stressors by partnering with departments at other MnSCU institutions to develop and deliver specific programs. However, in the past two years, at least seven colleges have formed different operational strategies in order to address individual institutional alignment demands or to seek alternative business models that might better serve the sustainability and success of their programs.

The Advisors and Executive Sponsors for Action Learning Team #1 emphasized the fact that continuing education/customized training is a critical delivery approach in MnSCU's Strategic Framework to meet the workforce needs of Minnesota.

The challenge for CE/CT departments is how to build a model that is operationally efficient and financially sustainable that allows for and promotes collaboration with other CE/CT programs to meet the Strategic Framework goal.

The problem, as articulated by the Sponsors and Advisors, also aligns with Strategic Priority Five articulated in the Chancellor's *Charting the Future* vision for the MnSCU system institutions.

Charting the Future Recommendation # 5:

Work together under new models to be the preferred provider of comprehensive workplace solutions through programs and services that build employee skills and solve real-world problems for communities and businesses across the state.

Specific Strategies:

- *Provide students, businesses, and trade organizations access to information on our shared portfolio of workplace training solutions by developing a user friendly, single point of entry, web-based and mobile application.*

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- *Deliver a shared portfolio of workforce training solutions to students, employers, labor unions, and labor associations across the state through coordinated outreach efforts, easy one-stop access, and stronger connections to state and local workforce and economic development initiatives.*
- *Promote access and affordability of our programs by strengthening the integration between continuing education/customized training and academic programs for the recognition of competencies mastered.*
- *Innovate to develop and test academic incubators for new program development and curricular redesign to meet emerging industry trends through customized training and continuing education.*
- *Expand continuing education as a model for our universities to provide greater access to graduate education.*

Charting the Future, 2013

Current State Structure

The structure of the CE/CT units across MnSCU varies. There are several models that currently exist across the system; these consist of consortiums, departments within the college or custom training representatives assigned to an academic department. The units report to Academic Affairs and the level within the organization varies.

CE/CT units survive on their ability to meet clients' needs along with the number of clients they can serve. Historically, there has been competition amongst the CE/CT units regarding working with organizations. Again, a variety of approaches across the system exist, revealing a myriad of different colleges delivering services to a variety of client-bases. In some regions there are agreements across campuses that if a company is within their community or regional territory, then all contracts or training will go through that local college. In other areas this agreement is not used and each company is open for any campus to work with. Yet other colleges have agreements that they will focus on specific industries or training niches. The challenge for the CE/CT units is finding successful ways to partner and still meet the overall

goals set by their colleges and the Strategic Framework Performance Metrics for CE/CT. Traditionally, these goals and metrics have focused on headcount and revenue.

Historical and Current State Funding

Historically, MnSCU CE/CT programs were funded with a combination of state appropriation, client-generated revenue and other sources, such as grants and fees. A separate allocation of state appropriation was provided directly to CE/CT programs; this funding could only be used to support CE/CT activities and could not be diverted to non-CE/CT activities. The financial activities of CE/CT programs, including revenues and expenditures, were recorded separately in Fund 120.

The state allocation for CE/CT was distributed based on historic funding patterns for CE/CT programs. The funding methodology was not dynamic in that it did not recognize changes in programs offered or students served.

In fiscal year 2014, the state allocation for CE/CT programs was “un-fenced,” and state funding was no longer specifically designated for CE/CT programs. Funding previously designated for CE/CT programs was rolled into the allocation framework and distributed via the allocation framework methodology to colleges and universities. Colleges and universities had the option of funding CE/CT program from their overall state funding allocation but were not required to do so.

There is considerable variation in the current funding structures for CE/CT programs, including the amount and use of state appropriation to support program activities, the treatment of carry-forward funds and indirect costs, and the use of CE/CT generated revenue. These differences are described below:

- Since the dedicated state funding for CE/CT was eliminated, some colleges and universities continue to provide the same level of state appropriation for their

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CE/CT programs, others provide a reduced level of funding, and a few do not provide any state funding and expect their CE/CT programs to be self-supporting.

- Specific use of state appropriation varies by program, with some colleges and universities using state funding for specific purposes and others using it for general operating support.
- Treatment of indirect costs varies by program, with some programs covering some or all of their indirect costs and others that do not cover indirect costs.
- Treatment of carry-forward funds varies by program, with some programs permitted to keep any additional unspent funds at the end of the fiscal year while others are not allowed to retain these funds.
- There is variation in how CE/CT client-generated revenue dollars are used. Some institutions allow the profits that the units have at the end of the fiscal year to go into a carry-forward fund that the unit has future access to and other units turn over all profits to the college at the end of the fiscal year.

As a result of the variations in models used within the MnSCU system, the “current state” of CE/CT programs reflects a lack of coherence in mission, operational vision and practice. Consequently, many, if not all, programs are at risk for promoting and perpetuating redundancies and inefficiencies. To address this issue, the Action Learning Team was tasked with the following:

Team Charge: The charge assigned to Action Learning Team #1 was to conduct research aimed at revealing current higher education practices for designing and delivering continuing education and customized training. Further, the team was asked to identify and study the most successful models within MnSCU and across the nation in order to make recommendations for promising practices based on the findings.

Team Direction and Focus: To carry out this charge, the team focused on the following objective:

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- b. Data collected from small teams of MnSCU CE/CT administrators regarding business and operational practices.
- c. Data collected from other states or regions featuring operational and financial models that support alternative business CE/CT models.

Research Methods:

Phase 1

During the fall 2013 semester, the Action Learning Team convened to design a survey and focus group questions targeted to MnSCU CE/CT administrators. The focus group was conducted with the CE/CT administrators during their CE/CT Fall 2013 Meeting. The survey was administered electronically to MnSCU CE/CT administrators following the meeting. Notes regarding the content of the focus group discussions were compiled and analyzed to add additional detail to the quantitative survey results.

The following questions were included in the focus group process:

Focus Group Questions:

1. *What are the challenges you face in operation of your CE/CT unit?*
2. *What are the best practices you have developed in operations of your CE/CT unit?*
3. *What are the challenges you face in providing services to your clients?*
4. *What are the best practices you have developed in providing services to your clients?*

Phase 2

During the spring 2014 semester, the Action Learning Research Team designed a set of interview questions that were subsequently administered to CE/CT administrators within MnSCU and across the region and nation.

The following questions were included in the interview process:

- 1) *Describe the purpose of your unit. What are the expected outcomes?*
- 2) *Who do you report to? Where does this function fit within the organizational structure?*
- 3) *How do you staff your unit? Do you staff with sales people or do you hire industry experts? Why?*
- 4) *How do you measure your staff, team, or unit's performance?*
- 5) *How is your unit funded?*
- 6) *How do you make information about your services available to your customers/clients? Possible follow-up: Inquire about how they are marketing.*
- 7) *How do you assess the needs of your customers/clients?*
- 8) *How are you meeting the needs of your customers/clients? How do you evaluate this?*
- 9) *How are you measuring student competencies?*
- 10) *How do you develop and fund new programs?*
- 11) *Do you collaborate with others to meet the needs of your customers/clients? If so, how?*
- 12) *What incentives and/or other organizational structures facilitate collaborations?*
- 13) *What are the barriers or challenges to collaboration?*
- 14) *Do you provide credit-based coursework? Why or why not?*
- 15) *What are your best practices in operations and customer service?*
- 16) *What are your challenges in operations and customer service?*
- 17) *If you were president of your organization, how would you structure your unit?*

Sample

A non-random convenience sample of nine (9) MnSCU and non-MnSCU CE/CT programs was selected by the Action Learning Research Team. Continuing Education/Customized Training programs were selected because they were believed to be innovative programs.

The MnSCU programs interviewed included:

1. Anoka Technical College and Anoka-Ramsey Community College
2. Bemidji State University/Northwest Technical College
3. Northeast Higher Education District
4. Riverland Community College
5. St. Cloud Technical & Community College

The non-MnSCU programs interviewed included:

6. Enterprise MN
7. Kirkwood Community College, Cedar Rapids, Iowa
8. Northeast Iowa Community College, Calmar, Iowa
9. The University of Alaska System

Programs contacted but did not respond to our interview request included:

1. Capella
2. Disney Institute
3. Maricopa Community College System
4. Tennessee Board of Regents Community College System
5. Texas State Technical College System

Procedure

A letter of introduction was written by the Action Learning Research Team and mailed to each site. The letter explained the purpose of the project and requested the CE/CT program to participate in the interviews. Following initial contact, CE/CT sites were assigned to Action Learning Research Team members who then followed up individually

with the sites. Interviews were conducted in person, when possible and via phone otherwise. Each team member followed the same interview script (above).

Data Analysis

Data from the Phase 1 fall 2013 surveys were entered into a spreadsheet and percentages of responses to each item were reviewed. Based on this information, the Action Learning Research Team compiled a descriptive summary of current program characteristics according to the perspectives of the various Directors.

For Phase 2 of the project, data from all interviews were collated by the Action Research Team for each of the nine participants. Common themes were identified by the Research Team and are presented in the Results section.

A. PHASE 1 RESULTS

Responses from the focus groups were compiled and qualitative comments were aggregated under two primary categories: 1) Operations; and 2) Customer Service. Comments were then classified according to whether they represented administrators' perception of the item as a "challenge" or a "successful/promising practice." The lists provided below offer details regarding the current state of MnSCU CE/CT programs according to the nine participating administrators. While this sample is not random and therefore cannot be generalized to all MnSCU programs, the data offers insights regarding current struggles as well as practices resulting in desirable outcomes.

CHALLENGES: OPERATIONS

1. Registration thru Lumens (variety of issues)
2. Cost of travel and development of "mobile" solutions
3. Need to develop additional resources (faculty) to support CE/CT
4. Finding Faculty = retirements especially. With Lean Staffing
5. Clarify original signature vs electronic
6. Merged colleges issue: different financial/operational processes

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7. Dual entry
8. R&D (Institutional funding – MNSCU)
9. Manual ISRS/Lumens
10. Lumens (Conference Registration)
11. Data analysis
12. Cost for CT software
13. Coordinate better with other institutions
14. Revenue sharing model
15. Securing faculty/staffing
16. R/D – CE/CT – Risk; Credit – Reward
17. Intersection of “business process” & academic process
18. All structural models are “customized” by institution
19. Time
20. 5 campuses merged
 - a. Different locations; scattered
 - b. Distance between staff (lack of common, teamwork feeling)
 - c. For leader/manager... hard to develop team with external focus
21. Dual registration/entry
22. Hiring practices
23. Business operations within academic institutions
24. Rapid Response – difficult
25. How positions are structured – can’t incentivize
26. Business/sales doesn’t fit within MNSCU structure
27. Can’t compete with private sector
28. Working through politics
29. 2-year compared to 4-year CE/CT operations are different
30. Multiple systems
31. Unfunded mandates
32. “Auxiliary service”

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33. Payment plans
34. Credit for prior learning
35. Registration systems
36. Business Office/Registrars are not geared “tuned in” to non-credit/CT Operations
37. Lumens/Dual ISRS (online/desktop) consume time/cost plus introduce error
38. Training opportunities are limited on our systems/lack of elegant SOPs
39. Run like private business challenge is limitations... business operations... Lumens
40. Remote team – no team building
41. Funding – R/D dedication funded
42. Everyone does it different
 - a. Training – SOPs
 - b. How to trainingRegistration system

CHALLENGES: CUSTOMER SERVICE

1. CE/CT calls go to “admissions.” Bad/incorrect information is given
2. Size of region to cover cost of travel to meet customers and serve them
3. Coordinate with academic programs
4. Scheduling Rooms, equipment
5. Hours of operation (front desk)
6. Training needs not identified
7. 3rd party pays
8. Growing need for advisor in
 - a. Demographics
 - b. Options/life plans/payment plans
 - c. Language/cultural needs
 - d. Learning curve so steep
9. Lead time to respond to training needs/requests
10. Staffing justification in time to serve needs
11. Internal operations cause time delays to service market lose credibility

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12. Turnover
13. Staffing – operations lost
14. Room scheduling – getting bumped by credit
15. Learning Curve – understand all the components – customers, state, college, MNSCU
16. Mis-direction of customer calls – not knowing where to send

PROMISING PRACTICES: OPERATIONS

1. Lean process map
2. Profit model (margins etc...) – 40%, 50%, 100%
3. Planning form (Salesforce)
4. Pilot business department & CE/CT to bridge the gap
5. Documental of process sharing
6. Learn optimization
7. Partnerships
8. Integration with credit faculty
9. We know how to work with business operations to get CE/CT done for academic units
(even though slow)
10. Mandate system-wide that all CE/CT go through respective CE/CT unity
11. Centralized location to share promising practices CE/CT
12. Dedicated staff who make things happen in spite of
13. Focus on operations--Answer is YES!
14. CE/CT units find a way to service their clients. They always say, “Yes”.
15. Partnerships – institutions, MNSCU (Network between Campus)
16. InterCECT

PROMISING PRACTICES: CUSTOMER SERVICE

1. Respond to customer request within 24 hours
2. Meetings within 30 days for training
3. Client needs analysis
4. Staff training to stay current with demographics

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5. Client/Student/Faculty evaluations
6. Utilize credit faculty
7. Advising in small areas
8. Orientation/Information Session
9. Call people back
10. Consistency in handling of projects and follow through
11. We are more cost effective than private providers
12. Managing expectations
13. Always say yes – just figure out how
14. Flexible – outside college policies
15. Orientation/information session (open session & answer questions)
16. Calling people back – follow-up
17. We say “YES”--responsive to client needs

PROMISING PRACTICES: OPERATIONS & CUSTOMER SERVICE

1. Partnership on fire training (Selling, Coordination, Visibility)
2. Partnership on fire train (Selling, Coordination, Visibility)
3. Profit – driven mentality (benefits college & customers) Lean/efficient operations
4. Flexible with college policies makes CE/CT more nimble and innovative; partner-oriented
5. Partnerships (C/U, WFCs, ABE)
 - a. Clarity about service area
 - b. Facilitates good customer relations/partnerships/supports financial
6. InterCECT model – true revenue sharing model
7. R&D – for credit side
8. Providing some more base funding for CE/CT & closer ties to academic/credit side
9. Non-credit/CE institutional policy (regulation) at WSU; St Paul
Online registration & payment systems for customer interface

B. PHASE 2 RESULTS

Building from input acquired from the Phase 1 Survey, the Team focused on the following themes in order to interpret the data using a qualitative approach: Purpose; Placement within Organizational Structure; Unit/Program Staffing; Measuring Staff/Team Performance; Program Funding and Fiscal Sustainability; Developing and Funding New Programs; Marketing Strategies; Assessing Client Needs; Evaluation of Client Satisfaction; Measuring Student Competencies; Credit Based Coursework; Collaboration and Incentives to Collaborate; and Operations and Customer Service. Findings pertaining to each theme are summarized below.

Purpose

Most of the respondents (at least 6 of the 9) discussed serving a community. A second theme of revenue generation was identified by at least two of the respondents as a primary purpose. Taken as a group, the CE/CT providers did articulate a clear sense of mission or purpose. "Serving the community" is a valuable organizational goal although this purpose does not distinguish CE/CT providers from any other service unit in a college or university.

Recommendation:

The action learning team is recommending a more clearly defined purpose with subsequent expected outcomes for CE/CT programs across the system. The team is not taking a position on what that purpose should be. We are suggesting that CE/CT providers should be able to articulate a meaningful mission or purpose.

Placement within Organizational Structure

All respondents reported to an administrator; e.g., president, dean, VP, etc. At least six (6) respondents indicated their function is organized in either academic affairs or extended learning. A small number of respondents were not clear. This is a notable finding because it

suggests that CE/CT functions are included with the credit generating functions of campuses as opposed to business services or some administrative or support functions.

Recommendations:

The action learning team is recommending CE/CT units across the system clarify their purpose and alignment within the organizational structures. The team is not taking a position on what the purpose or alignment should be. Quality service delivery requires organizational structures and processes that support the mission. For example, academic units are not typically supervised under a cost recovery model. Placing CE/CT under academic affairs may not facilitate service delivery if the model is cost recovery.

Unit/Program Staffing

The findings revealed that most units were small in number and typically had a mix of both “sales people” and “industry experts”. We did find at least two colleges using a decentralized model where the customized training representatives were embedded in academic programs with the thought that they could foster greater internal collaboration as well as with industry by being more closely partnered. One was not focused on revenue generation directly while the other was still too new in its reorganization to determine if it was successful.

Throughout MNSCU’s CE/CT units there has been an emphasis to partner with LERN and to use their model for CE/CT. The LERN model essentially separates CE from CT and focuses hiring and staffing for each accordingly. This explains some of the mixed staffing units. The determination to use the model was largely dependent on the local college presidents understanding of it and intentional drive toward it. By and large, there are hybrids with varying degree of success.

Another organization outside of MNSCU hired all of their consultants with the same set of skills but deployed the consultants across a variety of industry sectors, rather than having specialists from a particular sector. This provides them broad access but limited scope for engagement.

As we consider staffing it is also important to consider the larger picture of sustainability. Earlier we talked about alignment within organizations, which varied greatly. We also brought forward the question of where the unit resides and whether it should be managed under academics. There is yet another step that we can question about staffing that has to do with the question of sustainability. Can we afford to maintain the staffing levels at both the representative and administrator level throughout the system? With each college deploying a team to do CE/CT in varying formations there seems to be room to consider if there are ways to do more with less.

Recommendations:

A couple of promising practice solutions that we found would be for regions to be managed by fewer “administrators” and combine units for synergy. One example is the Initiative Foundation model <http://www.greaterminnesota.net/>. It allows for a regionalized effort with a consistent focus yet still with a level of autonomy to fully engage locally. Another successful model is Northeast Higher Education District (NEHD). They share a common brand and common leadership across multiple colleges. Both of these models would reduce overhead, focus attention on the region; provide a better opportunity to “brand” services. Using the Shared Services mindset, these models could use shared representatives across regions instead of automatically doing backfills on open positions. These models with a regional focus could also still drive the Chancellor’s goals.

With the many and varied roles being performed, the team also concluded that there needs to be a review of the CTR classification. Instead of just one general classification, could there be other classifications within customized training that better reflect the work being done?

Measuring Staff/Team Performance

Most respondents indicated revenue is an important performance measure. Only one respondent stated that revenue is not a goal. Many respondents reported some form of performance metrics (contracts, headcounts, etc.). It is notable that the performance indicators do not align with the organizational purpose (above) which seemed to be "serving a community."

Recommendations:

In a future project, it might be interesting to see how the performance indicators are similar or different to the other academic performance measures as most CE/CT units are housed in the academic affairs unit of their respective campuses.

The action learning team is recommending CE/CT units across the system define metrics that directly align with a clear overall purpose. The action learning team is not taking a position on what the metrics should be (or what the purpose should be).

Program Funding and Fiscal Sustainability

Funding models varied significantly across the programs. For MnSCU programs, funding came from two primary sources: program revenue (charges to clients for services provided) and state appropriation. Some programs reported other sources of revenue, including grants, private funding and Iron Range Resources & Rehabilitation Board (IRRRB) revenue. One program reported that they did not receive any state appropriation.

For non-MnSCU programs, respondents reported diverse funding models. One higher education program reported it was funded primarily with client-generated tuition and fee revenue, without state appropriation. Another higher education program reported a combination of state appropriation and client-generated revenue. Another public, non-higher education training program relied primarily on client-generated revenue and some federal

funding but received no direct state support. The survey did not ask about pricing policies or funding methodologies.

Key Findings:

- For CE/CT programs offered through public higher education institutions, state appropriation is an important funding source for some but not all programs.
- Most MnSCU programs still receive some state support from their college or university, but this may change due to the elimination of state funds specifically earmarked for CE/CT.
- Other sources of income supporting CE/CT included grants and private funding. These typically did not account for a large share of operating revenue.
- Programs reported pressure to be self-sustaining.

Recommendations:

The lack of a clear, system-wide understanding of the organizational purpose of CE/CT makes recommending a funding model difficult. If, for example, the purpose of CE/CT is to generate revenue for the college or university that houses the program then a funding model that was entirely self-sustaining may be preferable. If, however, the purpose of CE/CT is to provide cutting-edge training to enhance the skills of the workforce (who may or may not be interested in obtaining a traditional credit-based credential) than a funding model that included state funding to support the delivery of that education and training may be warranted.

The funding model should be determined by the organizational purpose, vision and goals set for CE/CT programs both at the system level and at the individual college and university level. The funding model should align with the organization purpose.

Developing and Funding New Programs

Developing new programs is crucial to a CE/CT program's success and viability. The majority of programs interviewed indicated a willingness to do some smaller new program

development using their internal funds or grant dollars for this purpose. Having access to funds to develop new programs was identified as a promising practice.

Recommendations:

- Identify a dedicated funding source for CE/CT programs to access to develop new programs. Possible funding sources could include state funds or grant funds.
- Dedicated program development funds could be provided on a regional or statewide basis.

Marketing Strategies

There was a fair amount of variation in how respondents answered the question: How do you make information about your services available to your customers/clients? Responses included word of mouth, networking and referrals, website, client outreach (business developers), traditional advertising (TV ads, flyers, newsletters), newspaper articles/press releases, phone number/one point of contact, catalog, and social media.

In general, programs seemed to lack a focused, coordinated marketing strategy. For many programs, it was not clear how employers, businesses or individuals could find out about available CE/CT services. MnSCU programs did not have a strong system-wide marketing presence. For example, it was difficult to find information on CE/CT services offered by the state colleges and universities on MnSCU's website: www.mnscu.edu.

Key Findings:

- One program cited their single point of contact for information about available services as a promising practice.
- The Northeast Higher Education District's (NHED) effort to brand services on a regional level appears promising: "Advanced Minnesota: Five colleges. One training solution."

Recommendation:

Develop a focused, coordinated marketing strategy for MnSCU's CE/CT services. Consider a collaborative marketing approach to reduce costs using a shared services model or regional collective model.

Assessing Client Needs

The ability to assess a client needs was identified as a strength of many the programs interviewed. Three programs specifically noted a "discovery process" where staff members meet with clients upfront to discuss the employer needs and develop the appropriate training. Others indicated a similar "consultative approach." Many programs cited their client assessment process as a promising practice.

Key Finding:

- Majority of respondents indicated staff conduct a "discovery" process or needs analysis with the client. Most of the respondents indicated these are done through meetings or discussions prior to developing the training.

Recommendation:

Use a consultative approach to assess client needs that involves meeting with the client upfront to discuss needs and develop training plan.

Evaluation of Client Satisfaction

The majority of respondents also indicated that they measure client satisfaction through annual satisfaction surveys, but that satisfaction is also measured through participant evaluations, repeat/referral sales and conversations that the Custom Training Representatives have with the clients. A component that was discussed as part of this was the concept of measuring Return on Investment (ROI). It is rare that ROI is measured with the clients

especially long-term ROI. There was discussion that some clients want ROI and others do not. Some themes that emerged from our analysis of the data are the following:

- Formal and informal methods of evaluating client satisfaction needs to be a component of the CE/CT units goals
- ROI should be measured as a way to demonstrate value with clients
- ROI is challenging to measure, but can be done if discussed up-front with clients
- Outcomes need to be discussed and documented upfront and measured

Recommendations:

The action learning team is recommending that CE/CT units implement ROI as part of their work with clients, identify methods to conduct ROI and conduct annual client satisfaction surveys with annual goals regarding these items.

Measuring Student Competencies

The majority of the respondents indicated that measuring student competencies would be determined by the course and client needs. There were two concerns shared regarding competencies: 1) Certain courses are not designed to measure competencies or doing a competency measure would not be appropriate; 2) Not all clients want competencies measured.

Recommendation:

The action learning team recommends that CE/CT units measure competencies on an as needed basis.

Credit-Based Coursework

Many CE/CT units offer closed credit coursework. The revenue stream produced from these course offerings is included in the gross revenue goal established by the Chancellor and the board of trustees. There are CE/CT units that offer open enrollment credit coursework in partnership with Career and Technical Program faculty. The revenue generated by these

courses does not flow into CE/CT, but instead flows into the general fund. While beneficial for the overall institution, the expenses incurred by the CE/CT unit are reflected within CE/CT. This is perhaps an issue at the individual institution level, however, to effectively and efficiently expand course offerings into open credit based work across more institutions, the model needs to reconcile revenue and expenses in a manner that does not negatively impact the CE/CT unit would need to be developed.

The challenge is that the need of industry, particularly smaller companies with low numbers, makes closed credit cost effective. Offering open credit via CE/CT and pooling smaller businesses would make offering open credit coursework more affordable.

Recommendation:

As mentioned earlier, there are a couple of colleges using a decentralized model that embeds Customer Training Representatives (CTRs) in academic programs. Through the close relationship between CTR and faculty, the opportunity to offer more open credit coursework that is needed by smaller businesses is created. In order to follow this model, we would need to address the revenue flow as all revenue from open credit goes to the 110 side of the house and is not reflected in the Strategic Framework Performance Metrics for CE/CT.

Collaboration and Incentives to Collaborate

It was noted by most, that these collaborative efforts came without reward or incentive. In fact, the Strategic Framework Performance Metrics for CE/CT of gross revenue and headcount are thought to be competitive in nature and are seen in order to save program dollars.

It was noted by most, that these collaborative efforts came without reward or incentive. In fact the Chancellor's goals for CE/CT of gross revenue and headcount are thought to be competitive in nature and are seen as barriers to collaboration.

Recommendations:

As mentioned earlier in the review of staffing, there are opportunities to more formally align collaborative efforts, but there are also less formal ways to develop cooperation. There has been discussion in Southern Minnesota Training Consortium (SMTC) to create a sort of shared services model with SharePoint as a shared host for available programming across a region with CTR experts listed. This would increase the overall training portfolio of the region and align experts with materials. There are current shared revenue model that could be adapted for this purpose. Other areas for shared services include customer service point of contact, branding, billing, contract processing, etc.

Operations and Customer Service

The majority of respondents indicated that their customer service and custom-training representative's relationships with their clients were a strength or a point of pride for their organization. They indicated that this was the reason for their success. Another theme that arose from the respondents was the need to develop efficiencies in their operation processes along with reduction of operational costs.

Recommendations:

The action learning team recommends the standardization of processes to increase efficiencies. We also recommend the further research and modeling of a shared services concept.

CONCLUSION

CE/CT or customized training has been around in Minnesota and serviced through our local colleges and universities for many years. Our research found that in recent years institutions are re-thinking how they do CE/CT, largely out of necessity due to financial constraints. These constraints have been brought on in part by recent changes to the budget funding model that eliminated dedicated state funding for CE/CT programs as well as reduced state funding for the MnSCU system as a whole. This puts more emphasis on the sustainability

and financial solvency of individual units. When combined with the recession and its impact on industry itself, the current state model of CE/CT within MnSCU as a whole, does not seem to be financially sustainable into the future.

Our research further found that despite the challenges, there are a few CE/CT units both in part and in full, that are successful and financially viable. Our recommendations throughout this paper are based on a collective composite of those operations. While we present these recommendations as our best thoughts for the future of CE/CT, we understand the solution to this challenging issue of sustainability of CE/CT units will require the involvement of many stakeholders beyond our team.

While MnSCU is a system each institution has the autonomy to fulfill its mission including how they address CE/CT. It is also our belief that the voluntary collaboration of institutional leaders, namely Presidents, will be necessary to address the larger solution. How they collectively view purpose, mission, and funding of CE/CT units will ultimately define how CE/CT fares into the future.

The following is our list of identified “Promising Practices;”

1. Clarity of purpose and alignment of CE/CT units across the system
2. Alignment of funding practices to CE/CT unit and system purpose
3. Updated system classifications for Customized Training Representatives (CTR) that accurately reflects the roles
4. Clearly defined metrics for measuring staff/team performance that are aligned with the overall purpose of the unit and system
5. Clearly defined metrics for measuring staff/team performance that are aligned with the overall purpose of the unit and system
6. Dedicated funding sources for new program development
7. Focused, coordinated marketing strategy
8. A consultative approach to assessing client needs
9. Clearly identified outcomes and measurement procedures for program evaluation
10. Measures of student competency that are determined on an “as needed” basis

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

11. Credit for coursework is explored and developed within a “contractual” context.
12. Collaboration is used to reduce program development costs
13. System incentives are developed and in place to reward collaborative efforts

Lastly, as an action learning project our goal was to develop as leaders while also providing an outcome to a real world issue. We believe we have accomplished both: growth as leaders and in providing an outcome on this issue. Our findings do present solutions; however, they should also be considered the beginning of further exploration into this topic rather than the definitive solution. The Charting the Future team focused on CE/CT would likely benefit from our work as they invest in theirs.

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APPENDICES

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS



Minnesota
STATE COLLEGES
& UNIVERSITIES

30 7TH ST. E., SUITE 350
ST. PAUL, MN 55101-7804

Twin Cities: 651-201-1800
Toll free: 1-888-667-2848
www.mnscu.edu

Date

Name

Street Address

City, State Zip

Dear ,

My colleagues and I are members of a MnSCU Action Learning Team that is conducting research as part of our Luoma Leadership Academy experience offered through the Minnesota State College and University System (MnSCU). We serve in various roles and institutions and represent Directors of Continuing Education/Customized Training programs, System Office administrators and academic faculty members.

We have been charged with identifying exemplary operational and financial Continuing Education/Customized Training models within the MnSCU system. Our goal, ultimately, is to produce a report that describes specific program features that lead to excellent business models, enhanced productivity, efficient use of resources, and the potential for aligning inter-institutional program design and delivery.

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

We believe we have much to learn from your program and your leadership and would like to invite you to participate in a phone interview with one of our team members in the near future. The interview should take approximately 20 minutes and will primarily consist of questions regarding the design and operation of the Continuing Education/Customized training programs on your campus. We will email you soon to find out if you would like to share promising practices and lessons learned based on your experiences and to set up an agreed upon time and date for our phone interview. We will confirm with you at that time your willingness to have your insights shared in our summary report. This report is submitted to the Luoma Leadership Academy and is shared on the MnSCU website.

For more information on this Leadership Academy, please click on the link:

http://www.hr.mnscu.edu/training_and_development/Leadership_Academy/luoma.html.

We thank you for considering this invitation and look forward to learning more about your programs.

With best regards,

Your name here

Your title here

c:



Minnesota
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Minnesota State Colleges and Universities

Luoma Leadership Academy Action Learning Team

Partnership Models of Effective Non-Credit Operations

Interview Questions

- 1) Describe the purpose of your unit. What are your expected outcomes?
- 2) Who do you report to? Where does this function fit within the organizational structure?
(Single campus, part of a system...)
- 3) How do you staff your unit? Do you staff with sales people or do you hire industry experts?
Why?
- 4) How do you measure your staff, team, unit's performance?
- 5) How is your unit funded?
- 6) How do you make information about your services available to your customers/clients?
- 7) How do you assess the needs of your customers/clients?
- 8) How do you evaluate whether you are meeting the needs of your clients or note?
- 9) How are you measuring student competencies?
- 10) How do you develop and fund new programs?
- 11) Do you collaborate with others to meet the needs of your customers/clients? If so, how?

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

12) What incentives and/or other organizational structures facilitate collaborations?

13) What are the barriers or challenges to collaboration?

14) Do you provide credit-based coursework? Why or why not?



Minnesota
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Minnesota State Colleges and Universities

Luoma Leadership Academy Action Learning Team

Partnership Models of Effective Non-Credit Operations

Promising Practices

1) Purpose/Expected Outcomes

- a. Most of the respondents (at least 6 of the 9) discussed serving a community. A second theme of revenue generation was identified by at least two of the respondents as a primary purpose.
- b. Respondent's sense of "purpose" seemed vague. They struggled to define what they did. Themes focused on "serving communities" but that really does not distinguish CE/CT from other parts of the institutions.

Possible Promising Practice: Clearly defined purpose and expected outcomes that align with educational/workforce mission of the institution/system. Ideally the purpose should be shared throughout the MnSCU system.

Charting the Future groups could provide definitions for shared meaning on what "customized training" work implies from a system level.

2) Placement within the organizational structure

- a. All respondents reported to a specific administrator; e.g., president, dean VP, etc.
- b. At least six of the respondents indicated their function is organized in either academic affairs or extended learning. A small number of respondents were not clear.

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

- c. Only one respondent reported to the president and this might be indicative of a successful practice (or at least a different practice). There is to a distinction between a business model and an instructional model. Most CE/CT programs use a business model and report through academic affairs in their institutions. However, academic affairs work units typically do not use a business model. Supervision of revenue generating function is different than supervision of academics. If purpose of CE/CT is profit, it may have a negative impact on other purposes of unit or perception of service from an ethical perspective. The goal of CE/CT should be aligned with CE/CT purpose (see above) in the institution.

All respondents reported to an administrator in their institution/organization. No clear consensus on what structure worked best. Not clear how programs related to other programs within their institution or other CE/CT programs within the system.

Possible Promising Practice: Placement of most units under academic headings. Should an ROI oriented business minded groups report separate from the academic units. Might create more clarity for #1 above.

- 3) At least six of the respondents provided frequency counts of employees in their offices. Offices tend to be small ranging from a low of three staff to a high of 16. The mean is ten for this non-probability sample of CE/CT offices. Respondents hired both sales and industry experts.
 - a. At least six of the respondents provided frequency counts of employees in their offices. Offices tend to be small ranging from a low of three staff to a high of 16. The mean is ten for this non-probability sample of CE/CT offices. Respondents hired both sales and industry experts.

Do not know breakdown of employees who deliver end service to administrators. Structures seem decentralized and there is variation in the person in charge. There is not a clear distinction between sales vs industry experts. (Expert in field comes with experience in a particular industry while salespeople connect clients with services.

MNSCU classification for customized training rep last updated 2012. Clear on task and duties associated with selling and preparing training. Possible need for updated classification that includes more clarity on "sales" or "industry expert" role or possible separate classification of one or the other. CE vs CT sort of thinking.

4) Measuring staff/team/program performance

- a. It is notable that the performance indicators mostly do not align with the organizational purpose (above) that seemed to be “serving a community.” Also would be interesting to see how the performance indicators are similar or different to the other academic performance indicators because most CE/CT organizations seem to be housed in the academic affairs unit of their respective campuses. In other words, there seems to be
- b. It is notable that the performance indicators mostly do not align with the organizational purpose (above) that seemed to be “serving a community.” Also would be interesting to see how the performance indicators are similar or different to the other academic performance indicators because most CE/CT organizations seem to be housed in the academic affairs unit of their respective campuses. In other words, there seems to be a disconnect between performance and perception of purpose.

Possible promising practice: Clearly defined metrics for staff/team/program aligned with program purpose/expected outcomes as defined in #1.

MNSCU strategic framework goals of Gross Revenue and Headcount are the only customized training related measurements. Adding to Deb's note, maybe they all need to also roll up to match one of these.

5) Program funding/fiscal sustainability

With the elimination of the 120 fund, individual colleges decide if they continue to fund their CE/CT

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

With the elimination of the 120 fund, individual colleges decide if they continue to fund their CE/CT units. Note: The MNSCU revenue goal of Gross Revenue is a number that does not include the allotment given to a school. Could the amounts given to schools in the general fund (formerly the 120 allotment) be earmarked as innovation dollars from the system, thus requiring the units to be self-sustaining.

6) Marketing/providing information on services to customers/clients

Possible promising practices: Single point of contact for information (phone number and/or website). Focused, coordinated marketing strategy would also be a possible promising practice.

Shared Services Cooperative or regional collectives could reduce cost. NHED district model.

7) Assessing customer/client needs

- a. Possible promising practice: "Discovery Process" where program staff meet with clients upfront to discuss needs using a consultative approach.

8) Evaluating customer/client services/satisfaction

Possible promising practice: Identify the outcomes upfront, including how outcomes will be measured.

9) Measuring student competencies

- Majority of the respondents indicated that this depended on the type of training delivered and the company contracted with.

Possible promising practice: Competency measures are determined based on course and client need.

10) Developing and funding new programs

- Majority of respondents indicated using grant funding and internal resources to fund new programs.

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

- a. Possible promising practice: Dedicated funding source to develop new programs.

Possible promising practice: Utilization of grant funding to develop new programs, but performance measures need to reflect this as a positive.

11) Collaboration

- Majority of respondents indicated collaboration was occurring.
 - a. Possible promising practice: Coop model for services that can be provided centrally/regionally (e.g., billing, point of contact)

Possible promising practice: Utilize collaboration to reduce the need to develop programs at each college and develop incentives or measures that rewards collaboration.

12) Incentives that facilitate collaboration

Possible promising practice: Right of first refusal to deliver training was identified as a promising practice in Alaska; not sure it applies in MN. Alaska had a highly centralized system. Possible if MN implemented a single point of contact or regional there could be some right of first refusal that would facilitate collaboration.

14) Credit-based coursework

Credit based coursework limited. Funding stream for open enrollment credit sends to 110 not CE/CT unit. Possible promising practice is offering content from any credit based course in a closed enrollment environment via contract.

15) Operations/customer service:

- a. Possible promising practice: Standardized and streamlined contracting and procurement processes to respond quickly to demand. Ability to use outside vendors to deliver or develop some parts of training if needed to meet clients' needs. (both these identified as promising practices by Alaska)

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

Possible promising practice: Centralized automated record management system (identified as best practices by Alaska)

Standardized paperwork processing and central contact avenue.

Note: Questions 13 (challenges to collaboration), 16 (challenges in operations) and 18 (if I were president) were not included because they did not appear to lend themselves to promising practice responses.

Highly Recommended Research Article

Reference: Van Noy, M., Jacobs, J., Korey, S., Bailey, T., and Hughes, K. (2008). *Report retrieved from: <http://ccrc.tc.columbia.edu>* (June 22, 2014).

A one-year study of 20 community colleges conducted by Van Noy, et. al. (2008) concluded the following based on their results:

- *Encourage efforts to increase coordination between credit and noncredit programs to benefit both students and employers.*
- *Better assess student needs and support efforts to recruit noncredit students into c*
- *Explore the development of non-degree forms of validation for all noncredit workforce education and standard systems to record outcomes that promote the portability of evidence of skills for students and accountability for colleges and state workforce education funds.*
- *Collect more information on individuals' and employers' outcomes from noncredit workforce education to assess the contributions of noncredit workforce education for students, employers, and the economy*

Regional CE/CT Proposal

Matthew Bissonette

Purpose:

- Support the larger values of MNSCU, Chancellors initiatives, Charting the Future
- Increase consistent presence and awareness of MNSCU CE/CT services across the region
- Increase portfolio of course offerings available across the region to better service client needs
- Increase collaboration between institutions for reduced costs and increased customer service
- Provide a financially sustainable model for workforce training

Branding:

- Common name adopted for regional model. (EG see AdvancEd Minnesota, or CBI – Austin, etc.)
- Admin, CTR reps trained to answer calls consistently across region for branded customer service feel
- Marketing materials co-branded with common name and college name
- CE/CT Webpages remain part of college's website but are branded with common name

Structure:

- Each college has a defined territory by county/hwy lines/etc. Goal of territory penetration, rather than expansion
 - Accommodations made for businesses that have prior relationships with a specific institution and prefer not to realign.
- Each colleges retains immediate supervision of CTR Reps
- Shared regional sales roles
- Shared services admin team – funded through a reallocation of dollars from position movement or elimination. Team processes cost sheet, contracts, registrations, lumens, etc. for the region.
- Standard Cost Sheet database used for consistent pricing

Funding:

- Assumption that each college will strive for a self-sustaining revenue position with their CE/CT unit
- A % or \$ amount of state allotment from each college pooled for non-credit curriculum development
- Remaining allotment stays with each college and is used for R&D for the college at large
- Grants pursued for regional impact

Staffing:

- Regional sales – Consultative new lead generation

PARTNERSHIP MODELS OF EFFECTIVE NON-CREDIT OPERATIONS

- Program management/inside sales – Manage programs and current client database
- Adjuncts – Assumption that CTR’s primarily perform one of the two roles above. Adjuncts who are SME’s are hired to teach coursework. CTR’s sub when adjuncts are not available
- Each college staffs according to the program needs of the of their territory

Technology:

- SharePoint used as a regional tool to list all course offerings, instructors, and subject matter experts
- Salesforce used as a regional tool for contacts.
- InterCECT used as needed or determined by individual colleges
- ITV used as needed or determined by individual colleges
- Lumens used as a regional online registration tool. Administered through new shared services admin team.

NOTES:

- Not intended to supplant the work of the Luoma Leadership - Action Learning Project.
- Not to be confused or combined with Fire Training Service model
- The model accommodates non-credit offerings in phase 1 but could include credit offerings as the model develops