



## Programs and Resource Optimization (PRO)

Programs and Resource Optimization (PRO) is an analytical review of academic programs (sometimes including non-academic programs) that engages faculty, staff, alumni and trustees in the process. The program review process has four key analytic components:

- Mission-Centeredness
- Quality
- Marketability
- Responsibility Center Data-based Analysis

Each program is then ranked within three tiers, from extremely successful to extremely unsuccessful. With the analytical output of PRO, institutions can shift resources and develop goals that optimize program offerings and strategically manage change. These findings can drive transformational decisions that result in significant shifts in institutional quality and financial performance.

### Details of Stevens Strategy's Programs and Resource Optimization Process

Our PRO service has four interrelated processes.

1. A Mission-centeredness Review that identifies the programs that meet the college's mission and those that do not. Mission-centeredness is measured through carefully crafted surveys of the institution's primary constituencies; its students, faculty, staff, alumni and trustees. These groups understand the true mission of the institution and inherently recognize what programs are vital to achieving both the stated and implied mission of the college. Stevens Strategy conducts and reports on these surveys; the institution provides respondent email addresses.

2. A Quality Review that identifies those programs that are of high quality and those that are not. Quantitative indicators vary by institution, but acceptance rates, retention rates, graduation rates and placement rates are often among the major quality indicators everywhere. Qualitative measures include surveys of key constituencies regarding their opinion of program quality. Stevens Strategy conducts and reports on these surveys; the institution provides respondent email addresses. Stevens Strategy works with your Institutional Researcher as they develop your institution's quantitative indicators.

3. A Market Demand Review that compares, through survey research, demand for current and prospective programs among existing and potential student populations. Stevens Strategy conducts and reports on this survey; the institution provides the respondent email addresses.

4. An Institution-wide Responsibility Center Review that identifies the divisions or schools that generate cash and those that use it. It allocates fairly to each revenue-generating department revenue and direct and indirect costs, showing the way to making thoughtful resource allocation decisions. Stevens Strategy prepares the Responsibility Center Review based upon information provided by your financial services and institutional research staff.

The results of PRO are the definition of ranges of programs ranked in three tiers from extremely successful ones that provide a surplus of resources to the institution, are highly mission-centered, are of high quality, and experience solid market demand to a few that not only lose money, but do not support the college's mission, are of questionable quality and have little market support. Replacing the losses from non-mission-essential, low quality programs that have weak market demand (the bottom few programs) with enhanced enrollments and additional revenues from the top tier programs can cause a dramatic shift in institution financial performance – \$500,000 or more for small institutions and millions for larger ones.

A PRO Review requires the cooperation of many constituencies, particularly faculty, and can't be conducted in a locked room in the basement of the administrative office building. To be conducted effectively and to engender broad institutional support, these reviews require involvement by a broad cross-section of the institution in developing the analysis and considering the ramifications of the results of that analysis: The programs that require more support, those that require less and those that should be closed.

Our full PRO process includes the following steps:

- First, the Board should require the Academic Program Review by formal vote. We facilitate this decision.
- The President should then carefully select a broadly representative cross-functional work group (composed of a majority of faculty leaders) to conduct the analysis.
- We help the president select the work group and prepare a careful charge with firm outcome expectations and time-lines.
- We provide basic research to support the deliberations of the work group with the college's institutional research office before the work group begins its formal deliberations.
- We support the work group in developing a detailed work plan to conduct its study and submit it to the president for approval.
- We facilitate the work group as it deliberates and holds four open campus meetings to present its work plan, to share its basic research and to discuss its recommendations as they develop. At these open campus meetings, which we also facilitate, the work group should honestly seek feedback and deal directly with issues raised.
- We support the work group as it makes final edits resulting from the fourth OCM and presents its final report to the president for his or her acceptance.
- The president should then present the work group's report and his or her recommended actions to the board for approval; actions should include the conduct of necessary internal governance reviews on a board required time-line.

The full PRO process requires approximately six months to complete. The most opportune time to begin is the spring semester.