

Roger Williams University

Business Plan for Expansion or Initiation of an Academic or Support Program

Program

title: _____

Please check one:

[] Academic program

[] Support program

Please check one:

[] Expansion of an existing program

[] Initiation of a new program

Department: _____

Prepared by:

Program proposer's name: _____

Proposer's title: _____

Date: _____

Telephone: _____

Fax: _____

E-Mail: _____

Department Vice President's name: _____

Department Dean's name: name: _____

Department chair's name: _____

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I. Executive Summary of Proposed Program's Goals and Outcomes

Please make your summary complete, but concise.

- A. Please describe how the proposed program serves the University's mission.
- B. Please describe what needs of the University are being served.
- C. Please provide and explain the fundamentals of the proposed program expansion or new initiative. Please include a brief description of the program's major new components along with each of their outcomes.

II. External Environmental Scan

- A. Please describe what population and what needs in the external community are being served. You should use standard employment data in making your case.
- B. Identify other institutions that have similar programs and will be competitors with Roger Williams's program. Provide the program names, current enrollments and competitive features of these programs. Describe the achievements of the program in these other institutions.
- C. Provide regional and national data that demonstrates student demand for the proposed program.

III. Course or Activities Descriptions

Please provide a list of all courses or activities, along with content summary and credits to be offered by each course.

IV. Impact Analysis

Describe the impact the proposed program will have on the personnel and support resources:

- A. Of your department
- B. Of other related academic, administrative and service departments of the University

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V. Detailed Implementation Plan and Calendar

Including the first year in which the program is offered as the base year, please provide a five-year schedule of courses or activities to be offered each semester by the proposed program along with projected students enrollments or students served. Please show the gradual phase-in period that leads up to full implementation by the third year.

VI. Management and Organization

- A. Please identify all of the individuals along with their specific duties who will be responsible for managing the program and for developing of its various components.
- B. Please provide an organizational chart that shows the lines of responsibility and accountability.
- C. Please indicate the significant outside professional and\or advisory support to sustain the proposed program.

VII. Marketing Plan

Please work in conjunction with the department of Enrollment Management, who can provide expertise and assistance with research on accessing the student markets. In your marketing plan, be as specific as possible; provide statistical data, and sources that will be useful in marketing the program to students.

- A. Include the likely sources of students for the program
- B. Describe those factors that will give the University competitive advantages or disadvantages in attracting and retaining students.

VIII. Estimated Five-year Operating Budget

Ultimately, the decision to approve a new initiative\program will depend on both qualitative, mission oriented factors and financial considerations. Proposed new initiatives\programs must provide a positive financial contribution to the operating results of the University. Accordingly, a well thought out and comprehensive Financial Plan is an integral part of any business plan proposal.

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A typical financial plan for a new initiative\program consists of a multiple period profit and loss projection, a cash-flow projection and a break-even calculation. Together they constitute a reasonable estimate of an initiative\ program's financial viability.

The full Financial Plan for a new initiative\program is a shared responsibility of the originating department, Fiscal Affairs and Enrollment Management. The final revenue projections are the responsibility of the Department of Fiscal Affairs using enrollment projections provided by the originating department. Consultation to both (especially retention and room& board utilization rates) is provided by Enrollment management.

The Financial Plan responsibilities of the originating department (for which Excel templates are provided by Fiscal Affairs and are discussed in detail below) are as follows:

A. Projected Expenses

- a. **Summary of Program Cost-Worksheet Template #1:** provides an annual summary of Salaries and Related costs, Operating Expenses and Capital Expenditures for each of the first three years of implementation of the new initiative\program; such expense budgets should include:
 - i. Management
 - ii. Faculty
 - iii. Operating support
 - iv. IT support
 - v. Library support
 - vi. Marketing
 - vii. Cost of advisory groups
 - viii. Indirect expenses at 35% over direct expenses
 - ix. Facilities needs such as additional residential requirements; project debt service expense for needed dorm construction, additional classroom space, office and laboratory requirements; project debt service expense for needed construction or renovation
 - x. Identify additional instructional requirements by related academic programs in other departments of the University due to enrollment growth over five years

There is no direct input to this schedule by the preparer, as it is formula driven by data compiled in specific worksheets discussed below.

- b. **Projected Salaries & Benefits-Staffing Pattern and Expense Projection-Worksheet Template 3:** provides the originating department's projections for

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each semester of the first three years of program implementation for its personnel related expenses.

- c. **Projected Operating Expenses-Non Salary-Worksheet Template #4a:** provides the originating department's projections for each semester of the first three years of program implementation of its operating expenses plus pre-inception (start-up) expenditures.
- d. **Projected Operating Expenses-Non Salary, Individual Accounts > \$5,000 Per Year-Budget Detail-Worksheet Template #4b:** For individual accounts whose annual expenses are greater than \$5,000, the originating department must provide a detailed build up of the budget amount.
- e. **Capital Budget-Worksheet Template #5:** An important part of any business plan, the capital equipment needs must be budgeted in detail for each semester of the first three years of program implementation of its operating expenses plus pre-inception (start-up). Major projected expenditures should be supported by vendor estimates\quotes.

B. Projected Revenue; Enrollment and Related Funding-Worksheet Template #2: provides the originating department's projections for each semester of the first three years of program implementation for the following:

Present total tuition revenues generated per semester over five years. Include:

- a. Enrollment headcount (FTE) per course and for all courses per semester
- b. Total credit hours served by each course and by all courses per semester
- c. Revenues generate by each course and by all courses per semester
- d. Identify special fees by course and total fee revenue per course per semester
- e. Identify creditable sources of private and public external support and key contacts for the proposed program, especially support over the transition phase along with a fund replacement strategy.

This information will be utilized by Fiscal Affairs to generate Program Revenue projections to complete the multiple period profit and loss projection, a cash-flow projection and a break-even calculation.

It is important to estimate the projected new initiative\program expenses accurately. This is a research project, and the more thorough your research efforts, the less chance that you will leave out important expenses or underestimate them.

Add a separate line item, called contingencies, to account for the unforeseeable. This is the approach we recommend, but it will be the responsibility of the Department of Fiscal Affairs to add a contingency to the final projected profit & loss, cash flow and break even analysis.

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In the reference notes to each worksheet, explain your research and how you arrived at your projections of expenses. As part of the overall Financial Plan, the originating department is required to provide narratives explaining the major assumptions used to generate enrollment data and revenue and expense projections

IX. Sign offs

- A. Provost – approve program design and projected requirements and impact
- B. VP for EM – approve feasibility of student recruiting and meeting projected enrollment goals
- C. VP for U A – approve feasibility of securing external funds
- D. VP for Finance – approve fiscal projections
- E. School Deans- approve projected impact

X. Faculty Committee and Board approval

Proposed expansion or initiation of academic degree programs should be reviewed and acted upon by the appropriate faculty committees. Review and approval by appropriate Committees of the Board (Academic and Faculty Affairs, Finance Committee, and Facilities Subcommittee) and by the Board

XI. Appendices

Include details and studies used in your business plan; for example:

- ✓ Industry studies
- ✓ Market research studies
- ✓ Blueprints and plans (as appropriate to proposed initiative\program)
- ✓ Magazine or other articles
- ✓ Detailed lists of equipment owned or to be purchased
- ✓ Copies of required leases and contracts
- ✓ Any other materials needed to support the assumptions in this plan