4 design choices undermining new program success

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In the face of tightening budgets, uncertain enrollments, and declining tuition revenue, colleges and universities need new strategies for growth. Many institutions are confronting this challenge by launching new programs. But often, newly launched programs don't achieve their enrollment goals, or they experience "profitless growth" due to errors in the program design and launch process.
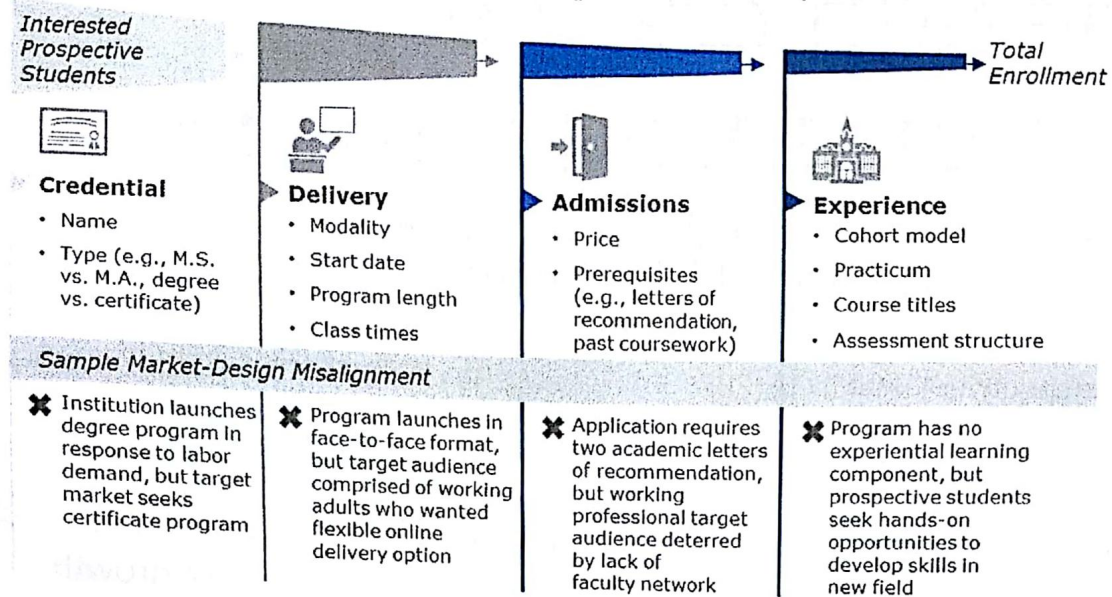
One of these mistakes is only designing programs around traditional academic program elements, rather than around student preference and need.

Exclusive focus on traditional program designs can undermine new program viability

In today's market, institutions must do more than identify promising areas of demand. Even if a program is launched in the right field or discipline, miscalculations in program design can deter students from applying and ultimately enrolling. For example, institutions might design a bachelor's program when the intended audience needs a master's program or launch a traditional face-to-face master's program when prospective students require a flexible, online format. The four key areas to consider are:

1. Credential type
2. Delivery
3. Admissions process
4. Experience

Representative Enrollment Decision-Making Process of Prospective Students

Credential	Delivery	Admissions	Experience
• Name • Type (e.g., M.S. vs. M.A., degree vs. certificate)	• Modality • Start date • Program length • Class times	• Price • Prerequisites (e.g., letters of recommendation, past coursework)	• Cohort model • Practicum • Course titles • Assessment structure

Interested Prospective Students → Total Enrollment

Sample Market-Design Misalignment

✖ Institution launches degree program in response to labor demand, but target market seeks certificate program	✖ Program launches in face-to-face format, but target audience comprised of working adults who wanted flexible online delivery option	✖ Application requires two academic letters of recommendation, but working professional target audience deterred by lack of faculty network	✖ Program has no experiential learning component, but prospective students seek hands-on opportunities to develop skills in new field

Align credential and delivery with prospective student needs

The most important design consideration to get right is the alignment of credential type, delivery method, and program length with prospective audience need. To ensure this alignment, faculty and administrators must understand who the intended audience is and what their needs are. To do this faculty and administrators should ask themselves:

1. How does the audience plan to use this credential? To change careers? To accelerate careers?
2. How will the audience pay for the credential? Tuition reimbursement? Self-pay?
3. How much time will the audience dedicate to the program? Full-time? Part-time?

For example, if the target audience is millennials, institutions might consider stackable certificates, second bachelor's, and bootcamps because most millennials are working, want to move through programs quickly, are targeting specific skills sets, and need to keep costs reasonable.

Emerging Preference	Stackable Certificates	2nd Bachelor's Degrees	Bootcamps
Description	General and specialized certificates that can be combined into full master's degrees	Accelerated undergraduate programs for bachelor's degree holders. Students complete only major, not foundational, coursework	Intensive, face-to-face, non-credit programs that teach specific skills
Millennial Demand Drivers	• Employer limits on tuition reimbursement • Students seeking specialized credentials to enhance long-term careers	• High number under- & unemployed graduates • Greater salary premiums for STEM-focused bachelor's degrees	• Students preferring intensive, face-to-face learning experiences • For-profit start-ups targeting millennials in bootcamp marketing
Example	THE GEORGE WASHINGTON UNIVERSITY WASHINGTON, DC Core landscape design and specialized sustainable landscape certificates can be combined into a MPS[1] in Landscape Design	Oregon State University Post-baccalaureate BS in Computer Science requires no prior technical training; offered online in full- and part-time formats	RUTGERS Coding bootcamp prepares students for web developer careers in 12 (full-time program) or 24 (part-time program) weeks

Design audience appropriate admissions requirements and competitive pricing

There are two main ways that the admissions process can deter potential students from enrolling: unreasonable application requirements and improper pricing. For example, working adults that have been out of school for a decade may forego applying to a program if it requires they submit two letters of recommendation from professors. Instead an institution could allow letters of recommendation from supervisors to stand in for faculty recommendations.

Getting the price right is critical because students are increasingly cost-conscious. While no silver bullet exists to determining price, Northeastern University's College of Professional Studies has found a way to bring some rigor to the process.

Northeastern has three steps for setting graduate program pricing. First, they analyze IPEDS and student earnings data to set an initial strawman price. Then, they compare that price to their competitors' using formulas they developed to quantify the relationship between different pricing options.

Northeastern has found that for every 5% that list price exceeds competitors', they get 0.5% fewer applicants. For every 1% net price exceeds competitors', they get 1% fewer enrollees. Both effects work in reverse, too, if their prices

are lower. Finally, they fine-tune price for qualitative factors, like student demographics and brand, allowing some flexibility in the formulas.

Northeastern University

College of Professional Studies' Price-Setting Analysis for New Academic Programs

1 Analyze market pricing data to set strawman program tuition rate

Type	Data Source
Credential List Prices	• IPEDS[1] • Competitor websites
Salaries of Related Occupations	• BLS[2] • O*Net
Financial ROI by Degree	• O*Net • Payscale.com

2 Update tuition and enrollment expectations based on competitor pricing data

For every 5% list price exceeds competitor's, assume 0.5% decrease in applicants[3]

For every 1% net price exceeds competitor's, assume 1% decrease in yield[3]

3 Adjust tuition rate to reflect program audience and institutional reputation

Under-represented racial and economic groups more price-sensitive

Strong discipline or brand reputation enhances ability to raise prices

1) Integrated Postsecondary Education Data System (IPEDS).
2) U.S. Bureau of Labor Statistics.
3) If program is priced lower than competitors, assume the opposite effect.

Coordinate experiential learning opportunities with audience interest

The academic and co-curricular opportunities of a program are often deciding factors for students, particularly in crowded markets. Institutions can use the experience design element to help distinguish their programs from competitors and attract students. For example, the University of Denver's MBA program requires their students to complete four diverse practicums that allow them to explore different sectors while gaining hands-on experience.

Compare such an approach to the University of Texas at Austin's MBA "CleanTech" concentration option, which specifically targets students interested in renewable energy careers. Like the University of Texas, George Washington uses a special focus, in this case health informatics, to narrow their target audience – federal employees and policymakers in the DC-area. Finally, Indiana University has tapped into student's concerns over career outcomes by adding a Silicon Valley-based counselor to build relationships with key tech employers and support students' job searches.

Representative Experiential Design Strategies

Institution	Program	Differentiation Strategy
UNIVERSITY of DENVER	Master of Business Administration	Students complete four experiential learning projects to gain hands-on experience in entrepreneurship, corporate strategy, social enterprise, and international business
THE GEORGE WASHINGTON UNIVERSITY WASHINGTON, DC	M.S. in Management of Health Informatics and Analytics	Unusual focus on public health informatics attracts federal government policymakers and civil servants
INDIANA UNIVERSITY	M.S. in Data Science	Silicon Valley-based staff member coaches students through job search and develops relationships with employers in tech industry
TEXAS The University of Texas at Austin	Master of Business Administration	"CleanTech" concentration appeals to students interested in renewable energy careers

To help faculty and administrators institutions make the right design choices, EAB developed the **Market Alignment Checklist**, which lays out key questions to consider when designing (or revitalizing) a program.

Additional resources to help institutions avoid the most damaging program launch mistakes

For assistance in overcoming miscalculations in market demand potential, program design, and costs, use EAB's program launch resources on marketing, market demand, and market alignment available as part of our **Academic Program Innovation Resources**.

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