**Environmental Scan for the Cost Calculator Project**

This Environmental Scan systematically reviews external factors that impact the organization and the proposed solution. The analysis formalizes the Opportunities (O) and Threats (T) identified in the SWOT, providing context for designing a solution that is both technically viable and strategically resilient. The proposed IT solution for the development of a compliant cost calculator component must address the risks and capitalize on the opportunities presented by the external environment.

1. Regulatory & Legal Landscape

The most significant external threat to the project’s success is the complexity of government oversight and consumer protection laws surrounding educational costs and financial projections.

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| **Focus Area** | **Key External Factors** | **Project Impact & Risk** |
| **Federal and State Financial Aid** | Legislation such as the Higher Education Act (HEA) and specific state-level laws governing tuition, fees, and disclosure rules. | **High Risk.** Changes in federal definitions related to student loan interest rates, grant eligibility criteria can instantly render the calculator's core logic or its required disclaimers obsolete, necessitating immediate, costly code and content updates. |
| **Consumer Protection & Transparency** | Regulations from the Department of Education and the Federal Trade Commission (FTC) mandate accuracy and prohibit misleading advertising regarding degree costs and completion times, especially for for-profit institutions. | **Critical Risk.** As a custom calculator provides an individualized *estimate*, strict legal sign-off is required to ensure the output cannot be construed as a binding quote or a guarantee, thus protecting Arborwood from litigation and fines. |

2. Market & Competitive Forces

This analysis confirms the market need for greater transparency while acknowledging the intensifying competition in the online higher education sector.

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| **Focus Area** | **Key External Factors** | **Project Opportunity/Threat** |
| **Competitive Differentiation** | Competitors lack personalized, transparent tools for cost and time estimates. Most rely on static tuition tables. | **Opportunity.** Developing a best-in-class, personalized calculator will fulfill a clear market need, serving as a significant competitive differentiator and driving conversion rates, as identified by Marketing's research. |
| **Market Saturation and Parity** | The pandemic accelerated online adoption, eliminating Arborwood's early advantage. Many competitors now offer comparable online degree completion programs. | **Threat.** Competitors are actively working to close the transparency gap. The project must be delivered with alacrity (as noted in the SWOT) before a major rival launches a similar tool, negating Arborwood's first-mover advantage. |
| **Changing Prospect Demographics** | Growing national skepticism regarding the ROI of higher education and increasing cost sensitivity among adult learners who are Arborwood's target audience. | **Opportunity.** A transparent calculator directly counters public skepticism by proving the value proposition. It empowers cost-sensitive prospects by giving them control over the estimated time and cost of their degree. |

3. Technological and Platform Trends

This section examines the external technical ecosystem and platform dependencies.

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| **Focus Area** | **Key External Factors** | **Project Opportunity/Threat** |
| **API Economy and Source Systems** | A market trend toward using APIs to integrate data across enterprise systems for real-time information retrieval. | **Opportunity.** The new AEM component functionality offers the ability to build seamless API integrations to internal data source systems (for example, academic management and financial systems), enabling the calculator to pull accurate, real-time data and reducing manual data management. |
| **Emergence of AI in Content Generation** | The broader use of generative AI tools to create and maintain website copy, FAQs, and content-at-scale. | **Opportunity.** The ability to automate content production and leverage data fetched by the calculator can free up Marketing Content Strategists to focus on the high-level strategy and UI/UX, rather than low-value manual content updates. |

Conclusion and Next Steps

The Environmental Scan confirms that the market demands the proposed solution, but the regulatory environment poses a critical threat that cannot be managed solely by the IT team. The primary finding is the necessity of formalizing the legal approval process as a mandatory, early-stage project gateway.

Supervisor Introduction

The supervisor for this project is Michael Goettl, the Prospect Experience Optimization director in Arborwood University’s Information Technology organization. Mike has been with Arborwood for seven years and had worked both in IT and in marketing. He has visibility into and influence with all organizations that have a vested interest in this project’s outcomes and leads the developer and business analysis resources associated with the component’s build, testing and deployment.