**Mitigating Regulatory Risk:**

**A Comprehensive Compliance and IT Strategy for the**

**Development of a Cost Calculator**

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Organizational Introduction

Arborwood University is a private university offering baccalaureate, masters, and doctoral degree programs, along with graduate certificates, in an exclusively online format. The institution is heavily marketed online through social media and ad placement, as well as periodically in national television ad buys. The organization’s marketing team undertook intensive research to identify transformative initiatives that had the potential to drive revenue improvements in an increasingly saturated industry. A key friction point that impeded conversion on the commercial site was identified during the marketing team’s research related to cost transparency. The proposed project, a cost calculator that would be included on the commercial website, would enable prospective students to input information relative to their personal needs and program selection and obtain an estimate of both the cost and time investment required to obtain their degree.

Site Supervisor Introduction

The site supervisor for this project is Michael Goettl, a director in Arborwood University’s Information Technology organization. Mike has been with Arborwood for six years. His experience as the business owner of Arborwood’s commercial website and related paid media pages in marketing has enabled him to lead his IT team in fostering collaborative and transparent communications with his former colleagues 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. Mike also has an extensive background in web development, enabling him to provide meaningful and actionable insights into the solution’s architecture and implementation. Lastly, Mike’s experience with gaining legal approval for a number of marketing initiatives in his previous role enables him to advocate for his former organization to take the steps needed to ensure compliance while also retaining the authority to halt the project in the event such compliance approval is not secured.

Identification of the problem, issue, or improvement area selected

The problem identified for this project is a gap in the degree of cost transparency that impedes conversion of prospects on the University’s commercial website and the underlying organizational conflict and risk the prevents a solution from being successfully implemented. The chosen improvement area is the development of a custom, legally-compliant cost calculator intended for incorporation onto the University’s commercial website and paid media pages, coupled with the formalization of and adherence to a legal and compliance approval process to ensure the solution’s long-term viability and mitigate litigation risk.

SWOT Analysis: An Assessment of Arborwood University’s Marketing, Information Technology and Organizational State

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This SWOT analysis provides an assessment of the internal and external factors influencing the success of a planned technical project at Arborwood University. The project under consideration, a tool that would reside on Arborwood’s commercial websites used to calculate user-specific cost estimates for degree completion programs, is a strategic imperative whose concept was developed in response to extensive market research.

The primary finding of this analysis is that a clear market opportunity for differentiation exists, supported by strong internal resources. However, the project's success is jeopardized by the organizational disconnect between constantly-shifting marketing priorities and resulting IT skepticism. It is also at risk of failure in the event that legal/compliance approval is not secured and maintained over the lifespan of the proposed solution.

The calculator project is technically feasible, but its strategic viability is contingent upon leadership resolving the internal conflict and the establishment of formal processes by which legal approval is obtained and renewed over the tool’s lifespan before development proceeds.

## Detailed SWOT Quadrant Analysis

| Category | Assessment | Focus | Key Findings |
| --- | --- | --- | --- |
| Strengths | Helpful | Internal | Organizational stability, financial profitability, and a robust technical foundation.  The IT team is proficient, the organization is profitable, and the culture supports innovation. Stable IT/marketing communication provides a strong foundation for executing the vision *when* clearly defined. |
| Weaknesses | Harmful | Internal | Lack of strategic direction and high operational friction.  Churn in marketing priorities and the absence of a clear strategic roadmap lead to frequent refactoring, frustration in IT, and the potential for project abandonment. An additional weakness that centers on limited data integration is a key technical bottleneck that impairs speed-to-market and automation, and that risks data quality. |
| Opportunities | Helpful | External | Clear market gap for transparency and a supportive technology platform.  Competitors lack personalized cost tools. Arborwood’s content management solution recently furnished new off-the-self functionality that offers a low-overhead path to automate content, enabling Arborwood to achieve best-in-class differentiation and capture significant revenue increases. |
| Threats | Harmful | External | High regulatory risk and market volatility.  The most immediate threat is the failure to secure and maintain legal approval, exposing the project to litigation risk. Other threats include the dependence on external technology and the eventual stabilization/saturation of the post-COVID online learning market. |

## Discussion Points and Strategic Action Basis

This section outlines the areas that will be addressed with the site supervisor to ensure the project aligns with organizational goals and mitigates known risks.

*The Core Conflict: Aspiration vs. Execution*

The biggest internal risk is the disconnect between aspiration and execution. Leadership encourages innovation, but the lack of a clear strategic vision results in a lack of commitment to proposed projects. This, in turn, leads to conflict that undermines trust and interrupts the processes that support deliverables.

* Discussion Point: How can the organization establish a singular, annual product roadmap that transcends marketing shifts to ensure IT efforts are focused and not abandoned or a subject to constant deltas?

Strategic Urgency and Competitive Advantage

There is a current, clear, and profitable opportunity to build a best-in-class solution. Market analysis suggests that implementation of the planned solution would yield an estimated $35 million per year revenue increase in the first year, which is a 10% increase in corporate revenue growth. This opportunity must be acted on quickly, as the threat of competitors implementing similar or superior solutions is imminent.

* Discussion Point: Given the competitive urgency, what process can be adapted for achieving approval for the project by legal and compliance resources and for maintaining that approval over the lifespan of the solutions?

Critical Threats Requiring Mitigation

| Threat Detail | Recommended Mitigation Strategy |
| --- | --- |
| Regulatory and Litigation Risk | 1. The project will require a formal approval process applied to legal and compliance review of the solution before development begins and will apply rigorous change management processes to protect the legal/compliance approval. 2. The business owner of the solution will establish an ongoing means by which legal and compliance requirements are evaluated and met to ensure that approvals are maintained over the lifespan of the solution. |
| Data Integration Bottleneck | IT will dedicate immediate and protected developer resources to build the required infrastructure to enable automated data fetch from source systems for use in the content management system, converting a key weakness into a strength that supports automation and provides more rigorous data integrity. |

Environmental Scan for the Cost Calculator Project

This Environmental Scan 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.

| **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 and 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 and Competitive Forces

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

| **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. |

1. 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** |
| Data Economy and Source Systems | A market trend toward using data integrations across enterprise systems for real-time information retrieval. | **Opportunity**. The new content management system component functionality offers the ability to build seamless data 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. |

Environmental Scan 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.

An analysis of the intersection between a SWOT and the development of a project charter

A project charter directly translates the findings of a SWOT into the scope, objectives, and governance principles that will guide the project. Specifically, the SWOT’s identification of opportunities establishes the rationale for the project and its expected outcomes, while the weaknesses identified in the SWOT inform the project’s assumptions, constraints, and risks. In the case of the proposed project, identification of a potential solution to the obstacle posed by the lack of cost transparency and the quantification of the solution’s impact on that obstacle in tangible revenue realization form a compelling business case. In addition, the SWOT analysis identified the biggest threat to the project, namely the regulatory and litigation risk associated with the solution’s implementation. The SWOT therefore mandates that the project plan address this risk by ensuring legal and compliance approval of the solution both before development and on an ongoing, evergreen basis. In doing so, the SWOT has provided the basis for converting a strategic risk into a non-negotiable requirement for the development effort, which may, in turn, prove extensible into other high-profile endeavors undertaken by marketing in response to their research.

Development of a project charter

As a senior business analyst with over 25 years of industry experience, I’ve written a number of project charters over my career, a skill that has been greatly enhanced by my coursework in the last eight months. The project being explored during this and the second Capstone was undertaken by the organization in the fall of 2023 and completed in November 2024. As a result, I’ll be developing the project charter in retrospect with particular attention to the legal and compliance concerns that ultimately derailed the implementation of the solution outlined herein.

The project scope will be defined to include the development of a cost calculator component that allows baccalaureate, master's, and certificate student prospects to estimate the cost of their degree, and that can be included on the various templates that form the foundation of the University’s commercial website and paid media pages. It will also include the development of an API call to the University’s core student administration systems so that real-time cost data can be retrieved and stored in a new component delivered by the content management system that had not previously been leveraged as a data repository. Inclusion of the data automation may serve to mitigate legal and compliance concerns, some of which were predicated on the risk associated with manual data entry and management.