



THE  
**AMERICAN  
COLLEGE**  
OF FINANCIAL SERVICES®

# RICP Experiment

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## Agenda / Topics for Discussion

- Customer Lifetime Value
- Market Intelligence / Analysis
- Persona Development
- Journey Mapping



# The RICP Experiment: background

- The RICP Experiment is intended to pull together metrics and information related to fundamental data, market intelligence, and student journeys in order to lay the foundation for experimentation and fine-tuned product strategy (matching levers to situations).
- Initial Hypothesis:

Given initial estimates, there is a significant untapped market opportunity for the RICP—particularly with multiple-licensed independent advisors and agents (i.e. IBDs and RIAs who sell life insurance).

Market share can be captured by improving program completion rates, understanding the Student's perspective, bolstering digital experience, and reaching these advisors where they are—all executed in the form of quick experiments with established kill signals.

# Building a foundation for experimentation & strategy

- Decision makers want to know what impact strategic decisions will have on financial performance. Enabling this capability entails:
  - Understanding the student and their journey through obtaining a designation.
  - Acknowledging and prioritizing broad market opportunities.
  - Establishing client value metrics.
- These foundational components are often coupled with experimentation to validate which decisions and investments can have meaningful positive impact.

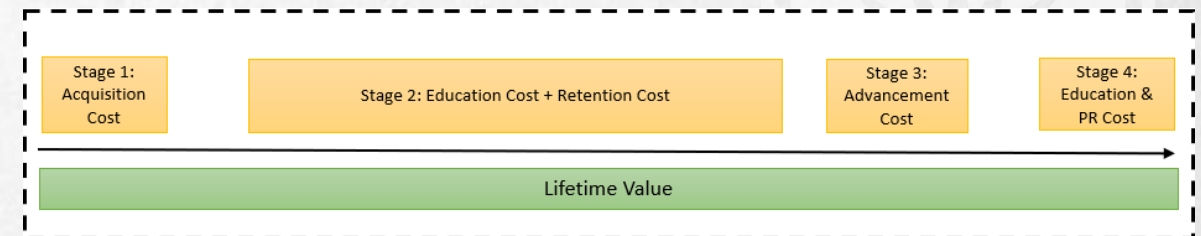
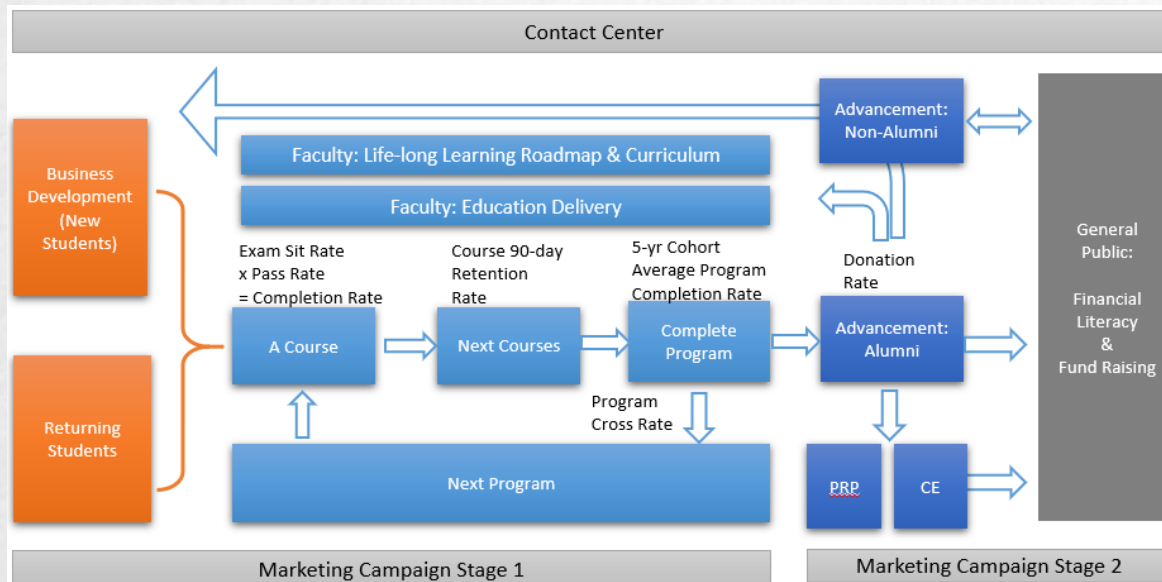


# Select project work to enhance experimentation

**Market analyses:** quantitative and qualitative analyses going beyond the current target customer

- Identify total opportunity, competitors, strategic opportunity
- Can leverage and build upon quantitative and qualitative work from persona/journey discovery

**Customer Lifetime Value Model:** critical to understand levers that impact financial



Credit: **Life-Time Value Concept and Implementation** Gary Tang, TAC Finance & Risk, May 9, 2020



# Customer knowledge empowers strategy (example)

## Hypothetical learnings

### Customer Journey

- Data tells us only **50% of enrollees** in the RICP complete the designation.
- Student feedback tells us **self-study lacks motivating mechanism**. They get busy and deprioritize it, lose belief in the 'need', etc.

### Customer Lifetime Value

- RICP enrollee **CLV is \$4,000 if they complete designation**.
- RICP enrollee **CLV is ~\$2,300 overall**, due to a 50% program completion rate.

### Market Analytics

- NMW has 8,000 BD reps without a CLU. **2.7% hold an RICP (212)**.
- LPL has 22,000 BD reps affiliated with their firm, **0.6% of the 21,312 non-CLU holders have the RICP (134)**.

## Decisions

## Execution

### Tactical experiments:

- **Run 'motivational campaign'** (email, call, invite to chat with a professor, etc.) when someone doesn't enroll in their next class after 3 months.
- Result?
  - Move RICP completion rate from **50% to 70%**.
  - Up to **\$1.33m** in additional lifetime revenue added each year.
  - Up to **\$533k** in year 1.

### Strategic work:

- **Business development engages/signs more partner firms** (leverage LPL-affiliation for IBDs as a support offer).
  - If LPL matched NWM could gain 450 RICP holders **adding \$1.8m in lifetime value**.

# Pre-Journey: Persona / Archetype Development

## Process

Data	<b>Mining and clustering</b> <ul style="list-style-type: none"><li>• TAC systems (SQL, Tableau, etc.)</li><li>• Cerulli, FUSE</li><li>• Discovery</li><li>• LIMRA</li></ul>
Surveys	<b>Qualitative synthesizing</b> <ul style="list-style-type: none"><li>• TAC survey data</li><li>• Industry research</li><li>• Social media research</li><li>• PR / brand awareness</li><li>• TAC divisional research (e.g.: NYL Center for Retirement)</li></ul>
TAC Stakeholder Interviews	<b>Talk to TAC department employees</b> <ul style="list-style-type: none"><li>• Business development, RMs, sales</li><li>• Marketing, finance</li><li>• IT/tech</li><li>• Educators, researchers</li></ul>
Student & Firm Interviews	<b>Talk to students, alumni, aligned partner firms</b> <ul style="list-style-type: none"><li>• Individual interviews</li><li>• Focus groups</li><li>• Students: current and former – graduates and non-graduates</li><li>• Partner firms: NYL, NWM, SF</li></ul>

## Synthesis



## Result (example)



John, age 50: Northwest Mutual employee, CLU, ChFC, Mid-career, many clients retiring, engaged in specialization (CLTC, CASL)



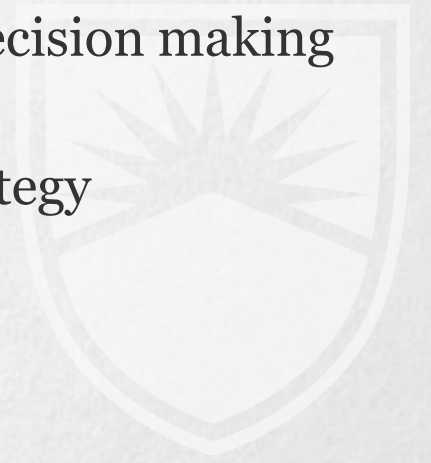
Gabrielle, age 35: LPL-aligned IBD, CFP, early career, looking to specialize, knows that demographics favor retirement income planning



Li, age 28, RIA, small 5-person firm, self-starter, learning about designations and how they can serve her and her clients

# Why develop personas / archetypes?

- Focus on Client Experience (CX) and user-centered design
  - Build empathy: understand the customer's needs, goals, motivation, and behavior
- Potentially identifies multiple journeys for one product
- Enhances stakeholder buy-in for investments, experiments, and strategic decision making
- Great opportunity to gather information related to market analysis and strategy



# What components go into a Journey Map?

- Capture **all** the student actions along five phases of the journey:

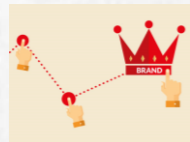


- Focus on specific student details within each phase:



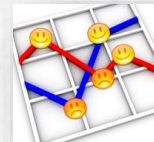
## Goals

- What is the student hoping to accomplish overall? Within each phase?
- What do they need to move forward?
- Are they aware of other services or products that will help them achieve their objectives?



## Touchpoints

- Where does the customer interact with the college or the brand?
- Indirect: word-of-mouth, a Google search, a presentation at work
- Direct: company website, course material, a call/email, instructors, IT/systems



## Sentiment

- Are there impediments or struggles?
- How do they feel about the process or that particular action?
- Does any touchpoint make them more or less likely to complete the journey?



## Data/Measures

- What data does the college have around the current student journey?
- What % of potential students move onto each phase?
- How long does it take a graduate to earn a designation?



# Journey Map process

We can deploy the same processes used in persona development for journey mapping

## Ask the customer

- Focus groups
- One-on-one
- Partner firms
- Surveys

- How did you find out about us?
- What next step did you take?
- Was there any difficulty?

- How and why do you make your employees aware of the RICP designation?

Was the website easy to interact with? ① 2 3 4 5  
Did the course material fulfill your expectations? 1 2 ③ 4 5

## Ask the business

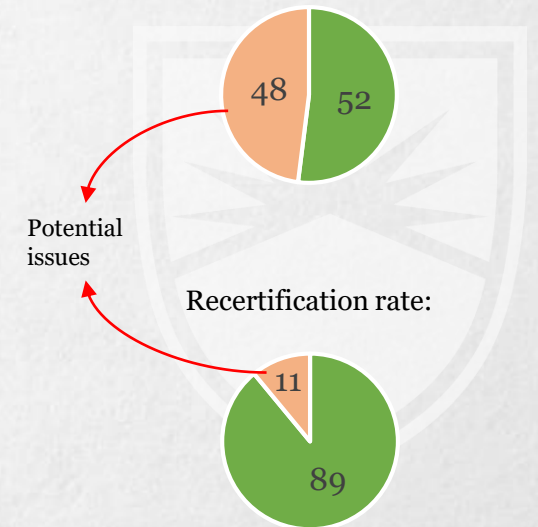
Stakeholders

- Leverage internal knowledge and experience with students, prospects, alumni, and partner firms
- Ask stakeholders to put themselves in the student's position when considering the actions toward completing the journey
- Incorporate research from product developers, research centers
- Obtain process maps

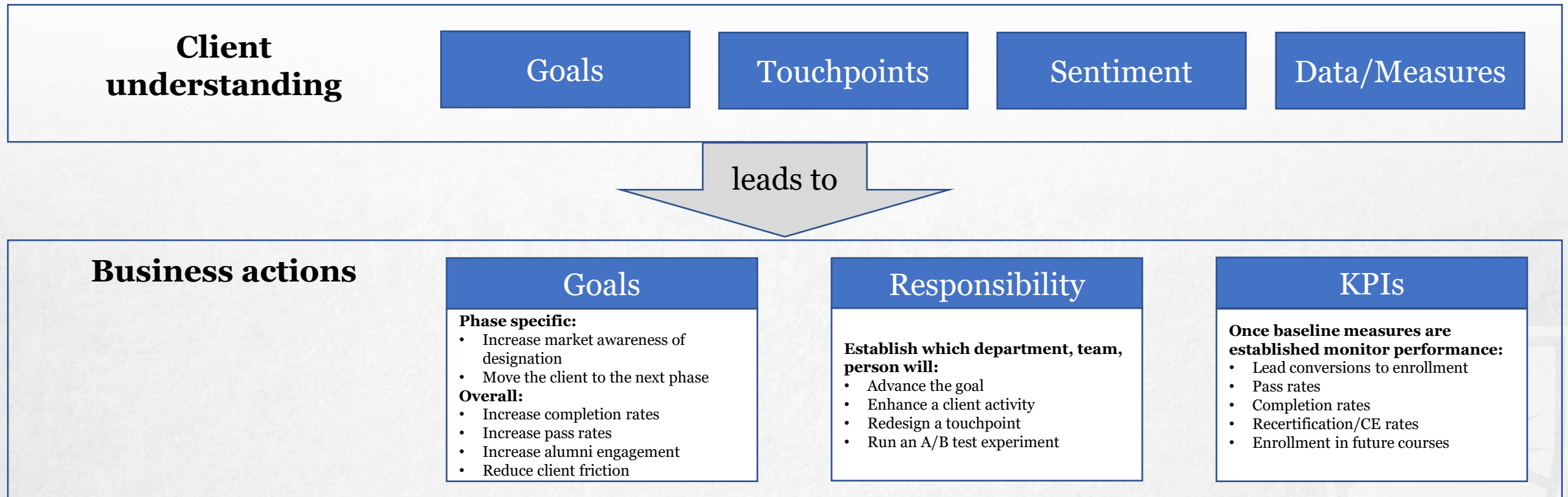
## Mine the data

TAC Systems

5-year completion rate:



# Journey Map is the seed for experimentation



Completing the journey map facilitates quicker and more meaningful experimentation:

- Focus is on customer-centric improvements
- Clear goals and responsibilities (including KPI development and accountability)
- Active measures in place

# The Value of Increasing Online Conversion Rate

- 76% of prospects who began the RICP enrollment process online did not complete enrollment
- Annual revenue impact per percentage is ~\$72K

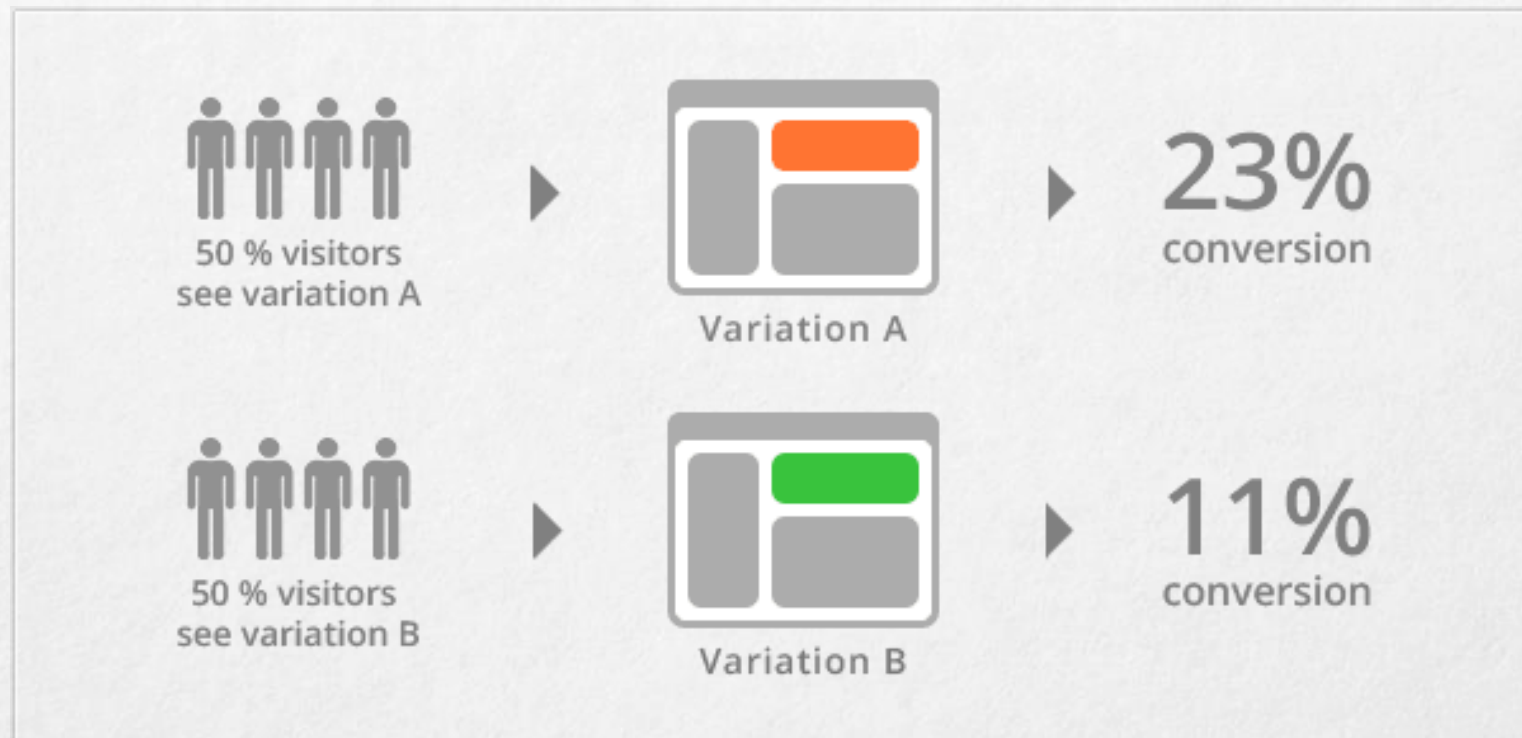
Conversion Rate	Revenue	Enrollments
24%	\$1,122,000	1,060
25%	\$1,221,000	1,160
26%	\$1,294,000	1,230
27%	\$1,367,000	1,300

*June 2020 - June 2021 data from Google Analytics*



# A/B Testing to Reduce Risk and Improve Conversion Rate

1. Create a variation of a webpage
2. Test the variation against the current enrollment experience
3. Measure and deploy the experience that generates the highest conversion rate
4. Repeat



# Summary & Targeted deliverables

The RICP Experiment is intended to pull together **metrics and information** related to fundamental data, market intelligence, and student journeys in order to **lay the foundation for experimentation** and fine-tuned **product strategy** (matching levers to situations).

## Targeted deliverables:

An assessment of the initial hypothesis around the RICP opportunity, through:

- ❑ Baseline market sensing
- ❑ RICP Touchpoint map
- ❑ Sub-section of the RICP journey
  - Experimentation results
  - ❖ ~~Market research (in conjunction with Project DEPPE's Market Analysis)~~





# Appendix

Sample completed Journey Map

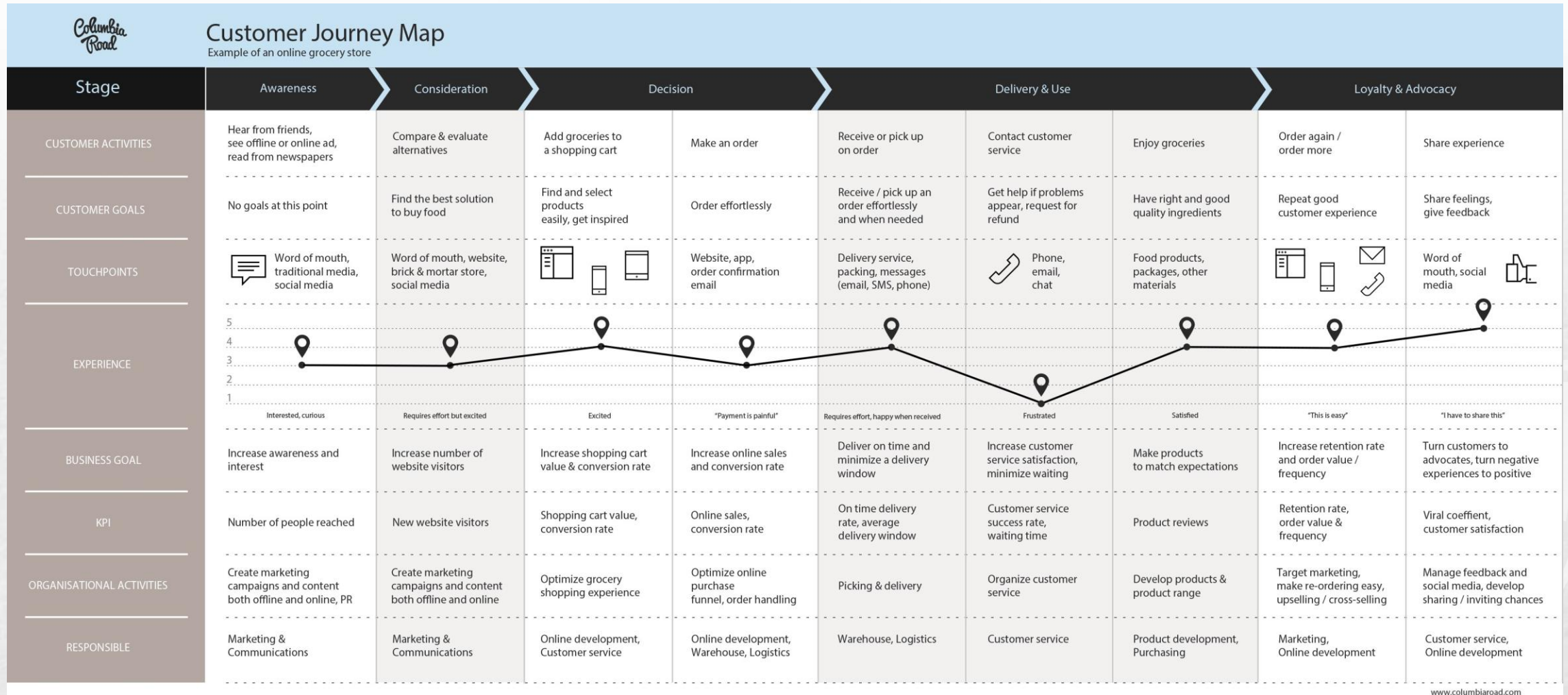
20 year view on Enrollments

Assorted Facts and Figures

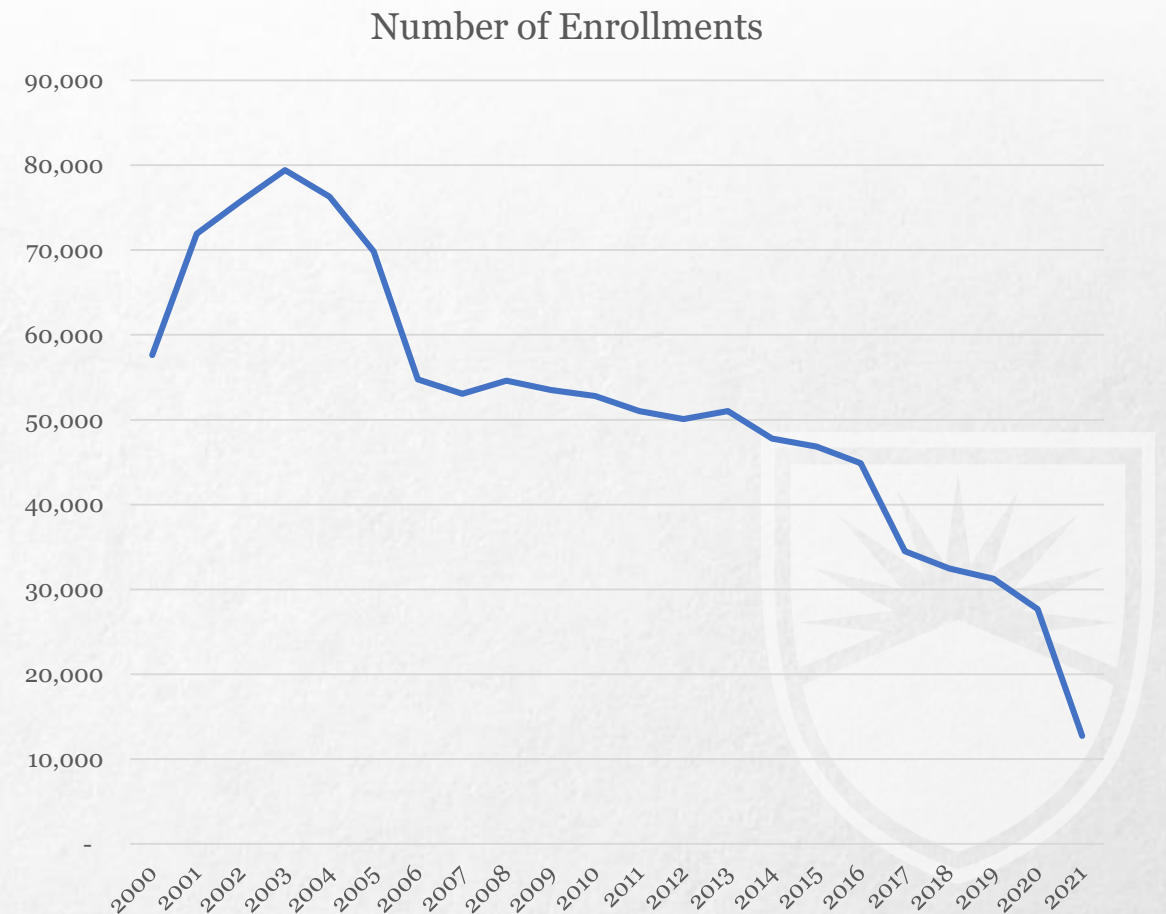
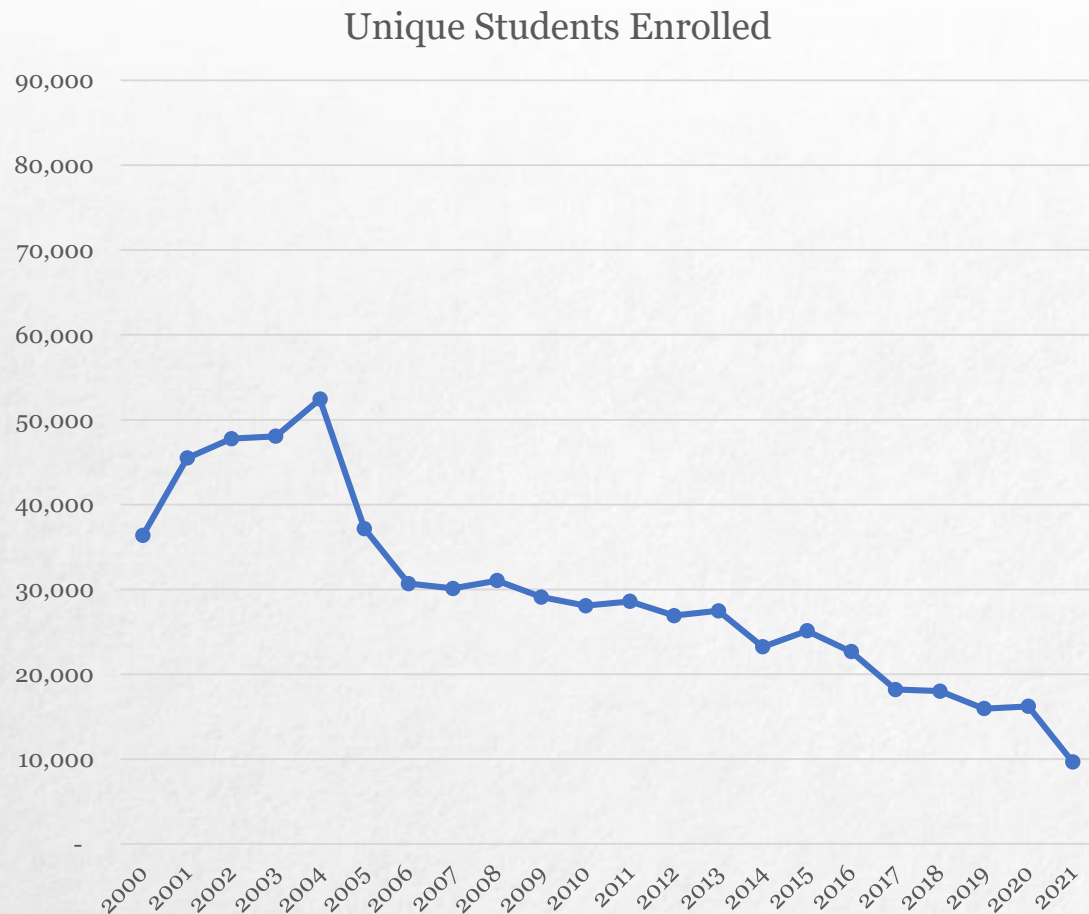
Balanced Scorecard definitions (reference)



# Sample Completed Journey Map (Web-enabled B2C)



Over the last 20 years, Student and Course enrollment have fallen significantly—however revenue has been relatively stable.



# Assorted facts and figures

## RICP Quick Stats (June 2020 – June 2021):

- 4,856 Total enrollments, counting all instruction modes
  - ~1,100 Web enrollments
- 2,951 students enrolled in courses
- Total net revenue of \$3.05M
  - ~\$1.1M Web revenue

## College Stats

- ~25,000 of 170,000 designations are not compliant with recertification requirements (20,000 are from CLU and ChFC)
- CLU, ChFC, and CFP program completion rates are near 30%
- ~167,000 living TAC alumni with proprietary degrees / designations
  - 110,000 unique alumni hold ~154,000 designations:  
~94,000 CLUs, ~8,000 RICPs, and ~54,000 ChFCs)

## RICP Completion rates:

RICP	Enrolled	1,095	2,222	2,633	3,648	2,377	1,462	1,371	1,233	1,380	695
	Percent Completed Within 2 Years	35.6%	35.6%	38.8%	38.1%	32.5%	49.7%	48.5%	45.3%	27.6%	1.2%
	Percent Completed Within 3 Years	41.8%	42.4%	44.5%	42.7%	36.9%	55.7%	54.5%	46.6%	27.6%	1.2%
	Percent Completed Within 5 Years	48.9%	47.9%	48.1%	47.3%	40.9%	58.7%	54.9%	46.6%	27.6%	1.2%
	Total Completed Within 5 Years	536	1,065	1,267	1,724	973	858	752	575	381	8
	3 Year Average			48.3%	47.8%	45.4%	49.0%	51.5%	53.4%	43.0%	25.1%



# Select Balanced Scorecard definitions (for reference)

**STUDENT RETENTION:** Student Retention is calculated based on if a student successfully completes a course (graded) and takes a subsequent enrollment action within 90 days that is not a retake or reschedule enrollment. If a student performs an enrollment action, this is considered a retained student. The student retention rate is calculated monthly and rolled up to an annual number. Students who have completed the last class of a program are not considered in the calculation as the only action that can be taken is to start a new program.

**STUDENT ENROLLMENT aka STUDENT SERVED; CURRENT STUDENTS (College level):** The student enrollment count is a count of students unique to the College in a calendar year and is separated into two categories, NEW and RETURNING. A student is counted only once, and the count is based on course enrollment. A student with no prior enrollments with the College is considered a NEW student and put into the NEW category. A student with previous enrollment history is considered a RETURNING student and is entered into the RETURNING category. A student can only be new once and is counted only once in a given calendar year. A returning student is only counted once in a given year regardless of how many course enrollments.

Similar to the course enrollment count, (drops, reschedules, retakes, and program extensions) are not included in the Student enrollment count. A student that purchases a package is counted when the student is actually enrolled in the courses.

**COURSE ENROLLMENT:** "The enrollment count is based on course purchases with the intention of completion. Single course enrollments and package purchases are included in the enrollment count at the time of transaction. Dropped enrollments, reschedules, retakes, and program extensions are not included in the enrollment count."