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Strategic Planning in the Business Enterprise of Christian Colleges and Universities: A Multi-Case Study Approach

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Strategic Planning in the Business Enterprise of Christian Colleges and Universities: A Multi-Case Study Approach

A dissertation submitted in partial satisfaction of the requirements for the degree of Doctor of Education

by

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ABSTRACT OF THE DISSERTATION

Strategic Planning in the Business Enterprise of

Christian Colleges and Universities:

A Multi-Case Study Approach

by

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Doctor of Education

University of California, Los Angeles, 2013

Professor Robert Cooper, Co-Chair

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Many tuition-driven private colleges and universities struggled for economic survival in the first decade of this millennium. The current study views higher education from a two-good framework that posits that every college and university provides teaching and service for the societal good while generating revenue from traditional business-like practices (B. Weisbrod, Ballou, & Asch, 2010). This study sought to understand the strategic and tactical planning philosophies and practices within financially successful Christian colleges and universities as well as the practices that allowed these institutions to remain faithful to their mission. Through a case study approach, I identified and researched three colleges that demonstrated financial success for the academic years 2006-07 through 2009-10, comparing the cross-case analysis against the literature regarding best business practices. From these findings I concluded with

recommendations that mission-driven institutions of higher education seeking to remain financially successful and true to their mission should first ensure that they have distinctive missions through which the institution views all institutional practices. Second, ingrain a flexible strategic planning mentality within the institution that is clearly and inextricably linked to the mission. Third, operate the basic institutional functions of the college like a business, ensuring that earned tuition fully supports campus operations. Fourth, make institutional advancement an institutional priority. Finally, diversify the institutional portfolio, consistent with the mission, in order to hedge against market changes in demand from specific demographics or professions.

The dissertation of Wayne Lewis Fletcher is approved.

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2013

DEDICATION PAGE

I dedicate this manuscript to my wife of 28 years, Michelle Fletcher. Through the process of completing this work, she has sacrificed her lifestyle and personal goals while I achieved mine. Her continuous support and encouragement during a tumultuous period of life provided me with strength to continue on. I am blessed to have an amazing wife that loves me, her family, and God.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

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VITA

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Chapter One - Proposal

Introduction

As many private Christian liberal arts colleges and universities struggle for survival during the current economic times, any significant loss of Christian college academic capacity may have far reaching economic and social impacts throughout the United States. During the 2000-01 through 2009-10 academic years, 49 Christian colleges were forced to close, averaging 4.9 closures per year (Brown, 2011; National Center for Education Statistics, 2010). During the second half of the decade as the economy declined, all sectors of higher education saw an influx of students (Knapp, Kelly-Reid, & Ginder, 2011; Kolowich, 2011; Taylor, 2010). In spring 2009, 114 private not-for-profit institutions were unable to meet the U.S. Department of Education's financial-responsibility guidelines (Blumenstyk, 2009; Taylor, 2010). This fiscal crisis worsened in 2010 when 149 private not-for-profit colleges failed the financial responsibility test (Blumenstyk & Richards, 2010; de Vise, 2010) and continued in 2011 with 150 colleges in financial trouble (Field, 2011). A. Richard Kneedler, a higher education consultant, concluded that two thirds of the seven hundred private colleges he examined are at risk of financial failure (Taylor, 2010). Reduced student access due to fewer Christian colleges and universities may negatively affect entrance, completion, and future earnings for students (Knapp et al., 2011). Further, the increased expense to the taxpayer to educate more students in the public sector will exacerbate the existing budget crisis within public institutions (Kor de Alva & Schneider, 2011). Finally, Christian institutions of higher education serve a diverse population through their geographical locations, academic programs, and Christ-centered mission (CCCU, 2012; National Association of Independent Colleges and Universities, 2011). Losing this diversity represents an unquantifiable potential loss to the higher education system.

History of the Problem

The current study views higher education from a two-good framework that posits that every college and university provides teaching and service for the societal good while generating revenue from traditional business-like practices (B. Weisbrod et al., 2010). When a not-for-profit institution generates an excess of net asset inflows from revenue greater than the net asset outflows from expenses incurred generating the revenue (Davidson, 1988), the net income is used to fund research, graduate education, low demand majors, low faculty teaching loads, and excess compensation (Fried, 2011). However, as in any business model, when expenses exceed revenues, the business must closely evaluate the relevant factors: assets, costs, liabilities, and income (Taylor, 2010).

Higher education revenue emanates from four primary sources: student tuition and fees; private donations and endowment proceeds; governmental subsidies; and private enterprise collaborations (Kaufman, 2008; Porter & Ramirez, 2009; Taylor, 2010). Most small Christian institutions are heavily tuition dependent with relatively small endowments (Hilpert & Alfred, 1987). However, private colleges generally anticipate that tuition revenue is insufficient to fund the institution’s full operating cost and must be subsidized by donated and commercial funds (Fried, 2011). Historically, institutions set tuition levels based on how much an institution believed could be charged (Fried, 2011). Within the current United States economic climate, however, tuition increases have been curtailed as affordability increasingly becomes an issue for students. In response, private colleges limited tuition increases, with an average increase of 4.5% for 2010-11. This limited increase followed a 4.2% increase for the 2009-10 academic year. These consecutive-year increases represent the first and second smallest tuition increases since 1972-73. Concurrently, tuition discounting (institutional scholarships) increased 6.8% in

2010-11 in order to keep student out-of-pocket costs as low as possible and maintain student enrollments (Pals & King, 2010).

The second major Christian college and university revenue source derives from donations and endowments, which suffered significantly during the recent economic downturn from 2008 through 2010. In 2010, on average, endowments funded 10% of operating expenses in private not-for-profit institutions, down from 13% in 2009 (Brainard, 2011). During the 2008-09 time period, endowments dropped by 23% (Fried, 2011). And while endowments recovered 12% in 2010-11, they still remained below their 2007 levels by as much as 20% (Brainard, 2011). In a December 2008 survey conducted by the National Association of Independent Colleges and Universities, college presidents listed their top concerns as fund-raising, endowment management, student aid availability, institutional debt, and student enrollment (Pals, 2008). In summary, the presidents' concerns predominantly revolved around institutional economics. In fact, the survey demonstrated that during the nation's economic travails, 97% of endowments for responding institutions had been negatively affected. In addition, 90% of responding presidents indicated that fund-raising was negatively affected. Subsequently, the *Chronicle of Higher Education* reported that in 2009, 60% of institutions reported a decrease in giving (Taylor, 2010).

While Christian colleges are challenged with finding ways to increase revenue, they are equally challenged in managing their increasing expenses. The inertia of rising expenses within higher education is difficult to overcome. Economists developed the Higher Education Price Index (HEPI) based on expense trends from 1961-2006. On average, the HEPI exceeds the Consumer Price Index (CPI) by approximately 1%. In addition, new educational inputs are expected to increase annual expenditures by another 1%. In total, economists forecast educational expense increases to average 4.4% per year (Kaufman, 2008).

With marginalized revenue, increased student need for institutional aid and escalating expenses, Christian colleges and universities are challenged to survive economically without altering some element of the revenue and expense equation. According to Taylor (2010, p. 97), "There is a real possibility that some colleges and universities, like major banks, will not be able to meet their day-to-day obligations." Unlike major banks that were rescued by the federal government, failure in the Christian education sector resulted in institutional sale, closure or merger.

Significance of the Study

While conceptualizing Christian universities as business units from a financial and operational perspective is useful, these institutions serve a diverse philosophical and geographic student population (National Association of Independent Colleges and Universities, 2011; B. A. Weisbrod, 1997). Losing that diversity represents an unquantifiable loss to the higher education system. Society's need for not-for-profit services is dependent on the diversity of that society. Government can more effectively meet an ethnically homogenous society's needs because the needs are more uniform. However, as societies increase in diversity, government does not have the capacity to meet the population's broad array of needs (B. A. Weisbrod, 1997). And, as the United States' economy demands higher levels of education, colleges and universities are increasingly serving a more diverse student population (Riley, 2011).

Economically, the Christian higher education sector provides capacity to off-load the public colleges and universities. Faith-based institutions currently educate approximately 10% of U.S. students and represent about 40% of all private not-for-profit undergraduate enrollments (Knapp et al., 2011; National Center for Education Statistics, 2013). Significant capacity loss in this sector forces higher volumes of students to stay within an already over-burdened public sector (Asimov, 2011). Nationally, state governments reduced higher education funding in their attempts to balance budget shortfalls. For example, as California prepared for another round of budget cuts for 2011-12, University of California President Mark Yudoff stated, “The physics of the situation cannot be denied—as the core budget shrinks, so must the university.” These sentiments were echoed by California State University Chancellor Charles Reed and Jack Scott from the California Community Colleges. Scott projected that California Community Colleges would turn away 350,000 student in 2011-12 (“CA gov slashes funding to higher education,” 2011).

Even with adequate public capacity to educate all students, public higher education costs to the taxpayer are significantly greater than that of private education. Nexus Research and Policy Center in conjunction with the American Institute of Research concluded a study wherein they determined that the average cost to the taxpayer for every bachelor degree emanating from a public university was $60,000. In contrast, every bachelor degree granted by a private not-for-profit institution costs the taxpayer approximately $8,000 (Kor de Alva & Schneider, 2011).

Research Design

Research overview. In a case study approach, I examined the business strategies, philosophies, and practices of three economically successful Christian institutions of higher education and evaluated their ability to remain faithful to their Christian mission. Utilizing the two-good conceptual framework, the primary factor employed in selecting institutions on which I conducted case studies was institutional financial success. I selected my sites based on a four-year average of the institutional financial responsibility composite score, as reported by the U.S. Department of Education.

While a simple historical analysis of documents and institutional outcomes provided a window into what occurred at these successful institutions, the analysis did not address the fundamental question of why. "Case studies are a strategy of inquiry in which the researcher explores in depth a program, event, activity, process, for one or more individuals" (Creswell, 2009, p. 13). Adding to the historical record, surveys and interviews within the case study approach allowed for the investigation of leaderships' philosophies and practices that provided insights into how financial success was accomplished and whether institutions remained faithful to their mission. Yin (2009, p. 17), cited W. Schramm in the following, "The essence of case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result" (p.17). Utilizing a comparative case study approach with three institutions provided the opportunity to replicate the study with the potential to yield stronger analytic conclusions (Yin, 2009).

In contrast, a quantitative study utilizing a survey mode over a larger number of institutions could provide significant information into the opinions and views of Christian institutional leaders. While valuable in identifying and comparing attitudes and ideas, a quantitative study would not to allow the researcher to understand why the leaders acted in specific ways or how they implemented those actions. Only through an interview approach can the researcher discover leader motivations and reasoning processes.

Research questions. The following research questions guided the current study:

1. What revenue generating strategies did senior leadership in financially viable Christian institutions of higher education employ to ensure fiscal viability during the period 2006 - 2010? How did the institutions' Christian mission affect the definition and implementation of those strategies?

2. What systems and strategies did senior leadership in financially viable Christian institutions of higher education employ to drive positive net income from the period 2006 – 2010? Why did leadership choose their specific tactics and systems and how were these tactics and systems affected by the institutions' Christian mission?

3. How did the senior leadership of financially viable Christian institutions of higher education purposefully ensure that the institutions did not become secularized in the pursuit of financial viability?

The combination of the diversity of educational choice, student capacity and access, and financial implications yields a need for this country to sustain its full complement of higher education choices. Identification of salient strategies and practices of successful institutions within the current study, and the reasoning behind those choices, provides a framework from which less successful institutions can construct a turnaround strategy. Recognizing that there is no recipe for turnaround success (Chaffee, 1984), less successful institutions can apply general principles as they develop institution specific plans.

The Council for Christian Colleges and Universities might disseminate the findings of the current study to their member institutions. Additionally, articles based on this study's findings can be disseminated to the *Journal of Research on Christian Higher Education* and *the Journal of Higher Education*.

Chapter Two - Literature Review

Introduction

The richness of opportunities within higher education are reduced with each closure of a Christian college in that the community heritage is forgotten and secularized education silences the voice of the Christian world view. In the new millennium's first decade, 49 Christian colleges and universities closed due to financial exigencies (National Center for Education Statistics, 2010) and in 2010, 149 private colleges failed the U.S. Department of Education financial responsibility test (Blumenstyk & Richards, 2010). Anecdotally, some Christian colleges and universities compromised their mission in order to increase enrollment and revenue. Thus, the purpose of the current study was to identify the business strategies and tactics employed by financially successful Christian institutions of higher education and to understand why the institutions chose specific strategies and tactics in view of their Christian mission.

Some scholars have questioned the ability of orthodox Christian colleges and universities to survive in today's culture (Cameron, 1994; Glanzer, Carpenter, & Lantinga, 2011). However, not only do many survive, they flourish. Successful institutions have grown in enrollment, programmatic offerings, and academic rigor while remaining true to their mission. The diversity of philosophical world-views espoused at Christian institutions of higher education, in addition to their geographic dispersal into smaller communities, provides an important choice for students and parents concerning how and where they attain their higher education.

In this literature review, the importance of strong and viable Christian colleges will be underscored through the rich history of Christian higher education. Additionally, to illuminate successful business practices within higher education, the challenges faced by Christian oriented colleges and universities in maintaining their spiritual mission while trying to survive in a market competitive environment will be explored. Finally, the value and necessity of strategic planning in private institutions of higher education and on effective business operations within a not-for-profit college environment will be investigated.

Background of U.S. Private Faith-Based Institutions of Higher Education.

Early history. From a historical perspective, the college system within the United States had its roots in Christianity before the United States' independence from England. Harvard College was founded in 1636 by the Puritans and was characterized by a dual purpose – the pursuit of knowledge and the development of a citizenry of both faith and moral character (Abelman & Dalessandro, 2009; Henck, 2011). In fact, Christianity drove the founding of eight of the nine pre-revolutionary colleges (Woodrow, 2006). The American colony colleges were founded on a duality of philosophy as they attempted to blend thought from Martin Luther's Reformation and the Enlightenment (Adrian, 2003).

The secularization of higher education. Secularization is the term typically used to describe an institutional move away from its Christian heritage or religious orientation (Adrian, 2003). In the post-revolutionary war era, secularization within many Christian institutions quickly took hold. By the turn of the 19th century, Calvinists were replaced by Unitarians at Harvard, permanently tipping the balance away from Reformation to the Enlightenment philosophy. By the 20th century, Harvard was fully transformed into a prestigious secular institution (Abelman & Dalessandro, 2009). Throughout the 19th century increasing numbers of evangelical colleges secularized their religious mission to meet the perceived demands of American higher education, driven largely by the German university model with its demanding application of Enlightenment thought and scientific method (Adrian, 2003). The process of secularization moved from intentional religious commitment to generalized religious commitment to forfeiting any specific or exclusive religious claim or identity. This process was accomplished by adding programs of study beyond these institutions' original mission or by modifying student behavioral or religious requirements (Abelman & Dalessandro, 2009; Flory, 2002).

The secularization of American higher education continued within both the private and public sector through the early 20th century, aided by the U.S. Supreme Court interpretations of the Constitutional separation of church and state (Cameron, 1994). According to the Harvard Report on General Education issued in 1945, as cited by Adrian (2003), the unifying purpose of American higher education – to train the Christian citizen – had largely vanished from most institutions. The new unifying purpose was the dignity of man. According to Merriam-Webster Dictionary, (2011), humanism is a "…philosophy that usually rejects supernaturalism and stresses an individual's dignity and worth and capacity for self-realization through reason." This fundamental shift of purpose replaced God as the central focus of education with a humanistic philosophy, altering the way higher education was delivered.

Resurgence of Christian education. After World War II, evangelical schools experienced a resurgence of growth and realignment to their historical roots. During this period, Christian institutions expanded degree programs beyond religious degrees. However, they maintained a religious focus (Abelman & Dalessandro, 2009). As Christian institutions were pressed to remain faithful to their religious mission, meeting the expectations of U.S. Christian higher education required leadership to maneuver through both the culture of the Christian academy as well as the culture of the affiliated church (Henck, 2011).

Adrian (2003) cited the 1966 Danforth Foundation Study reflecting that most faith-based institutions strove to avoid the appearance of sectarianism and were highly influenced by the trends within larger and more prestigious institutions. From this perspective, private colleges risked becoming smaller versions of the public colleges and universities. According to Glanzer, et al (2011), Jenks and Riesman, in publications from 1968 and 2002, indicated that the future of small-town Protestant colleges committed to orthodoxy was bleak. One school of thought assumes that we live in a secularized world. The belief that modernization leads to a decline of religion, however, has not been proven (Berger, 1999). In the case of Christian higher education, institutions affiliated with the Council for Christian Colleges and Universities experienced a 36.9% growth in enrollment from 1990-1999. In the two academic year period from 2005-2007, CCCU affiliated institutions cumulatively recognized 70.6% enrollment growth, compared to 28% and 13% in the private and public sectors, respectively (Henck, 2011).

Current state of Christian institutions of higher education. In 1971, a consortium of evangelical colleges formed the Christian College Consortium, later changing its name to the Council for Christian Colleges and Universities (CCCU). Today CCCU includes 184 "intentionally Christ-centered institutions around the world" (Adrian, 2003; CCCU, 2012). CCCU institutions recognize the Bible as the authority for religion. Subsequently, the faculty maintains a deep commitment to the Bible-centric cultures at these institutions. In addition, missionary enterprises and international service are typically stressed (Adrian, 2003).

In the first decade of the 21st century, aggregately, CCCU colleges experienced record enrollment growth as more students and parents intentionally sought out institutions that explicitly emphasized a Christian world view (Adrian, 2003). Yet, in spite of enrollment growth, many of these institutions still struggled for financial viability. To meet these demands, CCCU institutions continued expanding degree offerings beyond traditional liberal arts programs to include professional studies. As some CCCU institutions struggled for survival, they found themselves trying to balance between being mission driven and market driven. Some colleges that relaxed their doctrinal and denominational requirements to boost enrollments found that they attracted a more religiously diverse student population (Flory, 2002). In addition, philosophical compromises were made in faculty hiring in order to increase academic qualifications. Not surprisingly, the compromising institutions eroded their institutional mission in the process of expanding their demographic reach (Adrian, 2003; McIntire, 2010; Meyer & Sikkink, 2004). Beaty, Lyon, & Mixon (2004) described these events as follows: “This shift in ideological allegiances suggests to some that today’s religious colleges and universities are on the horns of a dilemma – maintain a distinctive religious identity or move toward a strong academic reputation” (p. 400).

Christian-centered higher education has a long and valuable history within the United States. However, beyond its historical roots, Christian-centered higher education provides philosophical diversity in interpreting world political and social events in light of a fixed standard of Biblical teaching, as opposed to a transient standard of morality that is subject to individualistic construction. Christian colleges and universities recognize the Bible as inspired and authoritative. The Bible provides the lens through which these institutions make curricular and moral decisions. Conversely, the humanistic philosophy does not provide absolutes regarding morality, focusing on the individual’s right to define their morality through self-realization. As evidenced by recent events at Pepperdine University and California Baptist University in addressing LGBT issues (Inside Higher Ed, 2011, 2012), Christian universities strain against secularization to remain true to beliefs counter to humanistic influences. Thus, maintaining a strong faith-based sector can provide students and parents with a philosophical choice concerning the paradigm through which education is delivered: a Christian world view or a humanistic world view.

The Christian College and University Mission

The ability of a Christian college or university to attract students is dependent on its mission (Porter & Ramirez, 2009). Further, institutions enjoying the greatest success retained a consistent mission and vision for ten years or more (O'Neal, 2010). Mission statements, required by many accrediting bodies (Accrediting Commission for Senior Colleges and Universities, 2008), drive the strategic planning in most institutions of higher education (Abelman & Dalessandro, 2009; Firmin & Gilson, 2007). Wilson, (1996) as cited by Firmin & Gilson, (2007), argued that a religious organization's mission was the key to implementing that organization's practical reflection of religion on a daily basis. While mission statements provide organizational purpose for all types of organizations, for the Christian college the mission must be personal, offering to change lives in such a way that all participants can know, understand and live the mission (Woodrow, 2006).

Faith-based colleges and universities have a greater chance of surviving than comparably sized secular private institutions (Chaffee, 1984; Porter & Ramirez, 2009). One theory explaining this increased survival opportunity argues that these institutions maintain a continuous source of students from their affiliated religion (Porter & Ramirez, 2009). In comparing matriculating enrollees to non-matriculating enrollees, Noel Levitz, (2010) found that matriculates are more likely to report routine church attendance. Further, non-matriculates are more likely to enroll in a non-faith based institution than a public or other faith-based institution. This enrollment to matriculation pattern further supports the idea that affiliated religions provide a continuous pool of students.

Under a humanistic paradigm, most colleges and institutions choose to reflect the culture they serve. Conversely, Christian colleges choose to challenge the culture's prevailing values.

Christian higher education is centered on the philosophy that faith and learning should be integrated (Woodrow, 2006). Jon Wallace, President of Azusa Pacific University, explained that the four cornerstones of a Christian university are: Christ, scholarship, community, and service (McIntire, 2010). D. Elton Trueblood, Ph.D., a noted 20^{th} century Christian philosopher and theologian and former chaplain at Stanford and Harvard universities, explained:

> As a Christian is one who is committed to Jesus Christ, so a Christian college is an institution of higher learning in which the Christian revelation provides the major premise for the entire intellectual operation. Like Archimedes, we need a place to stand if we expect to move the world, and the genuine Christian college has precisely such a place. (Trueblood & Newby, 1978, p. 120)

Christian philosophy espouses the belief that in Christ, its followers have an abundant life. Similarly, Christian institutions of higher education should operate under the same premise. These institutions can deliver rigorous academics from a Christian world view. The faculty and students can display academic excellence, commendable citizenship, and devotion to their God (Trueblood & Newby, 1978).

Student recruitment has always played a role in a Christian institution's road to secularization. Proximity of location drove many students to apply to Christian colleges not affiliated with their belief construct. Concurrently, the need for tuition revenue led the Christian colleges to admit these students. While non-believers were expected to abide by the institutional rules, over time, these students influenced the overall institution (Woodrow, 2004). However, under pressure to grow enrollments, some colleges intentionally changed their distinctive missions. In an effort to attract more students, regardless of the students' commitment to the mission, these institutions weakened their mission (Meyer & Sikkink, 2004). Adult education and degree completion programs posed a challenge to many Christian institutions. If Christian institutions maintained the same level of requirements for chapel and theology, they risked losing some students to private non-profit and for-profit competitors. However, if these institutions forwent the religious requirements for non-traditional students, the colleges and universities began losing their distinctive mission (Flory, 2002). As students demanded more in the way of programs and institutional amenities, Christian colleges straddled the line between being market-driven and mission-driven (Obenchain, Johnson, & Dion, 2004).

In order to fulfill their mission, Christian institutions of higher education generally require that faculty and staff explicitly agree to demonstrate a life of devotion to Christian principles and a commitment to their faith (Abelman & Dalessandro, 2009; O'Neal, 2010). However, when institutions fail to find qualified faculty willing to agree to the statement of faith, Christian colleges are compelled to consider other alternatives that may compromise their mission. For example, in a meeting with a Doctorate of Pharmacy program development consultant in October 2010, the consultant explained a situation where a Christian university required all faculty to conform to the teachings of their specific denomination. However, the university could not find a candidate who possessed the required credentials to serve as the Doctorate of Pharmacy program chair who also held membership in the specific denomination. In order to offer the Doctorate in Pharmacy program, the university had to choose to maintain its faculty requirement or create an exemption. The university, according to the consultant, chose to create the exemption. This example illustrated that the integrity of the institution was placed in jeopardy by prioritizing market over mission.

Strategic Planning

While profit, per se, is not a driving factor for most Christian colleges, functioning in a position where operating revenues exceed operating expenses is critical for long-term survival for institutions that lack a significant endowment to offset operating deficits. In order to achieve long-term financial viability, strategic planning is paramount. There is an old adage, "Failure to plan is planning to fail." Even more fundamentally, strategic planning is required by some regional accrediting bodies. Within the accrediting standards for the Western Association of Schools and Colleges, Standard 4 provides the following criteria for review (Accrediting Commission for Senior Colleges and Universities, 2008, p. 21):

4.1 The institution periodically engages its multiple constituencies, including faculty, in institutional reflection and planning processes which assess its strategic position, articulate priorities, examine the alignment of its purposes, core functions and resources, and define the future direction of the institution. The institution monitors the effectiveness of its plans and planning processes, and revises them as appropriate.

4.2 Planning processes at the institution define and, to the extent possible, align academic, personnel, fiscal, physical, and technological needs with the strategic objectives and priorities of the institution.

4.3 Planning processes are informed by appropriately defined and analyzed quantitative and qualitative data, and include consideration of evidence of educational effectiveness, including student learning.

Strategic planning is a multi-dimensional concept that evaluates all of the fundamental functions of an organization. Through strategic planning, organizations construct a unity of purpose and direction while adapting to externally induced changes (Hax, 1991; Shirley, 1983).

In one sense, strategic planning allows organizations to confront and shape complex realities (Buckland, 2009). Successful strategic planning examines its history to understand how an organization arrived at its current position. However, solely understanding historical context provides organizations with little ability to adapt in the future. Organizational futures are also determined contingent on future decisions (Buckland, 2009; Hax, 1991).

According to Hax, (1991), “The essence of strategy thus becomes the purposeful management of change toward achievement of competitive advantage in every business in which the firm is engaged” (p. 6). Strategy can emerge from observing patterns of past organizational behavior. Strategy is considered deliberate when it is formed, implemented, and the intent is realized (Buckland, 2009; Hax, 1991). Effective strategic planning includes a plan, do, check, act cycle. However, to ensure that the cycle occurs, part of the planning process includes assignment of responsibilities for execution (Hax, 1991). Yet, the articulation of strategy in a strategic plan is not in itself strategy. Instead, strategy is a process to manage the organization’s actions to align with its expressed goals and objectives (Buckland, 2009).

Higher education in general has been slow to adopt a strategic planning model. Some have argued against the efficacy of strategic planning in higher education. However, if setting long term objectives, creating annual plans to achieve the objectives and allocating necessary resources to achieve the objectives are relevant to higher education, then strategic planning is relevant (Shirley, 1983).

A fundamental strategic planning model recognizes three organizational levels of planning (Hax, 1991; Shirley, 1983; Vancil & Lorange, 1975). While some scholars use different names for the three levels, this review identifies the levels as institutional strategy, programmatic strategy, and functional strategy. Hax (1991) effectively describes a linkage in this process in the form of a Venn diagram (Figure 1).

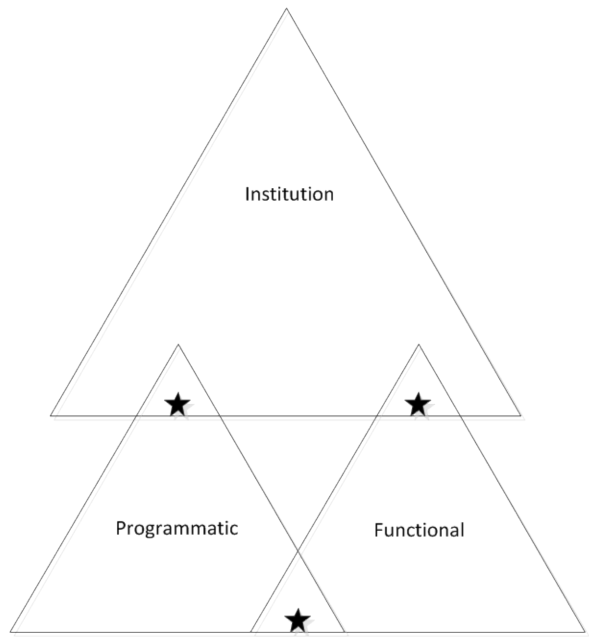

Figure 1 Linkage Diagram of Institutional Planning Levels

Adapted from Hax, (1991)

Each star represents a leader(s) that participates across planning levels. Hax, (1991) calls these leaders “linking pins.” Linking pins are responsible to ensure coordination within and between levels. Effective strategic planning is neither top down nor bottom up. Instead organizational objectives are proposed at the institutional strategy level. However, the programmatic options are suggested from both the programmatic and the functional levels (Hax, 1991).

Institutional strategy. At the institutional level, strategic planning focuses on the institution’s perception of who it is and what it wants to be, in view of its internal capabilities and the external environment’s influence (Shirley, 1983; Vancil & Lorange, 1975). Higher education has six strategic variables that must be addressed at the institutional level: 1) institutional mission; 2) target clientele to serve; 3) goals and objectives to be achieved to fulfill the mission and serve clientele needs; 4) programs and services to be offered to attain goals and objectives; 5) geographic service area; and 6) comparative advantage sought over competitors (Hax, 1991; Shirley, 1983; Vancil & Lorange, 1975).

Programmatic strategy. At the programmatic level, campus-wide functional and academic units develop specific programs and activities to support the institutional strategy. For example, each university college will be represented as well as the functional leads in finance, student affairs, enrollment management, facilities etc.

Functional strategy. At the functional level, specific planning occurs which starts to flesh out budgetary and resource requirements. For example, the student affairs department will plan specific initiatives to meet the programmatic strategies.

Resource allocation. Regardless of what strategic planning occurs and how effectively the strategies achieve the programmatic and institutional objectives, every institution is constrained by resource availability. Senior leaders ultimately must prioritize the proposed plans and allocate fiscal, human, and capital resources to support the plans. Once resources are allocated and budgets approved, tactical planning occurs to implement the strategic plans (Hax, 1991; Shirley, 1983; Vancil & Lorange, 1975). While long-range strategic planning does not need to occur annually, every level of the organization should conduct an annual review of their strategic plan, updating and adjusting the plan based on changing environments.

Strategic planning risks. All organizations face a major institutional risk in implementing a strategic planning process. Organizations that create planning departments create these units with the intention of dedicating resources to effectively coordinate the institutional future. These departments have the time and resources to effectively research external environments and collate information to disseminate through the organization.

However, there is a risk that the functional and operational departments become decoupled from the strategic planning process resulting in plans that are neither embraced nor effectively implemented (Hax, 1991). Strategic planning must engage the institutional leaders that can ensure implementation.

Colleges as a Business

In a quantitative effort to understand why colleges fail, Porter & Ramirez, (2009) investigated all colleges closing between 1975 and 2005. Their findings yielded four variables that correlated with school closures. Increased selectivity and religious affiliation had a negative correlation. The size of full-time institutional enrollment and institutional wealth as measured by endowment per full-time equivalent student maintained a positive correlation. If enrollment, translated as student demand, is strong in the Christian college environment, then one must ask the question of why 49 Christian colleges and universities were forced into closure due to financial exigencies from the period 2000 through 2010 (National Center for Education Statistics, 2010). Without significant endowments, effective institutional fiscal and managerial oversight becomes a key in ensuring institutional success. In 2004, 900 colleges self-defined as not-for-profit, faith-based institutions, with 300 institutions identifying themselves as Christian oriented (Obenchain et al., 2004). Currently, faith-based institutional enrollment represents approximately 11% of the overall college going population (National Center for Education Statistics, 2013). However, during the period 2006 through 2010, while all sectors of higher education, including the faith-based sector witnessed enrollment increases, 38% of faith-based institutions actually experienced enrollment declines (Knapp et al., 2011; Kolowich, 2011; National Center for Education Statistics, 2013). Further, 149 private colleges and universities failed the financial responsibility test in 2011, up from 114 in 2009 (Blumenstyk & Richards, 2010; Taylor, 2010). A. Richard Kneedler, a consultant in higher education, concluded that two-thirds of the 700 private institutions he examined were at risk of financial failure (Taylor, 2010). When assessing the financial health of colleges, all of the factors relevant to any business, including assets, costs, liabilities, and income must be evaluated (Taylor, 2010). Approaching college and university management from a two-good framework, higher education institutions provide services such as teaching and research for the societal good while financing these business activities through traditional businesslike revenue-generating activities (B. Weisbrod et al., 2010).

Revenue. Successful business leaders understand the importance of analyzing sources of revenue and best practices in catering to the target constituencies to ensure continued cash flow. While the public sector of higher education receives a large portion of its revenue from governmental sources and is thus very active in cultivating political relationships, Christian institutions derive their funding from student tuition and donor gifts. Depending on the revenue mix, institutions should devote resources to enhance their revenue (B. Weisbrod et al., 2010).

In private not-for-profit institutions of higher education, revenue flows from three primary sources: tuition, endowment and donations, and partnerships and affiliations (B. Weisbrod et al., 2010). The majority of faith-based institutions are predominantly tuition dependent (Hilpert & Alfred, 1987; B. A. Weisbrod, 1997). O'Neal (2010), visited 25 Christian colleges and universities in the fall of 2008 to observe best practices in institutions he regarded as "academically, financially, and spiritually" strong (p.1). O'Neal noted that, "The strongest financial models reflected most or all of the following – higher tuition, lower discount, major contributions from affiliated fellowships, significant revenues from graduate and adult programs, less debt, and most fundraising devoted to strategic operations and facilities" (p. 6).

Reliance on tuition for the majority of funding places private institutions at risk of financial distress. Downturns in student enrollment diminish cash flow while institutions experience a lag in reducing variable expenses. Private institutions with large endowments are better positioned to survive student enrollment ebbs and flows (Chaffee, 1984; Porter & Ramirez, 2009). Institutions that are smaller and enrollment driven - like most faith-based colleges and universities - reside in a delicate financial position. These institutions are particularly vulnerable to economic challenges that can fiscally devastate them (Henck, 2011).

Tuition. In the past, tuition dependent institutions increased tuition on an annual basis to fund on-going operational pursuits. However, with the recent recession, institutions mitigated tuition increases due to student affordability issues (McIntire, 2010). Advertised tuition is not the expected tuition by the institution. In order to target enrollments from higher-achieving students or targeted demographics, institutions discount tuition in the form of merit or needs-based scholarships (Fried, 2011; B. Weisbrod et al., 2010). To supplement the discounted tuition, Christian institutions increasingly emphasize donations and endowment-building because private institutions routinely sell undergraduate education below cost (Meyer & Sikkink, 2004; O'Neal, 2010; Porter & Ramirez, 2009; B. Weisbrod et al., 2010).

Endowments and donations. At larger private institutions, endowments significantly subsidize student tuition to cover overall operational expenses. In the private education sector, average endowments funded 10% of expenses in 2010, down from 13% in 2009 (Brainard, 2011). However, when enrollments increase in institutions that subsidize tuition, all things being equal, additional endowment funding is required in order to avoid reducing per student subsidizations (Meyer & Sikkink, 2004). Most private colleges within the United States have minimal endowments (Hilpert & Alfred, 1987). Even those with endowments suffered through the financial meltdown of 2008-09 where the average value of endowments dropped by 23% (Taylor, 2010). Increasingly, the institutional president is focused on fund-raising to increase endowments and to fund capital projects (McIntire, 2010). The office of advancement is now a fixture on most college campuses. Analysts review student enrollment and endowment funding per student as factors in evaluating institutional distress (Porter & Ramirez, 2009). However, increasing donations is difficult in the current economic times. In 2009, 60% of colleges and universities nationally reported a decrease in donations. B. A. Weisbrod (1997), believes that significantly increasing donations cannot happen without changes to current tax laws.

Without adequate funding, institutions are forced to take out debt in order to finance required capital projects. In a downward spiral, schools with financial problems typically have lower credit ratings and thus incur a higher debt cost. Credit ratings are affected by a school's "…wealth (endowment), its current and prospective income (from tuition, donations and other sources), and its existing debt" (B. Weisbrod et al., 2010, p. 41). In a continuing problem first identified in 1978, between one quarter and one third of higher education institutions experience financial difficulties resulting from long-term debt on facility expansion projects when enrollment declines (Comptroller General, 1978).

Expenses. Howard Bowen, economist and university president at three different institutions, proposed what has become known as Bowen's law when he stated "colleges raise all of the money they can and spend all of the money they raise" (Fried, 2011, p. 3). The real cost of undergraduate education ranges from $5,000 per year to $9,000 per year (Fried, 2011). Factors driving the cost differential can be broken into three categories: efficiency, effectiveness, and austerity.

Efficiency. One primary factor driving educational expenses is faculty workloads. With tenured faculty often teaching 9 to 12 contact hours per week, institutions are re-evaluating the cost-benefit of full-time faculty. According to Riley (2011), “If colleges seriously wish to reduce their instructional costs, they should begin by asking professors to do more teaching” (p. 162).

Many institutions supplement full-time faculty with increasing numbers of part-time and adjunct faculty. While increasing the mix of part-time faculty brings some economic relief to the institution, the institution loses continuity and institutional knowledge by decreasing the students’ contact with full-time faculty (Flory, 2002). In addition, increased part-time faculty utilization in freshman courses contributes to higher first year attrition (Schibik & Harrington, 2004). Increasing full-time faculty teaching loads, while not documented in the literature, holds the potential for increased faculty turn-over.

A second efficiency factor is scheduling. Many institutions allow faculty to choose the times and days that courses will be offered. This allowance affects students’ ability to take courses due to conflicting course offerings and, from a fiscal perspective, creates inefficient facility usage requiring more space than is necessary for the student body. Excess facility capacity has both an operational and capital impact to institutions (Riley, 2011).

A third efficiency factor is the continuation of low demand majors. Small class sizes and underutilized faculty increase the institutional instructional cost (Fried, 2011).

Effectiveness. Institutions must evaluate how effectively they deliver education. Opportunities to improve effectiveness include reducing excessive compensation paid to faculty and administration as well as by monitoring and measuring faculty research to ensure the output has value (Fried, 2011). Another opportunity for improving effectiveness is to limit the availability of remedial instruction. Universities that utilize college faculty to teach high school level courses are ineffective in utilizing their faculty resources (Riley, 2011). Finally, because the administrative staff at some institutions has grown faster than faculty, with rates of pay increases above the rate of inflation, leaders must carefully consider all non-academic positions and salaries in relationship to value obtained by the university and its students (Taylor, 2011).

Austerity. Austerity is the third component of expense management and is often the first employed by institutions (Comptroller General, 1978). Stringent budgetary controls typically start with restricted spending on supplies, frozen hiring for new or replacement positions, and employee layoffs.

Profitability. Within the non-profit world, profit does not technically exist. Instead, excess revenue over expenses is referred to as net income or earnings (Davidson, 1988). There is an old adage common in the non-profit world, "No margin, no mission". Often, institutional net income resulting from undergraduate education is concealed through subsidies to other missions. For instance, net income may fund research, graduate education, low demand majors, low faculty teaching loads, and excessive compensation (Fried, 2011). Discrepancies exist in opinions on whether undergraduate tuition fully funds the actual cost of undergraduate education. By unpacking the expenses layered into a non-profit institution of higher education and decoupling the tangential missions, undergraduate tuition in itself may be a profitable venture (Fried, 2011). Conversely, others argue that undergraduate tuition is insufficient to cover the costs of educating students (Meyer & Sikkink, 2004; Porter & Ramirez, 2009). It appears, however, that the two perspectives do not compare like expenses. By decoupling the tangential institutional missions, the actual cost of education decreases (Fried, 2011). However, when revenue does not fully cover operating costs, institutions must prioritize the subsidized missions and make choices (Fried, 2011). While all colleges and universities must effectively balance their respective budgets, the majority of Christian institutions do not have the endowment capacity to supplement excess expense over revenue. In addition, fund-raising is expected to provide money for capital and strategic projects – not to fund operating losses (O'Neal, 2010).

Interestingly, enrollment growth does not necessarily equate to increased net income. From one perspective, if student tuition is subsidized through endowments, increased student population increases the required endowment funding. However, if an institution is losing money per student, increased student population may result in increased losses (Jackson, 1982; Meyer & Sikkink, 2004). Conventional wisdom argues that with enrollment growth, institutions become more efficient as a result of economies of scale. This perspective states that larger schools have a lower educational cost per student (Porter & Ramirez, 2009). However, this assertion is debatable once an institution surpasses a low enrollment threshold. Research depicted a negative correlation between enrollment growth and institutional financial strength. Schools gaining more that 7% in enrollment growth were financially the weakest, based on their asset to liability ratio. However, other financial ratios were inconclusive (Meyer & Sikkink, 2004). The assertion that the asset to liability ratio is the most appropriate reflection of institutional fiscal health is arguable which calls into question the study's findings.

Marketing. The concept of marketing and sales is unseemly to many in academia (B. Weisbrod et al., 2010). However, it is a critical element in supporting new student enrollments and student retention efforts. Peter Drucker wrote, "Marketing is so basic that it cannot be considered a separate function. It is the whole business seen from the point of view of its final result, that is, the customer's point of view," as cited by Kotler (1988, p. 1). Kotler (1988) in his seminal textbook, *Marketing Management*, emphasizes this point further by insisting that marketing be well coordinated with all departments and that the organization clearly identifies its target markets.

Most businesses do not embrace a marketing concept until they are forced to do so through reduced sales, slow growth, changed buying patterns, increased competition, and increased marketing expenditures (Kotler, 1988). Transition to a market-oriented organization typically presents three challenges: organized resistance from those internal to the organization; slow learning of the new concepts; and quickly forgetting the new concepts when sales increase (Kotler, 1988).

Within any marketing campaign, the institution must establish its brand identity, based on its core mission and values. The more honest an institution is with itself, the more ably it can develop external messaging that capitalizes on its strengths. Many CCCU affiliated institutions create messaging that is inspiring; but, the message is not practical in that it does not help students understand how students will benefit from the education (Abelman & Dalessandro, 2009).

Kotler, (1988) breaks marketing into four basic components, also known as the four P's: product, pricing, place and promotion.

Product. In most small private colleges and universities, the primary product is education, with little emphasis on research. However, in Christian institutions, the education is delivered from a Christian world-view framework. This product differentiation maintains importance in marketing a Christian college. Without differentiation between institutions the customers (parents and students) view institutions as commodities that lead to competition on price (Kotler, 1988; Meyer & Sikkink, 2004). Liberal arts focused Christian institutions have increasingly added professional and/or vocational program offerings. Vocational degrees increased from 10% to 22% of all degrees awarded from the period 1971 – 2006 (Riley, 2011). Vocational degrees, often in the form of degree completer programs targeting an adult population, seek to expand the demographic reach of the institution. While program expansion into the continuing education arena has proven financially successful for many institutions, the institution risks distraction from its core liberal arts education, which may decrease staff and faculty satisfaction (Hilpert & Alfred, 1987).

Pricing. Pricing in all private universities is more art than science. Private institutions have a list price for tuition against which various discounting strategies, in the form of institutional scholarships, are employed to attract specific students (B. Weisbrod et al., 2010). Since most Christian institutions are heavily tuition driven with marginal endowments and no state subsidies, tuition is high relative to public institutions. In reality, tuition is often set based on how much a college thinks it can charge based on a comparison against its perceived market competition as opposed to a budgeting method that determines price by evaluating cost and adding a markup, as in many businesses (Fried, 2011).

Place. Mode of delivery has increasingly become a factor in the sale of higher education. The evolution of internet-based learning progressed from a fad to a necessity. No longer are students satisfied to experience education solely in a traditional classroom. Synchronous and asynchronous online courses, podcasts, video conferencing, and other emerging technology continue to reshape how education is delivered. In marketing an institution, Christian colleges and universities increasingly must let prospective students know the benefits offered through the institution's methods of educational delivery.

In higher education, place also can refer to the physical location of the campus along with its amenities. In a conversation with the provost of a Southern California Christian university in

May 2011, the provost discussed the fact that his institution's historical location in South Central Los Angeles dissuaded parents from sending their children to the university due to safety concerns. In the early 1970's, the university was on the verge of financial collapse. However, when they relocated to their current facility in a more desirable location, growth and financial success quickly followed. In today's consumer environment, location and quality of facilities are factors in choosing a college.

Promotion. Often, marketing practices within Christian colleges and universities are employed because they were observed to be effective at other institutions (Hilpert & Alfred, 1987). With the current availability of institutional information to prospective students and parents via the internet, institutions need to carefully and intentionally craft their messages to attract their target markets (O'Neal, 2010). Students are attracted to Christian universities by messages that stress the quality of the academic program or major in which a student is interested; the preparation a student receives for a future career; and, the excellence of faculty from both a professional and a teaching ability perspective. Parents are most attracted by the quality of the academic environment; quality of faculty, and the Christian environment (Noel Levitz, 2010).

As Christian institutions create the messaging surrounding their unique identity or brand, they must communicate the institution's specific features and benefits to help students and parents overcome the barrier presented by the higher tuition expense of a private college over a public institution (Hilpert & Alfred, 1987; Noel Levitz, 2010). In addition, Christian colleges need to market to high school counselors to educate them concerning opportunities at a specific institution (Noel Levitz, 2010). Another tool to employ is the development of articulation agreements with feeder programs. Through a concentrated effort in developing feeder programs, students who may not otherwise qualify for admission to the specific Christian college or university can be funneled back into the pipeline after completing coursework at other institutions.

Sales. While the term "sales" may create angst within many higher education institutions, all colleges and universities, at all levels, employ a variety of sales techniques. Whether the salesmanship is aimed at attracting the highest level of student into a selective institution or increasing student diversity or simply attracting eligible students that can pay the cost of tuition to a struggling institution, sales remain relevant and must be targeted based on the institutional needs and brand.

Once the promotion activities deliver a viable candidate for enrollment, Christian colleges need to employ a professional staff of admissions officers that understand the importance of securing sufficient new enrollments to ensure a vital organization. The admissions officer needs to continually bring the prospect back to how the institution meets the needs of that specific student, in a transparent and open fashion that emphasizes the institution's spiritual nature. The features and benefits that attract a student to a Christian college are often distinct from those of public institutions and must be emphasized to help students and parents understand the value they will receive for the increased cost of tuition (Noel Levitz, 2010). However, once a student enrolls, the sales process cannot stop. Other opportunities may surface that will cause the enrollee to change his or her mind. The admissions officer should continually re-recruit the student until the student actually arrives on campus for the first day of class (Noel Levitz, 2010). While every institution is concerned with freshman show rates for the first day of classes, smaller tuition driven institutions are at increased financial risk when the incoming freshman class falls below budgeted levels. Staffing and faculty hiring decisions are made in advance of the fall start. Therefore, institutions find it more difficult to adjust staffing levels until the next quarter or semester or even the next academic year.

Retention. While student retention is not typically considered part of marketing and sales, in most service industries, customer (student, in the case of higher education) persistence is critical to sustained success. Account managers, with the specific focus on retaining an existing customer base, are common across industry. In fact, from a business model perspective, customer retention can be more important that customer attraction because of the high initial customer acquisition cost (Kotler, 1988). Similarly, Christian higher education must also focus on student retention both from a regulatory perspective and a financial perspective. Currently, student completion rates are increasingly under scrutiny within government and other watchdog agencies (Lumina Foundation for Education, 2009). Over time, financial aid may be tied to some measure of student completion.

For a tuition dependent institution, retaining a student that has already attended the institution is a cost effective way of maintaining a revenue stream. Freshman to sophomore retention rates are reported annually by each institution to the U.S. Department of Education. In a very simple example, a college with a freshman enrollment of 500 students and 60% freshman to sophomore retention rate loses 200 students. Assuming $20,000 annual tuition, the institution loses $4,000,000 in annual tuition revenue and $12,000,000 in lifetime tuition revenue (assuming a four-year time to graduation). While attrition is inevitable, by increasing freshman to sophomore retention from 60% to 70%, the institution gains back $1,000,000 per year in tuition revenue. The retention of 50 additional students typically comes with little associated cost in that these students are added to existing sections in most cases, dropping a significant portion of the tuition revenue to the bottom line to increase net income.

Summary

In this literature review, an overview of Christian higher education's history within the United States, with its roots going back to the earliest periods of European settlement in the original colonies, was presented. Christian higher education's influence has ebbed and flowed through five centuries as many Christian institutions became secularized while others were forced to close for financial reasons. However, new Christian colleges developed throughout that time to fill the void. Evidence suggests that today many Christian colleges and universities are financially failing in an environment where the overall sector is experiencing enrollment growth.

A summary of business practices associated with successful private colleges was provided that examined key revenue and expense drivers. Recognizing that a Christian college's mission invokes a spiritual calling, reality demands that it also survive on an economic basis. Revenues must be maximized and expenses managed in order to yield a net income that allows for on-going operations and capital improvements.

Further, the literature suggested that strategic planning can provide the foundation from which an organization confirms its identity and determines how it will achieve its goals and objectives going forward. While the strategic planning literature within private colleges is sparse, effective business practice recognizes strategic planning as critical to long-term business success. In concert with planning, the literature highlighted the importance of creating and sustaining the Christian mission and identified some pitfalls in allowing institutions to focus on the concept of "market over mission."

The current study focused on identifying the strategies and tactics employed at three financially successful Christian colleges and provided insight into why the leadership chose the specific strategies and tactics. A cross-case analysis that focused on the strategic planning and business operations perspectives that compared the findings with the literature discovered best practices that can be shared with all mission-driven colleges to improve operational practice.

Chapter 3 - Research Designs and Methods

In the past decade, 49 Christian colleges and universities closed due to financial exigencies. In addition, for the period 2007 through 2010, there was a significant increase in the number of institutions that were financially unstable. The current study examined the strategic and tactical leadership philosophies and practices of three economically successful Christian institutions of higher education and evaluated their ability to remain faithful to their Christian mission. The following questions supported and guided the current research:

1. What revenue generating strategies did senior leadership in financially viable Christian institutions of higher education employ to ensure fiscal viability during the period 2007/2008-2010/2011? How did the institutions' Christian mission affect the definition and implementation of those strategies?

2. What systems and strategies did senior leadership in financially viable Christian institutions of higher education employ to drive positive net income from the period 2007/2008-2010/2011? Why did leadership choose their specific tactics and systems and how were these tactics and systems affected by the institutions' Christian mission?

3. How did the senior leadership of financially viable Christian institutions of higher education purposefully ensure that the institutions did not become secularized while in pursuit of financial viability?

This chapter outlines the research methods used to conduct the current study. The research design and methodology, including site selection, data collection and analysis methods, and issues regarding validity, reliability, and ethics are presented.

Overview of the Research Design

In a case study approach, the current study examined the strategic and tactical leadership philosophies and practices of three economically successful Christian institutions of higher education and evaluated their ability to remain faithful to their Christian mission. Utilizing the two-good conceptual framework, the primary factor employed in selecting institutions on which to conduct case studies was institutional financial success. Sites were selected based on a four-year average of the institutional financial responsibility composite score, as reported by the U.S. Department of Education for the academic years 2006-2007 through 2009-2010.

While a simple historical analysis of documents and institutional outcomes provided a window into what occurred at these successful institutions, the fundamental question of why was not addressed. “Case studies are a strategy of inquiry in which the researcher explores in depth a program, event, activity, process, for one or more individuals” (Creswell, 2009, p. 13). Adding to the historical record, surveys and interviews within the case study approach allowed for the investigation of leaderships’ philosophies and practices, providing insight into how they accomplished their financial success and if they remained faithful to their mission. Yin, (2009, p. 17) cites W. Schramm in the following, “The essence of case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result” (p.17). Using a comparative case study approach with three institutions, the current study can be replicated, thereby yielding stronger analytic conclusions (Yin, 2009).

Site Selection and Access

Site selection. Section 498(c) of the Higher Education Act of 1965 requires all Title IV participating private non-profit and for-profit postsecondary institutions to submit annual audited financial statements to the U.S. Department of Education. This submission is designed to demonstrate that the institutions are maintaining the standards of financial responsibility as defined by the Department. The Department utilizes a composite score of three ratios derived from the audited financials. The ratios are: primary reserve ratio, equity ratio, and net income ratio. According to the Department, the composite score is a reflection of the overall financial health of the institution. Scores range from -1.0 to +3.0. Any score equal to or greater than +1.5 reflects a financially responsible institution. The U.S. Department of Education also reviews the institutions' cash reserve capability to make student refunds and meet financial obligations and debt payments (U.S. Department of Education, 2011).

Accounting experts representing private college and university trade associations challenged the composite financial responsibility test for accuracy and relevancy. These experts challenge the consistency and accuracy of the Department's financial analysts' utilization of accounting definitions. One specific area challenged is the inclusion of endowment losses (paper losses) in the financial calculations which drove down scores in the wake of the 2008 recession (Pals, 2011). While institutions may challenge the validity of the composite score, all institutions are required to report the same information in the same format, thereby creating a reasonable proxy for overall institutional financial health.

Recognizing that composite financial responsibility scores represent a snap shot of institutional financial health and are subject to negative market conditions, institutions were selected for the current study based on the average composite financial scores from the academic years 2006-2007 through 2009-2010 (U.S. Department of Education, 2011). This four-year time period reflected institutional financial health prior to the 2008 recession and provided an indicator of how institutional strategies insulated the colleges against the effects of the recession.

All for-profit institutions were removed from the data set and the private not-for-profit institutional four-year composite scores were averaged. Utilizing the data set of 1,538 private institutions with composite scores in all four years, the average composite score required to be in the 90th percentile of institutions was calculated at 2.90. Filtering the aggregate private college and university population to include only those with membership in the Christian Council for Colleges and Universities (CCCU) and undergraduate enrollment of less than 5,000 students, twelve institutions remained as viable candidates.

Table 1 -
4-Year Average Composite Scores
All Non-Profit Postsecondary Institutions

N	Valid	1538
	Missing	0
	Mean	2.4254
	Median	2.6000
	Std. Deviation	.54657
	Minimum	-.80
	Maximum	3.00
Percentiles	90	2.9000

Source: U.S Department of Education, Office of Federal Student Aid

Table 2 - Case Study Institutional Characteristics

School Name	[1]Composite Score 4-yr Avg	[2] Relig Affil	[3]Enroll	[3]Gender Split (M/F)	[2]Classification		[3]Tuition	[3]FT Ret Rate	[2]Need Based FA	[2]Endow (000)
Mississippi College	2.90	BP	5,218	40%/60%	Sub	Select	13,340	69%	46%	60,717
North Greenville University	2.90	BP	2,438	48%/52%	Rur	Select	13,936	69%	N/A	16,889
Trinity Christian College	2.95	RC	1,470	35%/65%	Sub	Select	23,288	76%	81%	8,015

1 Source: U.S Department of Education, Office of Federal Student Aid
2 Source: US News and World Report College Best Colleges Rankings 2012
3 Source: National Center for Education Statistics

Access to site. Access to key leaders at qualifying institutions was a prime consideration in the current study. In order to gain access to these institutions, the president of each university had to grant permission. To obtain that permission, I constructed a proposal that outlined the study objectives, the required access levels to participants and relevant documents, and an outline of the case study (Appendix 1) to be presented back to the institution. I solicited institutions from among the twelve school sample population until I secured three sites willing to grant me access. In total, six colleges were solicited before I was able to secure necessary approval and access into three institutions. In addition, the president of each institution signed a memorandum of understanding which confirmed expectations and roles.

Serendipitously, the presidents at the three sites voluntarily served as gatekeepers to their respective campuses, granting me full access to requested documents and leadership. Further, the Office of the President at each site distributed surveys on my behalf.

Data Collection Methods

Preliminary data were collected for each participating institution by accessing public information through the National Center for Education Statistics, *U.S. News and World Report Best Colleges*, and the individual institutional websites. From there, data collection proceeded in the following order:

1. Document collection and synthesis.
2. Faculty/Staff Institutional Mission Perception survey. (Appendix 2)
3. Senior administration Strategy Survey (Appendix 3)
4. Senior administration interviews (Appendix 4)

The first research question evaluated why specific strategies were adopted by the president and board of trustees to ensure a financially viable institution.

Response to question 1. Data were derived by collecting and analyzing several documents from the participating institutions including strategic plans for years 2000-2010, annual plans for years 2006-2010, and planning meeting minutes for years 2006-2010. This information provided a contextual understanding of the planning process and its relationship to financial outcomes. In addition, faculty profile information was reviewed to evaluate changes in full-time and adjunct faculty ratios, faculty workload, and faculty to student ratios. Finally, I visited each campus and interviewed, at a minimum, the president, the provost/vice-president over academics, and the vice-president of administration concerning institutional planning as reflected in the processes found in the document review. One hour individual interviews were scheduled with each of the participants from the three institutions. Prior to beginning the interview, I disclosed to each participant that the interview was being recorded and assured each interviewee that all information disclosed would remain confidential. This statement was repeated at the start of the interview to ensure that the disclosure was captured in the audio file. Each interview was recorded, transcribed, and coded. The interviews were conducted using a semi-structured protocol (Appendix 4). The interview content consisted of questions focused on the strategic planning process and why specific strategies were adopted and pursued. Questions were constructed to elicit responses from senior leaders regarding the role staff and faculty played in the planning process.

Response to question 2. Research question two asked why senior leadership chose specific tactics to manage positive institutional net income. Tactics could have included, but were not limited to: increasing revenue through tuition increases; decreased tuition discounting; student retention activities; new program development; teaching out low enrollment programs; targeted marketing campaigns; shifts in full-time and part-time faculty mix; faculty and staff layoffs; delayed hiring of new and replacement positions; and increased fund-raising success. Evaluating these tactics required that I obtain and evaluate institutional tuition trends for the years 2006-2010, fund-raising initiatives, strategic documents, catalogs, and tuition discount effects on net tuition for the same years. Additionally, the trend in freshman to sophomore retention rates for the years 2000-2010 were evaluated. Further, at a minimum at each institution, the president, the provost/vice president over academics, and the vice president of administration were asked why they chose specific tactics and what were the perceived successes and challenges in growing net income. The interviews with the president, provost/vice president over academics, and vice president of administration were scheduled for one hour sessions. The interviews utilized a semi-structured protocol (Appendix 4). Prior to beginning the interview, I disclosed to each participant that the interview was being recorded. However, all information garnered would remain confidential. This statement was repeated once the interview started to ensure that the disclosure was captured in the audio file. Each interview was recorded, transcribed, and coded.

Response to question 3. Research question three evaluated the institution's financial success in relation to maintaining its Christian mission. In order to investigate this question, I first needed to determine if the institution had remained faithful to its historic mission, as perceived by staff and faculty of the institution. This faculty and staff perception was captured through a survey (Appendix 2). The surveys were administered electronically to all staff and faculty at the university by the office of the president at each institution. Participants electronically completed the surveys asynchronously via the internet utilizing Qualtrics. The survey was designed so that it could be completed in less than ten minutes. Questions targeted staff and faculty perceptions concerning the institution's fidelity to its mission over time. The survey included categorical questions on an ordinal scale and open-ended questions. The office of the president at each institution sent out the email link to each participant to alleviate institutional concerns that I would communicate directly with participants without institutional consent. Once the survey results were compiled, I evaluated participant perceptions concerning the institution's mission fidelity. If the survey results had indicated mission drift, I was prepared to follow up the survey with faculty and staff interviews to better understand their perceptions. Therefore, I included a question in the survey that allowed staff and faculty to self-select in order to be interviewed. However, this step was not required based on review of the Institutional Mission Survey results.

Data Analysis Method

In addressing questions one and two, I conducted a document review to identify trends and patterns within key specific metrics, including enrollment growth, demographic changes, retention patterns, and growth in revenue from different sources. In addition, review of planning documents allowed me to understand the people and processes involved in planning. Finally, leadership interviews provided an opportunity to flesh out questions arising from the document review process and draw conclusions about why the institution chose specific strategies and tactics surrounding the business planning and implementation phases at each campus. I analyzed data sets and surveys using descriptive statistics to ascertain changes across key metrics over time. I systematically coded interview transcripts to identify conceptual trends within each institution.

Analyzing the data from the third question was a two-step process. First, based on faculty and staff survey data, I validated that the institution had remained faithful to its Christian mission. By evaluating descriptive statistics concerning staff and faculty perceptions, I perceived that if the average mission fidelity score equaled 3.5 out of 5.0 or greater (70%), I could conclude that the university was not experiencing mission drift. Then, based on this preliminary determination, I was able to evaluate the leaderships' perspective on mission fidelity and make a determination concerning the institution's overall mission fidelity. By comparing staff and faculty perceptions with leadership perceptions I was able to determine: a) whether the institution has remained faithful to its mission; b) if the institution had drifted from its mission and why; or c) if the information was inconclusive due to varying perceptions between staff, faculty, and leadership.

All interviews were transcribed and coded. The transcriptions were analyzed for patterns and themes related to managing a financially successful Christian college or university while remaining faithful to the mission. After evaluating and completing the case study at the individual campus level, I looked for commonalities and differences between institutions through a cross-case analysis. It is in the comparative analysis that the current study becomes powerful. Where patterns were common, the outcomes could be generalized for other mission-driven institutions. To further strengthen the findings from the current study, I compared my cross-case analysis against best business practices, as identified in the literature.

Ethical Issues

The primary ethical consideration within the current study was maintaining confidentiality of interviewees and survey respondents. A second ethical consideration involved maintaining confidentiality of all proprietary information shared by each institution. It was paramount that I maintained confidentiality of the interviewees and ensured that comments could not be traced back to an individual. In addition, in order to ensure that all interviewees felt that the transcriptions were consistent with the interviews, I provided each interviewee a transcript of the interview to review and edit prior to coding the data.

All non-public information gathered from each institution was cataloged and secured. No information, electronic or hard copy, was stored at any campus location. In addition, no raw data was made available to any personnel at any of the research sites. Three years after the study conclusion, all data that directly links to any individual will be destroyed. Proprietary documents will either be returned to the respective institutions or destroyed, based on the institutions' request.

Credibility and Generalizability

Affecting validity is the case study sample size and selection. By investigating three institutions, my ability to generalize the findings to all Christian colleges and universities is limited. In addition, while the sample institutions were from different geographic regions of the country and maintained dissimilar student enrollments, investigation of Christian colleges with larger or smaller student enrollments or colleges in other geographic regions may yield different findings. That said, the fundamental research questions apply to all mission-based institutions. Results from this research can provide a construct from which other mission-based institutions can develop individualized road maps. My intent is not that these findings create the road map.

A credibility concern evolves from the necessary inferences derived in case studies (Yin, 2009). Case studies must often rely on making inferences. To address the credibility concerns surrounding inferences, I identified and articulated alternate explanations, looking for convergent data to derive findings and conclusions. I utilized key informants at each research site to review findings and to suggest alternate conclusions. In addition, there is a potential for reactivity in the interview process, wherein participants tell me what they think I want to hear. To address this concern, my interview protocols remained semi-structured so that I could appropriately probe into responses based on information previously gleaned from document reviews, surveys, and other interviews. Triangulating information before drawing conclusions was imperative to address this concern. To ensure reliability of the current study, future researchers need to be able to replicate or continue my work. Therefore, my research methods are operational and documented as feasible.

Summary

In conducting research, the objective of the current study was to examine and understand the strategic and tactical leadership philosophies and practices of three economically successful Christian institutions of higher education and evaluate their ability to remain faithful to their Christian mission. By conducting a cross-case analysis, I identified the tactical and strategic actions employed by these institutions. However, equally important was that I documented the reasoning behind the strategy allowing me to understand the role that the Christian mission played in influencing strategic and tactical planning.

Chapter 4 - Three Case Studies: Mississippi College, North Greenville University and Trinity Christian College

Introduction

Mississippi College, North Greenville University, and Trinity Christian College were identified as financially successful and mission-driven institutions for the academic years 2006 - 2007 through 2009-2010. Success was determined by averaging the Financial Responsibility Composite Scores calculated by the U.S. Department of Education for the same period. Institutions that posted Composite Scores in the 90th percentile of all private not-for-profit colleges and that belonged to the Council of Christian Colleges and Universities were considered in the current study. The three institutions represented three of twelve institutions that met the established standards.

The case studies were designed to gain understanding into the role that planning played in the achievement of financial success in mission-driven colleges and universities. The following questions informed this case study:

1. What revenue generating strategies did senior leadership in financially viable Christian institutions of higher education employ to ensure fiscal viability during the period 2007/2008-2010/2011? How did the institutions' Christian mission affect the definition and implementation of those strategies?

2. What systems and strategies did senior leadership in financially viable Christian institutions of higher education employ to drive positive net income from the period 2007/2008-2010/2011? Why did leadership choose their specific tactics and systems and how were these tactics and systems affected by the institutions' Christian mission?

3. How did the senior leadership of financially viable Christian institutions of higher education purposefully ensure that the institutions did not become secularized while in pursuit of financial viability?

Data were gathered through anonymous online surveys, archival data review, secondary source data review, and key informant interviews.

Case Study #1 – Mississippi College

Background

Institutional history. Mississippi College (MC), ranked 30th for Regional South Universities by U.S. News and World Report, is located in Clinton, Mississippi, a small community located ten miles from Jackson, Mississippi, the state capital ("U.S. News college compass: Best colleges," 2013). Founded in 1826, MC is the oldest institution of higher education in Mississippi. It is a private, co-educational, comprehensive Christian university of liberal arts and sciences and has been affiliated with the Mississippi Baptist Convention since 1850 ("Mississippi College: A Christian university," 2013). The college maintains a prominent visual position within Clinton. Its campus, with a Greek revival architectural style, is visible from Interstate 20 and is located at the intersection of two major thoroughfares within Clinton.

Current enrollment is approximately 5,200 students, with an undergraduate student population of about 3,200 (National Center for Education Statistics, 2013). Academic offerings are across 80 areas of study, with 15 graduate programs including doctorates in jurisprudence, education leadership, and professional counseling. The college is institutionally accredited by the Southern Association of Colleges and Schools. Further, the college maintains programmatic accreditations with the American Bar Association, Commission on Collegiate Nursing Education, National Association of Schools and Music, National Council for Accreditation of

Teacher Education, and the National League for Nursing Accrediting Commission ("Mississippi College: A Christian university," 2013; National Center for Education Statistics, 2013).

Lee Royce, Ph.D., has served as College President since 2002 and has overseen the growth and development at MC. Dr. Ron Howard serves as Vice-President of Academic Affairs and Dr. Steve Stanford is the Vice-President for Administration and Government Relations. Utilizing a semi-structured interview protocol, I interviewed these individuals, along with the Chairman of the Board of Trustees, Mr. Roy Ward, to understand the strategic planning processes at MC.

Mississippi College's mission, vision and values. MC promotes an unambiguous vision that specifically includes a focus on delivering education from a Christian perspective. "Mississippi College seeks to be known as a university recognized for academic excellence and commitment to the cause of Christ" ("Mississippi College: A Christian university," 2013). This outlook is more thoroughly fleshed out in the espoused institutional values -

> By embracing the Mission and Vision of Mississippi College the members of the university community are striving to practice and promote:
>
> - Fidelity: We commit ourselves to the life and teachings of Christ Jesus.
> - Integrity: We strive daily to exhibit Christ-like character.
> - Inquiry and Knowledge: We pursue knowledge and truth.
> - Service: We use our gifts, talents, and abilities to advance the genuine well- being of our community and promote Christian values.
> - Respect: We commit to building a community that challenges, inspires, liberates, and ultimately transforms.
> - Excellence: We utilize our God-given gifts to the best of our abilities in order to produce the highest quality of work.
> - Stewardship: We carefully shepherd our resources.

To validate that MC is operationally consistent with its stated mission, I conducted an Institutional Mission survey of faculty and staff to ascertain employees' perceptions concerning MC's fidelity to its stated mission. A total of 152 individuals anonymously completed the eleven question survey. Results from this survey indicated that 97% of employees supported the faith-based mission of MC. Interestingly, only 79% of staff and faculty indicated that MC's mission was an important part of their decision to work at the institution. In addition, 90% of employees believed that MC effectively communicated its Christian mission and 84% believed that the college consistently modeled its Christ-centered mission. When asked whether administration successfully maintains an emphasis on the Christ-centered mission, 85% agreed, but only 72% agreed that their colleagues reflected the institutional mission in their actions. The survey asked participants to assess if MC had compromised its mission over time. In response, 76% of employees did not believe that there had been compromise. Reflecting this position, one employee stated, "I admire the leadership at Mississippi College for modeling servant leadership, for holding firm on the Christian beliefs on which the college was founded, and for using every opportunity to reiterate the mission of the college and its beliefs."

Another employee concurred,

> The university works to achieve its Christ-centered mission by strongly encouraging and promoting community service outreach opportunities, mission opportunities at home and abroad, and supporting a variety of church and worship related opportunities on campus. Faculty and staff are encouraged to live out their faith and to serve students as Christ would serve them.

Contrasting MC with a formerly Christian institution that migrated to a secular focus, one employee observed,

> As a graduate of what was a Christian college that has become secular, I realize now that Mississippi College has been able to maintain its Christian tradition by retaining two important degree requirements: 1) BIB 110 - Introduction to the Old Testament & BIB 120 - Introduction to the New Testament and 2) [and] a four semester chapel requirement. Drop these two degree requirements and Mississippi College would become just another private secular institution.

Of the minority believing MC has compromised its Christ-centered mission, the major themes identified involved academic integrity in admissions standards and in the classroom. Six employees indicated compromise related to admissions standards with comments such as,

"…allow anyone regardless of GPA or test scores." and, "…a lowering of standards in order to maintain a certain number." A more complete concern was expressed by one employee,

> An admit-all policy is not always the Christian thing to do for some students who do not qualify academically or are not cut out for the profession. Wasting their time and money when they are certain to fail is not Christ-like.

The opinions of these employees translate into their perception of compromise in academic integrity in the classroom. Six employees specifically commented on academic integrity with one employee stating, "…allowing students to pass when cheating encourages dishonesty in their future." Another faculty member stated, "I think when it comes to academics here at MC we sometimes put more emphasis on getting students in the school and keeping them here for the money rather than what is best for them academically."

Institutional demographics and changes: 2001, 2006, 2011. Mississippi College enjoyed a 38% growth in both traditional and adult populations through the period 2001 through 2011. While all ethnic demographics grew numerically, the Black population had the greatest numerical growth (191%). The international population gained a foothold on campus growing from six students to 117. The ethnic demographic shift reduced the White population from 86.3% of the student body to 69.6%. The percent of male students remained relatively stable, decreasing from 41.2% of the population to 40% (Table 3). Another population shift resulted from the introduction of the adult education program enrollment. Adult education grew from zero students in 2001 to 364 in 2011 (Table 4).

Table 3 – Mississippi College Ethnic and Gender Demographics
(National Center for Education Statistics, 2013)

Undergraduate Student Demographics	2001		2006		2011	
	N	%	N	%	N	%
American Indian	6	0.26%	10	0.38%	20	0.63%
Asian	22	0.95%	24	0.91%	42	1.31%
Black	262	11.29%	620	23.56%	762	23.81%
Latino	8	0.34%	14	0.53%	44	1.38%
Native Hawaiian	0	0.00%	0	0.00%	0	0.00%
White	2004	86.34%	1832	69.60%	2079	64.97%
2 or more races	0	0.00%	0	0.00%	6	0.19%
Unknown	13	0.56%	74	2.81%	130	4.06%
Non-resident Alien	6	0.26%	58	2.20%	117	3.66%
Male	957	41.23%	1015	38.56%	1280	40.00%
Female	1364	58.77%	1617	61.44%	1920	60.00%
TOTAL	2321		2632		3200	

Table 4- Mississippi College Program Enrollment 2001-2011
(National Center for Education Statistics, 2013)

Total Population	2001		2006		2011	
	N	%Pop	N	%Pop	N	%Pop
Traditional Undergraduate	2321	100.00%	2261	85.90%	2836	88.63%
Adult/Distance	0	0.00%	371	14.10%	364	11.38%
Graduate	960	41.36%	1406	53.42%	2018	63.06%

Tuition. Mississippi College increased tuition rates significantly in the ten-year period between 2001 and 2011. Overall, tuition increased 39% during this period; however, the rate of increase declined during the second five-year period from an average of 4.2% per year to an average of 3.0% per year. Concurrently, the average tuition discount rate decreased from 52% in 2001 to 45% in 2011. The decrease in the discount rate over this period created a net realized tuition increase of 40%, or 4% per year (Table 5).

Table 5 – Mississippi College Tuition/Fee and Tuition Discount Changes 2001 -2011
(National Center for Education Statistics, 2013)

	2001		2006		2011	
	N	**% Change**	**N**	**% Change**	**N**	**% Change**
FT Tuition/Fees per student	9,600	n/a	11,600	20.83%	13,340	15.00%
Average Tuition Discount Rate	52.0%	n/a	50.0%		45.0%	
Net Tuition/Fees per student	4,608	n/a	5,800	25.87%	7,337	26.50%

Financial composite scores. Examining actual financial indicators to understand financial viability for the academic years 2007-2008 through 2010-2011 yielded steady, yet unremarkable, growth in undergraduate enrollment. In fact, 2009-2010 yielded a reduction in undergraduate enrollment by 4.5% over 2008-2009 from 3,415 to 3,262. The 2010-2011 year demonstrated a significant undergraduate enrollment rebound, increasing by 7.6% over the prior year to 3,510 (National Center for Education Statistics, 2013).

Concurrently, net tuition revenue grew at an average annual rate of 9.01%. Total revenue averaged an increase of 5.2% per year from 2007/2008 through 2010/2011. In 2008-2009 total revenue experienced a 3.02% decrease over prior year resulting from a $3.5M investment loss tied to the endowment resulting from the economic recession. However, through effective expense management, MC generated excess institutional revenue over expenses for 2008-2009, allowing the college to demonstrate significant financial sustainability within the Financial Composite Score, as calculated by the U.S. Department of Education during the same time period other institutions of higher education experienced the highest level of financial stability erosion (National Center for Education Statistics, 2013; U.S. Department of Education, 2011).

MC's financial statements also reflected an effective job of managing the expense inertia relative to tuition revenue growth. Through the key time period, MC managed an annual expense increase of 5.63% against an average tuition increase of 9.01%, yielding a positive net margin in 2007/2008 through 2010/2011. Instructional expense and academic support expenses demonstrated a growth rate paralleling or exceeding the tuition revenue growth rate over the observed period (National Center for Education Statistics, 2013). This growth was driven by the institution's commitment to ensuring that full-time faculty taught 80% of courses during the time of enrollment growth in new graduate programs.

The final component reviewed from MC's financial statements was the balance sheet. During the observed period, MC's assets remained relatively flat, increasing at an average annual rate of 0.4% while its liabilities decreased at an average annual rate of 11.3%. The decrease in liabilities resulted from an intentional and systematic 90% reduction of long-term debt over a ten-year period from 2002 to 2012, reducing that debt from $63.1M to $6.1M. The long-term debt reduction was funded with net earnings generated through MC's annual operating budget. The result was that the institution's net assets increased at an annual average rate of 3.9% (National Center for Education Statistics, 2013).

As a result of managing expense increases relative to increasing tuition revenue, and capital fund-raising, Mississippi College successfully maintained the financial metrics the U.S. Department of Education measures to determine Financial Responsibility. MC's average of the four-year annual Composite Score was 2.90 on a scale of 3.0 (U.S. Department of Education, 2011).

Endowment change 2004-2011. MC intentionally grew its endowment over the study period by 42.5% (Table 6). The endowment's relative growth exceeded the population growth with a total increase of 3.04%. The endowment per student increased from $11,873 per student in 2004 to $12,234 per student in 2011. More relevant, the endowment per undergraduate student grew from $13,313 to $18,969 over this period of time, an average of 4.25% per year endowment increase (National Center for Education Statistics, 2013).

Endowment growth is actively managed by MC. The college engages in occasional fund-raising campaigns and seeks to annually increase its number of $1,000 donors and the percent of alumni contributing to MC.

Table 6 – Mississippi College Changes in College Endowment 2002-2011
(National Center for Education Statistics, 2013)

	2002-03		**2005-06**		**2010-11**	
	($000)	%Change	($000)	%Change	($000)	%Change
Total Endowment	34,363	n/a	43,715	27.2%	55,784	27.6%
Endowment per Undergraduate Student	14.8	n/a	19.3	30.6%	19.7	1.7%

Student retention. Mississippi College retention rates for full-time students fluctuated during the years 2004 through 2010 from a low of 67% in 2009-2010 to a high of 77% in 2007-2008 (Table 7). However, over the measured seven year window, retention averaged 70.4% (National Center for Education Statistics, 2013).

Table 7 – Mississippi College Full-time Retention Rates 2004-2010
(National Center for Education Statistics, 2013)

	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
FT Retention Rates	70%	73%	68%	77%	69%	67%	69%

Faculty. Faculty gender mix shifted with women increasing from 43.0% of the faculty in 2001 to 47.4% in 2011. During the first five years of the decade, the number of female faculty increased as the number of male faculty decreased, while the absolute number of faculty remained constant. However, as the number of overall faculty increased in the second five years the gender balance further equalized. That said, women represent 47.4% of all faculty while 60.0% of the student body are female (Table 8).

From 2001 through 2011, the percent of faculty with terminal degrees increased from 73% to 79%. However, a more striking change resulted from a decrease in the percent of courses taught by full-time faculty. With a stated goal that 80% of all courses would be taught by full-time faculty, MC decreased this metric from 93% in 2001 to 81% in 2011 due to the increased number of academic programs and enrollment growth at MC. The expected teaching load for full-time faculty is 12 credits per semester. The average per-semester faculty credit load remained relatively constant from 2001 to 2011, migrating from 12.6 to 12.7 credits per semester. Concurrently, average class size increased from 16.04 to 16.3 (Table 9).

Table 8 – Mississippi College Faculty Gender 2001-2011
(Self-reported, 2013)

Faculty	**2001**		**2006**		**2011**	
	N	**%Tot**	**N**	**%Tot**	**N**	**%Tot**
Male	90	56.96%	88	55.35%	102	52.58%
Female	68	43.04%	71	44.65%	92	47.42%
Total	158		159		194	

Table 9 – Mississippi College Faculty Information
(Self-reported, 2013)

	2001		**2006**		**2011**	
	N	%Change	N	%Change	N	%Change
%Terminal Degree	73%	n/a	79%	8.22%	79%	0.00%
%Courses taught by Fulltime Faculty	93%	n/a	88%	-5.38%	81%	-7.95%
Average tenure	12.4	n/a	13.2	n/a	11.6	n/a
Fulltime teaching load requirement	12	n/a	12	n/a	12	n/a
Full-time avg sem credit load	12.6	n/a	13.5	7.14%	12.7	-5.93%
Average Class size	16.04	n/a	16.96	5.74%	16.3	-3.89%

Findings

Strategic planning. The Mississippi College strategic planning process is well-designed and ingrained within the institutional culture. However, it is structured in the form of long-term objectives that are routinely reviewed based on the internal and external environments and the institution's success in achieving the goals. One campus leader explained,

> ...the strategic planning process has been in effect for probably twenty years so I wouldn't say the process is being initiated. The process is ongoing and breathing so none of us initiates it. It's an ongoing process that's intimately linked to our accreditation standards at the association of colleges and universities... That may be a fine distinction but I think it's nothing we start, it's continuing to go on.

However, each year, the campus launches its planning process, in the context of its overall goals and objectives.

> The president has a retreat with his vice-presidents and through that process issues emerge. The chairman of our strategic planning committee meets with [the president]…and through conversations and…issues coming out of the president's council, issues are identified to go before that body and go through the committee process of that body…

According to campus leadership, a strategic planning committee reviews and approves new campus initiatives. "It has to be presented to strategic planning and strategic planning signs off on it. After it's been vetted by the dean's council, [it] goes to strategic planning, and the strategic planning…gives it the go ahead or not…". But, another leader pointed out,

> All of the strategic decisions of Mississippi College are not necessarily made by that committee. Many of them are made by the president's council; some are made by the board, so [the strategic planning committee is] not the only engine for strategic thinking or strategic decisions...

MC, while fully engaging in planning, is careful to ensure that the formal committee structure does not inhibit creativity and new ideas. One administrator stated, "…but I think realistically when you get down to the practical, when you get down to the functional, that the strategic planning is not as centralized as we indicate it may be on paper." He continued on to state, "…if somebody really had ideas that they feel will impact in a positive way…there are avenues available for them to put that forward…"

MC does not plan and create a multi-year strategic plan. Instead, they maintain on-going goals that are modified as deemed appropriate. One executive explained, "Most strategic goals that we encounter are usually ongoing." Another leader concurred,

> There's not a three-year plan or a five-year plan; there's an ongoing plan that is constantly updated and evaluated on a monthly basis…which allows us to respond…we have key ingredients in the plan … we're seeking to grow enrollment, we're seeking to grow graduate enrollment, we're seeking to grow more online enrollment, we're seeking to lower our debt, we're seeking to expand retention efforts, we're seeking to expand our Christian faith mission and community service…there's scores of these activities and programs and goals that are embedded in all this but they don't sit on a three-year or a five-year window; they're just constantly altered and upgraded and updated.

Ultimately, all strategic plans are presented to the Board of Trustees for approval. In general, the Board supports the campus' decisions and directions. One leader stated,

> …if the campus wants it, the board generally…well, I know I can't remember a single instance where the board has been resistant because they just know that if there's strong support for it here, there's a good reason for them to take it seriously so they'll look at the finances of it.

As MC evaluates funding potential strategic and tactical initiatives, one campus leader stated that the "… strategic direction certainly plays a major part in what we decide to spend our money on." According to leadership, the community in which they reside is fiscally conservative by nature and MC is no exception. New budgets always assume, "… the same number of students that we had the previous year, the actual students." Even while growth initiatives forecast a larger student body, MC's conservative nature is reflected by one administrator, "So whenever we had more, then of course we had a surplus."

However, strategic and tactical planning are both passed through the lens of the college's mission. According to one administrator, "…we ask…does this program fit our strategic goals?

Does it fit our mission statement? And we're dead serious about that... We want to be a university known for academic excellence and for advancing the cause of Christ…" This was echoed by another leader when discussing, "…the genesis of coming up with a vision statement… 'Mississippi College seeks to be recognized as a university known for academic excellence and commitment to the cause of Christ.'"

It was very evident in interviews that the president drives the intersection of mission and strategy at MC. One leader stated, "…it is very dependent upon who sits in the president's seat; absolutely - because if there were others in the room who wished to question him or her, and if they did it too often, they wouldn't be there too long." The challenge MC faces in maintaining its mission in the face of business concerns can be challenging. One executive opined,

> ...everybody will say whether they think it's in our Christian mission or not and of course we're accused of having as much integrity as we can afford…You've heard that expression we're deeply dedicated to as much integrity and academics and everything else as we can afford. And there's a certain amount of truth to that. The truth is known for anybody in any higher education, whether faith-based or not.

Annual planning. MC's annual planning and strategic planning are inextricably linked. Because the strategic planning is not established within a multi-year framework, annual planning addresses how the institution will meet its goals for the upcoming year through the budgeting process. In a common fashion, financial needs and wants are cascaded vertically through the chain of command to the chief financial officer, the president and finally to the Board of Trustees for approval. "…the budget process is probably handled by a smaller group…the department chairs, the deans and they collect information and they take it forward; but the actual decision-making, based on priorities, happens at a higher level." And again, "[The Board] approve[s] the overall budget...the business affairs committee...review[s] in pretty good detail the capital expenditures here, the plan, and the budget overall, particular pricing and cash flow analysis."

Managing net income. Effectively managing the bottom line is an intentional process emanating from the fiscally conservative nature of the college's leadership. That leadership explores both opportunities to increase revenue while managing the inertia of rising expenses.

*Managing revenue***.** From a revenue management perspective, MC is primarily dependent on tuition revenue. The College's revenue growth rate during the 2007-11 academic years resulted from a combination of tuition rate increases, a reduction in the tuition discount rate and increased student enrollment. Gross undergraduate tuition increases over this period equated to an annual average of 3%. Recognizing the importance of managing tuition discounts, one leader stated, "...we discount, we discount heavy to recruit undergraduates." Another leader asserted, "So you know it's not an easy thing to decide exactly where is the line with discount. You know there's affordability but you don't want to put too much money on the table; but it's not an exact science…" However, a restructuring and reduction of the tuition discounting process yielded a net annual average increase of 5.3%. According to one executive, "...we've reshuffled it in a way that will make our recruiting more robust."

The college also implemented strategic initiatives to grow enrollment through an intentional international focus. The addition of undergraduate and graduate programs allowed MC to experience a 29.22% enrollment growth. Like many colleges and universities, as the economy started into its decline, MC, "saw more students interested in going back to school to either finish their degree, start a degree." However, the college attributes its significant enrollment growth to its program mix. Reflecting on the early period of the recession, one leader expressed,

> I think that's when we really focused on the non-traditional: the graduate programs, the program completion in unique scheduling ways where we could again go out and make those who might be looking see that they can do it quickly; they can do it in maybe a way that they can afford...we looked at a limited market, how can we keep our portion of it

> and even perhaps capture other segments that we have not in the past?... and I think that's when the discussion of new programs came in, that's when discussions of new delivery options became a part of our strategic thinking.

Another executive affirmed, "…but the secret to our success is the new programs, programs that people want." In addition, MC began looking beyond its own borders for additional enrollment opportunities. From a domestic perspective,

> …we're planning, we're working on reaching beyond our borders because what we've got going for us is a good academic program, good in terms of the education enterprise system, here is good. It's cheaper than a lot of places outside of Mississippi. So I mean we can…and we're getting more out of state students all along.

And from an international perspective, "During the early part of that period, our international flow of students was really, really crucial to us. That was when we reached our peak with about 350 and that's a very sizable impact on sustainability in terms of revenue."

Endowment growth has been another focus of the institution. The Board of Trustees is involved in this process. One leader stated,

> …[regarding a] major fundraising project, if we think we need to get started, somebody will bring it up and that may be where it's birthed - in the committee or whatever; but then [the Board is] very involved in the fundraising process. It's a major campaign that we hooked up to a couple years ago.

The result of intentional fundraising was a significant increase in MC's endowment and its ability to fund new capital projects without taking on new debt.

Enrollment growth is a primary strategy at MC; however, the college also carefully monitors and manages student retention. Recognizing the importance this brings to enhancing revenue, an administrator stated, "…you retain the students you have, there's that part of having students…".

Managing expenses. MC very carefully and judiciously managed expenses. Consistent with its fiscally conservative values, the college constantly looks for opportunities to capitalize on cost effective alternatives. In addition to building budgeted revenue based on prior year enrollments, MC builds contingency expenses into budgets. To the degree these contingency funds are not required they are used to continually pay down debt. Debt reduction and management is important to MC as evidenced by the intentional reduction over time.

From an operational perspective, MC views timely financial information as critical to the operations. According to one leader,

> ...current information is crucial to managing and when everybody's got plenty of money it's easy, but when it turned down, which it did in '07-'08, you better know where you are before you get there...You cannot operate in a cigar box style. You cannot operate in the dark and get information a week old or a month old or six months old.

This timely information allowed the college to quickly respond when the college's financial condition changed due to enrollment and revenue shortfalls. This same leader went on to explain, "...when the numbers came out from the enrollment, what fall's enrollment looked like, [the president] immediately put a freeze on things within 24-48 hours."

In addition, MC looks for ways to become more efficient in spending funds. One leader stated, "...we're using this downturn in the market to squeeze as much as we can from those that provide services." For example, MC outsourced both grounds keeping and housekeeping to private contractors. However, in doing so, they also recognized the potential negative affect these changes would have on the employees with little education and few other opportunities in the community. The affected employees were either kept on in other capacities at the college or worked under the direction of the contractor while remaining on the college's payroll and benefits plan.

The college also recognizes the fiscal realities that some academic programs are cost centers while others are profit centers and funnels more resources into those programs that drive revenue because of growth and overall enrollment. Managing the faculty expense remains a key component of MC's strategy. Through a combination of, "…hir[ing] faculty just in those areas that were growing", and migrating others to a non-tenure track, MC maximizes its flexibility. In addition, the college carefully monitors course sections and section sizes, eliminating small sections, where possible.

In contrast, even with on-going cost-cutting measures, MC continued giving raises to staff and faculty throughout the study period. As one administrator explained, "They weren't large raises but they were raises at a time, certainly after 2007, when nobody else in the state was getting anything." In addition, MC continues to manage its fulltime/adjunct faculty mix such that 80% of courses are taught by fulltime faculty. The college believes that the fulltime faculty contributes to a more stable environment.

Conclusion. Mississippi College takes an unconventional approach to strategic planning. While maintaining an official strategic plan for accreditation purposes, the real impetus for action at this college results from focusing on a few key objectives that constitute basic institutional parameters of success. These key objectives are relatively stable; however, they can be updated at any time and through multiple entry points. Based on these objectives, the college engages in planning on both a long-term and annual basis. Regular review of these objectives, and the college's progress in achieving the objectives, maintains a focused direction within the institution. However, the objectives and plans are observed through the lens of institutional mission. In other words, does an objective or tactic aid or impede the institution in delivering excellent education in a Christ-centered environment? One leader summarized this concept by stating,

> … it's not clear to me how our planning process has been instrumental in our success. It is clear to me that developing new programs and raising money and conservative budgeting and clarifying the vision has been instrumental in our success. But even amongst those, I'm not sure which is more valuable than others; you just sort of throw

> out a lot of things and hope that something works because it's just an extremely competitive environment.

While this leader may not view the college's activities as strategic planning from a conventional perspective, in fact, MC's activities are consistent with strategic and tactical planning processes. Ideas are generated, investigated, discussed and implemented in support of long-term objectives. Through a routine feedback loop, implementation is tracked and actions are continued or modified based on performance. Budgets are developed to support these strategic and tactical initiatives. In summary, MC has created a strategic planning system that allows them to continue to thrive fiscally.

As MC moves forward, it foresees two major challenges to future success. First, MC is situated in a state with excess capacity within the public sector of higher education. Competing with the public sector, MC is challenged to "…convince the Christian community that [we are] both viable and…worth the investment." One leader expressed,

> ...people would pay a little bit more to come here than to go to Mississippi State, but not a lot more...So there is a premium for the mission but it's not huge, you see, and that's because the pressure of paying for this dominates the families.

The second major challenge faced by MC relates to changing demographics. The number of Mississippi high school graduates continues to drop, further exacerbating competition with the public sector.

Case Study #2 – North Greenville University

Background

Institution history. North Greenville University (NGU), ranked 31st for Regional Colleges in the South by U.S. News and World Report, is located on a 300 acre campus in Tigerville, South Carolina ("U.S. News college compass: Best colleges," 2013). It resides within a rural community approximately twenty-five miles from Greenville, SC. With its genesis dating back to 1891, when the North Greenville Baptist Association decided to found a high school, NGU evolved from this process in 1934 with an amended charter creating a junior college, in addition to the high school. However, it was not until 1991 that NGU became a baccalaureate granting institution while on the cusp of closure due to financial exigencies. In 2006, NGU began offering master's level education. As NGU moved into the post-baccalaureate programs, the institution changed its name from North Greenville College to North Greenville University. Affiliated with the South Carolina Baptist Convention, NGU is now a co-educational liberal arts Christian university ("North Greenville University," 2013). The campus is well groomed with a consistent and traditional architecture utilizing brick buildings. The campus added significant facilities over the last ten years, remodeled most other facilities, and is currently constructing additional structures to better support its students.

The majority of NGU students are from South Carolina. South Carolina maintains a state financed scholarship plan that students can access for colleges located within the state. The scholarship, combined with merit-based tuition discounting, allows NGU's pricing for tuition, fees, and room and board to remain competitive with state university rates.

Currently, key university leaders include: Dr. James Epting, President since 1991; Dr. Randall Pannell, Vice-President for Academic Affairs; Dr. Samuel Isgett, Vice-President for Graduate Studies; Michelle Sabou, Vice-President for Business Affairs; and Steve Crouse, Vice-President for Campus Ministries.

In 1991, the South Carolina Baptist Convention voted to close North Greenville College. It was at that point that Dr. Epting was hired by the Board of Trustees. With significant debt, a declining population of less than 400 students, missional drift, and a top heavy organization, Dr. Epting removed the top layer of administration and, based on financial exigency, eliminated tenure. Operating loans were taken out in order to make payroll and cover basic operating expenses. Concurrently, North Greenville College was approved by the Southern Association of Colleges and Schools (SACS) to offer bachelor's degrees. Dr. Epting hired new campus leaders and began offering increasing numbers of bachelor degree programs. By the third year of Dr. Epting's administration, NGU was operating with a positive net income.

North Greenville University's mission, vision and values. NGU promotes an unambiguous vision of its mission that specifically includes a focus on delivering education from a Christian perspective, consistent with its Baptist traditions.

> …North Greenville University is a co-educational liberal arts institution that provides opportunities for higher education in a Christian atmosphere…Christ must be the center of the campus for the purpose of Christian education and Christian character-building. North Greenville University offers a quality education in a biblically sound, Christ-centered environment.
>
> As a Christian school, North Greenville University must keep the emphasis upon the person and work of Jesus Christ, the Son of God, who was begotten by the Holy Spirit, born of the virgin Mary, true God and true man who died as the substitutionary atonement for the forgiveness of sin, was resurrected from the dead, and now reigns as the living Lord. The University is Christian when this Christ is the head and center of all its thinking and conduct. ("North Greenville University," 2013)

To validate that NGU is operationally consistent with its stated mission, I conducted an Institutional Mission survey of faculty and staff to ascertain employees' perceptions concerning NGU's fidelity to its stated mission. Ninety-three individuals anonymously completed the eleven-question survey. Results from this survey indicated that 93% of employees supported the faith-based mission of NGU. Further, 83% of staff and faculty indicated that NGU's mission was an important part of their decision to work at the institution. In addition, 86% of employees believed that NGU effectively communicated its Christian mission. And, 85% believed that NGU consistently modeled its Christ-centered mission. When asked whether administration successfully maintained an emphasis on the Christ-centered mission, 83% agreed and 84%

agreed that their colleagues reflected the institutional mission by their actions. The survey asked participants to assess if NGU had compromised its mission over time. In response, 80% of employees did not believe that there had been compromise. Reflecting this majority position, one employee stated,

> Every staff and faculty member on this campus has been interviewed by our president and given their Christian testimonies to him. We are all expected to minister and to love the students. But we don't do it because we are expected to; we do it because we love the Lord!

Another employee concurred, “We want students saved first! If already saved when they arrive, we want them to become stronger Christians. Then, we want them to do well academically and graduate.” And,

> NGU is who they say they are. While I do not always agree with the institution, they are very consistent. They let students, faculty, staff, and parents know their mission and the expectations that come with this mission. The consistency is refreshing if the legalism is a bit much.

Of those believing that NGU had compromised its Christ-centered mission eleven people specifically identified areas of compromise. However, many of the comments did not address mission compromise but rather areas in which the individual did not like a practice. Three areas of mission concern identified related to courses offered in the online program, academic integrity, and student rules of conduct. Reflecting the position of three respondents, one employee stated, “My perception is that some online-only courses are simply purchased from vendors and have no specific spiritual or Christ-centered content.” Another employee, in relation to Campus Rules indicated that they “…have been changed or are interpreted by Departments and VP's at their own whims.” and, “…I believe Student Services has struggled to enforce rules and administer discipline, though I am confident that they are making a strong effort to uphold standards while showing Christian love.” Another employee opined, “The

University has not put in place an effective system for communicating and enforcing academic integrity, or for tracking breaches of academic integrity."

Institutional demographics and changes: 2001, 2006, 2011. North Greenville University enjoyed a 59.4% growth in its traditional enrollment from 2001 through 2011. And, while most ethnic demographics had minimal numerical growth, the category Unknown experienced the greatest growth - from 0 to 327. The 327 represented 14.9% of the population by 2011. The percent White population dropped from 87.5% to 75.4% of the student body while the Black population decreased from 9.6% to 7.4% during this period. Further, the percent of male students to female decreased from 52.1% of the population in 2001 to 48.5% in 2011. During the same period, NGU began offering master's level programs. These programs grew to 238 students by 2011 (Table 10).

Table 10 – North Greenville University Ethnic and Gender Demographics
(National Center for Education Statistics, 2013)

Undergraduate Student Demographics	**2001**		**2006**		**2011**	
	N	**%**	**N**	**%**	**N**	**%**
American Indian	2	0.15%	5	0.27%	3	0.14%
Asian	9	0.65%	6	0.32%	9	0.41%
Black	132	9.57%	112	5.95%	162	7.36%
Latino	7	0.51%	8	0.42%	29	1.32%
Native Hawaiian	0	0.00%	0	0.00%	0	0.00%
White	1206	87.45%	1385	73.55%	1659	75.41%
2 or more races	0	0.00%	0	0.00%	0	0.00%
Unknown	0	0.00%	348	18.48%	327	14.86%
Non-resident Alien	22	1.60%	19	1.01%	11	0.50%
Male	720	52.21%	911	48.38%	1066	48.45%
Female	659	47.79%	972	51.62%	1134	51.55%
TOTAL	1379		1883		2200	

Table 11 - North Greenville University Program Enrollment 2001-2011
(National Center for Education Statistics, 2013)

Total Population	2001		2006		2011	
	N	**%Pop**	**N**	**%Pop**	**N**	**%Pop**
Traditional Undergraduate	1379	100.00%	1883	100.00%	2200	100.00%
Adult/Distance	0	0.00%	0	0.00%	0	0.00%
Graduate	0	0.00%	83	4.41%	238	10.82%

Tuition. North Greenville University increased tuition rates significantly from 2001 through 2011. Overall, tuition increased 63.4%. The rate of increase declined in the second five-year period from an average of 6.2% per year to an average of 4.9% per year. However, the average tuition discount rate increased from 41.0% in 2001 to 45.8% in 2011. The discount rate increase reduced the net tuition increase effect from an average of 6.3% per year to a realized increase of 5.0% per year (Table 12).

Table 12 – North Greenville University Tuition/Fee and Tuition Discount Changes 2001 -2011
(National Center for Education Statistics, 2013)

Tuition and Fees	2001		2006		2011	
	N	**%Change**	**N**	**%Change**	**N**	**%Change**
FT Tuition/Fees per student	8,200	n/a	10,760	31.22%	13,396	24.50%
Average Tuition Discount Rate	41.0%	n/a	44.5%	4.84%	45.8%	24.62%
Net Tuition/Fees per student	4,838	n/a	5,973	23.46%	7,255	21.47%

Financial composite scores. Reviewing actual financial indicators to determine financial viability in academic years 2007-2008 through 2010-2011 yielded unremarkable growth in undergraduate enrollment, which totaled 9.3% over that four-year period. New starts were relatively unchanged from 2007-2008 through 2009-2010. In 2010-2011, NGU experienced a 21.8% increase in new starts over prior years. Revenue, on the other hand, grew by 6.3% per year driven largely by tuition revenue, which increased by 4.8% per year. While an increase in graduate enrollments provided some tuition lift, it appeared that the majority of the increased tuition revenue resulted from tuition increases (National Center for Education Statistics, 2013).

NGU also experienced a significant increase in investment return. In 2007-2008, the campus experienced a modest return of $0.161M. The following year, consistent with the fall of the financial markets, NGU lost $3.059M in investment. However, in the academic years 2009-2010 and 2010-2011, NGU returned $2.003M and $2.249M, respectively (National Center for Education Statistics, 2013).

NGU's financial statements also reflected an effective job of managing the expense inertia. Through the key time period, NGU managed an annual expense increase of 4.99% against an average tuition increase of 3.7%. The university produced a positive net margin in 2007-2008 through 2010-2011 ranging from a low of 4.2% in 2008-2009 to 20.5% in 2010-2011. During the same time, Institutional Support was the only area within the university that demonstrated a constant growth in expense greater than tuition revenue increases over the observed period (National Center for Education Statistics, 2013).

According to NGU leadership, the university managed its financial position very conservatively by budgeting each year based on the past year's enrollment levels. By not assuming any increase in the student population and ascribing all increased revenue to tuition increases, NGU experienced annual financial windfalls when enrollment exceeded prior year. Then, in a mid-year reforecast of the budget, NGU allowed itself the opportunity to utilize additional revenues recognized from actual enrollments.

Following NGU's financial exigency of the early 1990s, salaries were suppressed. As NGU gained a solid economic foundation, it implemented 5% annual salary increases. However, entering the great recession of 2008, NGU cut back annual merit increases to 1% and has left that reduction in place. Throughout the period, NGU continued to pay 100% of employee-only health care coverage and created insurance pricing tiers wherein the individual employee rate significantly subsidized the family insurance rate. In addition, NGU continued to match employee retirement contributions at a rate of 1% per year of employment, up to 10% of employee salary.

The final element reviewed within NGU's financial statements was the balance sheet. During the observed period, NGU's assets increased at an annual average rate of 5.2% while its liabilities increased at an annual average of 0.72%. This minimal liability increase resulted from an intentional policy of funding capital projects through fund-raising rather than debt. Leadership stated that no new projects were to be initiated until 50% of the needed funds were raised. The remaining capital funds were to be raised prior to project completion. The result was that the institution's net assets increased at an annual average rate of 5.5% (National Center for Education Statistics, 2013).

Because of managed expenses, moderately increasing revenue, and capital fund-raising, North Greenville University successfully maintained the financial metrics the U.S. Department of Education measures to determine Financial Responsibility. NGU's four-year average Composite Score was 2.90 on a scale of 3.0 (U.S. Department of Education, 2011).

Endowment change 2002-2011. NGU intentionally grew its endowment over this period by 49.6%. The endowment's relative growth, however, did not keep pace with the undergraduate population growth in that the endowment per student decreased from $6,791 per student in 2002-2003 to $6,366 per student in 2010/2011 (Table 13).

Table 13 – North Greenville University Changes in University Endowment per Undergraduate 2002-2011

(National Center for Education Statistics, 2013)

	2002-03		2005-06		2010-11	
	N	%Change	N	%Change	N	%Change
Total Endowment	9,365,451	n/a	12,621,853	57.79%	14,005,945	15.14%
Endowment Student	6,791	n/a	6,703	-1.3%	6,366	-5.0%

Student retention. North Greenville University retention rates for full-time students fluctuated during the period 2004 through 2010 from a low of 65% in 2006 to a high of 72% in 2007. However, over the measured seven-year window, retention averaged 69% (Table 14).

Table 14 – North Greenville University Full-time Retention Rates 2004-2010

(National Center for Education Statistics, 2013)

	2004	2005	2006	2007	2008	2009	2010
FT Retention Rates	71%	69%	65%	72%	69%	66%	69%

Faculty. Faculty gender mix shifted slightly with women increasing from 42.6% of the faculty to 44.7% from 2001 to 2011. During the first five years of the decade, the gender split remained relatively constant, with the percent female faculty slightly decreasing. However, as the number of overall faculty continued to increase in the second five years the gender balance began to equalize. That said, women represent 44.7% of all faculty while 51.6% of the student body is female (Table 15).

NGU did not provide the percent of terminally degreed faculty in 2001. However, from 2006 through 2011, the percent of terminally degreed faculty increased from 68% to 70%. Moreover, a striking change resulted from an increase in the percent of courses taught by full-time faculty. NGU increased this metric from 70% in 2001 to 80% in 2011. The expected teaching load for full-time faculty was 12 credits per semester. Concurrently, average class size increased from 14 to 16 students (Table 16).

Table 15 – North Greenville University Faculty Gender 2001-2011
(Self-reported, 2013)

Faculty	**2001**		**2006**		**2011**	
	N	**%Tot**	**N**	**%Tot**	**N**	**%Tot**
Male	62	57.41%	81	58.27%	99	55.31%
Female	46	42.59%	58	41.73%	80	44.69%
Total	108		139		179	

Table 16 – North Greenville University Faculty Information
(Self-reported, 2013)

	2001		**2006**		**2011**	
	N	%Change	N	%Change	N	%Change
%Terminal Degree		n/a	68%	n/a	70%	2.94%
%Courses taught by Fulltime Faculty	70%	n/a	75%	7.14%	80%	6.67%
Average tenure	12	n/a	14	n/a	15	n/a
Fulltime teaching load requirement	12	n/a	12	n/a	12	n/a
Full-time avg sem credit load		n/a		n/a		n/a
Average Class size	14	n/a	16	14.29%	16	0.00%

Findings

Strategic planning. The North Greenville University strategic planning process was well designed and ingrained within the institutional culture. The university operates with a five-year strategic plan. However, that plan was refreshed on an annual basis and extended an additional year so that NGU always looked to a five-year strategic horizon. The strategic planning process was prescribed within institutional documents. There was consensus among all interviewees that, "…each planning unit…is supposed to and is expected to involve their faculty and staff in developing that plan for their area…" In addition, the president viewed his weekly executive council meetings as continuous planning meetings. It was in this forum that the university ensured its flexibility. Senior leaders also viewed this forum as a place where anything could be said and kept in confidence. In addition, this forum provided the venue for leadership to look to the future. The president unequivocally stated, "…you can't have strategic planning if you don't have vision."

The team that developed the final strategic plan at NGU was the executive council. The executive council consisted of the university's vice-presidents reporting to the president. At NGU, the Board of Trustees relied on the university's leadership to engage in all planning and management functions. However, each summer, the president,

> "…decide[s] on a retreat time and...bring[s] all the proper people into the planning process, the final process. The final part of it is the retreat—an opportunity where we review our strategic plan, and it's a five-year plan, and we always add that… the next year. We finish one - we add one. So we try to be five years out at all times."

Another leader stated,

> ...as far as all along the way, every day, every week, just our staff and faculty and our people work on the plan and then the one time a year, when we finalize the five-year strategic plan, they're not a part of that...But all new programs, new whatever, anything new or any policy change - that's always passed by the board, which comes out of our planning.

At NGU, the strategic plan is not something on which leadership votes. In fact, the culture at NGU is such that leadership seeks consensus on all major strategic or operational decisions. However, it was equally clear that should the leadership be unable to come to consensus, the president would make the final decision. The Board viewed its role as overseeing policy. "Day-to-day operations" are the president's responsibility. And, the Board's perspective was that strategic planning is part of the day-to-day operations.

The rolling five-year strategic plan has served the campus well since the current president assumed his position in 1991. However, one campus leader expressed reservations concerning balancing the flexibility of the current system with the stability of maintaining a full five-year plan. As this leader opined,

> ...it was way too agile, way too chaotic for me at first because I just wasn't used to it and it didn't feel like real planning. It was almost like this is what we're doing, stamp that, draw the bulls eye around the arrow that I've already shot...there are advantages, I just don't know if they outweigh the chaos.

This leader went on to say,

> I would say our university probably changes quickly but I view it as a positive. I've seen in other institutions where red tape can get in the way of responding to changes in the environment...and so you miss a lot of opportunities…

NGU is heavily mission driven. Across all interviewees, the message was consistent with this theme, "...we try to look through that lens when we're making those decisions of, well we all would like to have these 15 things to start this year; which ones are really going to make an impact on the Kingdom?" However, balancing the mission with the perceived market needs was challenging at times. When considering a new venture, one leader shared,

> We've talked about it. We've considered it. But at the end of the day we did not, for that reason. We couldn't make it harmonize. Frankly and honestly we wanted to do it…but we couldn't convince ourselves…and our commitment is to not be anything but Christ-like. We don't want that to be a motto where "Christ makes the difference". He's got to make the difference and we made a couple of hard decisions that cost us some money-one of them, because it's just not right. We would be hypocrites if we did that. And we really wanted to do it - at least enough of us that we were trying to figure out a way to do it - but we couldn't, so we didn't.

However, the leadership at NGU also believed that the university's success was directly attributable to its willingness to stay true to its mission. One interviewee expressed the value in remaining mission-true as follows,

> I think the difficulty is when we try to be something that we're not...I think the difficulty that we get in is when we try to straddle the line between a faith based institution and a public, secular institution and you get, you know the saying, there's only one thing in the middle of the road, and that's dead possums.

Annual planning. Because of the rolling five-year strategic planning embedded at NGU that requires an annual re-forecasting of the strategic plan, the annual planning was largely subsumed in that process. In addition, the weekly executive council meeting served to further the annual planning process in a continuous fashion. A campus executive explained,

> ...the bottom line is that every Tuesday we pray and have devotion and try to seek what God wants...this is an arranged, planned devotional time and then we go right into our executive council meeting and so there's a lot of planning...most of the times it may match up with the strategic plan, but you've got to be flexible enough to say we thought it was going to be that way...there's an annual planning process right there, but there's an every week process and in a sense, it could be an everyday...But there's things like that all the time that you've got to be willing to regroup about and basically re-plan.

The strategic and annual plans and budgets were communicated through a formal and informal cascading of information. The effectiveness of this process may be inconsistent due to individual leaders' communication and managerial styles. Regardless, plans were adopted and budgeted based on the applicability to achieving the institution's mission. Within executive council, the senior leaders attempted to avoid the tunnel vision and departmental biases that might obscure their judgment and sought to allocate resources to those areas that best served the institution's mission. Recognizing that the university cannot fund every proposed venture, the executive council appeared to adopt a pragmatic approach that sought the greater good.

Managing net income. Effectively managing the bottom line was an intentional process emanating from the fiscally conservative nature of the college's leadership. Leadership explored opportunities to increase revenue and manage the inertia of rising expenses.

> [The president] has led us to be very conservative in our financial planning. We base our budget on x number of students, which if we don't exceed, some people here will lose their jobs; we understand that. But we budget on a smaller number of students than we think we'll actually have. Then when you have the additional income from the tuition from those extra hundred students that we didn't plan on in our budget, then that gives us a little more cash flow to operate off - gives us considerably more cash flow to operate out of.

Managing Revenue. From an operational revenue management perspective, NGU is fully dependent on tuition revenue. Budgets were conservatively constructed. Although NGU is fiscally in excellent condition, leadership is always cognizant of its dependency on tuition to continue to thrive. As budgets were constructed, the current year's student enrollment was utilized to forecast revenue. Since the university continued to experience enrollment growth, the university made mid-year budget adjustments based on actual enrollments. This conservative approach prevented NGU from adding expenses or resources until after the revenue was secured. However, if enrollment growth demanded additional resources, the campus retained the flexibility to re-budget, as necessary, based on that demand.

This same conservative nature extends to NGU's position on securing debt to finance capital projects. Before engaging in any capital building projects,

> …we try to raise…we try to get half the money raised and we'll start the project as soon as we get the permit. And then we raise the rest of it as its going. But we pay for it all, we don't borrow any money. We don't borrow any money to do anything; we haven't borrowed one penny to build $50M dollars' worth of buildings here.

As a result of this conservative approach, NGU was "...not servicing debt; we're not spending scarce resources to pay a bank off somewhere; that's just not happening." Another leader stated, "...in this time when there's questions about the economy, you better get your debt down, and I know we're not getting any money off our endowments."

However, in order to continue driving revenue, NGU focused on two primary strategies: new program development and new student demographics. When contemplating NGU's response to a souring economy, one administrator stated,

> ...the number one thing we did is that we got more aggressive. Instead of trying to look at how tough it is, we said; well let's go after it harder. Let's try to get more money raised; let's go after it and do whatever we're doing; let's try to do it better and so we tried to do that.

The university continued expanding its programmatic offerings to undergraduate students. Concurrently, beginning in 2006, NGU began offering graduate programs to begin attracting an adult population into satellite locations. Going forward, NGU intends on further developing adult studies programs to enhance its mission, in both graduate programs and degree completion programs aimed at non-traditional students.

One of NGU's selling points to students is its ability to offer highly competitive tuition. According to one member of the executive team, NGU's tuition is approximately two-thirds of the tuition at other South Carolina Baptist colleges. This leader stated, "So [the president] worked hard at pushing us to make sure we keep our tuition as low as we possibly can. And, in an age where tuition has risen so high and so quickly, that's helped position us."

In addition, NGU engaged in a fund-raising campaign. With an initial goal of $25,000,000 over five-years, NGU successfully achieved that target in less than two and one half years. The Board then increased the fund-raising target to $42,700,000 during that window of time. According to one administrator, because of the work conducted by the current president in establishing a pipeline for institutional advancement tied to estate planning, the university will experience future windfalls that will position the institution to further its mission into future generations.

Although NGU currently maintains an endowment level near $25,000,000, it does not fund any operations from the endowment. Even though there are some endowed scholarships provided to students, NGU managed tuition discounts from the operating budget. A campus executive stated,

> We've got about a twenty-five million dollar endowment is all, so we're still tuition driven, but we don't spend that endowment. I mean we just pretend we don't have that. We had a donation, a million dollars to start our grad school; it's still sitting there and it's

> not spun off enough to really help, so we just funded operations, but the principle is still there.

Managing Expenses. Many of the senior leaders were part of the team that resurrected NGU from financial exigency in the early 1990's. As result, these same leaders mirror a fiscal conservativeness common amongst the survivors of the Great Depression. All expenses were carefully monitored and managed. Even as the campus thrived, the president still reviewed and signed every check issued by the university. According to one leader, "...we maintained budgets, we didn't increase them like we had been before; we didn't cut budgets, but usually they were used to getting a certain percentage increase budget and we just had to say look…"

Personnel expense management has been a key factor in controlling the expense inertia common to higher education. New and replacement positions were carefully reviewed. In addition, before the economic downturn, NGU gave annual 5% raises to staff and faculty. However, once the economy declined, the university reduced annual increases to 1% and retained that level through the 2012-13 academic year. In a countervailing action, NGU maintained contributions to employee benefits at the same relative level as prior to the economic downturn by covering 100% of employee health care premiums and providing a retirement match of 1% per year of employment up to a 10% maximum match.

In another move that is contrary to effective expense management, NGU increased the percent of credit hours taught by fulltime faculty from 70% to 80%. However, the increase was intentional, recognizing that a growth in online instruction would require increased levels of adjunct faculty. Therefore, by increasing levels of full-time faculty now, the influx of adjuncts will not negatively affect the overall full-time ratio.

Conclusion. North Greenville University is an institution that was condemned to closure by the South Carolina Baptist Convention in 1991. Through visionary and pragmatic leadership, NGU thrived with a disciplined and consistent focus on its combined mission of Christ-centeredness and academic achievement. By utilizing a five-year rolling strategic plan, NGU maintained a vision of the future that was grounded in the present. Combined with weekly executive planning meetings NGU remained agile. The university's conservative and disciplined fiscal management established a foundation from which the university can continue to grow. Leadership's unwillingness to finance operations with endowment funds and its abhorrence of assuming debt to fund capital projects placed the university in a position to flex with increasing or decreasing student enrollment. However, the university also understood the value in increasing its endowment to help defray tuition expenses for future students.

NGU currently recognizes future threats to its continued success in the form of both college affordability issues and the need to drive tuition revenue. However, the majority of NGU leaders did not view that as the primary threat. Instead, NGU views its primary threat to remaining a financially successful mission driven institution as mission drift. The mission threat is two-fold. First, should the university hire the wrong people into the classroom, the faculty could hijack the culture. One leader stated, "…ultimately, the mission of the university boils down to that faculty person in the classroom." To that end, the president interviews every new employee to understand that individual's personal views, biases, and Christian experience.

The second mission drift threat is considered more insidious because it is not intentional. A campus administrator shared his observation concerning some Christian college leaders,

> They wake up one day and they're trying to figure out why enrollment's down and why the alumni's upset with them and why people are not supporting them and they've drifted from the mission. And most of the time it's a gradual thing and all of a sudden they wake up one day and say how did we get here? ...the old boy just let it get away...just let it drift... it was too much about him and not enough about the mission.

Another leader stated, "The mission issue is, I've learned in higher education, again just looking at it from historical perspective, how easy it is to drift left and hard it is to turn right."

Case Study #3 – Trinity Christian College

Background

Institutional history. Trinity Christian College (TCC), ranked 21st for Regional Midwest Colleges by U.S. News and World Report, is located on a 138 acre campus in Palos Heights, Illinois ("Trinity Christian College," 2012). It resides within an affluent community with residential property on three sides. Chicago Christian High School is immediately adjacent to TCC. The campus is well-groomed with a consistent architecture utilizing brick buildings.

Founded in 1959, TCC opened as a two-year college. The campus added facilities over the last ten years and is currently constructing additional athletic facilities on the north side of the property to better support its inter-collegiate men's and women's athletics. Originally a golf course, TCC's founders platted out a residential community and the high school, leaving an access road between these properties to the college. TCC's recessed location and limited signage do not provide a prominent community presence.

In 1971, TCC awarded its first baccalaureate degree. The institution is rooted in Reformed Christianity and maintains that foundation within its values. While TCC is a liberal arts college at its core, it has expanded to include over 40 areas of study that includes a variety of professional studies. TCC also initiated an Adult Studies Accelerated Program in 1999 as it added two satellite campuses ("Trinity Christian College," 2012).

The college still considers students graduating from high schools affiliated with Christian Schools International, private Christian Reform high schools, as its primary client base. Approximately 40% of the students come from the Christian Reform background. And, aggregately, approximately 40% of the students are out-of-state residents. The majority of the remaining population resides within 50 miles of the campus.

Steven Timmermans, Ph.D., a pediatric psychiatrist by training, has served as College President since 2003 and has overseen the growth and development at TCC. Dr. Liz Rudenga serves as Provost and Mr. Jim Belstra is the Vice-President of Business and Finance. I interviewed these individuals to better understand the strategic planning processes at TCC.

Trinity Christian College's mission, vision and values. TCC promotes an unambiguous vision of its mission that specifically includes a focus on delivering education from a Christian perspective, consistent with its roots in Dutch or Christian Reformed traditions.

> The mission of Trinity Christian College is to provide Biblically informed liberal arts education in the Reformed tradition. Our heritage is the historic Christian faith as it was reshaped in the Reformation, and our fundamental basis of governance and instruction is the infallible Word of God as interpreted by the Reformed standards…We seek to graduate students who are well equipped to bring the discipline of rigorous academic work into their chosen vocations and the practice of Christ-like service toward others into their personal and public lives. ("Trinity Christian College," 2012)

To validate that TCC is operationally consistent with its stated mission, I conducted an Institutional Mission survey of faculty and staff to ascertain employees' perceptions concerning TCC's fidelity to its stated mission. Fifty-six individuals anonymously completed the eleven-question survey. Results from the survey indicated that 98% of employees support the faith-based mission of TCC. Further, 93% of staff and faculty indicated that TCC's mission was an important part of their decision to work at the institution. In addition, 98% of employees believed that TCC effectively communicates its Christian mission. However, 88% believed that TCC consistently models its Christ-centered mission. When asked whether administration successfully maintains an emphasis on the Christ-centered mission, 89% agreed and 84% agreed that their colleagues reflect the institutional mission by their actions. The survey asked participants to assess if TCC had compromised its mission over time. Responding to that question, 84% of employees did not believe that there had been compromise. Reflecting this position, one employee stated,

> I appreciate that the college does not bow to the whims of society as morals and worldview fall around us. Trinity has not bowed under pressure to accept alternative lifestyles as being acceptable by offering courses that would make it appear as such.

Another employee concurred, “Long-term professors, some of them students of Trinity themselves, help us stay true to our mission. Also, requirements of accreditation keep us focused on who we are, but it is an integrated concern across disciplines and programs.”
However, of those believing that TCC had compromised its Christ-centered mission, only one person specifically identified areas of compromise, which included academic integrity, distance education, campus rules, and employee relations. Yet, other comments reflected the challenges faced by TCC in maintaining mission fidelity.

> The mission has remained much the same but the interpretation of that mission has evolved--especially in the direction of greater ethnic, racial, and religious diversity among the students and faculty. The academic rigor of the institution has diminished in favor of supporting students with a lower level of preparation but representing a wider range of communities.

Another faculty member stated, “We have diversified the faculty in ways that make it more challenging to retain our strong mission drive.” Another employee opined regarding attaining a shared definition of the mission,

> Our college does struggle to maintain a fairly united understanding of what "Christ-centered mission" would entail. We don't always use that language (though it's pretty much in accord with a predominant understanding of our shared work), but when we do, we sometimes have various understandings of what it means. Some might emphasize cultural critique; some would emphasize religious practice; some would emphasize social justice, etc.

Institutional demographics and changes: 2001, 2006, 2011. Trinity Christian College enjoyed growth in both traditional and adult populations through the period 2001 through 2011 of 51.4%. And, while all ethnic demographics grew numerically, the Latino and Black populations demonstrated the greatest percentage growth, 413.6% and 113.8%, respectively. This ethnic demographic shift reduced the White population from 83.7% of the student body to 75.2%. Further, the percent of male students decreased from 36.8% of the population in 2001 to 34.6% in 2011 (Table 17).

Another population shift resulted from the expansion of the adult education program enrollment. Adult education grew 121.1% from 2001 through 2011, increasing its percentage of the overall population from 15.7% to 22.9% during this same period (Table 18).

Table 17– Trinity Christian College Ethnic and Gender Demographics
(National Center for Education Statistics, 2013)

Academic Year	**Fall 2001**		**Fall 2006**		**Fall 2011**	
	N	**%**	**N**	**%**	**N**	**%**
American Indian	4	0.41%	1	0.08%	5	0.34%
Asian	15	1.54%	27	2.06%	22	1.50%
Black	65	6.69%	108	8.24%	139	9.46%
Latino	22	2.27%	68	5.19%	113	7.69%
Native Hawaiian	0	0.00%	0	0.00%	3	0.20%
White	813	83.73%	1022	78.02%	1105	75.17%
2 or more races	0	0.00%	0	0.00%	12	0.82%
Unknown	36	3.71%	66	5.04%	42	2.86%
Non-resident Alien	16	1.65%	18	1.37%	29	1.97%
Male	357	36.77%	435	33.21%	508	34.56%
Female	614	63.23%	875	66.79%	962	65.44%
TOTAL	971		1310		1470	

Table 18 - Trinity Christian College Program Enrollment 2001-2011
(National Center for Education Statistics, 2013)

Total Population	**2001**		**2006**		**2011**	
	N	**%Pop**	**N**	**%Pop**	**N**	**%Pop**
Trad Undergraduate	819	84.35%	1050	80.15%	1134	77.14%
Adult/Distance	152	15.65%	260	19.85%	336	22.86%
Graduate	0	0.00%	0	0.00%	0	0.00%

Tuition. Trinity Christian College increased tuition rates significantly from the 2001 through 2011 periods. Overall, tuition increased 59.1% during this time frame. The rate of increase declined in the second five year period from an average of 5.6% per year to an average of 4.8% per year. However, the average tuition discount rate increased from 24.8% in 2001 to 32.4% in 2011. The discount rate only increased 4.8% from 2001 to 2006. Yet, it increased to 24.6% from 2006 to 2011. This significant discount rate increase reduced the net tuition increase effect from an average of 4.8% per year to a realized increase of 2.7% per year during the second half of the decade (Table 19).

Table 19 – Trinity Christian College Tuition/Fee and Tuition Discount Changes 2001 -2011
(National Center for Education Statistics, 2013)

	2001		**2006**		**2011**	
	N	**%Change**	**N**	**%Change**	**N**	**%Change**
FT Tuition/Fees per student	13,970	n/a	17,920	28.27%	22,232	24.06%
Average Tuition Discount Rate	24.8%	n/a	26.0%	4.84%	32.4%	24.62%
Net Tuition/Fees per student	10,505	n/a	13,261	26.23%	15,029	13.33%

Financial composite scores. Reviewing actual financial indicators for the target academic years 2007-2008 through 2010-2011 to determine financial viability yielded unremarkable growth in enrollment and revenue. In fact, 2008-2009 yielded a significant reduction in new starts with 353 new enrollments, compared to 2007-2008 at 486 starts. The years 2009-2010 demonstrated a significant enrollment rebound with 565 and 538 starts, respectively (National Center for Education Statistics, 2013).

Concurrently, net tuition revenue grew at an average annual rate of 4.2%. Total revenue averaged an increase of 8.2% per year from 2007-2008 through 2010-2011. However, 2008-2009 experienced a 33.2% increase resulting from a successful fund-raising campaign conducted by the university to fund capital improvements. This fund-raising campaign offset endowment investment losses of $1.1M in that same year resulting from the economic recession, allowing the college to demonstrate significant financial sustainability within the Financial Composite Score calculated by the U.S. Department of Education during the time frame institutions of higher education experienced the highest level of financial stability erosion (National Center for Education Statistics, 2013).

TCC's financial statements also reflected effective management of the expense inertia. Through the key time period, TCC managed an annual expense increase of 3.7% against an average tuition increase of 4.2%, yielding a positive net margin in 2008-2009 through 2010-2011. In the first year of the period 2007-2008, TCC experienced a moderate negative net margin of 0.87%. Instructional expense was the only area within the college that demonstrated a constant growth in expense during the observed period (National Center for Education Statistics, 2013). This was most likely driven by the institution's commitment to ensuring that 80% of courses were taught by full-time faculty. In fact, according to the institution, they over-achieved the target with 85% of courses being taught by full-time faculty. TCC's leadership indicated that the current ratio is too high and that they would be comfortable with 75% going forward.

The final component reviewed within TCC's financial statements was the balance sheet. During the observed period, TCC's assets increased at an annual average rate of 5.6% while its liabilities actually decreased at an annual average of 1.8%. This decrease in liabilities resulted from an intentional reduction of debt, funded by capital fund-raising campaigns that resulted in an increase in net assets at an annual average rate of 10.2% (National Center for Education Statistics, 2013).

As a result of managed expenses, moderately increasing revenue, and capital fund-raising, Trinity Christian College successfully maintained the financial metrics the U.S.

Department of Education measures to determine Financial Responsibility. TCC's average of the four-year annual Composite Score was 2.95 on a scale of 3.0 (U.S. Department of Education, 2011).

Endowment change 2004-2011. TCC intentionally grew its endowment by 81.7%, subsequent to Dr. Timmerman's arrival as President. The endowment's relative growth exceeded the population growth in that the endowment per student increased from $3,592 per student in 2004 to $4,310 per student in 2011 (Table 20). However, this 20% growth of the endowment did not keep pace with the increase in tuition discounting.

Table 20 – Trinity Christian College Changes in College Endowment 2001-2011
(National Center for Education Statistics, 2013)

	2003/04		**2005/06**		**2010/11**	
	N	%Change	N	%Change	N	%Change
Total Endowment	3,487,485	n/a	5,502,744	57.79%	6,335,994	15.14%
Endowment per Student	3,592	n/a	4,201	16.95%	4,310	2.61%

Student retention. Trinity Christian College retention rates for full-time students fluctuated during the period 2004 through 2010 from a low of 72% in 2007 to a high of 80% in 2005. However, over the measured seven year window, retention averaged 76% (Table 21).

Table 21 – Trinity Christian College Full-time Retention Rates 2004-2010
(National Center for Education Statistics, 2013)

	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
FT Retention Rates	77%	80%	77%	72%	74%	73%	76%

Faculty. Faculty gender mix shifted with women increasing from 42.0% of the faculty to 46.1% from 2001 to 2011. During the first five years of the decade, the gender split remained relatively constant. However, as the number of overall faculty continued to increase in the second five years the gender balance began to equalize. That said, women represented 46.1% of all faculty while 65.4% of the student body is female (Table 22).

From 2001 through 2011, the percent of terminally degreed faculty increased from 62% to 65%. However, a more striking change resulted from a planned increase in the percent of courses taught by full-time faculty. With a stated goal that 80% of all courses would be taught by full-time faculty, TCC increased this metric from 70% in 2001 to 85% in 2011. The expected teaching load for full-time faculty is eight courses per year. While the average semester faculty credit load remained relatively constant from 2001 to 2006, the credit load significantly reduced from 11.6 credits to 10.2 credits from 2006 to 2011. Concurrently, average class size reduced from 13.55 to 13.11 (Table 23).

Table 22 – Trinity Christian College Faculty Gender 2001-2011
(Self-reported, 2013)

	2001		**2006**		**2011**	
	N	**%Tot**	**N**	**%Tot**	**N**	**%Tot**
Male	29	58.00%	43	58.11%	48	53.93%
Female	21	42.00%	31	41.89%	41	46.07%
Total	50		74		89	

Table 23 – Trinity Christian College Faculty Information
(Self-reported, 2013

Faculty	**2001**		**2006**		**2011**	
	N	%Change	N	%Change	N	%Change
%Terminal Degree	62%	n/a	64%	3.23%	65%	1.56%
%Courses taught by Fulltime Faculty	70%	n/a	82%	17.14%	85%	3.66%
Average tenure	n/a	n/a	n/a	n/a	n/a	n/a
Fulltime teaching load requirement	8	n/a	8	n/a	8	n/a
Full-time avg sem credit load	11.4	n/a	11.6	1.75%	10.2	-12.07%
Average Class size	12.04	n/a	13.55	12.54%	13.11	-3.25%

Findings

Strategic planning. The Trinity Christian College strategic planning process was well designed and ingrained within the institutional culture. Since 1999, TCC completed three five-year strategic plans and was working on the plan to begin in the fall of 2013 at the time of this study. The complexity and thoroughness of the plans increased with each successive iteration. The strategic planning cycle commences when the president initiates the strategic planning committee during the final year of the last strategic plan. The process begins with an environmental analysis that focuses on institutional strengths and weaknesses as well as external opportunities for and threats to the college. While the college utilizes a five-year strategic planning cycle, the president acknowledges that with the rapid pace of environmental change, TCC's next strategic plan will likely be for a shorter horizon.

The college utilizes a shared governance approach to strategic planning. Faculty has an opportunity to volunteer to serve on a one-year strategic planning committee. However, if an insufficient representation of faculty volunteer, leadership will solicit volunteers to participate. Utilizing an environmental context, researched and initiated by the president, and completed by the strategic planning committee, the strategic planning committee develops the five-year strategic plan over the course of one year. The plan is presented to the Board of Trustees for approval. However, in that presentation, the president carefully educates the Board about the current and projected environmental context under which the college operates and how that context "shapes our [the university's] priorities". The Board then has the option of "rubber stamping" the strategic plan or making recommendations for modification prior to plan finalization in May of the given planning cycle.

The strategic plan was developed with TCC's mission in mind. To ensure linkage, one campus leader stated, "…every objective is referenced to a part of our mission statement." Another campus leader commented, "…when we started to do something, it's sort of footnoted – here's where it is in the mission." However, TCC also maintains a key constituency that protects the college from straying from its mission. The faculty serves in a primary role of conscience. As one administrator stated, "…there's a real tradition of voicing the commitment of the college and letting that be a criteria, a set of criteria for making decisions." Another administrator stated,

> It's very important to the faculty, and I appreciate they're here…there has to be…a Christo-centricity to the whole organization and faculty will not tolerate any watering down of that at all. So it's a constant pursuit of academic excellence here taught from, what we call a Reformed Christian perspective, and that's critical. If they can't pass that litmus test, then it doesn't get to the floor.

However, the college acknowledged the challenges of seeking enrollment growth and maintaining mission fidelity. A campus leader expressed,

> …in this just never-ending and accelerating pursuit of students, you've got to find some way to achieve some kind of market differentiation...we need to stay true to our liberal arts ideals, you know the wide breadth of course work, some of that which may not be in sync with what we'd like to do strategically...

To the degree that significant capital expenditures are required, the Board specifically authorizes those expenditures. In addition, pursuant to accreditation requirements, new programs are also approved by the Board. However, other expenditures are defined within the annual planning process.

Annual planning. TCC utilized an annual planning process to develop specific objectives and goals, as well as the tactics to achieve those goals. Annually, department heads complete an assessment planning profile. This profile asks leaders to evaluate their outcomes and conduct an analysis of their own departmental strengths and weaknesses. These profiles are then reviewed by the college's executive leadership, known as Administrative Council (or Ad Council) before being sent to the cross-functional Committee of Planning and Resources (CPR). Among other resources, the Ad Council utilizes the profiles in defining specific annual tactics to achieve strategic objectives which are then reviewed and approved by CPR. The tactics and progress in executing the tactics are reviewed in January each year in order to make targeted mid-course corrections and reviewed again in May to evaluate how the college performed. One senior leader identified the challenge that at times, "…we have too many tactics and although it really points us in a direction, if you ask someone on campus, 'What are you trying to do?' There's too much."

In order to allocate resources to the desired tactics in support of the strategic plan, the college employs a shared governance approach. An administrator shared, "…the president's cabinet, which we call Ad Council, will do all the legwork of, here are some options and here's the implications, and will then bring it to CPR and CPR will actually vote on it." Another administrator stated,

> …and we run those through Ad Council first and then we communicate the reality of it to CPR and ask committee of planning resources, CPR, these are the options. So that's usually what we do, [the president] likes to present multiple options and then we try not to be dictatorial.

So, by defining resource allocation options at the executive level and providing options to the cross-functional CPR in order to determine final allocations, TCC maintained a shared-governance culture.

Managing net income. Ensuring a financially solvent institution was intentional at TCC. That intentionality extended to both the revenue and the expense side of the ledger.

Managing revenue. From a revenue perspective, TCC is completely reliant on tuition revenue to fund all college operations. The small accrued endowment cannot provide adequate offset to expenses to sustain the college should tuition revenue become significantly challenged. TCC is also acutely cognizant of the discount rate, which is the average discount from the stated tuition price, as experienced by the students. One leader pointed out, "We had a long history of very carefully watching the discount rate...So a long history of keeping our eye on that, trustees even, especially trustees." Another senior leader agreed by stating, "Our discount has not run away…Now some people would say that's leading to problems in enrollment because our enrollment was down, but we have kept a lid on discount rate".

However, a second form of revenue-hedging resulted from diversifying the student body between traditional undergraduate students and adult education at remote campuses. During the market downturn of 2007 through 2010, the president affirmed, "Our adult studies program was still growing...so from '07 to 2010 if one was weak, the other was strong, so in a sense our revenue continued, despite the downturn." During this period, revenue continued to increase for TCC.

Managing expenses. TCC managed the expense side of the equation. One campus leader believes that as a smaller college, expense management is simpler, "...one of the benefits is we're a small campus, you know everything. There's not much that can slip by…" When discussing the process for managing expenses, a senior leader stated, "We kind of follow the strategic plan…and do we have the money for it? We just really are disciplined about adding."

However, a major factor in managing expense was the management for personnel related expenses. According to one leader, the campus made "...very careful decisions about hiring and, unfortunately, once in a while, letting someone go. But, just keeping such a close eye on what's happening." Another leader affirmed, "We had, fortunately, providentially, we had a handful of positions that were not filled at the staff level, and we took those off the plate immediately."

The second major area of expense management was in the form of reviewing program mix. One leader stated,

> ...about four years ago, and it wasn't a formal review of the entire process, but we… more informally looked at that and we dropped information science from computer science; we collapsed four music majors into two or three ; we did one other similar action.

Another leader responded with a series of questions that they explored,

> ...have we allowed our class sizes to get too small? Are we offering class sizes that are attracting enough students to make them cost effective? And then move your way up, are we offering programs that aren't attracting students, that can't support themselves?...how many other liberal arts programs are we offering that don't bring enough students to support themselves, that are essentially feeding off of nursing, business and teaching? How many of those can we continue to offer outside of the big three...

And, fundamentally, TCC asked themselves the question, "...is there anything now that we're doing that is really not contributing to the… I guess the financial goals of the college?"

One area that the college is still evaluating is the percentage of credits hours being taught by full-time faculty. After consciously driving that percentage to 80% (in fact, the percentage rose to 85% in 2011), TCC is now discussing the value of reducing that percentage to a range of 75%-80%.

In the spirit of shared governance, TCC presented employee benefit reduction options to the Economic Benefits Committee, recognizing that the rising cost of benefits was a driving force in expense inertia. According to a senior leader,

> …we threw it to the economic benefits committee and said, 'Hey, we're faced with this, what is acceptable to faculty and staff?'… basically, come to a proposal to reduce benefit expenses as much as you can and come to the next CPR meeting with your recommendation and it was the same thing that CPR, you know, the multiple options strategy is what worked."

Fiscal discipline was demonstrated through the college's commitment to minimize debt, even in the face of major construction projects. The college engaged in major capital fund-raising campaigns throughout the study period in order to reduce outstanding debt and to fund new projects. Leadership recognized the burden debt placed on institutions,

> ...we've done an enormous amount of construction on this property in the past 20 years. A lot of it's been concentrated in the last 10 years. We have taken on some debt with that, but we're working our way through that as well. There's no…there's a very strong anti-debt culture on this campus now, at the board level...

And again,

> ...there's a very strong anti-debt culture on this campus now, at the board level and I think there's a…we've had…we're blessed with a lot of board members with very strong financial acumen that we can tap into, very strong. That probably stems from the fact that we're, we've always been a pretty good business school. So we've produced those people and then they like to come back, so…and they do not hesitate to share their opinions about what we should be doing financially.

In fact, the Board recently determined that the campus needed to get out of the fund-raising-for-construction mode and start building its endowment.

Conclusion. TCC embraced the concept of long-term strategic planning with a five-year horizon. However, with the rapidly changing face of higher education, TCC recognizes that the strategic planning window will become shorter. Through a combination of effective strategic planning intentionally linked to the college's mission and annual tactical planning which is reviewed and reanalyzed half way through the academic year, TCC leadership set a clear path for how they achieved the institution's mission and fiscally strong outcomes. In the process, college leadership recognized the importance of managing debt to ensure it did not become a barrier to future growth or success and intentionally used fund-raising to reduce debt. TCC embraces a culture of shared governance, allowing cross-departmental committees to participate in tactical planning and resource allocation.

Yet, this college has a built-in conscience that holds it accountable to its mission – the faculty. Because of the shared governance structure, faculty and staff have a real voice in what decisions are made. By operating the college with transparency, faculty is positioned to aid in choosing the paths that lead to financial success and mission success.

As TCC moves forward, it foresees two primary challenges to continued financial success. First, college affordability is increasingly becoming a barrier to student entry. TCC is challenged with ensuring they clearly articulate a value proposition so that parents understand that completion of a college degree at TCC is worth the cost because of the environment and spiritual growth students can achieve. Secondly, TCC is faced with a shrinking demographic. According to leadership, the number of high school graduates is decreasing in the Midwest region of the United States. In addition, the number of students graduating from schools affiliated with the Christian Reform Church (CRC) is decreasing. Further, leadership perceives that parents of children from the CRC are demonstrating less commitment to Christian education. To that end, TCC must cultivate a broader student demographic without compromising its mission or the values taught at TCC. A third, tangentially identified threat to TCC's future success lies in its current endowment levels. The Board and the president recognize that the college's complete dependence on tuition revenue with a relatively small endowment places TCC at risk in sustaining its programs. Building the endowment can provide a cushion for the college's future.

Cross-Case Analysis

The characteristics of the three subject institutions varied. Trinity Christian College (TCC) served only undergraduate students, enrolling approximately 1,500, in a suburban setting of the Chicago land area. This institution - founded in 1959 - was relatively small in enrollment and endowment ($6.3M). However, TCC's average tuition, net of discounts, was approximately twice as much as the other two institutions in the study.

The second college, Mississippi College (MC), is a comprehensive liberal arts and professional studies university offering a continuum of education - undergraduate through terminal degrees - in specific fields. MC served an aggregate enrollment of over 5,200 students and is located in a suburban area near the Mississippi state capital of Jackson. Founded in 1826, and the largest of the three subject colleges, MC's endowment better reflected its maturity ($55.7M). In addition, MC had a more academically diversified student body with 39% pursuing graduate degrees.

The third institution, North Greenville University (NGU), is located in a rural setting in northwestern South Carolina. With a total population of approximately 2,400 students, NGU predominantly focused on undergraduate education. Founded in 1934 as a junior college, NGU began offering baccalaureate degrees in 1991. In addition, NGU launched graduate level programs in 2006. NGU's endowment was relatively small ($14.0M).

With significant geographical, philosophical, theological, academic, and enrollment variances, the common factors between these institutions were in sustained financial success and Christian mission underpinnings. Porter & Ramirez (2009) suggested that four factors correlated with institutional failure: increased selectivity and religious affiliation yielded a negative correlation, while the size of institutional enrollment and institutional wealth, as measured by endowment per full-time equivalent student, maintained a positive correlation. In the case of the three subject institutions, religious affiliation presented the only consistent mitigating factor.

Revenue generating strategies and the influence of mission on strategy. Leadership from the three subject institutions understood and embraced the fact that they were mission-driven and tuition-supported (Hilpert & Alfred, 1987; B. Weisbrod et al., 2010). Consistent with the findings of Porter & Ramirez (2009), the ability of a Christian college or university to attract students is dependent on its mission.

Enhanced revenue in private colleges and university occurs through one of two mechanisms: tuition increases or increased enrollment. In fact, the three subject institutions successfully employed both strategies.

Tuition increases. The three institutions tactically approached tuition increases from different positions. Consistent with Fried (2011), tuition increases at the subject colleges were typically determined by how much each college thought it could charge based on a comparison against its perceived market competition rather than a budgeting method to determine price by evaluating cost and adding a markup.

TCC, with tuition listed 67% higher than MC and NGU, continued to increase tuition by approximately 5% per year. However, concurrently they increased the discount rate such that the net tuition increased an average of 2.7% per year. NGU also averaged a 5% per year tuition increase. However, the discount rate increased only slightly, leaving a net tuition increase of approximately 4.3% per year. Finally, MC posted the smallest annual tuition increase at 3%. However, a reduction in the average discount rate actually yielded a net annual tuition increase of 5.3%.

Intentionally managing the institutional discount rate was critical to all three colleges. The discount rate was offered by the colleges to attract students by increasing affordability (Fried, 2011; B. Weisbrod et al., 2010). However, if the subject institutions had allowed discounts to spiral out of control it would have materially reduced institutional revenue. According to an MC administrator,

> ...we discount, we discount heavy to recruit undergraduates. We don't discount nearly as much on the graduate level but we discount heavy to get these undergraduates in here and the state schools are discounting… ...we've reshuffled it in a way that will make our recruiting more robust.

A leader from TCC commented, "We had a long history of very carefully watching the discount rate...So a long history of keeping our eye on that, trustees even, especially trustees." Another MC executive stated,

> … it's not an easy thing to decide exactly where is the line with discount. You know there's affordability, but you don't want to put too much money on the table. But it's not an exact science - decisions are made and they may…we might go in another direction next year because of unintended consequences or it didn't happen the way we had hoped.

Enrollment growth. All three institutions intentionally grew student enrollment throughout the evaluated period. Recognizing that the average 2011 tuition revenue value per full-time equivalent student, net of discounts, for MC, NGU and TCC was $7,337, $7,255 and $15,029, respectively, an additional 50 students would represent a significant amount of revenue in one year. As one leader from MC expressed, "...I don't want to sound too financially obsessed but we have to be because you know we're just…as we found out last fall, we're just fifty students short from a revenue, not a crisis, but concern."

Further, that increased revenue base compounds into future years as students complete their academic course of study. While some enrollment growth occurred due to traditional enrollment strategies, other growth resulted from an intentional product diversification.

Traditional undergraduate students. All three subject colleges experienced growth in the traditional undergraduate population. The growth rate in this population varied from a high of 25.5% at MC to a low of 8% at TCC. Growth occurred from different factors. TCC leadership stated,

> …when the recession hit, that enrollment upturn for us kept happening to a degree and it's because on the traditional program side of things, traditional undergraduate, I think we were still, from 2000-2010, being discovered often and so that helped us.

However, at MC and NGU, growth was more intentional. Program expansion was a common theme at both MC and NGU as the institutions sought programs that meshed with the institutional mission and expanded student enrollment. In addition to academic program expansion, MC also targeted students from outside their traditional borders. One executive stated,

> …we're working on reaching beyond our borders because what we've got going for us is a good academic program - good in terms of the education enterprise system... It's cheaper than a lot of places outside of Mississippi. So I mean we can…and we're getting more out of state students all along…

Non-traditional students. Two of the study institutions, MC and TCC, offered educational programs targeted at non-traditional students. Because of the two institutions' proximity to metropolitan areas, they successfully utilized satellite facilities to reach out to target populations. MC maintained a steady enrollment in these programs throughout the study period. A MC administrator commented,

> …staying true to who we are but I think, especially during this economic downturn…it's not really the traditional programs that have helped us financially, they're staying steady, I mean they've helped us, they're part of who we are, don't mistake that, but it's really some of the programs that we've been willing to go out and sort of push the traditional liberal arts wall further with either non-traditional programs or online programs or accelerated degree programs, those kind of programs.

TCC grew the non-traditional population by 29.2% over that same period of time. According to one TCC campus leader, while discussing enrollment trends, "Our adult studies program was still growing…so from '07 to 2010 if one [traditional or non-traditional enrollment] was weak, the other was strong so in a sense our revenue continued, despite the downturn." In contrast, NGU's rural location did not provide it the same opportunity to engage a significantly dense adult population demographic without creating a presence outside their immediate sphere of influence.

Graduate education. During the study period, MC and NGU both achieved significant growth in their graduate student enrollment, achieving 43.5% and 186.7% growth, respectively. Some of that growth for MC resulted from an intentional outreach to international students,

> We decided in about 2004 that we would try to recruit students from abroad. We've never done anything like that - this is Mississippi - this is a fairly parochial school, you know with good, solid Christian ambitions and pretensions. But it's one thing to say we want to reach out to the world and recruit…international students. We want to do it for their sake educationally; we want to expose them to our value system, too; we want them to expose us to their value system so we can get a better global perspective of things. It's very hard to do, very, very hard to do but a lot of things came together and we had…at one time we had about 350…But I'm here to tell you, if we didn't have those students coming in when we did from…we reached 100 I think…by the fall of 2005. Those students in 2005, 2006, 2007 made the difference between this school making money, I mean generate a positive cash flow, or not.

The growth and development of graduate education at NGU delivered an important supplemental tuition revenue stream. NGU launched graduate programs in 2006 and by 2011 the graduate population reached 238 students.

Revenue strategy and its effect on institutional mission. Contrary to the warning sounded by Meyer & Sikkink (2004) regarding colleges' succumbing to pressure to change their mission in order to grow enrollments, the studied institutions did not fall into that trap. A consistent theme across the three campuses was that the Christian mission was paramount to the institutional identity and was a filter through which the colleges viewed strategies. As one NGU leader discussed when contemplating adding a program that did not fit within the institution's mission,

> We've talked about it; we've considered it; but at the end of the day we did not, for that reason. We couldn't make it harmonize. Frankly and honestly we wanted to do it…but we couldn't convince ourselves…and our commitment is to not be anything but Christ-like. We don't want that to be a motto where "Christ makes the difference"; he's got to

> make the difference and we made a couple of hard decisions that cost us some money- one of them, because it's just not right. We would be hypocrites if we did that - and we really wanted to do it, at least enough of us that we were trying to figure out a way to do it - but we couldn't, so we didn't.

Similarly, a TCC administrator shared,

> It's very important to the faculty, and I appreciate they're here, and also as an alum of this institution, is that is has to be, there has to be…everything - there's a Christo-centricity to the whole organization and faculty will not tolerate any watering down of that at all. So it's a constant pursuit of academic excellence here taught from, what we call a Reformed Christian perspective and that's critical. If they can't pass that litmus test, then it doesn't get to the floor.

The MC representative was also consistent with this message,

> Well the first thing we ask is, does this program fit our strategic goals? Does it fit our mission statement? And we're dead serious about that at Mississippi College...We want to be a university known for academic excellence and for advancing the cause of Christ and it doesn't mean that we're oppressive at all in our religion - I don't think we are.

Systems and strategies employed to drive positive net income. Consistently, the three institutions employed effective cost control to ensure revenue was sufficient to cover annual expenses. Violating Bowen's law, the studied institutions did not "…raise all the money they can and spend all of the money they raise"(Fried, 2011). Effective cost control was a product of effective planning, reporting and management. In fact, all three colleges exhibited the characteristics described by O'Neal (2010), "The strongest financial models reflected most or all of the following – higher tuition, lower discount, major contributions from affiliated fellowships, significant revenues from graduate and adult programs, less debt, and most fundraising devoted to strategic operations and facilities" (p. 6).

Planning and reporting.

Strategic planning. While each college employed a strategic planning process, as required by accreditation (Abelman & Dalessandro, 2009; Firmin & Gilson, 2007), each institution in the study sample approached strategic planning using a different model. TCC conducted it strategic planning from a traditional five-year horizon model. Every five years, the college develops a full environmental analysis. From that analysis, TCC develops a subsequent five-year plan. However, recognizing the current pace of change in higher education, TCC began contemplating moving to a three-year horizon.

On the other hand, MC, while it had a formal strategic plan, viewed the plan as an accrediting body requirement, but had core institutional objectives that directed its actions. While these objectives did not sit on a conventional "strategic planning" platform, they served to drive MC's short and long-range planning. The objectives could be modified if necessary; however, they remained relatively constant over time. This model provided immanent flexibility to enable the institution to remain nimble when new opportunities arose.

NGU, in a third model, maintained a strategic plan with a five-year horizon. However, the five-year horizon was renewed annually so that it continually looked out five-years. With this model, annual planning was subsumed under the rolling strategic planning process. Once again, this model provided flexibility to the university to adapt to new opportunities or situations.

Regardless of the strategic model employed, the subject institutions were intentional in the process, aligning the plan with their mission (Buckland, 2009; Hax, 1991).

Annual planning. Annual planning was integral to the process at each college. However, each college approached planning in a different manner. One commonality between MC and NGU was that they began their revenue budget by assuming the same student enrollment as in the previous year, with the only increase in revenue resulting from scheduled net tuition increases. This conservative budgeting approach financially demanded that MC and NGU create annual expense budgets that directly attacked the expense inertia common to higher education (Kaufman, 2008). However, at each subject institution, annual planning and budgeting was clearly defined. TCC employed the most structured annual planning process by requiring that each department or program complete planning documents that identified annual goals and projected operating and capital funding requirements in order to achieve the objectives.

Again, planning at all three campuses was not limited to a once per year event. Each institution included a system to evaluate on-going financial and operational outcomes against the original plan. Through the review process, the colleges were able to adjust spending based on reality and implement processes to ensure that changes were made. For example, one TCC leader shared a recent economic situation, to which the institution responded,

> ...[enrollment] fell precipitously last spring because [of] our adult studies program…[we] had to deal with that and, to our credit, I think we handled that fairly nimbly, even though we have quite a bureaucracy to work through. I mean it was immediately - we need to make immediate decisions on how we're going to conclude this year based on the projections we're seeing from spring… and [the president] was very clear on how it was communicated. It's like we know we're coming up on a great fall but something, and we haven't figured out what, has happened now and we need to react quickly or else we're going to get ourselves into a cash flow problem. We didn't get ourselves in the thinking, well this is going to somehow fix itself; no, we've got to get ahead of it.

A similar occurrence at MC elicited the following response, "...when the numbers came out from the enrollment, what fall's enrollment looked like, [the president] immediately put a freeze on things within 24-48 hours."

Financial information. A second theme identified across the three organizations was the requisite availability of timely and accurate financial information. Access to and review of information allowed campus leaders to respond intelligently to circumstances before they had significant negative financial consequences. Consistent with recommendations from Taylor (2010), MC and TCC emphasized the importance of the right systems and personnel to ensure relevant financial reporting. One MC leader expressed,

> ...current information is crucial to managing and when everybody's got plenty of money it's easy; but when it turned down, which it did in '07-'08, you better know where you

> are before you get there...You cannot operate in a cigar box style. You cannot operate in the dark and get information a week old or a month old or six months old.

A TCC administrator responded, “And then the person we got in...was driven to find financial success, to the point of alienating most of the campus. But, really a turnaround guy that we needed because our systems were antiquated…”

Resource allocation. With respect to allocating resources each year, the campus leadership teams strove to make decisions based on consensus, understanding that the president could make an overriding decision. As one president stated, “If everyone else in the room has a total of nine votes, I have ten.”

Each campus recognized insufficient financial resources to fund each department or program’s wants. Reflecting this position, an NGU administrator stated, “We can’t do everything anybody wants or we’d go…any school will go bankrupt if they try to do what everybody wants.”

Funding of programmatic or departmental goals originated with the institutional mission and the leadership teams’ understanding of the overriding institutional missions. In a discussion on funding new employee hiring, a leader from MC stated, “…if you have a strategic direction and you got multiple requests for positions, you’re going to lean towards the positions that are a part of a priority, a strategic priority that you’ve adopted.”

A bottom-line focus. Leadership across MC, NGU and TCC exhibited a fiscally conservative approach to college leadership. Each leader was acutely aware of the thin margin that stood between financial viability and financial trouble, which at times fostered austerity measures (Comptroller General, 1978; Henck, 2011).

Academic efficiency. Leadership considered efficiency and effectiveness in delivering academic and non-academic programs. A leader from MC stated, “...if we bring forth something new among older, established departments and programs they're afraid they're going to lose something and sometimes they will…we have got to support those areas that support the whole that our revenue posits." However, the challenging economic period covered in this research also provided institutions an opportune time to evaluate program efficiencies. As a leader from TCC reflected,

> ...have we allowed our class sizes to get too small? Are we offering class sizes that are attracting enough students to make them cost effective? And then move your way up, are we offering programs that aren't attracting students, that can't support themselves?...how many other liberal arts programs are we offering that don't bring enough students to support themselves, that are essentially feeding off of nursing, business and teaching? How many of those can we continue to offer outside of the big three...?

Even in "bottom-line" focused cultures, there was a strong recognition that some inefficiency must be maintained when it contributes to the institutional mission or identity. An inherent tension existed between maximizing efficiency through the use of adjunct faculty and maintaining mission consistency derived through full-time faculty. In this respect, the three institutions chose to lose some operational efficiency by insisting that 80% or greater of all courses be taught by full-time faculty. In addition, some smaller academic programs were inefficient based on enrollment and required resources. However, these inefficiencies were subsumed by the greater institutional purpose (Fried, 2011). For example at MC,

> …you could look at our chemistry program and you could say this program loses $300,000 a year…true statement. And there's like eight full time faculty, PhD faculty and maybe fifty majors; yes, but this program has won all kinds of awards. We were the first college in the state in 1882 to hire a Ph.D. chemist; so we've had chemistry for a very long time and you know we've peopled a lot of learned societies with folks that came from our chemistry program. So I'm not taking it down because it loses $300,000…so I'm going to have to make $300,000 up out of the education school by offering two more master's degrees in something or other… See this is what I'm saying, that we have a number of academic programs that have a lot of reputation and strength, they lose money…true. But you have other programs that make it up and a university presumably has a universal sort of concept about it.

Living within your means. A prevalent theme within all three colleges was one of living within the institutions' means. Each college provided unique set of examples showing how they ensure living within their means. From the outsourcing of housekeeping and grounds keeping at MC to the in-house construction company developed at NGU, each institution sought ways to garner as much value for the dollar as possible.

Another important element of this credo was reflected in each institution's philosophy to avoid taking on debt to fund construction capital improvements (Comptroller General, 1978; O'Neal, 2010; B. Weisbrod et al., 2010). As one representative of NGU articulated,

> ...staying out of debt at the same time has allowed us a degree of freedom that a lot of our peers don't have. We're not servicing debt; we're not spending scarce resources to pay a bank off somewhere, that's just not happening.

Achieving this task of reducing or eliminating debt has been challenging at MC and TCC where current leadership inherited significant debt. A leader from MC described his approach,

> We just took cash that we earned and paid debt down. We made it a priority to do that. It's pretty tempting not to do that when you can borrow money at a very low rate; but then again, see this is a world in which there's not a lot of resources so you're already kind of looking around thinking when is this next thing going to happen to you, you know?

In addition to avoiding becoming reliant on debt to fund projects, these three colleges also did not rely on endowments to subsidize college operations (Brainard, 2011). While endowments at the colleges ranged from meager to moderate, the fiscal discipline to avoid endowment dependency prevented a shortfall on anticipated revenue when the endowment funds were severely affected during the 2007-2008 time frame. Even though the institutions' endowments were negatively affected, the campus operations were insulated from that affect.

Finally, each campus carefully evaluated staffing requirements, salary, and benefits. In general, non-instructional positions were closely scrutinized to determine if the position should be filled. Because of continued enrollment growth throughout the recession, the colleges avoided layoffs. However, staff and faculty were affected through reduced salary increases. At NGU, the leadership proudly pointed out that while the other colleges in the state eliminated salary increases, NGU reduced the annual increases to 1% and continued giving them out. All three colleges also pointed out that during this period of time they were able to continue employee health and retirement benefits without any negative affect on employees.

In one countervailing economic trend, two of the three institutions increased the percentage of courses taught by full-time faculty. However, all three colleges indicated that full-time faculty was important because of its role in the greater campus community in creating a consistent environment for students, consistent with the institution's mission and improving student retention (Flory, 2002; Schibik & Harrington, 2004).

Ensuring fidelity to the intuitional mission. Two of the colleges researched, MC and NGU, were in significant financial trouble before the arrival of their respective presidents. The restorative actions of the presidents at MC and NGU, and the consistently held mission at TCC, support the findings in literature that consistency in maintaining a mission can contribute to institutional success (Chaffee, 1984; O'Neal, 2010; Porter & Ramirez, 2009).

In the case of MC, education industry consultants had been engaged to aid the college in building future enrollments. With their expertise, the consultants encouraged MC to de-emphasize the college's Christian characteristics. As a result, MC drifted from its mission. Similarly at NGU, as the college sought to salvage itself, it too strayed from its core faith-based mission. "...by 1990 the school probably was trying too hard to be all things to all people and that was, I think, a major reason that enrollment went down and the school got in the trouble that it was in." In both of these cases, the previous presidents of the institutions allowed the mission drift to occur.

In contrast, when the current presidents came into MC and NGU, they re-invigorated the Christian message and mission of the colleges. At MC, the president added the tagline to Mississippi College – A Christian University. He intentionally wanted everyone to know what the institution represented. At NGU, the president initiated a "New Beginning" campaign when he assumed leadership that included purging failed leadership members from the campus and bringing in new leaders that shared his vision of "one more saved."

At TCC, the consensus within the leadership team was that the faculty played the role of missional conscience. As one leader shared the tenor of a meeting,

> ...conversations can be pretty brutal at the faculty meeting because, "this is what I believe Christ would have us do." "No this is what I believe Christ would have us do." How could Christ have us both want to go in different directions, you know?

However, in discussions with senior leadership, it became eminently clear that there were two primary paths to veering from a faith-based to a secular institution: presidential leadership and faculty hiring.

Ultimately, the president is called to maintain the institutional mission. One of the presidents shared that if he wanted to move the college away from its current Christ-centered mission, he could. He would need to be deliberate and patient. But, the Board of Trustees is too far removed from daily activities to see the migration. And, if key leaders create too much noise around the issue, they would leave out of frustration or be dismissed by the president.

Equally destructive is unintentional mission drift. The president must actively pursue the mission and ensure that it is ingrained within the institutional culture. If the president passively assumes that the college will continue to fulfill its mission, the institution could be at high risk for straying from its intended purpose. One president used the following analogy,

> …it's like you've been to the lake and it's no wind, it's the prettiest day and everything is so still. You look around on the dock and think, "man it's just so quiet and still and nothing's happening." And you get out on your little float there at the dock and there's nothing - I mean you're almost hot it's just so…And you're on that float and you fall asleep for about five minutes and when you wake up you're three docks down and you've drifted and you didn't even realize it. And you drifted and you don't even know how you did it.
>
> How did that happen? There wasn't any wind, there was nothing! How did that happen? And at faith based institutions, that's what happens to them. They wake up one day and they're trying to figure out why enrollment's down and why the alumni's upset with them and why people are not supporting them and they've drifted from the mission. And most of the time it's a gradual thing and all of a sudden they wake up one day and say how did we get here?

Further, several campus leaders commented on the fact that hiring faculty that did not share the institution's core values could also veer the college from its intended mission. From a student perspective, faculty is the face of the institution. Faculty is generally unsupervised in its student instruction and interaction. Therefore, faculty can shift an institutional culture away from the intended mission through its classroom influence and instruction. To that end, NGU's president interviews every faculty and staff member, prior to a job offer being extended. He uses that time to identify potential challenges to the university's mission and determines if the variance places the mission at risk.

Chapter 5 - Discussion

The current study demonstrated that financially successful mission-driven institutions have certain planning and operational tendencies in common. First, these institutions created a clearly articulated and communicated identity and purpose from which they generated their strategic plans. Second, the planning processes were integrated into the routine structures and cycles of financially successful mission-driven institutions, with the institutional identity being the lens through which planning was filtered. Third, the investigated institutions employed a business framework in their operations, intentionally living within their means by managing the effectiveness and efficiencies of the institution and by avoiding excessive debt. Finally, each institution diversified its portfolio of program offerings to attract different target populations. It was evident from the current research that strategic planning processes that included strong tactical planning and follow-through, combined with conservative fiscal management was critical to the success of these private, not-for-profit Christian institutions.

This chapter presents a discussion of the study findings derived from comparing the recommendations emanating from the current research against best practices as defined in the literature. The discussion considers the theoretical framework and specific research questions from the study that sought to foster an understanding of the relevance of strategic and tactical planning within financially successful mission-driven colleges and universities. Recommendations follow, based on discoveries drawn from the research and the associated implications these findings might have for mission-driven colleges and universities that are struggling with fiscal survival. Lastly, the limitations of the current study are discussed and, recommendations for future research are presented.

Relevancy of the Institutional Mission

As Christian colleges, the three institutions in this study declared an uncompromising mission to educate students from a Christian world view. The institutional mission provided each college a central framework from which they operated. While every institution of higher education professes a mission, the colleges within this study lived their mission (Accrediting Commission for Senior Colleges and Universities, 2008). The mission created a center from which staff and faculty gained direction. Salient missions, such as those found in this study, affect strategic and tactical decisions. These missions are reflected in hiring decisions, academic program development, co-curricular activities, marketing, recruiting, retention, and every other facet of campus life.

The mission, and how the institution lives out that mission, differentiates the colleges in this study from many other small private colleges that do not espouse and demonstrate salient missions. In researched institutions, the Christian mission is one that is personal and offers to change the lives of all stakeholders. The mission asks all stakeholders to know, understand and live the mission (Woodrow, 2006). While the colleges in this study are Christian, I theorize that all not-for-profit small private colleges could better insulate themselves from enrollment declines by adopting missions that create an emotional connection with their stakeholders. This hypothesis introduces my first recommendation.

Recommendations

Recommendation 1. Create a distinctive mission and value proposition that sets the institution apart in the market and retards the commoditization of that institution, supporting a premium pricing strategy (Hilpert & Alfred, 1987; Noel Levitz, 2010; Woodrow, 2006). If an institution proclaims that it is mission driven and if that institution is intellectually honest, then that institution needs to ensure that the mission and vision are clearly articulated and imbued with the aspirational characteristics the institution seeks to embody. However, it is incumbent on the Board of Trustees to carefully select a president that also embodies the institution's values. In that the head of the organization is the president, ultimately, the responsibility for maintaining mission purity lies with that office.

The mission must be viewed as something more than a platitude. It must serve as the lens through which all strategies and tactics are filtered. The mission must be inculcated at all organizational levels. The mission must be the filter through which faculty and staff is viewed to determine if there is organizational fit. The mission must be unambiguous and those in leadership must be uncompromising when it comes to fulfilling the mission. And, leadership must have the moral courage to sever any person or endeavor from the organization that compromises the institutional mission.

Recommendation 2. Ingrain a strategic planning process that is linked to the mission within the institutional DNA (Buckland, 2009). Strategic planning is critical to the success of every mission-driven institution. The process should include a comprehensive environmental scan to understand the institution's strengths and weaknesses as well as the external opportunities and threats to the institution. However, effective strategic planning in a mission-driven institution can only be accomplished through the lens of the mission (Buckland, 2009). Each strategic decision must be vetted against the institutional mission to insure consistency and integrity. Those involved in strategic planning should be vested with the expectation of voicing concerns should the plans stray from the mission. Jim Collins in *Good to Great,* (Collins, 2001) referred to this as a hedgehog strategy wherein the best companies understood who they were and what they were good at and stuck to their core mission. However, strategic planning must always have a vision of the future. Creating strategic plans based on past activities assumes a linear future and fails to prepare for an increasingly volatile higher education business environment.

Regardless of the strategic planning structure a college chooses to employ, embed flexibility within the process to encourage and allow the institution to quickly adapt based on market opportunities and challenges. However, a culture of flexibility and adaptability demands a clear vision of the mission to keep the institution grounded in its actions.

Recommendation 3. Operate the basic functions of the university like a business, exercising financial discipline in all phases of operations (Fried, 2011; Riley, 2011; B. Weisbrod et al., 2010). In so doing, recognize the criticality of student enrollment and retention to drive tuition revenue. In addition, budget subsequent year tuition revenue based on current year enrollments. While this tactic demands that the institution forgo some desired hiring or operating expansion, it creates a cushion that mitigates abrupt budget cutting should new enrollments not materialize as forecast.

In addition, avoid expending endowment funds to subsidize operational expenses. The most conservative fiscal management approach is to ensure that campus operations can produce a positive net income funded solely on earned tuition.

Third, avoid debt. Debt becomes a fixed expense that is payable regardless of campus earning conditions (Jackson, 1982; B. Weisbrod et al., 2010). Further, based on institutional economic conditions and covenants, debt and debt restructuring can force schools into financial exigency. The best practice is to fully fund all capital projects through advancement activities prior to embarking on the project. However, a realistic approach for many institutions would be to secure half of the required funding prior to construction and continue to raise the balance of the required money prior to project completion.

Fourth, current and accurate financial reporting is critical to long-term, and sometimes short-term survivability. If accounting systems and processes are antiquated or insufficient to provide real-time information and dashboard reports, invest in a system and modify processes to ensure that the leadership has appropriate and timely access to financial and student information. However, access to information is insufficient to stave off problems. The president or designee(s) must review financial and student enrollment activity monthly, if not more frequently.

Finally, leadership must have the fiscal discipline to take immediate and severe budgetary actions should the economic picture for the institution warrant such action. An optimistic perspective that assumes economic challenges will resolve in the next fiscal year places the institution at significant financial risk. Therefore, leading up to the start of each academic term, senior leadership should review actual enrollment trends and forecasts, making necessary adjustments. However, once the academic term starts, accurate enrollment numbers should be utilized to reforecast revenue. Based on that result, leadership should take appropriate actions immediately.

Recommendation 4. Make institutional advancement a priority. Institutional advancement plays a key role in creating stability in a tuition driven college or university (Brainard, 2011; Hilpert & Alfred, 1987; Meyer & Sikkink, 2004). By developing an endowment and creating substantial fundraising events, the institution can insulate itself from minor market fluctuations. Further, these resources can be utilized to pay off existing debt, fund future capital projects and program expansion, and increase institutional aid to targeted students.

For most small private colleges, institutional advancement is not a priority and the resulting endowments reflect that fact. However, improvement in the endowment per full-time equivalent student is negatively correlated with institutional failure. Therefore, building an endowment is one element to ensure institutional financial sustainability.

Recommendation 5. Diversify the institutional portfolio of program offerings and modes of instruction to reach the broadest potential market. While market conditions may negatively affect one market sector's desire to continue education, another sector may be unaffected. Diversify through degree level and across traditional, graduate, and adult education, and, where possible, incorporate international students into the plan.

Limitations of the Study

The scope of the current study is necessarily limited in that findings were based on case studies from only three of the twelve institutions that met the criteria as "financially successful", as defined herein. A comprehensive review of the twelve institutions might enhance the generalizability of these findings. A further limitation is that the study focused on financially successful institutions. Creating a counter-case study to include samples of financially unsuccessful institutions could corroborate or contradict the recommended best practices discovered in the current research. However, the investigation was intentionally limited on the precept that successful patterns are more easily observed. In unsuccessful institutions, the variety of issues leading to that lack of success could be too varied to effectively distill in a comparative manner. In addition, the applicability of the current study to non-Christian mission-driven institutions is not fully defined. In order to substantiate this applicability, I could have included a sample of non-Christian mission-driven colleges or universities in my research.

The current study also did not focus specifically on leadership and the contributions made to institutional financial successes based on the president's leadership. In fact, it is difficult to separate leadership from institutional success. Finally, the case study design necessitates inference (Yin, 2009). My own biases, based on personal experience and education, are reflected in my inferences.

Future Research

While the current study illuminated some best practices within financially successful mission driven institutions, additional research with a similar design structure into non-Christian mission-driven institutions could further enlighten the findings from the current study. In addition, future research could migrate the current study into a mixed methods study of leaders within mission-driven institutions. Further research could explore the leadership styles and philosophies of campus presidents in the mission-driven sector to ascertain those characteristics that portend institutional success or institutional challenges.

Experience Doing the Project

As I reflect on the journey that led to this project, I recognize that entering the process, I thought I had most of the answers. However, over the course of two-years, I truly investigated the literature with an eye to understand that which I did not know. Somewhere along the path, I became a consumer and producer of research. And, over the last year, I had the opportunity to put those new found qualities to use by teaching at the university level.

When I started this research, I had a narrow area of interest - singularly Christian colleges. However, thanks to guidance from my committee, I was able to step back and reflect on the findings at a higher level. While my research focused on private Christian colleges, the lessons learned are just as valid for any mission-driven institution of higher education. For smaller private schools, I learned that the mission is the foundation of sustained success. Experiences from the studied institutions demonstrated that when a college tries to become all things to all people, they often become irrelevant to all. That is an effective life lesson at the individual level as well. If I do not define a purpose in my life, then I too can become irrelevant over time.

Appendix 1 – Site Solicitation Letter

Dear Dr. __________,

I would like to take this opportunity to introduce myself. My name is Wayne Fletcher and I am a pursuing my Ed.D. in Educational Leadership at UCLA. In addition, I recently accepted a faculty appointment in Health Care Administration and the position of Health Sciences Department Chair at California Baptist University in Riverside, CA.

I am initiating the research phase of my dissertation. My dissertation focuses on a problem concerning the large number of faith-based colleges and universities that are struggling financially. As an advocate of faith-based institutions, this subject is personally important. However, the literature does not significantly address the financial success of this sector.

In my research, I plan to conduct case studies of three faith-based institutions with demonstrated consistent financial success over the 2006-10 academic years. Financial success is represented by the annual financial responsibility composite scores published by the U.S. Department of Education. I identified _____________ University as one of the top financially performing faith-based institutions and would be honored if you would consent to your institution's participation in this study.

The following research questions will guide this study:

What revenue generating strategies did the president and/or board of trustees in financially viable Christian institutions of higher education employ to ensure fiscal viability during the period 2006 - 2010 and why did they choose their specific strategies?

What systems and strategies did senior leadership in financially viable Christian institutions of higher education employ to drive positive net income from the period 2006 – 2010 and why did they choose their specific tactics and systems?

How did the presidents and/or board of trustees of financially viable Christian institutions of higher education choose their specific tactics to ensure that the institutions did not become secularized while in pursuit of financial viability and why did they choose the tactics?

In order to conduct this study, I need to have access to:

Strategy documents 2000-2010

Planning documents 2000-2010

Financial statements 2006-2010

Freshman enrollment trends 2000-2010
Freshman demographic trends 2000-2010
Freshman/sophomore retention rates 2000-2010
Annual tuition 2006-2010
Annual average tuition discount 2010-2010
Any changes to mission and vision 2000-2010
In addition, I would like to survey:
Senior leadership regarding strategic planning processes
Staff/Faculty regarding their perception of the institution's fidelity to its Christ-centered mission

Finally, I would like to interview you, your provost and your vice president of administration concerning your strategic planning processes to gain insight into why you chose specific strategies.

If it is convenient for you, I would like to set up a brief telephone call to introduce myself and answer any questions you may have regarding this study.

I look forward to the opportunity to work with you and your institution.

Regards,

Wayne Fletcher
714.747.8805
Wfletcher81@gmail.com

Appendix 2 - Institutional Mission Perceptions

We are conducting research into Christian colleges and universities that demonstrated consistent financial success over the period 2006-2010. Your institution has been identified as one of the most successful Christian universities. One element of our research includes the ability of the institution to retain its Christian identity.

This survey seeks to understand your perceptions concerning your university's Christ-centered mission and its ability to successfully achieve this mission. This voluntary survey should take less than 10 minutes to complete. All individual responses will remain confidential and the survey results will only be presented in summary form.

Thank you for your participation.

Q1

The following questions solicit your opinions concerning your university's Christ-centered mission. Please select the response that most closely reflects your opinion.

I understand and support the Christ-centered mission of this institution.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Q2

The institutional mission was an important part of my decision to work at the university.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Q3

The university effectively communicates its Christ-centered mission to faculty and staff.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Q4

The university successfully models its Christ-centered mission to students, staff, faculty, alumni and parents.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Q5

As you reflect on the university's Christ-centered mission over your time affiliated with the institution, please respond with the choice that most closely reflects your perceptions.

The university's mission has remained constant over time.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Q6

Administration has maintained an institutional emphasis on fulfilling the mission.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Q7

Your colleagues understand and reflect the mission by their actions.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

Q8

As you think about how the university has fulfilled its mission during your time of employment, has the university compromised its Christ-centered mission?

Yes No

If **No** Is **Selected**, Then Skip To **Please describe things which you do t...** **Skip Logic**

Q9

As you consider areas in which you believe the university has compromised its Christ-centered mission, please provide a summary of all areas which you believe have been compromised.

Admissions

Marketing

Academic Integrity

Theology

Program Offerings

Distance Education

Campus Rules

Athletics

Employee Relations

Other

Click here to edit form fields

Q10

Please describe things which you do to assist the university in achieving its Christ-centered mission.

Q11

Please provide any other perceptions about the university's current practices which you believe are relevant to the university's ability to successfully achieve its Christ-centered mission.

Q12

We would like to know a little bit about our respondents. Please complete the following optional questions.

Q13

How long have you worked at the university?

0-4 years	5-9 years	10-14 years	15-19 years	20+ years	Decline to Answer

Q14

What is your primary role at the university?

Faculty	Staff	Administration	Volunteer	Board	Other	Decline to answer

Q15

Should the results of this survey provide inconclusive results we may interview a sample of survey participants. If you would be willing to participate in an interview concerning the university's Christ-centered mission, please provide the following information. (OPTIONAL)

Name

Department

email address

Telephone

Click here to edit form fields

Appendix 3 - Strategy Profile

The following survey is intended to gain a summary understanding of how strategic planning is perceived by senior leaders within your university. There are many successful approaches to achieving successful strategic planning. However, this survey seeks to gain insight into how your university approaches strategic planning consistent with its institutional mission, culture and philosophy. The survey is adapted from work conducted by Arnoldo Hax and Nicolas Majluf. This survey is anonymous and your participation is voluntary. After reflecting on each question, please respond with the level of agreement or disagreement which you deem appropriate.

The university's decisions fall into a coherent, unifying, and integrative pattern.

- ❑ Strongly Agree
- ❑ Agree
- ❑ Neither Agree nor Disagree
- ❑ Disagree
- ❑ Strongly Disagree

The university's purpose is expressed in terms of:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Long-term objectives	❍	❍	❍	❍	❍
Action programs	❍	❍	❍	❍	❍
Resource allocation priorities	❍	❍	❍	❍	❍

The university:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Understands its major competitors	❍	❍	❍	❍	❍
Attempts to anticipate competitors' moves	❍	❍	❍	❍	❍
Has a capacity to dynamically adapt its strategy to environmental changes	❍	❍	❍	❍	❍
Recognizes its strengths and weaknesses	❍	❍	❍	❍	❍
Attempts to achieve long-term sustainable advantage over its key competitors in its major academic endeavors	❍	❍	❍	❍	❍

The university clearly recognizes the different managerial tasks to be addressed at:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The executive level	❍	❍	❍	❍	❍
The college or business unit level	❍	❍	❍	❍	❍
The department level	❍	❍	❍	❍	❍

The university defines the economic and non-economic contribution it intends to make to its stakeholders.

❍ Strongly Agree
❍ Agree
❍ Neither Agree nor Disagree
❍ Disagree
❍ Strongly Disagree

Strategy is openly and widely communicated:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Internally to the university community	❍	❍	❍	❍	❍
Externally to all relevant constituencies	❍	❍	❍	❍	❍

Strategy is generated through a wide participatory process.

❍ Strongly Agree
❍ Agree
❍ Neither Agree nor Disagree
❍ Disagree
❍ Strongly Disagree

The strategic process is managed to build wide consensus around intended courses of action.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Strategy is based on a disciplined formal process aimed at the complete specification of executive, college/business unit, and departmental strategies.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Strategy is based on a negotiation process among all key players.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Strategy emerges from the pattern of actions in past decisions.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Strategy is mainly a vehicle of change that shapes new courses of action.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Strategy is mostly deliberate.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

Appendix 4 - Executive Interview Protocol

First, let me thank you for participating in this interview. As you are aware, this interview will be digitally recorded and transcribed. If you agree, can you repeat the following statement, “I, ___________, grant Wayne Fletcher consent to record this interview.”
Thank you.

I am conducting research into the planning processes of financially successful faith-based colleges. As a leader of this institution I am seeking to understand, from your perspective, how planning is accomplished, who is involved and how decisions are made and resources allocated.

Participation in this interview is voluntary and all responses will remain anonymous. Once the interview is complete and the transcripts are compiled, I will provide you a copy of the transcripts to review for accuracy before I begin the data analysis process.

1. When ____________ University initiates its strategic planning process, who specifically initiates the process?
2. How is this process communicated to the campus community?
3. What role does the Board play in strategic planning?
4. How does the university determine resource allocation when approving the strategic plan?
5. How does the university choose its overall strategic objectives?
6. Describe how the university’s mission is employed in developing strategic objectives.
7. What processes does the university employ to conduct an evaluation of the institution’s strengths and weaknesses along with evaluating the market opportunities and threats? (SWOT analysis)
8. Please discuss the role that staff and faculty play in the strategic planning process.

9. How early are staff and faculty engaged in the process?

Around the 2007-08 period, the national economy began a serious decline. National data demonstrates that many colleges and universities struggled with increasing expenses, declining endowment and fund-raising and increased student tuition discounting. Please use these economic developments as the context for answering the following questions.

10. What strategies and tactics did you employ to ensure positive net income from 2008-2011?
    a. Full-time faculty mix
    b. Class size
    c. Employee hiring
    d. Adult education
    e. Academic program mix
    f. Targeted marketing
    g. Fund-raising
11. Why did you choose to approach the fiscal challenges in this manner?
12. Please describe the annual planning process this institution goes through.
13. Do you think staff and faculty feel that they have a voice in this process?
14. As you go through long-range planning and annual planning, describe how your Christ-centered mission influences your discussions and decisions.
15. What safeguards are in place to ensure that decisions are made through the lens of this fundamental mission?
16. Do you personally belief that the university has made any strategic or tactical decisions that violated your Christ-centered mission?

a. If yes, why were the decisions allowed to be made?

17. In your opinion, what is the biggest challenge for a faith-based university seeking to remain financially viable and committed to its Christian mission?

18. How does ________________ University address that challenge?

That concludes my questions. Are there other questions that I should have asked or is there anything else that you want to share with me?

Thank you for your time.

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