

Ten-Year Business Strategy

BACKGROUND

During the October 2015 Board of Trustees Retreat, trustees discussed several scenarios for ten-year planning, and a set of directional statements emerged from the discussion to help guide the development of a draft ten-year business strategy. The draft attempts to look comprehensively at all of Oregon State's operations and to align enrollment goals, tuition projections, and broad program strategies with those directional statements.

The business strategy is based on the parameters discussed in October, updated to current tuition projections, cost projections, and enrollment goals. The business strategy does not describe specific tactics but identifies the types and relative sizes (in dollars) of the costs and revenues associated with strategic needs and opportunities. The business strategy includes commitments to new costs and revenues to advance the strategic plan. Those are structured such that they maintain an appropriate fund balance across all units, particularly Corvallis Educational & General Operations.

Many of the ideas identified by the working group established by the Provost (which included vice provosts, vice presidents, and associate provosts) and the Provost's Council for new investments and revenues are included. The amounts and timing of those investments are structured to maintain fund balance. The specific choices of which investment or revenue idea, on which timeline, could be changed, but the aggregate decisions have to yield a balanced budget.

One of the principle reasons for structuring the business strategy this way is that much of the tactical implementation of these ideas will require commitment by individual academic units (departments or colleges), and those specific decisions may change rapidly in response to student demand, market opportunities, and academic priorities. This version of the business strategy is a draft on which we are seeking comment from the Board and key parts of the campus community.

KEY QUESTIONS

Some of the important issues for discussion include:

- Does this draft business strategy capture the directional sense of the October retreat? Are there directions or conclusions that are surprising to the Board?
- As currently structured, the business strategy focuses on broad categories of cost and revenue strategies rather than specific tactics. Recognizing that the implementation of the strategy and the engagement of individual academic units will be dynamic, to what level does the Board want to see more detail or more specifics on tactics?
- Are there significant missing pieces or unaddressed issues the Board wants considered? For example, the current draft strategy is focused on operations, and while it does include operating costs for new facilities and some additional debt service, it does not currently include a ten-year capital forecast and associated projections of asset changes, debt, and relevant financial ratios. The capital forecast is under development and once completed can be incorporated into the business strategy.

TAB V

NEXT STEPS

Staff will edit this version of the business strategy based on feedback from the Trustees and from campus leadership and stakeholders. Additional sections or materials will be developed as necessary, and a revised version will be reviewed at the March meeting.