KICK START YOUR PROGRAM!

GETTING THE RIGHT PRODUCT MIX FOR YOUR EXTENDED LEARNING/CONTINUING EDUCATION DIVISION

GREG MARSELLO, LERN
JULY 10, 2013

Brought to you by Augusoft
WEBINAR LOGISTICS

- Polling questions will be displayed on your screen throughout today’s presentation.

- Submit any questions you have for today’s speaker through the questions function on screen.

- A link to the webinar will be available within the next 24 hours on Augusoft’s website. http://www.augusoft.net/webinar
TODAY’S PRESENTER: GREG MARSELLO

- Co-Founder of LERN
- Road Warrior/Program Reviews
- Learning Connection & GWU
- Lumens & LERN Software Tools
- One-Year Plan
RIGHT PRODUCT MIX

• most revenue and participants
• lowest overall and new offering cancellation rate
• highest student repeat rate
• least amount of staff energy
• best management of product development dollars
• best use of promotion dollars

Critical Guidelines
PRODUCT MIX RESPONSIBILITY

- Programming Professional
THINK OR KNOW

- Think is about gut
- Know is about numbers and some gut
PRODUCT MIX

- **Products** – computers, business, recreation
- **Market segments** – children, Generation X males, engineers
- **Delivery methods** – online, f2f, contract
30% RULE

Delivery Method → Product Area → Market Segment → Delivery Method
**Market potential**

- **Market potential** is the total number of possible participants.

- **Market share** is the total number of those people you have enrolled/involved.
REPEAT RATE

30-50%
NEW

• 20-30% new
• New defined as brand new or redesigned
CANCELLATION RATE

- 15% overall
- 30-50% new
- 2-3 times
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$100,000</td>
<td>100%</td>
</tr>
<tr>
<td>Promotion</td>
<td>$15,000</td>
<td>15%</td>
</tr>
<tr>
<td>Production</td>
<td>$45,000</td>
<td>45%</td>
</tr>
<tr>
<td>Direct Costs</td>
<td>$60,000</td>
<td>60%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>$40,000</td>
<td>40%</td>
</tr>
</tbody>
</table>
NEW OFFERING/NEW INITIATIVE

• New initiative is new product area, new market segment, new delivery method

• One new initiative a year

• Guidelines
  - Last 3 years
  - $100,000 or 5-10% of revenue budget by Year 3
  - 40%+ operating margin by Year 3
  - Enough names
GENERAL OR TARGETED

• General catalog works, but targeted promotions work better...show me the names
THREE CENTRAL USES OF NEEDS ASSESSMENTS

- Determining which customers/participants to serve
- Determining what courses/events to offer
- Determining how your courses/events should be offered
MARKET RESEARCH

- Part of a programmer’s job
  - You need to be in touch with your participants.
  - You need to be able to ask the right questions.
  - You need to be able to analyze the results.
Front Line Staff
Evaluations
Read Other Programs
Focus Group
Survey
GENERATIONS

• Generation Y: Children & CPE
• Generation X: Families & CPE
• Baby Boomers: CPE & CE
• Veterans: CE

- product, marketing, delivery
PRODUCT DEVELOPMENT MONEY

- 10% of operating margin over 3 years
- $120,000 at 50% operating margin = $60,000 X 10% = $6,000
- Better to contract out
ENERGY

• 6-20 times salary
• routine tasks centralized
• stay out of day-to-day
DO YOU HAVE THE RIGHT PRODUCT MIX?

- Programming professionals are generating 6X+ their salaries and understand needs assessment.
- Good mix of product, market segments, and delivery methods...30% Rule...Same for Generations.
- Repeat Rate 30-50%.
- New 20%+, Cancellation Rate less than 20%, Operating Margin 40%+
- Biggest revenue generators can be targeted, thus you have names.
- One new initiative is rolled out each year.
QUESTIONS
THANK YOU!

Lean on LERN for “Information That Works!”

www.lern.org
info@lern.org
marseillo@lern.org

To request more information or schedule a demo of Lumens, please contact sales@augusoft.net or go to augusoft.net to submit your request.