



Town Hall Meeting

23 November 2016

Agenda

- Accomplishments
- AUBG Goals
- Key Challenges
- Sustainability Outlook
- Improved Organization
- Next Steps
- Q&A

Major AUBG Accomplishments 2016

SUPPORTERS

- Actively Engaged Students, Faculty, Staff, Alumni, Government
- Doubled Alumni Participation Rate
- Intensified Community & PR Outreach

ACADEMIA

- Reinvigorated Academic Leadership
- Found a Solution to Faculty Compensation Issue
- Academic Partnerships Progress with Bocconi and INSEAD
- Secured Maximum NEASC Accreditation term

ORGANIZATION & CULTURE

- Introduced HR Leadership
- Agreed Vision 2030, Values, Management Process
- Introduced Performance Management

STRATEGY & EXECUTION

- Completed Strategic Plan 2020
- Executed Sustainability Strategy Study on time and within budget

ADMISSIONS

- Increased collaboration b/n Marketing, Admissions, Financial Aid
- Fixing Segmentation, Targeting, Positioning; Systems; Pricing; Financial Aid; Website and Tools; Agents; Leadership
- Finest Open House in AUBG history last week

DEVELOPMENT

- Re-engaged Major Donors: ABF, OSF, USAID/ASHA
- Cost-effectively Restructured Development into Grants, Key Accounts, Consultants
- Raised \$1.85MM in 4 months FY'17 (\$1.95MM Annual Target)

COST CONTROL, EFFICIENCY, RISK MGMT

- Achieved zero increase budget FY'16 vs FY'17
- Ready to execute compliance and risk management initiatives
- Introduced Cost Controls and improved transparency

INNOVATION & LEADERSHIP

- Gen Ed Reform & Academic Innovation underway
- Launched Aspire Innovation Hub
- Working to shift Org Culture toward Performance

AUBG Goals

- Self-sustainability
 - Ability to pay our own bills
- Vision 2030
 - To be the definitive center of excellence for studying, teaching, and working together in Southeast Europe
- Focus on People & Organization

Design Principles

Rewarding Talent and Entrepreneurship



Encouraging Creativity



Academic Excellence



Jobs with a broader scope & empowered teams



Align roles to deliver the best student journey



Right Size to Enrolments



Strengthen Decision Making



Transparent Processes



Key Challenges

- **Legacy Culture**
 - Change cynicism
 - Lack of collaboration, efficiency, transparency
- **Org Structure and Processes**
 - Employee Engagement Study
 - Parthenon EY Organizational Report
- **Financial Performance**
 - AUBG lost \$1MM-\$2MM for each of the last several years
 - Even if Enrollment and Development achieve high targets, we will continue to lose money if we don't cut costs

Urgent need for transformation

Long Range Forecast: Executive Summary

		FY'17	FY'18	FY'19	FY'20	Total FY'17 – FY'20	FY'20 # Students
Scenario 1 “Reform and Execution”	# New Students	F 193 S 30	F 273 S 45	F 290 S 45	F 315 S 50		
	\$ Raised	\$1.5	\$2.0	\$2.0	\$2.0		
	Budget Deficit (\$MM)	(\$2.4)	(\$2.0)	(\$1.8)	(\$1.6)	(\$7.8)	1,200
Scenario 2 “Baseline FY'17”	# New Students	F 193 S 25	F 200 S 25	F 200 S 25	F 200 S 25		
	\$ Raised	\$1.5	\$1.0	\$1.0	\$1.0		
	Budget Deficit (\$MM)	(\$2.4)	(\$3.5)	(\$3.5)	(\$3.6)	(\$13.0)	850
Scenario 3 “No Reform”	# New Students	F 193 S 15	F 150 S 15	F 150 S 15	F 150 S 15		
	\$ Raised	\$1.5	\$0.5	\$0.5	\$0.5		
	Budget Deficit (\$MM)	(\$2.8)	(\$4.3)	(\$4.4)	(\$4.5)	(\$16.0)	670

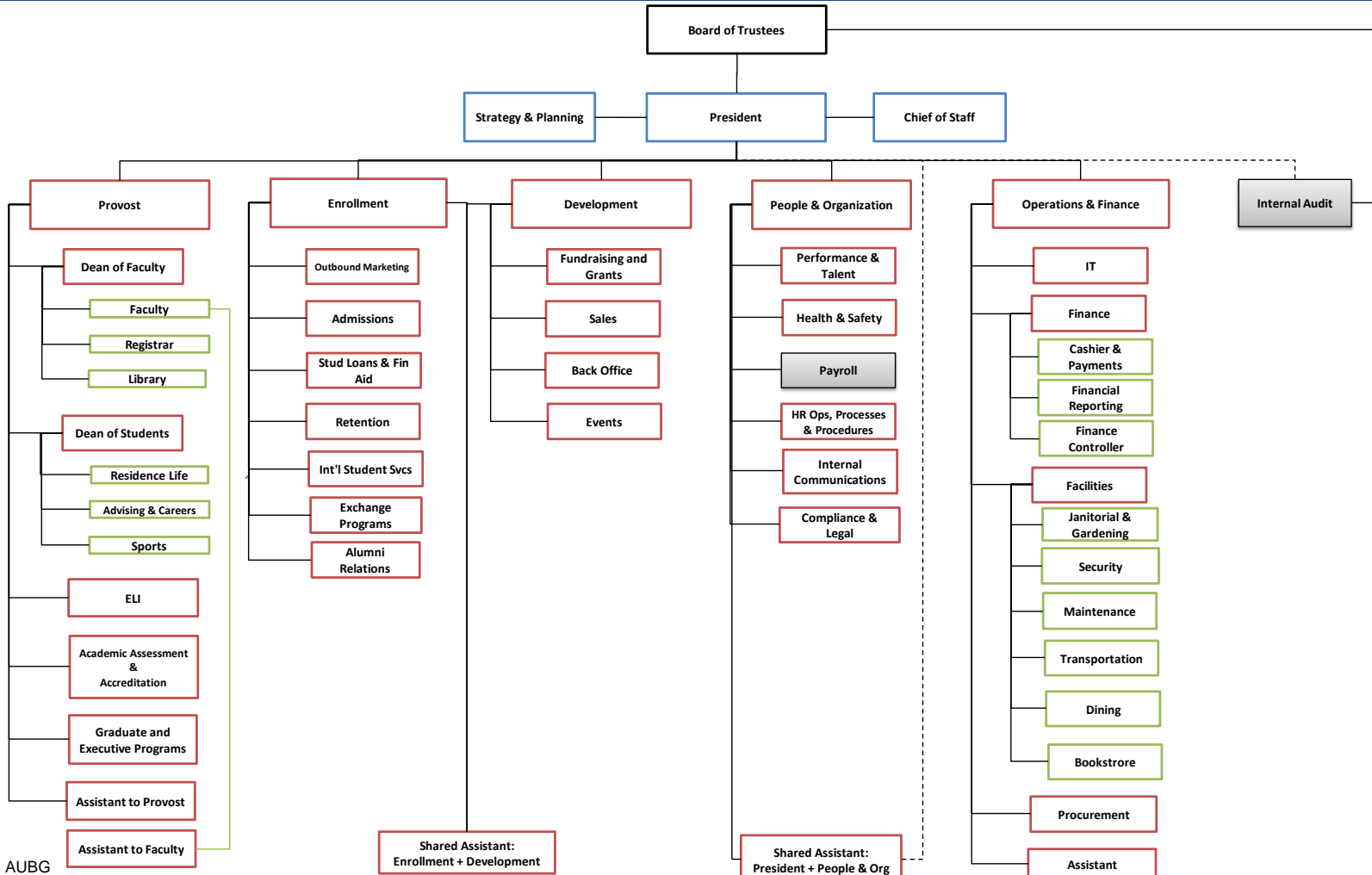
Sustainability Outlook

		FY'17		FY'18		FY'19		FY'20		FY'20 # Students
Scenario 1 "Reform and Execution"	# New Students	F 193	S 30	F 273	S 45	F 290	S 45	F 315	S 50	
	\$ Raised	\$2.0		\$2.0		\$2.0		\$2.0		
	Cost Savings	-		(\$1.7)		-		-		
	(Deficit)/Surplus (\$MM)	(\$2.4)		(\$0.3)		(\$0.1)		\$0.1		1,200

Success Factors:

- Relentless focus on Execution
- Evolve organizational culture and structure to empower performance
- Cost Optimization

(in USD MM)	FY'17	FY'18	Cuts	% Total
Controllable Costs	\$11	\$9.3	(\$1.7)	15%



Next Steps

- Implement new organizational structure
- Timeline Jan 2017
- Process



Q&A