Community Convocation – August 15, 2013

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Colleagues:

I am honored to welcome you to CBU’s annual Community Convocation as we begin our journey towards 150 years of teaching excellence. It is hard to believe that this is the 5th time that I have welcomed you.

This morning, we have recognized the outstanding years of service by members of our community from 5 years to 25 years. On the other end of the spectrum, I wish to warmly welcome our newest members to the CBU community. In a very short time, you will see what a very special place this university is, and how faith, service, and community infuses all that we do. At this time, let me also recognize in a very special way the CBU retirees who today return to campus to join our community for this event. (please stand). In addition, I would like to especially recognize the De Lasalle Christian Brothers who continue to serve as teachers and mentors for all of us. (please stand). Special recognition to Brother Dominic for celebrating 50 years as a Christian Brother.

Tomorrow we will embark on a new academic year welcoming students back to campus for Welcome Weekend. I am confident that thanks to the hard work of our faculty, staff, and administrators, we will be ready to offer these new students and those returning students a very special CBU community, guided by a mission:

*Educating minds, touching hearts, and remembering the presence of God.*
Before I respectfully offer you a vision for the future of CBU based on this mission, let me first highlight some recent milestones in the context of the current challenging terrain of higher education.

• Virtually all of higher education is feeling serious pressure these days, CBU is no exception. I ask you to Google the recent stories about Loyola New Orleans and enrollment shortfalls that are producing deficits in the $10 million dollar range. And they are not alone!!

At CBU last year, our enrollment issues led us to an approximately $900,000 operating revenue deficit. Fortunately, a robust stock market and several 7 figure gifts allowed CBU to show a rise in overall net assets for the previous fiscal year....so although we were challenged for cash, we grew in overall assets positioning us in a positive light with our rating agencies and creditors. As Anne Kenworthy will outline in a few minutes, we continue to face enrollment challenges but am pleased to report that our first year enrollment will be by over 5% from the previous year, with an increase in the net tuition per student from last year.

• However, we are faced with a perfect storm of events that will continue to strain us financially:
  o Lower numbers of HS grads for the next few years
  o A more challenging fundraising environment
  o Increased regulation and regulatory cost
  o Consumers with very high expectations (amenities, IT facilities etc)
  o Consumers who are averse to loans and often, tapped out
  o Perhaps most importantly: a nation-wide feeling that higher education has lost its value
With that sobering context as a back drop, the good news keeps rolling in for CBU. Just to provide a few examples:

- **Christian Brothers University** (CBU) is one of the best colleges in the Southeast according to the most recent The Princeton Review. This is the sixth consecutive year that CBU has been named **A Best Southeastern College**. As one of the 138 chosen Southern schools on the website feature, “2014 Best Colleges: Region by Region,” CBU continues to distinguish itself among the top. According to the results of the surveys given by The Princeton Review, CBU students described their school as “a close knit educational environment” and “the perfect environment for learning.” Students find that the “great” Memphis campus is filled with “active community citizens” and “thinkers who absolutely fulfill their God-given potential.” Memphis also provides many entertainment and career options for CBU students and many participate in internships with major corporations and research institutions.

- **Christian Brothers University** (CBU) was ranked Number 1 in the first-ever listing of the “Best Lifetime Return on Investment” for colleges in Tennessee by AffordableCollegesOnline.org (ACO). CBU topped the list of 23 schools with its tuition rate of $27,290 per year and largest overall lifetime return on investment of $883,300.

- Stories of most positive outcomes from our graduates continue to persist. Engineering graduates continue to find great jobs; science students are placed in excellent professional and graduate programs or obtain jobs within their field of study; our school of business continues to do an exceptional job of placing graduates; the school of arts continues to generate the largest number of credit hours at CBU, and enjoys a robust placement rates; our education graduates are sought after by the best schools in the area.
• Our student-athletes continue to win conference championships and compete in NCAA tournaments most notable being women’s volleyball, men’s soccer, and men’s basketball.
• Great day/Redesigning Excellence Program

We have much to be proud of but we now need to build on our strengths if we are to remain viable for the next 140 years. We need to respond to the need to educate our students for emerging careers for CBU to remain relevant in the future.

How will we remain relevant? Relay Graduation story

Mission Remains the same- *Educating minds, touching hearts, and remembering the presence of God.*

*(No money, no mission)*

I propose that our shared Lasallian mission needs to be lived in 4 Core Values:

1. World class and Relevant Education
2. Access and affordability
3. Caring and Vibrant Community
4. Innovation in learning, teaching and business operations

“Lasallian and Catholic are not static nouns but a adjectives describing actions we will be taking. For each area of the university, we will create Strategic directions and metrics that guide those directions for which the Trustees will hold me responsible and for which I will hold members of the cabinet equally responsible.
Strategic Directions and Key Initiatives

1. Revenue Enhancement

   • Athletics
   • New Academic Programs
   • Student Life Activities
   • Non-traditional students
   • Acquisition
   • Enroll new freshmen to campus
   • Maintain a sustainable 80% freshmen to sophomore retention rate and graduation rate of 55% (stretch goal of 60%)
   • Complete FY14 with a balanced operating budget and increase net assets by $5 million; stretch goals—operating budget surplus of $200,000 and an increase of net assets by $6 million

2. Clarify the relevance of Lasallian heritage issues—Brother Dominic
3. Relevance to the Community
   - Outcomes of Alumni
   - Boards
   - Service Activities – Better coordinate service activities between Academic Affairs and Student Life

4. Net Revenue per student
   - Complete the Cost to Serve Model for each unit in the university
   - Restructure units as indicated by the data from the model

5. Fundraising
   - Fund for CBU to raise at least $1.48 million in cash; stretch goal of $1.6 million

   - Complete the feasibility study and obtain Board approval for the comprehensive campaign; Raise $18 million in FY 2014; stretch goal - $20 million

   - Increase alumni donations from 9% to 12%

   - Increase retention of first time donors from 32% to 65%

   - Increase retention of all donors from 51% to 61%
• Continue to make the Bell Tower Gala an opportunity to showcase and generate revenue for CBU; Goal – Raise $100,000; Stretch goal - $120,000

6. *Improve technology base for campus*
   • Oversee a complete restructuring of our IT operations

7. *Enhance Human Resources Programs, Policies and Procedures*

Let me reiterate our core values:

• *World Class Relevant Education*
• *Access and Affordability*
• *Caring and Vibrant Community*
• *Innovation in teaching, learning and business operations*

Based on these core values, we have set a Strategic Direction and will Market that direction.

1. Need for Integrated Messaging (undergraduate and market specific)
2. Need a BOLD Vision- “reaching deeper... connecting earlier”
3. Student Focused Customer Service and Programming
4. Management Decisions to Follow Strategic Directions
Moving Forward with Strategies that Respond to the Market

- Campaign Study and Identity and Branding
  A. Nearly 200 respondents (students, prospective students, parents, out of state students, alumni, trustees, faculty, staff, foundation and business executives)
  B. Identity Study Funded by Anonymous Donor and Campaign by Restricted Fund
  C. Results - Campaign
     a. Identified our Campaign Capacity and Readiness
     b. Described Campaign Critical Success Factors
     c. Next Steps - We will be entering into a comprehensive campaign that strengthens
        I. Endowment to support student scholarships; faculty recruitment and retention; enhancing our academic curriculum and student success
        II. Capital projects to ensure a quality student experience
        III. Growth in our annual fund support from our alumni and friends to sustain growth
D. Results- Identity, Marketing, Image Enhancement

a. No Name Change- Brand as CBU

b. Create New Messages and Fresh Image to new Markets
   i. Market is 200 Miles; Transfer; “B” Students; Price Sensitive; Employment ROI; Not typical 4 year residential

c. Clarify what Lasallian and Catholic Mean to CBU and our strategic direction (reaching deeper... connecting earlier)

d. Next Steps
   i. Image and Marketing Plans that Reinforce-
      1. Appeal to Prospective Student Markets
      2. Reinforce “Value of a CBU Degree”
      3. Create a Freshness, Excitement, “Buzz” and Personality
   ii. Engage Expertise for Marketing
   iii. Develop multiple messages for different markets (flexibility) but carry image, personality, freshness
• **Strategic Direction Next Steps**
  A. Set Direction (Decisions) and “Stay the Course”
  B. Integrated Marketing Strategies
  C. Strategic Athletic Planning- Enhancing role of Athletics
  D. Website Changes (STEP ONE: New Landing Page support new marketing strategies; STEP TWO: Interim “Home Page Changes” STEP THREE: RFP for Website Redesign (18-24 Mos)
  E. Implement Designing Excellence Strategies that address our student experience needs

**To summarize:**
  a. We need to point out that a CBU education produces considerable value, citing with pride recent surveys which show that CBU graduates earn very good salaries throughout their lives
  b. We need to stress that the jobs of the future demand ever-higher levels of education on the part of workers
  c. We should point to our history which shows that CBU has contributed to the local economy for over 140 years and is committed to do so in the future
  d. We need to choose paths to fiscal stability, even if they are at times painful
  e. We need to realize that higher education rests on a difficult business model even in the best of times (what other industry gives 40-60 cents back for every dollar it earns?)
  f. We must also celebrate our successes and learn from them
What can we expect for the upcoming year?
- We need to keep spending under control
- We need to look at all our programs to determine if they continue to serve us well
- We need to look at our administrative structure
- We need to determine whether our personnel structure and policies continue to serve our needs
- We need to look for new sources of revenue

What can you expect from me?
- Firm leadership
- Will work tirelessly to raise funds and to increase enrollment
- Will level with you at all times and insist that our management team does the same
- Will emphasize to the community that CBU needs the Midsouth and the Midsouth needs CBU
- Will work hard to ensure a pay raise for faculty and staff

Let me return and conclude with the Core of our efforts----the wonderful 330 year Lasallian heritage that we have celebrated for 140 years at Christian Brothers University. Two quotes from Brother John Johnston shed light on where I see CBU moving forward in the next few years:
“reverence for each student is the most fundamental of the characteristics that constitute Lasallian education”

And Lasallian schools “were successful because a spirit of community reigned in them”

Thanks for all that you do and I look forward to a wonderful 2013-14 academic year.