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ENROLLMENT MANAGER

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SARBANES-OXLEY FIVE YEARS LATER

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Can you remember a time before "transparency" and "accountability" became household words?

In fact, it's already been five years since Congress passed the Sarbanes-Oxley Act of 2002 in the wake of the Enron and related corporate financial scandals, and although that legislation does not apply directly to colleges, universities and other nonprofits, it has profoundly influenced—some would say "transformed"—the way we now conduct business. Presidents and CFOs of more than 30 institutions nationwide have been a part of several focus/pilot groups working to adapt the 2002 corporate accountability law to higher education. Many other institutions have voluntarily implemented some of its provisions, particularly with regard to governance.

Many of these changes have been for the better. As former UNC President Molly Broad emphasized, "Colleges and universities cannot continue to hide behind our not-for-profit status." Dr. Broad was a convener, with former NACUBO President Jay Morley and John Mattie, of NACUBO's "Sarbanes Summit" in June 2005 to discuss and develop recommendations about governance, internal controls, certification and enterprise risk management. The summit brought together presidents and business officers to jointly discuss each area, including current practices, Sarbanes-like proposals, recommended actions, and implementation barriers. The monograph, "Sarbanes Summit: Taking the Right Path," was released in May 2006.

As many CEOs have learned, "doing the right thing," that is, institutionalizing ethical procedures as a best practice is also good business. A healthy bottom line is dependent on consumer confidence, and public perception of favoritism, nepotism, insider trading or any deviation from the standard of fair play will hurt the not-for-profit and for-profit sectors alike. For example, the time-honored practice of awarding no-bid contracts for college business to major donors was often a "wash," resulting in the institution repaying the vendor-donor as much or more in fees as he or she was donating in major gifts. That's one of many instances in which good stewardship of college funds has actually improved the institution's credibility among current and prospective donors. As has often been noted, just because a board is nonprofit doesn't mean nobody's watching. When it comes to good governance, it behooves all of us to consistently follow best practice.

Many colleges, of course, were practicing some of the Sarbanes Summit's recommendations long before 2002. Measures such as Board orientation and training, internal audits and the like have been around for a long time.

But today's ethical climate requires that we go well beyond the letter of the law, to its spirit, in areas *(see Sarbanes-Oxley p.2)*

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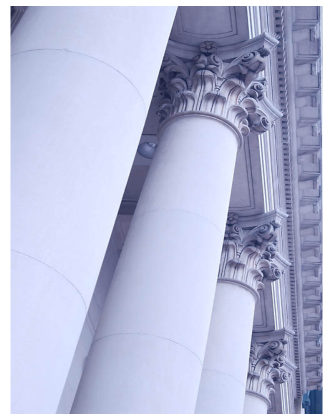


INSIDE THIS ISSUE:

SARBANES-OXLEY CONTINUED:

such as conflicts of interest among board members, to avoid even the appearance of impropriety. Our constituents demand it, and overall, most of these changes have made us stronger, more viable institutions, better positioned for the future and more responsive to our key stakeholders.

Many higher education administrators are concerned, though, that well intended though this vigilance may be, some is counter-productive in a small university setting, resulting in a waste of both time and money. Consider the example of Drexel University, which instituted an anonymous "tip line" to identify cases of ethical misconduct. An expenditure of $30,000 yielded just two complaints, while staff spent an inordinate amount of time monitoring the line. In trying to voluntarily meet SOX requirements intended for publicly traded for-profit companies, college administrators are spending time on completing and filing reports that could be better spent.

Drexel's President, Constantine Papadakis, has been in the forefront of adapting SOX best practices to higher education. After reviewing the Act in a process that began in November 2002, Drexel worked with a Board committee to study a variety of governance, compliance and audit issues to determine which were appropriate for higher education. His words perhaps best summarize the debate: "Some best practices were appropriate, but some were not. Drexel took what was best."

Five years down the road from the corporate scandals that shook the securities industry to its foundation, small business and not-for-profits including colleges and universities are still responding to the evolving changes emanating from SOX. It is heartening to note that the SEC has recently recommended scaling back some of its provisions to take into account the size and complexity of both corporate and other structures. We applaud this move, which will not diminish the transparent financial reporting that is critical for shareholder, stakeholder and consumer confidence. As we continue to manage these changes, let us take "what is best."

HOW TO RESPOND TO THE RECENT CHANGES IN POSTAL RATES

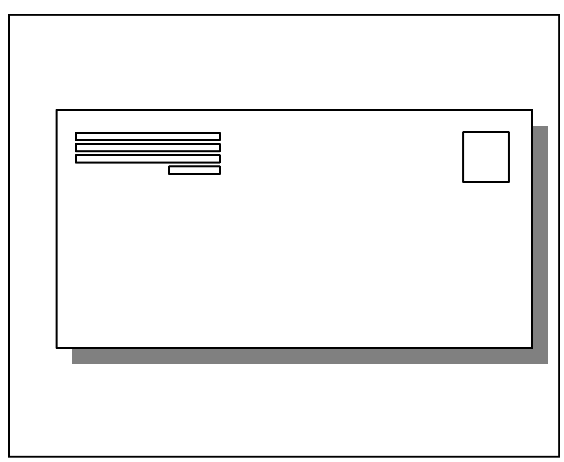
April Clark
CAS

As many of you know, the US Postal Service made some drastic changes to their basic philosophy in May of this year. It directly affected the nonprofit prospecting world in two ways. First, the nonprofit permit postage increased approximately 8.9 percent depending on allowed discounts. Second, the rules governing allowed discounts were tightened considerably.

In order for a name and address record to qualify for the nonprofit discount, it must go through the DPV (Delivery Point Verification) processing which means the post office considers it a valid address.

No longer will zip+4 be assigned based on areas. The address must be a valid address before a zip+4 is applied. For direct mail campaign directors and development people, this means that your lists must be clean before they can be mailed at the nonprofit rate. If a piece does not have a zip+4 assigned to its verified address, it is not going to get a discount.

Here are the steps you can take to preserve your nonprofit discounts. These steps should be followed for your in-house databases, as well as for any prospecting lists you purchase in order to receive the maximum allowable USPS discounts:
(see Changes In Postal Rates p.3)



CHANGES IN POSTAL RATES CONTINUED:

- Every quarter it would be wise to run your files through the National Change of Address System (NCOA) and include DPV. The NCOA/DPV will add any recorded change of addresses, identify any non-valid addresses and apply zip+4 to your file. You can then update your database with any changed addresses, delete or correct any invalid addresses and make sure every record has a current zip+4.
- Every six months you should identify any names who are deceased by bumping your file against the Social Security deceased database. It is very expensive to mail your marketing pieces, so you should make sure you are not mailing to these people. The USPS says that 5% of consumer mail is sent to the deceased. You can make sure that yours is not.
- Consider periodically using LACS which updates rural route addresses on databases with new 911 addresses as they are assigned. This tool is useful in areas with a high percent of rural-type addresses.
- Conduct a merge/purge between your in-house database and your list of purchased names. You can eliminate interfile and intrafile duplicates from both files.
- There are also data enhancement-type services available. Such services enable you to add extra information to your current database. You can get an idea of the household income and the ages of people in the household. If people on your lists are homeowners, you can obtain a range of credit scores. You can identify households with multiple children approaching college age.

These are all general ways to cut down on your direct mail expenses and increase yield for recruitment or development. You are encouraged to utilize all of the available technological tools to maintain your direct mail database. Most importantly, regular maintenance will enable you to effectively respond to the recent postal changes.

WHO ARE THESE PEOPLE AND WHAT DO THEY WANT?

Doug Spadaro, Ph.D.
President
Premier Communications.

One of the first rules of a successful marketing campaign is "understand your market." This is true regardless of what you are selling, including the recruiting of college students. Today's high school students have a set of personal characteristics and expectations that make them unique among any generation that colleges have tried to recruit before. Recognizing these characteristics and tailoring your admissions process to answer the unique questions, goals, lifestyle, and habits that they might have is the key to a successful year for admissions.

After continued coexistence with my teenage son (at times painful), and his friends (very painful), as well as some good old fashioned research, I feel confident in offering four characteristics and expectations about this generation of up-and-coming college students. Additionally, I offer some suggestions as to how a successful admissions office might use this information to have a great year by recruiting students that best match what you have to offer. Again, these characteristics and expectations are unique to this generation of candidates, but are understandable in the context of their lives.

The Bionic Boy and the Global Gal

Recently at dinner, I was discussing some noteworthy news event of the day with my wife when my teenage son chimed in, "Oh yea, I read about that." After a momentary swelling of my chest as I thought that he (*see Who Are These People? p.4*)

WHO ARE THESE PEOPLE? CONTINUED:

had actually read a newspaper or a news magazine, I asked "Where did you hear about that?" His response, as I should have expected, was, "I saw it today on some blog when I was checking my e-mails."

I am proud to say that I, too, was "wired" in college. Only for me, and probably for you, this meant an excess of thick, black, fully-caffeinated coffee. So much so that I would shake as I tried to write my final essay in English Lit. De-rigor for today's college candidates is obviously different. The height of technology in my dorm room was a "Mr. Coffee." Instead, their technological necessities include a cell phone, I-pod or MP3, a laptop, a "BlackBerry," universal Internet access and several e-mail accounts. If they are part of the underclass and have only a cell phone and not a "BlackBerry," not to worry! Text messages on a cell phone have become a cheap substitute for the BB.

These folks are "wired" all of the time. What is more significant, first, is that they expect to be globally connected wherever they are. Second, if one of their communication devices is inoperable, it is like you or I missing a limb. They are truly "one with the machine."

The implications of this characteristic for admissions are two-fold. First, as far as recruiting is concerned, the college website becomes vitally important. You cannot expect any teenager who is researching colleges to even consider you unless they can anonymously go to a website to explore. Additionally, this website must include an online application, a scholarship calculator, and multiple links to activities, athletics, and academic areas.

Also, for recruiting purposes, all communication to these candidates must include an Internet option. For example, all of the physical mail that our firm sends out includes an option for students to answer via the Internet. This might be a link to a college website in a letter or viewbook. It also includes communication pieces specifically designed with the web in mind (variable data cards) where we establish a website for EACH STUDENT to explore opportunities at the college. This approach seems to pique their "wired" curiosity as the response to this type of communication has been extraordinary.

The second implication of this characteristic is that the college must be able to accommodate the needs of these students once they are on campus. Campus-wide "WiFi" is the best option. If not feasible for your institution, then multiple free Internet access areas are a must. To the extent possible, Admissions must influence the capital spending in the technology area.

"Everybody Gets a Trophy"

My teenage son just completed his first year in a youth soccer league. His team came in first with a 7-2 record (Shhh! I am not supposed to know that as we weren't allowed to keep score!). There was an awards ceremony scheduled after the last game of the season. As I was standing around with several veteran parents during the game, I happened to inquire "So what do they get, a little certificate or something?" I was immediately met by looks of shock and incredulity by the parents that had been there several years. After a few moments (5 embarrassing years in my time), a veteran father came over to me, put his hands on my shoulders, and, in the same soft tones I use when I tell my 7-year old the importance of brushing his teeth, said "Doug, EVERYBODY gets a trophy." Emphasis on the EEEHHH). "Did you get up this morning? YOU get a trophy! Did you put on your shoes today? YOU get a trophy!"

As I stood there humbled in my humiliation, I realized that this veteran had stumbled upon a truth of this current crop of college candidates. *(see Who Are These People? p.5)*

WHO ARE THESE PEOPLE? CONTINUED:

"Everybody gets a trophy!" Several recent periodicals have described this high school generation as the most praised generation in history. Not praise for bringing in the biggest class, or praise for landing the new account. Rather, it is praise for doing the most mundane, everyday things. Praise for doing things that were expected of prior generations as a part of everyday life.

The implication for college admissions is clear, "Everybody gets a trophy." Colleges and universities should award merit aid to ALL candidates that are eligible for admission. Using a merit aid awards process, even the lowest SAT/GPA/Class Rank combination student expects to get something. If you don't award to this lowest category, then either don't admit them, or adjust your awards policy so as to give a token amount to these students.

Additionally, move your awards to the front of the admissions process. If you are going to award merit scholarships anyway, do it early while these "praised" students are still making up their minds. Most of our clients notify students of eligibility for academic scholarships and grants early in the recruitment cycle. All of our clients also use a scholarship calculator or some other mechanism on their websites that allow students to estimate eligibility on their own.

A Time for Work, A Time for Play

Perhaps because of their "scheduled" lives, soccer at 4, scouts at 7, today's high school students view work and play and other activities as very distinct. A recent article in Fortune magazine described generation "Y" folks as having dismay over the fact that a CEO of a major corporation worked 60 hours per week. "… they're sorry it takes you so long to get your work done." In other words, "that's nice, but don't expect me to do it."

Today's high school students view school, play, social activities and downtime as very separate, distinct events. There is a certain amount of time to be dedicated to each, and each activity is supposed to fit in the time allotted. It is not that they don't care about academics, they do very much. But they also care about other activities equally as well.

The lesson here for admissions professionals is simply that academics are not enough. A solid, well-respected academic program is essential. But, given that many colleges can offer that, what are the key decision factors? They are college amenities, activities, and environment. In other words, what your prospective students can do OUTSIDE of class is of equal importance to what they can achieve inside of class. Comfortable, air-conditioned, Internet-friendly residence halls, with private or semi-private baths are key. A well-organized set of extra-curricular and intramural sports is also important. A campus atmosphere of cooperation, not only internally, but with the surrounding community as well, is necessary.

If your college has these extra qualities, communicate them to prospective students by all media possible. If your college is lacking in one or more of these areas, then promote their development. If you have one or two of these qualities, then stress those in all of your communications, direct mail, publications, website, e-mails. One of our clients has a spectacular physical plant, thanks to a wealthy alumna. All of the materials that we print or e-mail for them emphasize the amenities offered on-campus right after the well-respected academic programs.

Where's the Corner Office?

As a corollary to "Everybody Gets a Trophy" you can imagine that this generation of high-school students expects rewards for what they have invested. In other words, if they are going to commit four years to you, what can they expect in return?

This expectation emphasizes the quid-pro-quo that these candidates demand. Unlike the burning desire to understand Chaucer, these students want concrete results. Those results mean the quality of the job that they can expect upon graduation. Their desires and expectations are limitless, and so are their requirements in terms of a career.

For Admissions professionals, this means promoting a proven record of career placements. We have found that an effective way to communicate this to prospects is through a letter campaign touting the success of graduates. These letters are usually followed by an e-mail from each alumnus featured in the letter series. This direct mail campaign serves as a testimonial to the types of careers that graduates can expect. Also integral to this promotion is a depiction of the skills training, interviews, and placement activities offered by your career services office. *(see Who Are These People? p.6)*

WHO ARE THESE PEOPLE? CONTINUED:

Conclusion

This generation of college candidates presents not only specific challenges, but also generous opportunities to those institutions ready to address their needs and concerns. These concerns and expectations are global connectivity, ample rewards, varied extra-curricular actives, and a clear placement path. The communication of the college's ability to meet these expectations must cover a wide variety of media including direct mail, publications, Internet, and e-mails. In the short-term, existing strengths that fit these student characteristics must be emphasized, in addition to respected academics. In the long-term, weaknesses in these areas must be addressed by the college, spearheaded by Admissions.

IS IT TIME TO RETIRE THE VIEWBOOK?

John W. Dysart
President
The Dysart Group, Inc.

Viewbooks have been a staple of higher education recruitment for decades. Nearly every college and university in the United States publishes one. These glossy, elongated brochures are mailed to prospective students, distributed at college fairs, displayed by high school guidance counselors and handed out at admission offices all over the country.

These publications have been used to provide detailed information on academic majors, athletic opportunities, financial aid, educational outcomes and more. They offer pictures of campuses and of campus life and serve as marketing tools to encourage students to enroll. They attempt to demonstrate diversity, academic challenge, security, co-curricular activities and fun. They are also not particularly effective.

So much has changed in recruitment in just the last decade that students have found news ways to obtain information. For many years, viewbooks were one of the best tools to communicate with prospective students. These days, as students have become more technologically savvy, they are unlikely to read viewbooks. They are gathering their information about colleges and universities using electronic means; they are visiting websites.

Money plays a role when considering the viewbook. Frankly, they are expensive. They are expensive to design and produce. They are becoming even more expensive to mail. They are expensive to ship and store.

Several of my client institutions have eliminated the viewbook though most still use a small brochure to take on the road for distribution at college fairs. Retiring the publication has made no difference in the success of the recruitment plan at these colleges and universities. We have seen no decline in the size of the inquiry pool, no decline in conversion from inquiry to application and no decline in yield. We have, however, been able to redirect literally hundreds of thousands of dollars into other recruitment initiatives. Consider retiring your viewbook and investing the savings into more effective recruitment activities.

If you feel strongly that you want to continue to publish your viewbook, you should at least consider changing the focus. If anyone is going to spend the time reading the publication, it is much more likely to be parents. You should alter the content to address their concerns:

- Parents will always be concerned about campus safety. The recent incident at Virginia Tech University may make this topic even more important for the next few cycles.
- Outcomes are always a concern. Parents want to make sure that their child's enrollment will prepare them for a career. Touting graduation rates and placement rates will be appealing.
- Parents will want to make sure that you have appropriate support services. Outlining social and academic assistance programs is useful.

It is difficult to make major changes in the recruitment plan. We become accustomed and comfortable with our tried and true tactics and it is easy to be influenced by what your competitors are doing. I believe, however, that it is time to retire the viewbook.

Look for
John W. Dysart's
presentations
at the following
conferences:

NASFAA
July 8-11, 2007
Washington, DC

NACUBO
July 28-31, 2007
New Orleans, Louisiana

All readers are encouraged to submit articles to this newsletter on issues related to enrollment management.

The Fall 2007 recruitment cycle ends in less than 60 days. Be sure to take the time to conduct some detailed analysis on this year's outcomes to suggest opportunities for improvement next year!

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