Higher Education’s Guide to Scenario Planning for 2021-22
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Colleges and universities continue to face many uncertainties as they plan for the 2021-22 academic year. While we hoped for a quicker end to the disruptions caused by the COVID-19 pandemic, the need to deal with its impacts — including safety measures and profound economic effects — highlight the importance of planning for the unknown. Even after we return to some sense of “normalcy,” higher education institutions will need to be nimble, agile, and prepared for whatever comes their way.

Modeling Different Scenarios

In planning for the upcoming academic year, colleges and universities must consider various scenarios due to the uncertain nature of the pandemic and its impact on higher education. In the expected scenario, or base case, some safety measures would still be in place, hybrid learning may be here to stay, and not all events and activities are back to ‘normal.’ This is the ‘new normal.’

The adage “If you fail to prepare, you prepare to fail” rings especially true for higher education’s road to recovery. Finance leaders should explore not only the expected base case but also the worst and best cases:

**Worst Case:**
Campuses continue to be closed and instruction is remote; all events and activities are suspended until further notice.

**Base Case:**
Campuses reopen, but with certain social distancing measures still in place that will affect operations and events; hybrid learning model is in place, but the possibility of returning to full-scale remote learning looms overhead.

**Best Case:**
Campuses reopen with no additional safety measures in place. All events and activities have resumed; enrollment and revenue increase; hybrid learning may be here to stay.

This guide shares best practices for increased agility and outlines possible impacts, potential solutions, and opportunities presented by the various scenarios across two key elements: enrollment/revenue and operations.
## Best Practices Checklist: Hope for the Best, Prepare for the Worst

Regardless of the scenario the institution expects, the following best practices will help ensure an agile and nimble response to changing variables:

<table>
<thead>
<tr>
<th>Practice</th>
<th>Description</th>
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<tbody>
<tr>
<td>Develop online courses</td>
<td>Thoughtful, well-constructed online courses.</td>
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<td>Ensure adequate liquidity</td>
<td>Adequate liquidity through debt refinancing, lines of credit, or other means as a buffer against</td>
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<td>the significant risk that 2021-22 will present substantial cash requirements, even if campuses</td>
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<td>reopen to full capacity.</td>
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<td>Maintain a willingness to invest</td>
<td>Maintain willingness to invest when opportunities arise. Track initiatives that would strengthen</td>
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<td>online infrastructure, opportunist faculty hiring, new program development, and student career</td>
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<td>services.</td>
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<tr>
<td>Focus on cost containment</td>
<td>Focus on cost containment through various tactics, including wage and non-critical hiring freezes,</td>
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<td>early retirement incentives, or discretionary spending reductions or elimination.</td>
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<td>Mobilize support networks</td>
<td>Mobilize support networks, including alumni and corporate advisories, while remaining sensitive</td>
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<td>to these constituencies’ challenges in dealing with pandemic impacts.</td>
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<td>Automate manual processes</td>
<td>Automate manual processes, such as financial reporting, to drive efficiency across the institution</td>
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<td>and quickly provide leaders with the KPI tracking, operational, financial, and third-party data</td>
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<td>needed to facilitate informed, objective decision-making.</td>
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<td>Implement scenario modeling</td>
<td>Implement scenario modeling, both at the unit or initiative level and organization-wide, to</td>
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<td>quantify the potential financial impact of enrollment results, changes in tuition revenue,</td>
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<td>financial aid costs, and revenues from auxiliaries such as housing, athletics, and student fees.</td>
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<td>Evaluate modeling tools</td>
<td>Evaluate modeling tools and avoid manual modeling when possible. Identify which software systems</td>
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<td>provide critical data integrations and functionality to help you dynamically model and compare</td>
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<td>multiple scenarios that mix and match the baseline models, initiatives, and drivers you've</td>
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<td>developed.</td>
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<td>Evaluate program performance</td>
<td>Evaluate program performance and identify potential areas to invest/divest.</td>
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## Scenario Planning: Enrollment and Revenue

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Possible Impacts</th>
<th>Potential Solutions</th>
<th>Opportunities</th>
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</thead>
</table>
| **Worst Case** | • Exacerbated enrollment declines, particularly for international students  
• Forgone auxiliary revenue  
• Continued substantial support for remote instruction and work | • Discount tuition rate for online  
• Reconfigure fees as appropriate for remote learning  
• Assess programs that rely heavily on international student enrollment | • Demonstrate commitment to students through support services, flexibility, and pricing  
• Reaffirm/message value of residential programs  
• Explore revenue opportunities for unutilized spaces on campus |
| **Base Case** | • Attrition slows, but COVID-19 concerns keep some students from campus  
• Some students allowed to attend online, at additional cost to the institution  
• Substantial campus safety measures and protocols required  
• Some, not all, events and activities resume | • Decide whether off-campus students who study online will receive a discounted tuition rate  
• Partner with other institutions to support off-campus instruction | • Rethink Student Affairs model to support students  
• Enhance pedagogy and revenue through online programming  
• Expand enrollment and increase course choices through partnerships with other institutions  
• Use software to enhance tuition planning accuracy |
| **Best Case** | • Enrollment is increasing  
• Dorm rooms are full, and all events and activities have resumed  
• Programs are growing to keep pace with economic needs  
• No additional campus safety measures and protocols required | • Investments in new programs and initiatives  
• Continued partnership with other institutions | • New programs may provide the opportunity to expand enrollment  
• Partnerships with other institutions help diversify revenue and establish referral relationships for transfer students |
Scenario Planning in Action at UNT

The University of North Texas (UNT) System used Syntellis’ Axiom software to model four scenarios related to COVID-19 impacts: from moderate to devastating and two in between. The software investment is already paying dividends, says Kerry Romine, Director of Strategy & Planning.

"With Axiom™ Long-Range Planning, we’ve grown what we can do as an institution," Romine says. “In the past, we might have made decisions that were ill-informed. Now we don’t have to worry about that because we make decisions based on data that we can stand behind."

“You can easily run as many scenarios as you want, because all you’re really doing is changing the inputs and rerunning the scenario," Romine says of the dynamic driver-based scenario modeling functionality. “It takes a few minutes as opposed to all day, as it did when we solely used Excel.”

Higher education leaders who wish to see the near- and long-term impact of fluctuating enrollment should consider investing in software designed to do so.

Syntellis’ Axiom Long-Range Planning enables institutions to model multiple scenarios and develop mid- and long-term financial plans that align with its strategic goals. The solution empowers finance leaders to:

• Create scenarios to mix and match assumptions like current enrollment, projected growth, wage inflation, and interest rates
• See the impact on both income-statement and balance-sheet of proposed strategic initiatives and capital projects together with existing operations
• Generate a full set of forward-looking financial statements based on the desired planning horizon
• Deliver executive-level dashboards with operational, financial, and third-party data
## Scenario Planning: Operations

<table>
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<th>Opportunities</th>
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</table>
| **Worst Case** | • Need to maintain base-level services for students, faculty, and administrators who remain on campus  
• Continued remote execution of administrative work | • Evaluate business processes, technologies, and administrative cycles; redesign or eliminate manual or non-mission-critical processes | • Evaluate service agreements; optimize cost and enhance services  
• Consider continued remote work  
• Evaluate related opportunities to optimize real estate based on the scale of workforce reconfiguration |
| **Base Case** | • Shifts in enrollment impact types and levels of services required  
• Enrollment declines reduce revenue, impacting institutions’ financial health and ability to maintain pre-COVID-19 operational costs | • Implement cost containment measures, including continued wage and non-critical position hiring freezes, suspended 403(b) match, early retirement incentives, and discretionary spending reductions/elimination | • Evaluate opportunities to refine administrative structures to optimize processes and technologies, including integrating data across software systems and minimizing manual processes  
• Evaluate opportunities to rationalize FTEs or redeploy resources |
| **Best Case** | • Additional services required due to increased enrollment  
• New organizational structures; increased enrollment may require increased FTE count  
• New operating and service models and business processes | • Implement new technologies to modernize and streamline administrative functions  
• Invest in continuous improvement  
• Collaborate with faculty and staff | • Develop a more strategic approach to maximize service effectiveness and efficiency and optimize expenditures  
• Evaluate potential new initiatives |
Long-Range Planning in Action at UNT

The idea to explore long-range planning software solutions for the UNT System came in response to the Board of Regents’ questions about the potential impact of tuition increases, new programs, capital investments, and other projects on the System’s long-range plan.

“The board would ask, ‘Do you have a 3-, 5-, 10-year plan?’ And all we could reply was, ‘No, but we’ll get you one,’” Romine recalls.

“We wanted to blur the boundaries between our budget, our accounting structure, our annual financial reports, and our strategic plan,” Romine says. “We wanted a more integrated financial process overall.”

Axiom Long Range Planning allowed UNT System, for the first time, to produce five-year plans with accompanying ratio calculations to present with the annual budget.

“The five-year plans and financial ratios give management and the Board a deeper understanding of how our resource planning processes affect our financial posture,” Romine said.

Enterprise performance management systems with robust scenario modeling provide leaders with an understanding of how operational decisions across functions and departments impact financial health. Syntellis’ Axiom™ Higher Education Suite helps colleges and universities tie information from the general ledger, human resources, and student information systems to financial data, eliminating data siloes. This level of financial transparency, combined with powerful automation solutions, enables more accurate budgeting and scenario modeling, which are critical to responding as campus needs evolve.
Higher Education’s Now, Near, and Far

Higher education institutions continue to face new challenges along the road to recovery from the COVID-19 crisis. In the expected base case scenario, institutions face the likelihood of reduced revenues and the probability of increased costs to ensure students’ safety and the quality of the institution’s academic offerings.

It is important to also consider the long-term opportunities that colleges and universities may have as they adapt to pandemic changes. In certain respects, the pandemic exacerbates issues and accelerates decisions that institutions already faced, including the emergence of alternative online learning modalities and the prospect of declining enrollment. The pandemic created a crisis but also an opportunity to transform.

Colleges and universities should think in terms of their now, near, and far needs. “Now” is a period of rapid transformation to adjust to a new reality of partially opened campuses — or in some cases closed campuses — and hybrid learning. The issues presented here will help institutions prepare for the “near,” a time of uncertainty that likely will extend across the coming academic year as institutions determine what is necessary to bring all students back onto campus and how they will manage the financial impacts that accompany their decisions.

Higher education’s “far” is an even bigger question. It requires leadership to envision what they believe their institution must become to thrive in the future, and to define and pursue the capabilities they will need to realize this vision. Leadership’s task today is to move their institution through the many risks ahead in the “now” and the “near,” while positioning their institution to reach the “far.”
About Syntellis

Syntellis Performance Solutions, previously Kaufman Hall Software, provides innovative enterprise performance management software, data and analytics solutions for higher education institutions. Our powerful budgeting, financial planning, and analytics solutions help colleges and universities elevate financial performance and transform vision into reality. With leading institutions using our flexible, powerful, intuitive Axiom software to manage nearly $60 billion in revenue and $100 billion in endowments combined with top satisfaction rankings from BPM partners for the past 8 years, our proven industry expertise helps college and universities acquire insights, accelerate decisions and advance their business plans. For more information, please visit www.syntellis.com.