

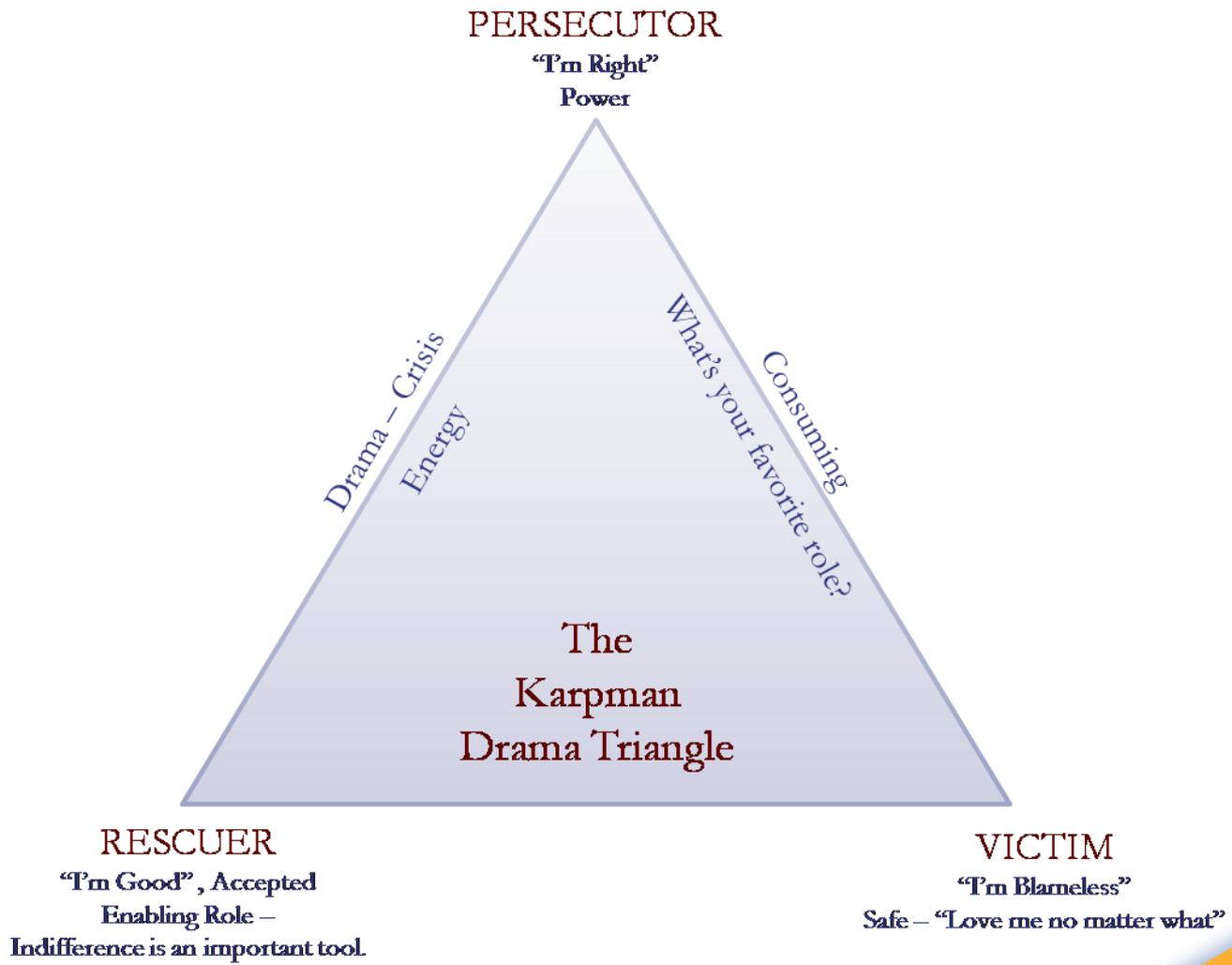
Celebrate Success & Embrace Change

Presented by

Dr. Jean Norris & Mr. Vince Norton

Norton | Norris, Inc.

Karpman's Triangle



Los Angeles Times

Shares of for-profit colleges tumble

The
Economist

For-profit colleges:
Monsters in the making?

abc NEWS / U.S.

Report: For-Profit Colleges
Cashing in on Military

MarketWatch

For-Profit Colleges:
Looking for Bottom
as Enrollments Fall

The Washington Post

Federal 'gainful
employment' rule tightens
oversight of for-profit
colleges

newsday.com

For-profit schools reel as
rules affect enrollment

CNN Money
A Service of CNN, Fortune & Money

Education stocks get an "F"

Bloomberg
Businessweek

For-Profit Colleges Reaped \$521
Million From Military

POLITICS DAILY
For-Profit Colleges' Graduation
Rates at Center of Senate Panel
Storm

dallasnews.com
The Dallas Morning News

GAO study uncovers
deceptive practices at for-
profit colleges

Seeking Alpha α

Shorting For-Profit
Colleges: Profiting From
the Subprime Arena of
the Education Sector

USA
TODAY

Public should know that
for-profit college doesn't
always pay

ajc

Should Congress give
more oversight to for-
profit colleges?

REUTERS

U.S. senator lashes out at
for-profit education
Chairman Harkin says
industry practices
"disturbing"



The Drama

- Private sector schools are under attack by Congress and the DOE
- Government Accountability Office (GAO) investigated 15 for-profit colleges
- Negative publicity is extensive
- Short-Sellers
- 90/10





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The Drama Continued

- GAO Oversight Committee Calls for Review
- Personnel Changes at GAO
- Military Funding Questioned
- Marketing Practices Making News
- Continued Senate/House Hearings
- GE
- Program Integrity Rules
- GAO Online Investigation

Meanwhile... There has been some success and our Heroes have stepped up...

- Sharing research
- Educating members
- Lobbying efforts
- Raising funds
- What else???



“Community Colleges Mislead Prospects - Fall Short with Students”

October 4, 2010

EarthTimes

MarketWatch

TD AMERITRADE

canada.com

CENTREDAILY.com
CENTRAL PENNSYLVANIA'S HOME PAGE

Forbes.com

Bloomberg Businessweek

TMCnet.com

E*TRADE*

WSJ.com THE WALL STREET JOURNAL.
ONLINE

BRADENTON.COM

SunHerald.com
BILOXI-GULFPORT AND SOUTH MISSISSIPPI

PR-inside.com
News and Free PR

EON | Enhanced Online NewsSM

benzinga
THE TRADING IDEA NETWORK

USA TODAY

MORNINGSTAR*

Business Wire
A Berkshire Hathaway Company

CNBC

BUSINESS INSIDER

News Blaze

The Dallas Morning News

YAHOO! FINANCE

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Community College Findings

- Mystery shops to 15 community colleges
- Survey identified over 150 unduplicated community college experiences
- Career colleges scored higher on 13 out of 14 factors of importance
- Community colleges spending money on advertising – some with misleading statements and promises



“Norton | Norris Report Highlights Serious Flaws in Misleading Government Accountability Office Investigation into For-Profit Colleges”

January 13, 2011



ACADEMIC IMPRESSIONS
HIGHER ED IMPACT
Daily Pulse: News & Trends in Higher Ed

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HIGHER ED



Bloomberg Businessweek

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Cornell Insider
a blog by the writers of the Cornell Review

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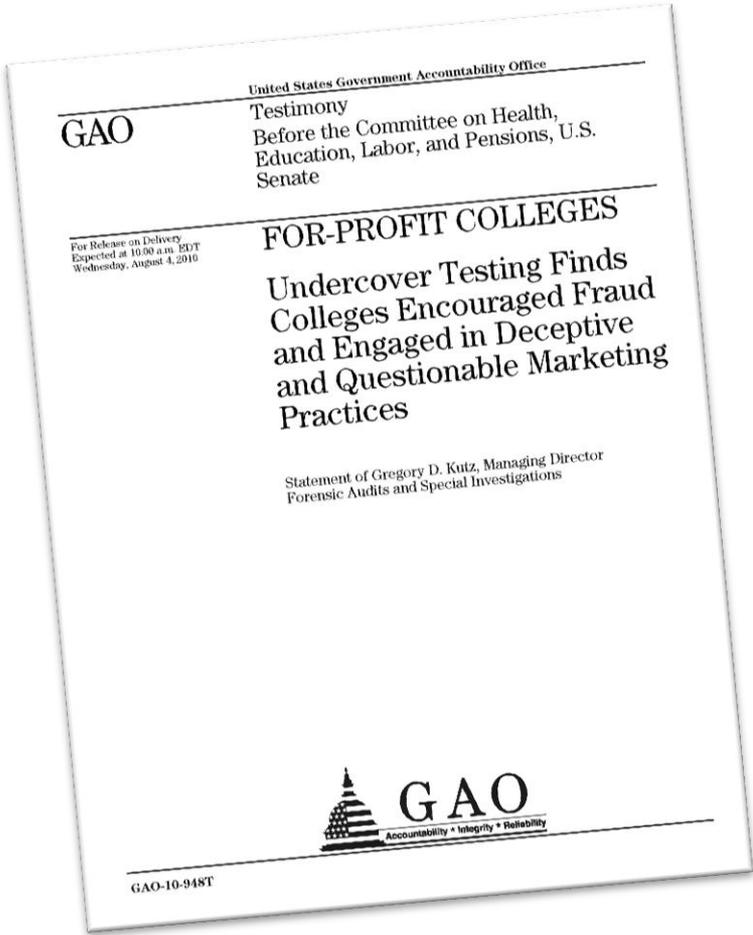
News Blaze

YOUTH today

WALL STREET SELECT



Review of the GAO Report



To determine if the GAO findings on the revised report (November 2010) were accurate and unbiased.



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Nn Study Findings

**Only 14 of the
GAO's 65 findings
could be supported by
audio recordings**

<http://harkin.senate.gov/forprofitsound.cfm>



GAO Shortcomings

- Limited or NO mystery shop experience
- Didn't understand education sector
- Scenarios not typical
- Experts not used to review information

GAO Shortcomings (cont.)

- No understanding of Academic vs. Calendar year (resulting in 5 findings)
- “Snippets” of conversations used to create findings
- Abundant inconsistencies
- Random reporting



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Lessons Learned From GAO:

Immediately go after the “quick fix”

- Lack of sharing/posting graduation rates were cited 11 times
- Placement & \$\$ cited 9 times
- Loan conversations were cited 10 times



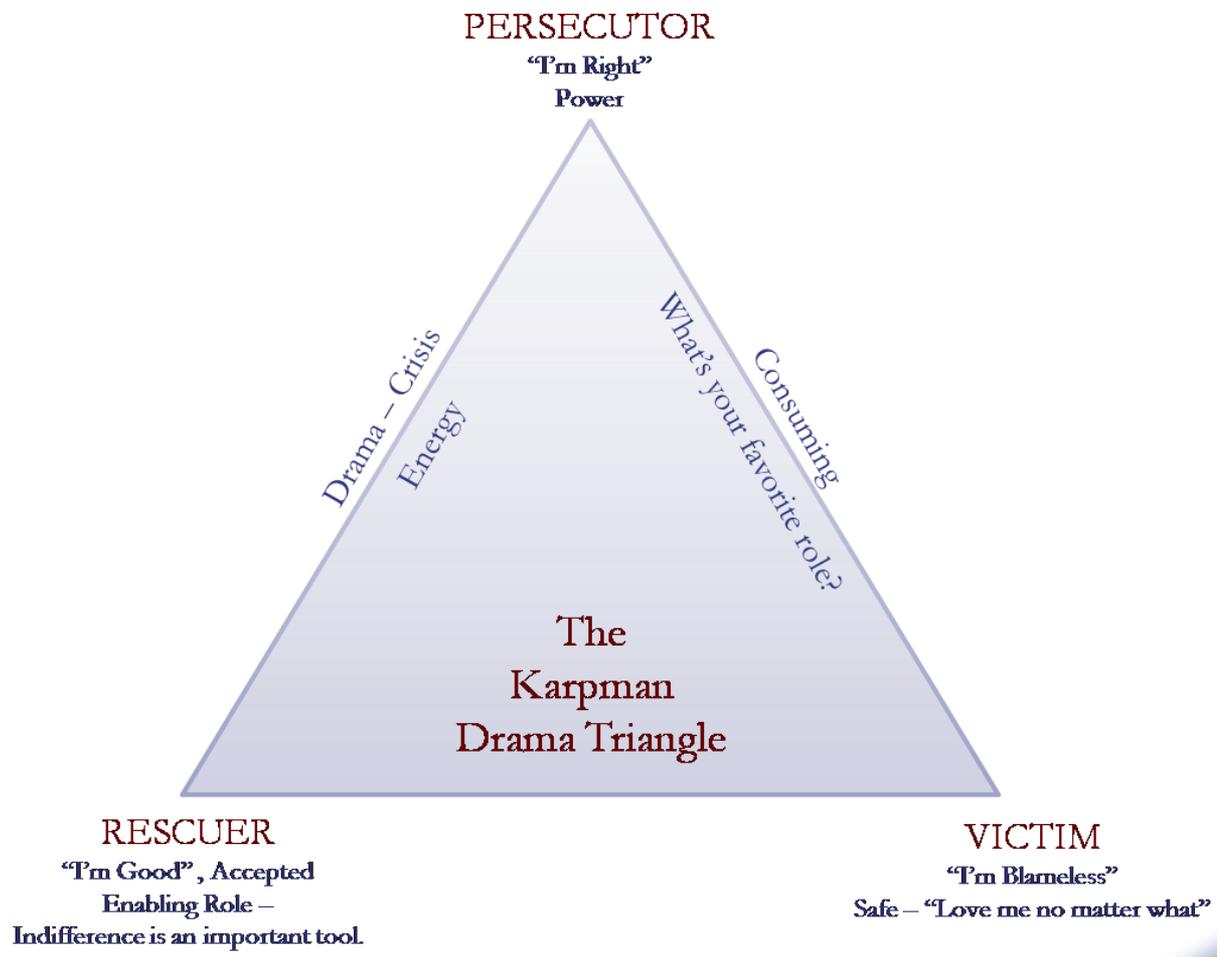
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“Once we rid
ourselves of
traditional
thinking we can
get on with
creating the
future.”

~ James Bertrand

Karpman's Triangle



Pond Scum Theory of Change





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Managing Change

1. Establish Urgency
2. Create a Guiding Coalition
3. Develop Vision and Strategy
4. Communicate the Change Vision
5. Empower Broad-Based Action
6. Generate Short-Term Wins
7. Consolidate Gains and Produce More Change
8. Anchor New Approaches



Mystery Shopping

- Ongoing vs. Reactive
- Coaching/Compliance vs. Gotcha!
- Expand to:
 - Admissions
 - Financial Aid
 - Career Services
 - Student Services
 - ?



7 Key Compliance Points

1. Salary
2. Program Placement
3. Program Tuition & Fees
4. Promise of Financial Aid
5. Accreditation
6. Transfer of Credit
7. Practices of Entrance Exam



Salary Best Practices

Shopper Comments: The rep stated that salary varies by job type and location, and she suggested that I do research. She suggested bls.gov or indeed.com.

Shopper Comments: The rep provided me with a professional document that displayed the local starting salary for Medical Assisting graduates and also explained the school website has regularly updated salary information for all their programs.

Program Placement Rates Best Practices

- **Shopper Comments:** The rep provided me with a dated document that included current program placement rates for the Criminal Justice program. The rate was 78%.
- **Shopper Comments:** When I asked about placement rate for the massage therapy program, the rep said that placement rates for all of their programs are on their website – and she showed me on her computer where to find them.



Program Tuition & Fees

Best Practices



- **Shopper Comments:** Using a printed tuition sheet, the rep explained that the total tuition for the program is \$xx,xxx and includes all books, two sets of scrubs, and all lab fees. The only thing not included is the \$50 registration fee. The rep then handed me the tuition sheet to take home.

Avoid using – “All-inclusive” or saying “Everything” is included

Promise of Financial Aid Best Practices

- Shopper Comments:

When I asked if I qualified for FA the rep stated that financial aid is available to students who qualify, and said that I could meet with Financial Aid today to ask any questions I may have.



Accreditation Best Practices

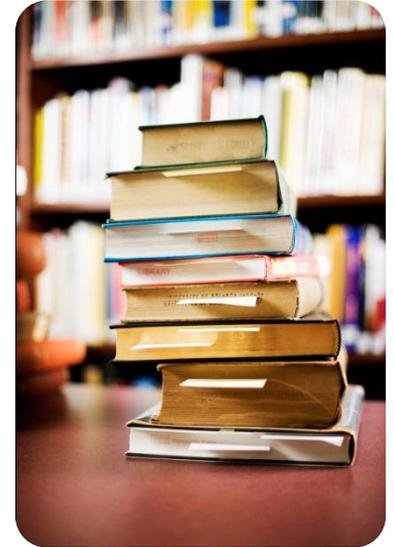
- Name the accrediting body – IN FULL
- Discuss programmatic accreditation
- Explain what it means to be accredited
 - Provide printed accreditation information (or point out in catalog)
 - Direct students to accreditor's website



Transfer of Credit Best Practices

Nationally accredited institutions

- **Shopper Comment:** The rep said that Nn University's programs are not designed to transfer, rather they are designed to prepare graduates for careers.
- PLEASE DON'T SAY: --- "It's up to the receiving institution" very misleading





QCR Score Card

School Name: Sample School

Date of Shop: August 2011

	NATIONAL AVERAGE	YOUR SCORE
EXPECTED SALARY	2.83	3.00
PROGRAM PLACEMENT RATE	1.79	1.31
TUITION & FEES	3.38	3.63
FINANCIAL AID	3.11	3.75
ACCREDITATION	2.60	2.44
TRANSFER OF CREDIT	2.47	2.25
ENTRANCE EXAM	1.94	2.93
TOTAL	2.64	2.76

Nn Quick Compliance Rating (QCR)



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Hiring

- STOP recycling problem
- Future profile is different
- Shared values and fit are essential
- Acceptable behaviors must be defined
 - Helping students fill out their financial aid forms isn't what we mean by student-centered approach



Training

- Compliance with Effectiveness
- Consider impact of transparency without training
- Supplement with professional trainers
- Enlist strategy to include ongoing, continuous and meaningful learning
- Expand beyond admissions
- Adapt to “Screenagers” & today’s buyer



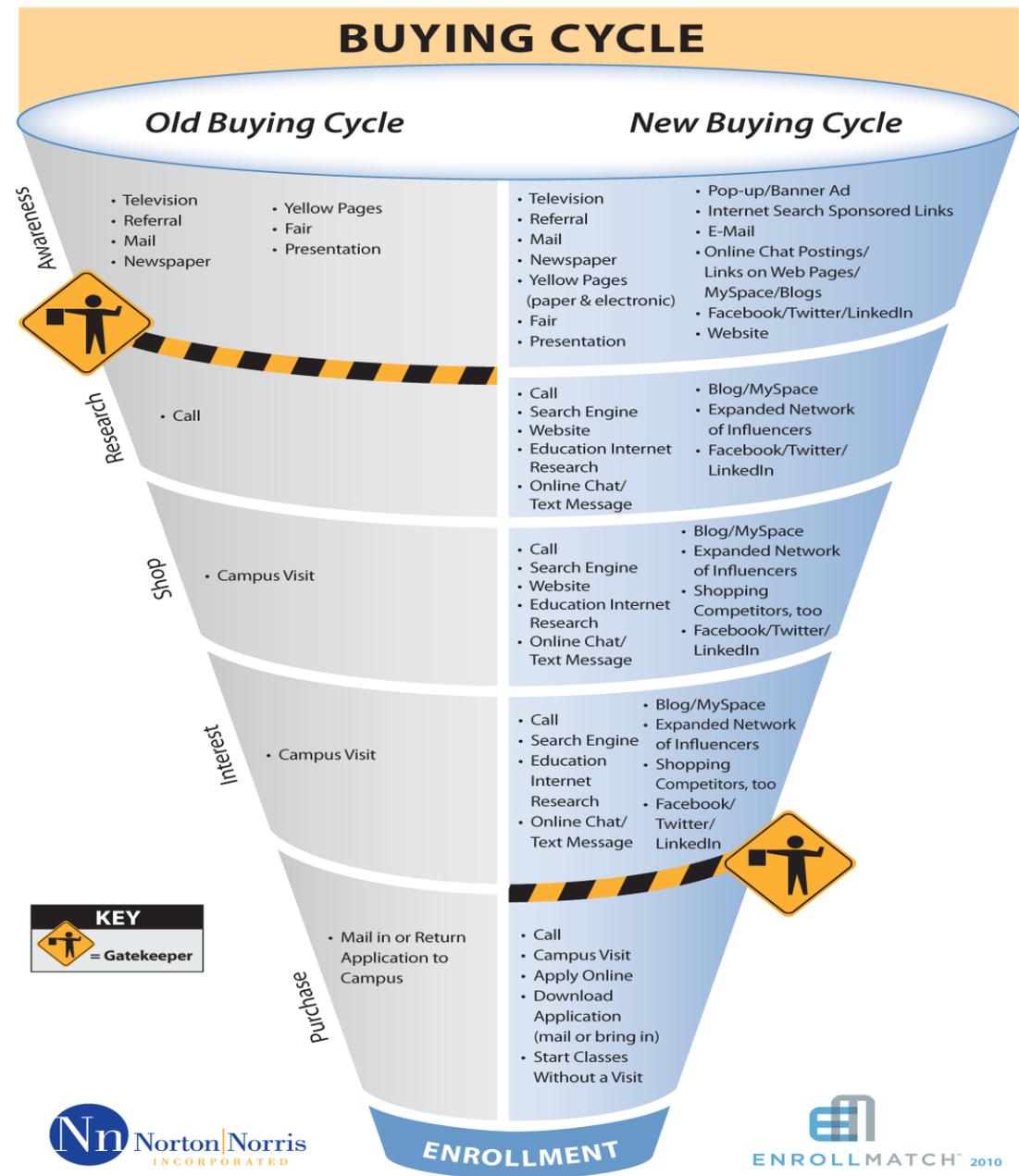
“Screenagers”

- Changing the Rules of Engagement
- Technology is Central
- Prefer Technology over Human Connection (when confrontation or commitment are involved)

*Future Minds: How the Digital Age is Changing our Minds,
Why This Matters & What We Can Do About It* Watson, R.
(2010)



BUYING CYCLE



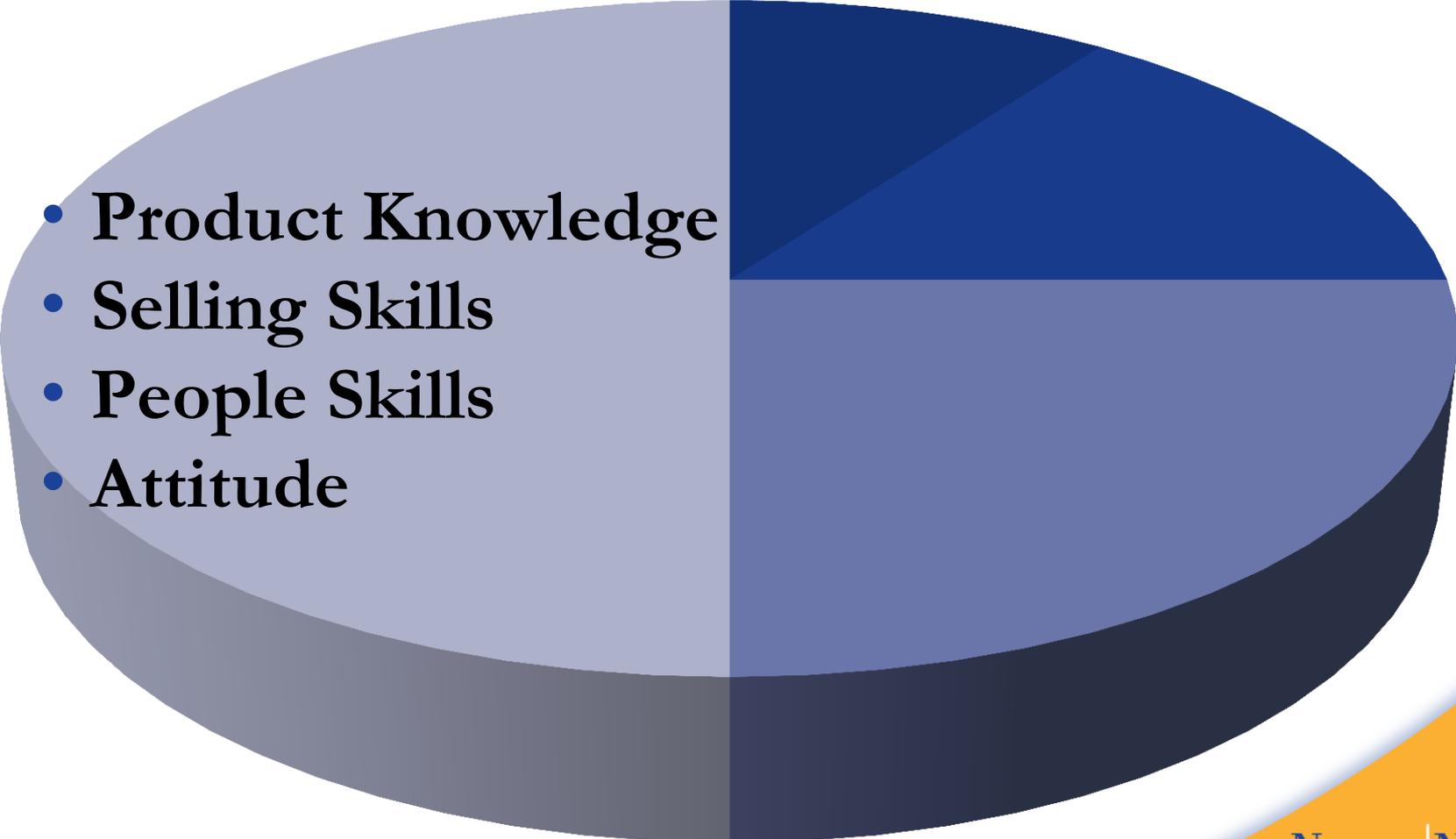
KEY
 = Gatekeeper



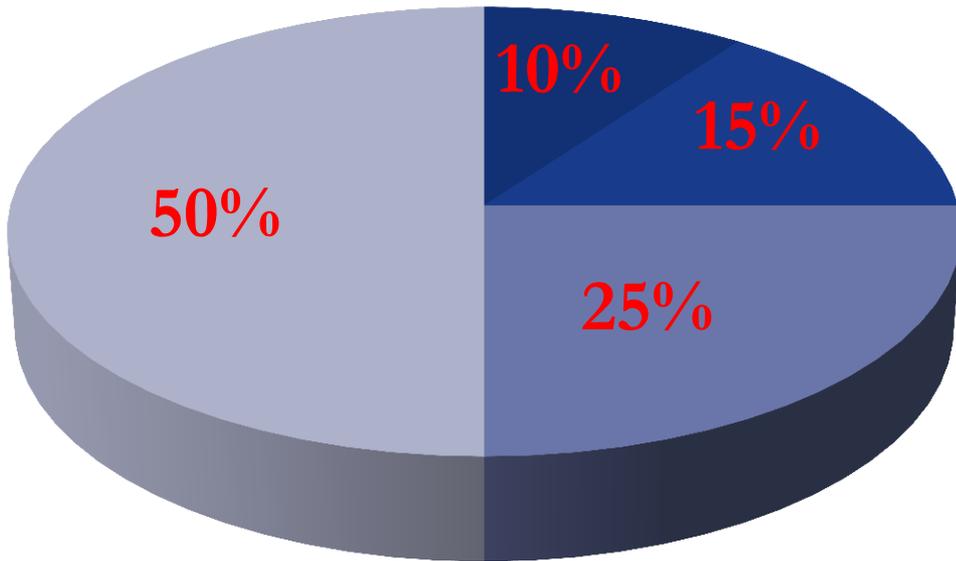
Non-Profit Challenges

- Business model not welcomed or understood
- Recruitment vs. Enrollment mentality
- Stealth Application Increases
- Skill sets of admission counselors limited

4 Components of a Successful Admissions Rep

- 
- **Product Knowledge**
 - **Selling Skills**
 - **People Skills**
 - **Attitude**

4 Components of a Successful Admissions Rep



- Product Knowledge
- Selling Skills
- People Skills
- Attitude

Requisite Variety

- “... in any system, the individual with the widest range of responses will control the system.”
“...if you have more variety in your behavior than the other person, then you can control your interactions with that person.”
- You need awareness - (is what I’m doing working?)
and flexibility - (what else can I do to reach them?)

Adapted from The Magic of Rapport



Self-Policing



- One bad apple
- Internal with shopping, hiring and training NOW...
- Be a watchdog for the industry
- Call 'em out!



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Proactive PR

- Reputation management mindset
- Rethink immediate ROI model
- Strategic, continuous, mixed media
- Monitor conversational trends to id influencers and issues proactively
- Promote what already doing so well
OR create events





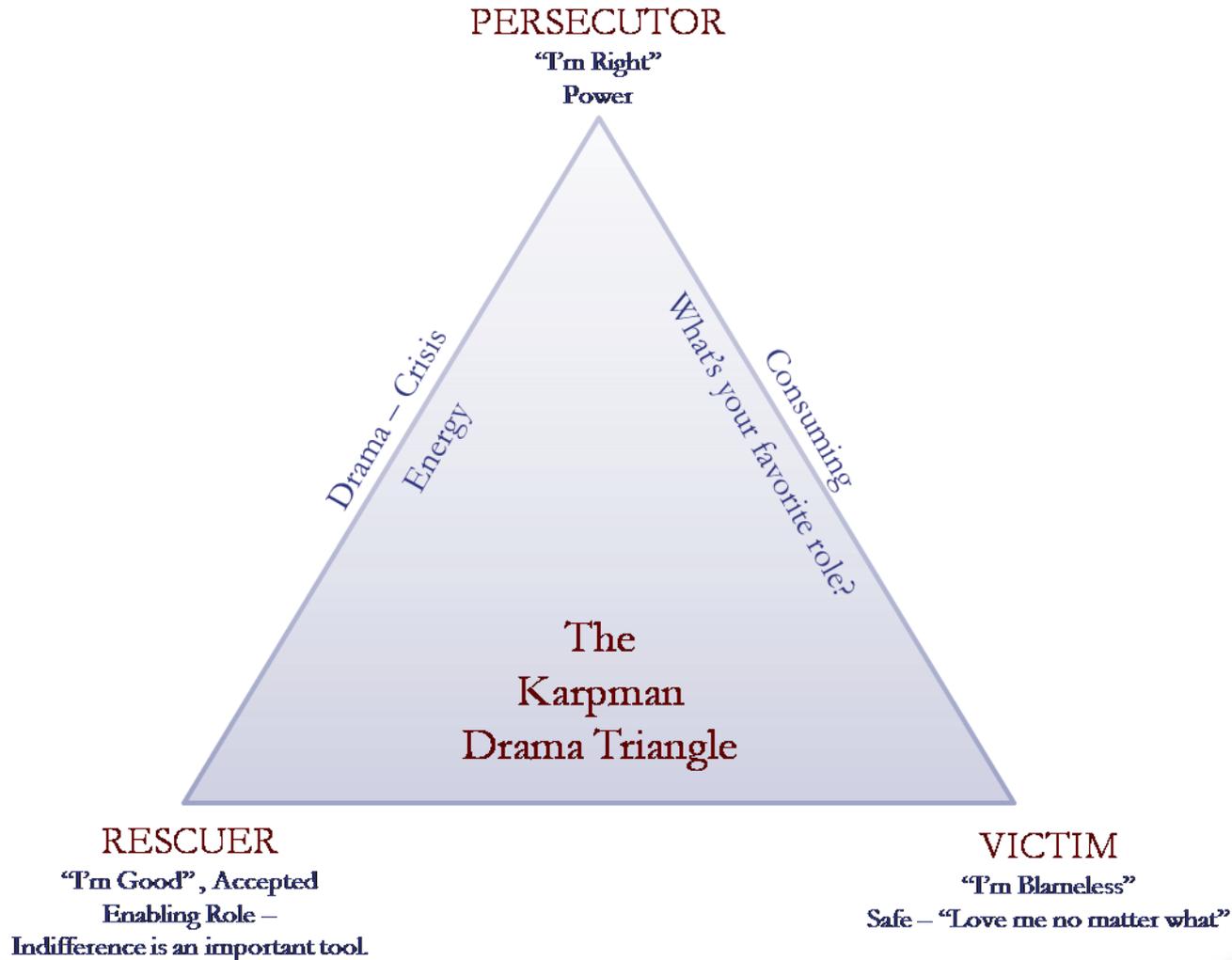
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What if the sector doesn't change?

- Government will force change
- We'll be back here again
- Lose great faculty and staff
- Students have no where else to turn
- We'll remain in the victim role

It's a CHOICE!

Karpman's Triangle





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Questions & Ideas



Thank You!

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