Assignment 3 – Business Plan

Carmen Burt

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Prepared for: Dr. Roger Powley

Athabasca University

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# Executive Summary

This five year business plan has been developed for the implementation of the OADM DE unit within the School of Business (OSB) at Okanagan College (OC).

This business plan describes the OADM DE unit and its structure with a clear emphasis on the OADM DE unit’s strategic direction in accordance with OC’s vision. Also included in this plan is a detailed list of marketing strategies and a five-year revenue projection dependent on increased enrollment.

In addition, this plan outlines the resources required to proceed with the new OADM DE unit such as, staff, infrastructure, information, and communication requirements and technology requirements. Moreover, a detail financial forecast is included; delineating the projected budget that includes revenues and associated costs, startup income statement, balance sheet, cash flow report, and a break-even analysis. Each developed to provide reasonable, measurable, and obtainable targets.

Lasty, performance management plans and timelines are included to ensure that the OADM DE unit’s goals and objectives are obtained and balanced according to financial, customer, internal business process, and learning and growth perspectives.

As a result, this business plan ensures that the implementation and operation of the OADM DE unit is successful, viable, and will stimulate growth within OC.

# Business Environment

The OADM department has identified a business opportunity in distance education. Currently, the OADM department at OC is part of BC Campus which is a provincial collaborative group that provides online courses in Office Administration. Recent analysis indicates that BC Campus courses lack adequate space and course offerings which are causing frustration amoung students (Burt, 2012a). In addition to student dis-satisfaction with BC Campus; instructors are also experiencing feelings of frustration. Each participating institution in this collaborative group is expected to provide equal amounts of instructional resources and update course materials. These expectations are not being met; subsequently, courses are becoming stale and out-of-date.

These current issues have encouraged the OADM department to create a DE unit that will provide a competitive environment by offering unique, interactive online/blended learning environment that allows for flexible, continuous intake, accommodates increased enrollment, and fosters effective learning and knowledge transfer. In addition, the OADM DE unit will maintain community involvement and input from potential employers regarding course packaging and increase general community and national awareness of the OADM DE unit’s online/blended programs.

# Business Strategic Direction

The strategic direction for the OADM DE unit within the OSB at OC is guided by its unique mission statement, realistic goals, and measureable objectives. Each reflects and supports the achievement of OC’s existing vision statement, its future growth, and its value statements.

During the strategic planning process a number of internal strengths and weaknesses along with external opportunities and threats were identified and explored after a thorough business analysis was completed (Burt, 2012a). Consequently, key strategies emerged and specific objectives and business tasks were identified for each strategy with the intent to provide a clear strategic direction and implement an efficient and effective DE unit that will evolve over the next five years. As a result, the strategic goals for the OADM DE unit are as follows (Burt, 2012b):

Strategic Goal # 1 – Produce and implement a marketing plan

Strategic Goal #2 – Design, develop, and evaluate courseware

Strategic Goal #3 – Produce and manage a multi-year financial plan

Strategic Goal #4 – Produce and implement an HR plan

The strategic plan builds on and contributes to OC’s vision and values by focusing on the creation of a sustainable DE unit.

# Business Description

## Legal Status and Form of Business

OADM DE unit will be a unit within OC’s OSB’s, OADM department. The legal status of this new DE unit conforms to the educational institutions status as outlined by Powley (2012a). Universities, colleges, school boards and federal and provincial government departments are normally structured and governed by legislation. According to Stevenson (as cited by Powley, 2012a), “In Canada, the Acts under which our universities are established entrench the bicameral powers of university Senates and grant them more or less complete control over academic policy” (p.8).  As a result of legislation Powley (2012a) states, “Changes to the organizational structure or reporting relationships of these government-controlled organizations may or may not require legislative changes before a new business entity can be put in place (p.8).

## Business Location/Geographical Location

The central OADM DE unit will be located at OC in Salmon Arm, BC. Salmon Arm, BC is located in the interior of BC, Canada which is approximately 460 km north of Vancouver, BC. OC consists of other campuses throughout the Okanagan Valley including Vernon, Kelowna, and Penticton.

## Relationship to Other Organizations

To ensure success by achieving the strategic goals of the OADM DE unit, internal and external relationships are vital. Internal relations that the OADM DE unit will rely on include the Marketing department, IT (Information Technology) department, HR (Human Resource) department, Payroll department, OSB, Bookstore, Academic and Career Counseling department, and the Registrar’s Office.

Marketing department – OADM DE unit will rely on the marketing department to market programs on a local, provincial, and national level. The marketing department will be required to publicize the new DE unit and its programs to a target audience and business communities.

IT department – OADM DE unit will rely on the IT department to ensure reliability of courseware and that OC’s infrastructure meets the needs of new technologies. In addition, the IT help desk will be relied on to resolve any student or instructor technological barriers.

HR and Payroll department – OADM DE unit will rely on the HR department for the recruitment of additional staff and to administer payroll.

OSB – OADM DE unit will rely on the OSB for necessary budget requirements and financial support for startup costs.

Bookstore – OADM DE unit will rely on the bookstore for the distribution of course materials or online course material access codes.

Registrar’s office – OADM DE unit will rely on the Registrar’s Office to manage tuition fees, to compile grades and to issue transcriptions for the online certificate programs.

Academic and Career Counseling department – OADM DE unit will rely on counseling services to support students in course planning, scheduling, and financial aid advice.

External relationships essential to ensure success include the business community as a whole. The DE unit will rely on business’s input to create competitive course packaging, to promote OADM DE courses, to support practicum placements, and to hire our graduates.

## Governance Process

OC is a public, comprehensive, post-secondary educational institution that was established under the provisions of the College and Institute Act, 2004, (Minister of Advanced Education, 2004). OC is governed by the Board of Governors and the Education Council, and is operated in accordance with the provisions of the Act. The Act establishes a bicameral system of institutional governance. In this dual governance structure both the [Board of Governors](http://www.okanagan.bc.ca/about/Board_of_Governors.html) and Education Council are assigned roles and responsibilities as outlined on the Okanagan College (n.d) website.

## Business Products and Services

The proposed OADM DE unit will provide students with the opportunity to obtain the following certificates.

* AAC - Accounting Assistant Certificate
* AAF - Administrative Assistant Fundamentals Certificate
* ADAC - Administrative Assistant Certificate
* LAA (C/C) - Legal Administrative Assistant (Corporate/Conveyance) Certificate
* LAA (Lit) - Legal Administrative Assistant (Litigation) Certificate
* MAA - Medical Administrative Assistant Certificate
* OAC - Office Assistant Certificate

These programs are designed to deliver knowledge and skills for entry-level office positions and provide up-to-date technology skills in either an online or blended learning mode on a continuous basis. Students are able to specialize in accounting, legal, or medical field.

OADM programs target many customers, such as, pragmatic working adults seeking to update their administrative skills, dual credit students, recent graduates, or individuals seeking retraining.

## Management Team

The OADM DE unit will be created within the OSB; therefore, the management team for the unit presently exists. The management team consists of the Dean for the Okanagan OSB – Heather Banham, Associate Dean – Barry McGillvary, and OADM Chairperson – Teresa Kisilevich. These three managers have held these positions within the OSB for many years; therefore, they are experienced, skilled and knowledgeable and will work together to oversee and manage the day-to-day operations and actions of OADM DE unit.

# Business Structure

## Organizational Structure

The organizational structure of the new OADM DE unit will follow that of OC’s existing functional structure. The organization structure provided includes the departments that the OADM DE unit will rely on for its operations. Key decisions and budget allocations that directly affect the OADM DE unit are made by the President, Vice President, and Dean of the OSB. [(See Appendix A)](#_Appendix_A_–)

Within the OADM DE unit the organizational structure is divisional. The OADM chairperson supports the administration staff and instructors, the online coordinator supports students and schedules courses, and the team captains are responsible for the design, maintenance, instruction and evaluation of their assigned courses. [(See Appendix A)](#_Appendix_A_–)

## Workflow Plan

Workflow estimate is based on projected enrollment that the OADM DE unit will be supporting over the next five years. [(See Appendix B)](#_Appendix_B_–)

The OADM DE unit plans to provide seven programs. Programs are packaged with overlapping courses which is considered when planning the workflow estimates. OADM DE unit estimates it will take six months to develop and produce the necessary courses. The workflow plan indicates that over the next five years an average of 9.4 full-time personnel will be needed to ensure adequate staffing needs are met. The workflow projection does not include overhead or managerial positions since the positions presently exist.

## Human Resource Requirements/Plan

To ensure the success of the OADM DE unit, additional full-time and part-time staff is required within the OADM DE unit.

Five of the nine current OADM course captains have regular appointments; therefore, their workload is presently at 100 percent. In order for these course captains to design courses they will need to apply for release time. The four remaining part-time employees will provide release time during the September and December (class in session period). Within the current year, an additional four part-time employees will be hired to instruct on a contractual basis. Each instructor must be content experts in all courses offered by the OADM DE unit.

The administration staff will include one full-time employee who will direct student and staff inquiries, enroll students, ensure course materials are delivered or accessible and perform administrative type duties that support the DE unit.

The current management staff, marketing staff, IT staff, counseling staff, bookstore staff, Registrar Office staff, HR staff, and payroll staff have indicated that there is sufficient resources to support the new OADM DE unit; therefore, additional staff is not required in these areas.

## Work Processes and Procedures

Marketing staff – the marketing department will meet with the OADM DE staff to implement a marketing plan that promotes the programs and opportunities available to the target audience.

To begin the work process each of the nine existing staff members will meet to discuss a common design that portrays continuity throughout the courses. Each course captain is assigned two – three courses. They will be responsible for designing state-of-the-art intuitive, motivating learning environment in OC’s learning management system (Moodle) for each of their respective courses, while relying on IT for support. Once the courses are created each course captain will be responsible for maintaining and updating their courses on an continual basis.

Students will meet with an OC counselor who will advise and council students. Once the student has determined which program they would like to take, they will register for the program through the registrar’s office. They will then be directed via email or letter to the OADM DE unit administration staff that will provide course information, schedules, orientation information, booklists as well as schedule a meeting (telephone) with the online coordinator. The online coordinator will contact the student and work with the student to determine a set schedule and provide access codes to the LMS. The online coordinator will continue to support the student while enrolled in their selected program. As courses begin to fill the part-time instructors will be contacted by the administration staff and be provided with a contract, course offerings, and a class list. Upon finishing a course, students will complete course and campus evaluations which will be reviewed by the course captains and management. Finally, final grades from the LMS (Moodle) will automatically be submitted to the registrars’ office.

# Marketing and Sales

## Detailed Sales Projections

The detailed sales projection provided reflects each of the seven programs that are will be offered by the OADM DE department [(See Appendix C).](#_Appendix_C_–) Each program fee has been determined and calculated by researching current program pricing of competitors, OADM’s existing program pricing, and associated costs. Although current pricing already exits, costs for development, design, administration, instruction, and overhead have been considered based on suggests provided by Taylor, Parker III, & Tebeaux (2011). Course costs have not been adjusted in the first five years of operations; however, estimated volume of input increases as suggested by Rumble (2001). Projected student enrollments (No.Std) have been calculated based on current OC student enrollment with BC Campus (Burt, 2012a). As a result of potential marketing efforts the 2013-2014 estimated enrollments increase by 25 percent; thereafter, increase in enrollment is calculated based on 10 percent per year. OADM DE unit’s management will regularly re-evaluate and adjust course pricing to stay competitive within its market.

## Marketing Strategies/Plan

OADM will enhance its customer base by targeting recent graduates, potential dual-credit students, and mid-career professionals. Students will be self-motivated, self-disciplined, and well-organized with some word processing skills, numeracy skills, and communication skills. These customers will be attracted to OADM’s DE unit by incentives such as learning up-to-date skills, lower course costs, course laddering options, dual credit options, practicum experience, and mobile learning alternatives. The OADM DE unit’s main competitive advantages consist of its flexibility in course entry, alternative learning environments, continuous intake, course incentives and program packaging.

Effective marketing plan strategies established to promote awareness of the OADM DE programs include the following:

* Incorporate relationship marketing with the communities by encouraging instructors to join OC committees and attend business events and by place one Administrative Assistant at each campus throughout the valley as a practicum student.
* Communicate internally by increasing student and faculty awareness of OADM programs.
* Create at a glance documents that show the laddering opportunities and a diagram that shows dual- credit opportunities.
* Publicize student testimonials.
* Advertise in local, provincial and national publications, online or paper format, advertise at employment agencies and large companies training departments.
* Ensure marketing staff attend at high school information sessions.
* Promote program through social networking tools like such as Facebook, Kijiji and the homepage of OC’s website.

The OADM DE unit team will communicate with the OSB marketing staff on a monthly basis to ensure the implementation of the existing plan and to brainstorm additional effective marketing techniques.

# Resource Requirements

## Infrastructure/Office Requirements

The resource requirements necessary to support the OADM DE unit include workspace, office equipment, classroom space, desktop and laptop computers.

The administration staff for the OADM DE department will require a workspace within OC in Salmon Arm. The existing administration office in Salmon Arm presently has one small office that is vacant. It is located in a central location where all necessary office equipment is accessible. The OADM department will be required to furnish the office with a workstation ($5,000 includes installation) and a desktop computer ($1,200).

Office space and laptop computers are currently assigned to the present staff which includes the chairperson, online coordinator, and the part-time and full-time designers/instructors. Offices for new instructors are not necessary (they will work from remote areas); however, if required new instructors can share office space with the present staff. Each new hire will need appropriate hardware; therefore, four laptops will be needed amounting to $4,000.

Classroom/lab space will be necessary to accommodate students who are enrolled in the blended learning environment. Presently, each campus throughout the Okanagan Valley has a designated OADM computer classroom/lab space. The costs associated with each lab will be shared between the OADM f-2-f environment and OADM DE unit which is an estimated amount of $2,000 per month.

## Information and Communications Technology Requirements

Information, Communications and Technology (ICT) requirements for the OADM DE unit already exist. The present infrastructure and learning management system (Moodle) to support the OADM DE unit is adequate; therefore, no additional resources are necessary.

## Learning and Teaching Technology Requirements

The learning and teaching technology requirements for the OADM DE unit consists of a LMS, email support (students are issued an email address upon registration at OC), social software and collaborative communication software.

The LMS (Moodle software) will support learning and teaching. Moodle consists of many activity tools such as: lessons, forums, databases, wikis, chats, surveys, assignments, quizzes, glossaries, choices, resources, and SCORM (Moodle, 2010).

OADM DE unit will implement a social software product. Many free social software products are available on the Internet. To reduce costs, the OADM DE unit will evaluate free social software products and determine a product that is adequate to support and foster the social needs of the students. In addition, future software considerations may include Adobe Connect which is designed for collaborative communication.

# Financial Plan

## Start-Up Projections

The start-up projections for the OADM DE unit include the addition of personnel, infrastructure, marketing, and production costs by utilizing (Taylor, Parker III, & Tebeaux (2011) costing structure. It is important to note that various start-up costs will be absorbed by existing resources, such as IT support, counseling, HR, payroll and Registrar support. However, these indirect costs are incorporated into the start-up projections. [(See Appendix D)](#_Appendix_D_-)

Personnel and wages– Hire four new part-time instructors. Costs associated with the new employees and an increase workload for existing marketing staff, IT, counseling, registrars, and management support will include salary, benefits, WCB premiums, employer’s portion of statutory deductions as well as the administration costs associated in hiring the personnel and professional development costs.

Infrastructure – The infrastructure costs associated with the implementation of the OADM DE unit include the purchase of furniture, hardware (computers), overhead of new office space and computer labs/classroom, and software licensing. IT is funded at an institutional level; however, OADM DE unit has projected a cost for usage of its services and software.

Marketing – Costs associated with marketing include travel to promote the DE unit at various educational events, creation of various publications and advertisements, and promotional items.

Production - Costs associated with production include office supplies, usage of office equipment, consultant fees to validate or review your strategic plan and business plan, wages associated with designing online courses.

## Cash Flow Projections

The cash flow projection for the OADM DE department measures the OADM DE unit’s financial health. The projection provided ensures that expenditures do not exceed revenues and that there is sufficient cash flow to cover expenses over the next five years. It has been estimated that the OADM DE unit requires initial investment of $500,000 to support startup costs and $7,967 for the purchase of assets. [(See Appendix F)](#_Appendix_F_–)

## Revenue Projections

The OADM DE unit has identified its potential revenues and revenue targets over the next five years of operations. These estimated sales reflect our individual certificate programs growth, focusing on volume as outlined in the [Detailed Sales Projections](#_Detailed_Sales_Projections) section of this report. [(See Appendix C)](#_Appendix_C_–)

## Source of Start-Up Funds

OADM DE unit requires $500,000 in start-up funds and $7,967 to purchase assets. The source for these costs come from OC’s base funding. The majority of the start–up funds are required to pay staff for developing and designing the courses. The break-even point is estimated to be at the beginning of the second year of operation. [(See Appendix E)](#_Appendix_E_–).

# Performance Management Plan

## Overview of Performance Management Approach

To monitor the OADM DE unit’s multi-year goals and to ensure we meet our goals and our commitment to our stakeholders, key performance indicators currently exists in both quantitative and qualitative formats. OC has developed a variety of institution wide surveys and reports to include:

* Student Outcomes Survey - surveys students employed in jobs related to their training and their transfer experience
* Student Satisfaction Survey - designed to indicate if students recommend OC and Employee Satisfaction which is completed by the staff at OC.
* Student population report - the Registrar’s office provides student population and student transfer reports to each department.
* Comparative financial reports - the Finance department provides a report that compares financial performance to budgeted forecasts.

In addition to college wide surveys and reports, the OADM DE unit will include a student’s satisfaction survey at the end of each course. Furthermore, businesses that place a practicum student at their organization will complete a survey that indicates the skills and abilities of the student.

## Balanced Scorecard

To ensure success, the OADM DE unit employs four key perspectives that measure achievement and provides opportunities for feedback and change. Each perspective (financial, customer, internal business process, and learning and growth) is considered in the balanced scorecard provided (Powley, 2012b).

|  |  |  |  |
| --- | --- | --- | --- |
| Financial | | | |
| **How do stakeholders/investors view us?** | | | |
| **Objectives** | **Measures** | **Targets** | **Initiatives** |
| Establish financial projections for startup. | Start-up costs adhere to the projections. | December 2012 | Create reasonable startup projections. |
| Establish financial projections for future growth and contribute financially to the institution. | Compare actual to budgeted amounts on a yearly basis. | December 2017 | Adhere to existing projections. Stay within budgeted amounts. |
| Increase enrollment. | Actual registrations. | Increase in enrollments of 25% in the first year and 10 % in the subsequent years. | Employ marketing plan. |

|  |  |  |  |
| --- | --- | --- | --- |
| Business Process | | | |
| **What do we need to do well?** | | | |
| **Objectives** | **Measures** | **Targets** | **Initiatives** |
| Produce state-of-the-art/trend online courses. | Course, institutions, and business surveys. | December 2012 | Ensure continuity of courses. Research current trends. |
| Develop intuitive courses. | Student survey | December 2012 | Employ designer expertise in course design. |
| Deliver quality instruction. | Student survey | Ongoing | Outline instructor expectations. |

|  |  |  |  |
| --- | --- | --- | --- |
| Growth and Learning | | | |
| **How do we improve and create value?** | | | |
| **Objectives** | **Measures** | **Targets** | **Initiatives** |
| Provide an adequate number of quality instructors. | Hire part-time staff. | November 2012 | Create job description. |
| Provide ongoing professional development. | Instructor’s report on PD development. | Ongoing, provide quality, experienced instructors. | Promote PD activities. |
| Establish a HR Policy. | Produce adequate HR policy. | December 2012 | Recruit HR committee members. |

|  |  |  |  |
| --- | --- | --- | --- |
| Customer | | | |
| **How do our customers view us?** | | | |
| **Objectives** | **Measures** | **Targets** | **Initiatives** |
| Provide quality instruction. | Student Survey | 95% student satisfaction in all programs. | PD development for all instructors. |
| Offer a variety of state of the art, quality courses. | Student Survey | 95% student satisfaction in all programs. | Incorporate new technologies into courses. |
| Competitive course pricing. | Increased enrollments. | Increase in enrollments of 25% in the first year and 10 % in the subsequent years. | Research competition pricing. |
| Flexible admission and course delivery. | Increased enrollments. | Increase in enrollments of 25% in the first year and 10 % in the subsequent years. | Market to target audience. |

# Timeline for Implementation

## Priorities

To proceed with the creation of the OADM DE unit many key tasks are required to be completed on a timely basis. To initiate the process the marketing department will be required to aggressively implement the marketing plan. Meanwhile the DE unit’s management team must conduct briefings with the various departments affected by the new DE unit. These meetings will be to discuss the change process that will occur with the implementation of the new DE unit as well as seek input from each department (Powley, 2012c).

Course captains will begin preparing course materials and begin designing their courses. Once courses are completed they will be set up into OC’s Banner registration system. Additionally, HR will begin the recruiting process by hiring OADM DE unit administrative assistant and part-time instructors.

## Implementation Milestones

Marketing strategies and internal awareness of the new DE unit will begin on May 1, 2012. The preparation of courses will begin July, 2012 and be completed by December 2012. Administration staff will be hired by September 2012, instructional staff will be hired by November 2012 and program deliver will commence on January 2, 2013.

# Conclusion

The formation of the OADM DE has been planned by performing a business analysis report, by generating a strategic plan and by creating a business plan.

The business analysis report identifies the opportunity and marketability of the OADM DE unit. Based on findings in the business analysis report, a strategic plan was created. The strategic plan provides a clear strategic direction and comprehensive strategic planning. Both the business analysis report and strategic plan provide the framework for the creation of the business plan resulting in this business plan that reports on OADM DE unit’s potential business structure; marketing strategies; financial viability, measureable success, and the execution of sound leadership and management strategies.

Each of these processes has been developed to ensure that the implementation and operation of the OADM DE unit is successful and viable while contributing to Okanagan College’s Mission, Vision and Value statements as outlined in Assignment 2 – Strategic plan (Burt, 2012b).

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# Appendix A – Organizational Strucures

Okanagan College Organizational Structure

OADM DE Unit Organizational Structure

# Appendix B – Workflow Plan

# Appendix C – Revenue Projections



Notes:

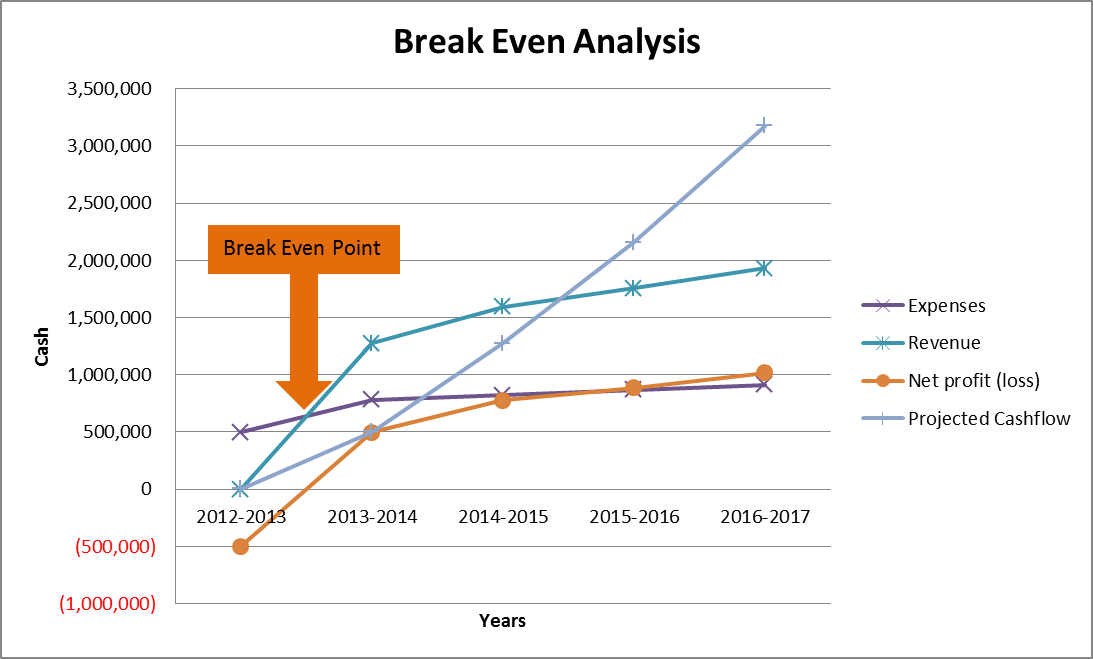
* 2013-2014 enrollments are based on information provided in the Business Analysis Report (Burt, 2012a).
* 2014-2015 projected enrollments are based on a 25percent increase of 2012-2013 enrollments.
* 2015-2017 projected enrollments are calculated on 10 percent increments per year.
* Current course costs will remain constant throughout the five year period; however, will be evaluated on a yearly basis.

# Appendix D - Budget

Notes:

* OADM staff wages are calculated based on a wages schedule provided by the Vocational union agreement. 2012-2013 amount includes wages for five full-time employees at $50,000 each and four part-time employees at $35,000 each. 2013-2017 wages are calculated based on necessary increase in staffing and increase of salaries as outlined by the wages scale outlined in the vocational union agreement (Common Agreement, 2010).
* Fixed and variable costs are dependent on projected sales (volume) therefore costs reflect the percent of increase in projected sales.
* OC purchases all equipment; therefore, depreciation costs are included.

# Appendix E – Break Even Analysis



# Appendix F – Financial Projection

