



Office of the Provost and Executive Vice President

The Academic Business Plan

In order to address Item 14 in the Institution's Planning for Change in Section II of the procedures, a sample format for an academic business plan is included. To complete item 14 the program must outline what financial support and resources are in place to sustain the proposed program. The program must provide an 'academic business plan' for the program including a budget projection for the first five years of operation showing both gross income and gross projected expenses.

The design as well as the feasibility, benefit, cost and ongoing viability of the program can be determined by developing a business plan early on. There are some characteristics of an academic business plan that differ from the general form of a business plan commonly used in the business world. The following serves as a guide for a plan in academia and generally should include the following components:

Overview

Context

Benefits Statement

Cost Statement

Operating Plan

Financial Plan

Design

Overview: The overview provides a brief description of the program being proposed with the emphasis on the capability that will be gained. After reading this section, the reader should have no question about just what is being proposed.

Context: The context analysis examines the current situation of the academic department or program and suggests how the proposed development can utilize existing

resources and structures to good advantage. In general, it will be easier and more cost effective to build on existing strengths rather than undertake development in an entirely new direction.

Benefits Statement: A benefits statement that details what the sponsoring unit and the University will gain from the establishment of the program. In this benefits statement, address separately the aspects of teaching, research, and service. It is essential that a clear connection be drawn between the new program and the mission of the university as well as the goals of the program and that the associated improvements in program be examined.

Cost Statement: A cost statement outlining the capital cost of establishing the program. Include the details concerning the source of the capital or one-time funds that will be required. Outline the human resource costs including the type and level of personnel who will be involved in the program.

Operating Plan: An operating plan specifies not only what will be done but also who will do it and when it is expected to be done. The period of the plan will span at least the first five years of existence of the new program.

Financial Plan: The financial plan is tied to the operating plan and should include an analysis of the ongoing cost of operation and identify the sources of the funds that will be required. The plan must show a surplus or break-even bottom line.

Design: The design is a detailed description of the new program, major or certificate under consideration.

The development of this plan may not be sequential in process because some sections of the plan may be dependent on the preparation of other elements. Also, it is probable that some of the data needed to complete a section may not be available and therefore it is essential that the preparer make a best estimate rather than not complete a section. Any estimates included should be indicated as such followed by a statement concerning the probable accuracy of the estimate.

[Adapted from: Office of the Provost: Michael McGoff, May 2006. Binghamton University, State University of New York <http://www2.binghamton.edu/academics/provost/documents/academic-business-plan.doc>]