AUA Strategic Plan 2011-2017

This report is the culmination of a university-wide effort involving scores of meetings, individual submissions, and deliberations among internal and external stakeholders that started nearly two years ago with the McKinsey & Co strategic plan, commissioned by the AUA Board of Trustees. The materials from the Strategic Plan Mapping Session in July 2011 as well as individual submissions for this process and background papers are archived at the university's Office of Institutional Research. Key documents, including issue sheets, factsheets, deliberation minutes, process description and information about outside facilitation engaged for this process are available on the AUA website: http://www.aua.am/accreditation/strategy2017.html*.*

Introduction

Declaring Armenia's "intellectual capacity is our chief development resource," [1] RA Prime Minister Tigran Sargsyan called on institutions of higher education to expand Armenia's capacity to create a knowledge-based society by assuring access to education at "highest international standards."   He cited the American University of Armenia (AUA), with its US accreditation, as one of two universities which have led the way in this effort.

As a model for such education, AUA is uniquely positioned to provide internationally competitive educational opportunities for students from Armenia and its region. As it embarks on its third decade, the AUA plans to establish an undergraduate program, building on the solid foundation of its master's level graduate programs.   Adding the undergraduate level to its established graduate programs, AUA will further its mission of providing *"teaching, research, and service programs that prepare students to address the needs of Armenia and the surrounding region for sustainable development in a setting that values and develops academic excellence, free inquiry, scholarship, leadership and service to society"* (AUA mission statement). By providing over 1200 undergraduate students with access to American-style higher education in Armenia, AUA aims to train a critical mass of young people with the knowledge and skills necessary to become globally competitive professionals and leaders in the development of Armenia and its region.

AUA was initially positioned primarily to complement, not compete, with existing educational programs in Armenia. In the past decade, other institutions started offering similar degrees, creating a more competitive milieu of convergence and competition.   Almost two years ago, discussions on campus began on how to achieve financial sustainability and respond to the changing needs of higher education in Armenia and the region.   This strategic plan is the culmination of those discussions.

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[1] Prime Minister's August 4, 2011 Address . http://gov.am/en/news/item/5801/; http://gov.am/am/news/item/8962/.

Vision

The American University of Armenia aims to be a laboratory and model for the type of education that will guide and spur Armenia's development. Based on AUA deliberations and market studies over the past several years, a new vision for AUA has come into focus. This vision calls for an expansion and diversification of AUA's current 1) programming, 2) faculty and student body, and 3) financial support.

Expansion & Diversification of Programming

By 2017, AUA aims to have approximately 1500 students, 1100 undergraduate and 400 graduate, enrolled in three or more undergraduate degrees and seven graduate programs. The university's current master's programs will continue to be centers of professional excellence and research aimed at (1) cultivating the technical expertise of professionals, (2) developing projects of national significance for Armenia's sustainable development, cultural, political and economic vitality, and (3) providing exemplary models of graduate education in Armenia. Building on the experience gained and infrastructure built for these master's programs, the undergraduate program will expand and diversify AUA's program and course offerings. Specifically, we intend to start with three undergraduate majors, each with two specialization tracks. These majors and tracks with be loosely aligned with our graduate programs and, hence, benefit from the accumulated experience and expertise.

Expansion & Diversification of Faculty and Students

Through the creation of the undergraduate program, AUA will increase its core faculty nearly threefold. Faculty expertise will also become more diversified in order to meet the needs of various undergraduate programs as well as larger student body. To attract and maintain this larger scholarly community, the faculty's commitment to the university will need to be matched by the university's commitment to the faculty in terms of career track and benefits.

In addition to the expansion and diversification of the faculty, the student body will be transformed. Remaining true to its commitment to need-blind admissions, AUA will seek to recruit a more economically diversified student body, of which between 10% to 20% will be from abroad. Undergraduate studies will create new possibilities for junior exchange students, summer students, and more students from regions in and around Armenia, across the economic and social spectrum.

Expansion & Diversification of Financial Support

By establishing the first American-style undergraduate program in Armenia, AUA will seek to tap a broader and more stable financial base by nearly doubling its endowment through attracting more donors from more countries, creating a wide range of levels of giving, and

having an active alumni giving program. AUA will also have a range of new sources of commercial income from research and university facilities. To support these efforts, the newly established Vice President of Advancement will take a leading role in promoting AUA both locally and internationally in order to attract students, scholars, and donors. Due to major construction projects completed during the past decade, the University is well prepared to accept a greater student body in terms of its physical plant and infrastructure.

This vision is the product of an unprecedented process of brainstorming, analysis, and deliberation drawing on the insights of AUA faculty, students, staff, and alumni as well as Armenian government officials, businesses, and NGOs. This report summarizes the way in which AUA will realize this vision while also building on its strengths, addressing its weaknesses, and seizing potential opportunities.

What sets AUA apart?

Like most institutions, AUA was founded to add value to the relevant markets and communities it serves. Symbolic of its mission, AUA was established on September 21, 1991, the day Armenia broke from the USSR to become an independent nation. In the context in which AUA was founded, it had to be a part of the inherited Soviet higher education system, yet be apart from that system in certain essential ways. That tension emerged as a recurrent theme of AUA's strategic planning discussion. On the one hand, discussants focused on building and bolstering what sets AUA apart – namely, the added value AUA brings to Armenia by providing American-style higher education that is integrated into the global academic network. On the other, they stressed that AUA must strive for greater integration into the local educational milieu in order to achieve its mission in promoting economic and educational development in Armenia.

AUA was an early entrant into the post-Soviet region in 1991. The environment in which it operates has changed significantly since then: there are new international entrants into the higher education market in Armenia and the region (e.g., French, Slavonic, European Academy in Armenia as well as the planned Millennium University in Georgia, Moscow State University Yerevan branch); existing institutions have more resources and have begun adopting global standards (e.g., Bologna process in Armenian universities); there are more English-speaking students and faculty in Armenia; greater resources, better preparation, and increased access to information (scholarship programs such as Luys Fund, IREX, Muskie) have made study abroad programs more accessible to Armenian students; foreign degrees have become accessible and are considered by many to be more valuable than a domestic degree. As a result, the differences in content and value are shrinking between AUA degrees and those of other universities in Armenia. In short, competition has increased, putting more pressure on AUA master's degree programs.

Nonetheless, AUA remains a good value proposition for most students: The AUA degree helps them advance their careers and contributes to Armenia's development.   AUA is a zone of predictable fairness in Armenian higher education. At AUA, outcomes are based on merit.

Furthermore, the public is aware of AUA's corruption-free environment. In surveys, students highly value the AUA experience for its American academic environment, transparency and fairness, from pre-admission through graduation.[2]

AUA has also been strongly committed to community and national development, filling gaps in Armenia's research and educational system. It has a solid track record of applied research in economic and public policy and engineering (e.g., health, law, human rights, earthquake engineering, renewable energy, cryptography, environmental and cultural heritage protection) tailored to Armenia's needs, such as the Turpanjian Rural Development Program (small loan program), Acopian Environmental Center (Birds of Armenia, environmental conservation), and Digilib (Digital Library of Classical and Western Armenian literature).

Challenges to Realizing AUA's Mission

As an institution established with a developmental mission, AUA's work is never done and its mission is forever only partially fulfilled as new goals appear on the horizon when old goals have been achieved. Starting with its first graduate programs in Engineering (Earthquake and Industrial Engineering) and Business and Management, AUA has been responsive to Armenia's evolving needs, adding Teaching of English as a Foreign Language, Political Science and International Affairs, Public Health and Law during its first decade as a graduate institution. The Computer and Information Science Program was added in 2001.

AUA has faced financial challenges in meeting the needs of an under-resourced environment. Providing international quality instruction at local tuition levels has resulted in a persistent structural deficit. Integration into both the local and global academic communities requires resources that have thus far been scarce. Since the last strategic plan, the 2008 financial crises resulted in cutbacks that forced the university to look inward and focus on reallocating resources. During this period, university enrollments rose nearly 50%, amplifying the structural deficit, while academic programs faced 10-15% budget cutbacks. Although the introduction of an undergraduate program is not intended to cover this deficit, it will reduce the per student subsidy substantially by spreading costs over a larger student body. A consensus has emerged that AUA's financial model must change as the university plans through 2017.

To achieve its potential, AUA needs to communicate and collaborate more effectively with its external constituencies, potential students within and outside Armenia, other educational institutions, U.S. and Armenian governments, alumni, the Armenian diaspora, donors, employers, and civil society. This will require more faculty and financing as well as staff dedicated to these functions (particularly advancement, public relations, research, and fundraising), better use of online and e-resources, and recalibration of the Extension Program to assure that AUA's

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[2] Surveys, FG archived and on-line (IRO to provide specific references.

outreach arm effectively meets its needs. As a vital bridge between Armenia and the world, AUA has unrealized potential as a link to global academic and economic networks. As a meeting place for students and scholars from within and outside Armenia, AUA has the potential to become a more dynamic center of innovation and creativity that contributes more effectively to Armenia's development.

The appointment of its first full-time resident President in 2010 has spurred greater integration in the local and global milieu, as will the appointment of a Vice President for Advancement, scheduled for Fall 2011. The larger, resident faculty for the undergraduate program will also bring more global ties and capacity for local networking.

Background

AUA continues to contribute directly and indirectly to Armenia's economic development and higher education system. Although a relatively small institution, AUA has had a unique impact on Armenia, preparing professionals fluent in English who are both rooted in Armenia's local reality and also attuned to global trends and standards. Each year AUA adds hundreds of graduates to Armenia's global-ready workforce. AUA's faculty and researchers foster Armenia's development through research, consultation, public service, innovation and global networking.

The opening of the Paramaz Avedissian Building (PAB) in 2009 increased AUA's physical capacity for a larger student body and more faculty, researchers, and scholars. Over the past three years, despite hardships caused by the global financial crisis, AUA's graduate enrollment has grown and leveled off at approximately 400 graduate students, roughly 150% of pre-2009 enrollment levels. Notwithstanding this substantial growth, the AUA community has come to a consensus that the university has the capacity and potential to do more and have a greater impact while also achieving financial sustainability.

Since AUA's founding, undergraduate education had been considered a potentially important aspect of AUA's mission; however, limited capacity prevented the creation of an undergraduate program. The completion of the PAB building has greatly added to AUA's capacity and spurred a broad discussion among internal and external stakeholders on how AUA can better achieve its mission. These discussions were informed by reports prepared by AUA's Office of Institutional Research, focus groups (of potential students, parents of potential students, alumni), alumni and library patron surveys, and professional strategic planning by McKinsey & Co commissioned by the Board of Trustees, as well as extensive deliberation on campus. [3]

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[3] All these reports and data are available from the Office of Institutional Research. The McKinsey Report, prepared for the Board of Trustees in the fall of 2009 concluded that an integrated university with both undergraduate and doctoral programs was feasible and desirable based on their market research and analysis. Campus leadership (both academic and administrative) were involved in deliberations relating to this report, which was submitted in the spring of 2010, with certain conclusions placed in circulation on

These discussions resulted in a consensus that AUA should pursue an undergraduate program both to better achieve its mission and to attain financial security.

The introduction of an undergraduate program is not meant to detract or diminish the importance of the existing graduate programs, but to complement them. The graduate programs will continue to pursue their strategic plans for growth and improvement, with an emphasis on student diversity and stable enrollment as well as research and applied projects that promote Armenia's economic development and bolster the university's financial stability. The initial undergraduate programs will be in fields for which AUA already has graduate faculty. In light of the institutional loyalty that prevails in Armenia, the undergraduate program is likely to be a feeder for the graduate programs, creating a stable pool of well-prepared applicants who share AUA's values and culture. Undergraduate programs will also increase opportunities for graduate students to serve as teaching assistants and could in the future help support doctoral programs in some fields. Thus, the creation of an undergraduate program will likely lead to substantive improvements in AUA's graduate programs.

The undergraduate program will also help address some of the concerns raised by various stakeholders, such as financial sustainability, the need for a critical mass of resident faculty for both scholarly, teaching, and administrative functions, and lack of student diversity. With more students and degrees, the disproportionate costs of a administration for small institution would be spread over a larger student body, reducing per student costs and increasing faculty size. An

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campus during the summer of 2010. As this period coincided with the search for a new AUA President, action was postponed until the fall of 2010. At December 2010 meeting, the Board of Deans decided to move forward with more detailed study of an undergraduate program. In the winter and spring of 2011, an Undergraduate Task Force (UGTF), with two subcommittees (financial model and curriculum) were formed and began deliberations and data collection and analysis. One of the first tasks was to corroborate and refine the McKinsey conclusions regarding market demand and pricing. An Alumni Survey was organized by the UGTF. Later in the spring, it was determinate that further research was warranted, targeting high school students and their parents. Focus groups with English-speaking high school students and their parents were held in August and another survey was organized based on the AUA Library patron's list, which contains several thousand users of AUA's English language library collections, many of whom are parents or know potential undergraduate applicants.

McKinsey Report: Two Market Surveys, Nov. 2009 - Number of Respondents: 550
AUA - Alumni Survey by UGTF - March 2011, Number of Respondents: 293
AUA - AUA student Survey by UGTF - March 2011, Number of Respondents: 214
AUA – Focus Group (FG) EEC - High School Students - August 2011, Number of Respondents: 15
AUA - FG EEC - Parents - August 2011, Number of Participants: 3
AUA - FG Quant - High School Students - August 2011, Number of Participants: 5
AUA - FG Quant – Parents - August 2011, Number of Participants: 3
AUA - Library Patrons - Survey- August 2011 - Participants: 277

undergraduate program would also create more opportunities to diverse students through exchange programs, which are more common at the undergraduate level.

A related but distinct goal is to transition from a quarter to a semester system. Such a transition will reduce the administrative costs associated with each cycle of registration, faculty hiring, and grade reporting. It would also bring AUA into sync with local and most foreign universities, facilitating student exchanges, particularly during the peak summer term.

Creating undergraduate programs in fields related to existing programs will also enable the university to build up its core of resident faculty and foster a community of scholars with the introduction of new policy on hiring, promotion and retention and multi-year contract, which are on the university's agenda for the fall of 2011.

A larger resident administration is also part of the preparation for expansion and includes the university's first resident President, who started during the Fall 2010, and a new Vice President for Operations, streamlining and consolidating administrative functions on campus to promote efficiency. In addition, a new Vice President for Advancement is scheduled to be hired in the Fall of 2011 to direct outreach, public relations, promotion of the university, and fundraising, including a capital campaign for the AUA endowment for the 25th anniversary of its first graduating class in 2017.

Milestones for Strategy2017[4]

The strategic milestones for 2011-2017 include:

Oct. 2011   Substantive Change and first New Degree Proposals to WASC to inaugurate the undergraduate program

Nov. 2011

                   Capacity and Preparatory Review to WASC for Reaccreditation of the Graduate Programs

Feb 2012   WASC CPR Site Visit of the Graduate Program

March 2012   Proposal for additional bachelor's degrees to WASC

July 2012   Educational Effectiveness Review to WASC for Reaccreditation

Oct. 2012   WASC EER Site Visit for Reaccreditation of the Graduate Program

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[4] Because the first graduating class from the proposed undergraduate class will be in 2017, this strategic plan covers 2011 through 2017.

Sept. 2013   First Undergraduate Class

2012-2015   Graduate Program Self-Study Cycle

May 2017   First graduation for Undergraduate Program

Sept 2017   25th Anniversary of the First Graduating Class, Capital Campaign for Endowment

Some Specific Strategic Targets and Recommendations

Students

Making AUA's education accessible is paramount to both AUA's impact and mission. For this reason, increasing access to an AUA education through new programs (both undergraduate and graduate) and assuring access through need-blind admissions, scholarships, and financial aid are core goals. The proposition that "no qualified student should be denied an AUA education simply for inability to pay" has been repeatedly cited as a touchstone of the university's value system during the strategic planning process. AUA has succeeded in honoring and sustaining this ideal, introducing the first need-based financial assistance program, nearly 6 years ago.[5]

Because students are at the center of AUA's mission, demographic trends and university enrollment patterns are especially important for AUA's strategy from 2011 through 2017. A demographic dip is predicted for the coming years due to hardships of the post-Soviet transition, blockade, and war in the early 1990s, which will reduce the number of 18-24 year olds in Armenia for the next decade. Also Armenia's transition to a 12-year universal education system will leave a gap in the number of entering master's students in 2015. However, because of a growing pool of English-speaking high school graduates in Armenia, from which AUA draws most of its students, it is predicted that these demographic trends will have a minimal effect on AUA.

There was slight increase in the number of international students at AUA over the past decade, although the absolute numbers are too small for trend analysis, especially if diasporans and others already resident or tied to Armenia are excluded. A diverse, international student body that enriches the student experience, brings fresh perspectives in and out of class, and fulfills the university's educational mission of serving the region remains a goal for undergraduate and graduate programs. Although recruitment efforts increased over the past

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[5] As noted during our strategic planning discussions, this is a high aspiration that even many better endowed, longer established institutions have been unable to consistently attain. In many ways this puts AUA's developmental mission in the foreground.

several years, international students continue to be few. One of AUA's goals for 2017 is to have a more robust, targeted recruitment and marketing effort, focusing on those students that are inclined to come to Armenia and AUA, in particular.   Undergraduate programs, including junior year abroad and summer programs, may attract more international students because undergraduates are more disposed to foreign study as part of their degree programs than graduate students.

By 2015, AUA aims to participate more in intergovernmental exchanges such as those between Armenian universities and institutions in China, India and elsewhere. AUA also seeks greater foreign recognition of its degree programs by neighboring countries, such as Iran. Achieving both these goals will also help attract more international students.

Strategies to Increase Student Enrollment and Diversity:

- Design and implement better promotion of AUA's Tuition Assistance Program in time for the 2012 admissions (including multilingual web-pages and materials (English, Armenian, Russian, Farsi) to assure that the program is clearly understood by students, parents and teachers abroad;
- Streamline the admissions process, reduce barriers to admission, consolidate sources of admissions information (admissions cost rebates, subsidies for test fees, prep courses);
- Obtain international recognition for AUA degrees by foreign ministries of education (e.g., Iran);
- Evaluate the impact on international student enrollment of financial assistance for tuition, room and board
- Determine whether non-resident tuition is appropriate for the international market;
- Evaluate differential tuition for various programs (which may make some programs more accessible through tuition reduction), and implement them where justified,
- Foster Public-Private Partnerships through more engagement with RA and US governments, private sector scholarship funds and sponsorship of courses and degrees; more internship and alumni involvement in securing scholarships/post-graduate employment.
- Develop more effective means for communication with international students, including revamping of the AUA website (ongoing) and its translation into Russian and Armenian, and development of electronic and paper-based promotional materials.

Faculty

Fostering a community of scholars is one of AUA's reaccreditation themes for WASC.[6] Having a critical mass of resident faculty was also identified as essential for the health of the institution during the strategic planning session and in our last accreditation review. A larger, more permanent community of scholars will be a natural outgrowth of the introduction of an undergraduate program. Care must be taken to assure synergies between undergraduate and graduate faculty selection as well as disciplinary and general education coverage in designing faculty positions for a balanced university.

Multi-year and longer-term contracts, which were called for in the 2006-7 WASC Accreditation Review, are on the agenda for Fall 2011. The University's Policy on Hiring, Promotion and Retention will need to be periodically reevaluated and modified as the university grows over the next six years.

Research

As a master's degree-conferring institution, research is one of the core functions and missions of the university. Research is essential to training graduate students, developing a robust intellectual atmosphere, establishing ties with the global scholarly community, and ensuring that the university contributes to Armenia's development. However, because of the challenges of operating in a developing country and the fact that AUA does not confer doctorate degrees, research conducted in AUA has been mostly applied in nature. To address this issue and as part of the reaccreditation process, a new definition of research has been proposed that is based on the universal goals of research and scholarship but also tailored to the realities AUA faces.[7] The strategic planning discussion have generated a number of recommendations for

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[6] "Cultivating a community of scholars is a cumulative process that requires a critical mass of resident faculty and a supportive institution with long-term reciprocal commitments to each other. As the University grows into its third decade, there is a need to develop the University as a community of researchers and scholars, one that includes faculty, students, and researchers, and the need to foster more creativity throughout the University to successfully compete for students, faculty, and resources in a world of rapidly changing and continuously rising standards of educational excellence." Institutional Proposal (IP), p. 11 http://www.aua.am/accreditation/inst_proposal.html

[7] Creative scholarship is the substantive contribution of new knowledge or significant new applications of knowledge: (1) scholarship of discovery, (2) scholarship of integration, (3) scholarship of application, and (4) scholarship of teaching. This definition aims to value a broad spectrum of scholarship which allows for AUA to tailor recognition of faculty activities and efforts to match the unique qualities and strengths of the university and each academic program. Scholarship of discovery means the traditional concept of scholarship vetted in peer reviewed journals and monographs. Scholarship of integration values cross-disciplinary work which produces or presents new, creative and innovative perspectives, including textbooks and reference works. Scholarship of application values the application of theory to practice in a specific or novel context which results in a new, creative and innovative understanding of universal knowledge. Scholarship of teaching values creative and innovative pedagogical approaches to

promoting research and strengthening AUA's seven research centers, all of which, except the Environmental Research Center, are associated with an academic program[8]:

- Incentivize research (improve mechanisms for augmenting salary through outside funding, promotion, overhead to centers);
- Establish a university-wide grants/contract office to coordinate and serve as an information clearinghouse, provide technical support, process grants (Vice Provost for Research);
- Review policies on research centers (restrict routine business consulting services and work involving liability);
- Increase core faculty to expand the institution's research potential and opportunities to engage students in research by 2015;
- Position AUA to act as or support longer-term projects with commercial potential, including incubation of products and companies, technology licensing and commercialization; develop a policy on royalties that encourages research leading to commercialization; promote partnerships with private institutions;
- Increase AUA's technical facilities for research (labs, research computing/computational capacity, software, experimental equipment)

Advancement, Public Relations, Alumni Relations, Outreach

The need for improved relations with the public and alumni as well as improved communication within the university was a recurrent concern in strategic planning deliberations in a wide range of contexts, including financial sustainability, international student recruitment, public-private partnerships, and externally funded research. The consensus is that shortcomings in this sphere have hindered the university's development and will continue to impede the sustainability of AUA's current programs and plans for expansion. Hence, this cluster of interrelated functions must be treated as a high priority.

AUA's new president, Bruce Boghosian, has made communications a top priority and has commissioned a study by the Brakeley-Briscoe Group on university fund-raising and public relations.   He has also announced the new position of Vice President of Advancement (VPA), which is to be filled by the end of 2011. The VPA's function will be to restructure the university's relations with the public, donors, alumni and the RA and US governments. The Extension Program, which serves as the university's principal interface with the community, has

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curriculum, instruction and assessment including curriculum design or other activities beyond routine teaching responsibilities. http://md.aua.am/RSTF/ (log-in, password required); See also, Modern Language Association, 1996 Report, *Making Faculty Work Visible*. http://www.mla.org/rep_facultyvis

[8] Annual reports on Research Centers at AUA, prepared by the Vice President of Research and Development, are available from the Office of Institutional Research and on the AUA website

recently undergone a self-study, and a range of recommendations tracking the strategic planning discussion have been made and await implementation; thus, it is unnecessary to repeat them here.[9] Key recommendations from the strategic planning discussions include:

- Appoint a Vice President of Advancement (already underway) to lead a proactive public relations effort (shifting center of gravity of public relations toward Yerevan, closer to action/news gathering, depending on media outlets and nature of audience) by 2012;
- Revamp the AUA website to make it more user-friendly and trilingual (English, Armenian, Russian) (see also *Student* recommendations above);
- Start a periodic e-bulletin, newsletter to document and promote events and research at AUA as well as achievements of students and faculty to a large readership;
- Cultivate and reinforce alumni ties with the university, e.g., recognize alumni achievement, give AUA alumni life-time e-mail accounts; perhaps also initiate alumni guest lectures or networking events where students meet alumni
- Enhance AUA's ability to share its global knowledge in the Armenian educational system, foster more direct impact and interaction with other institutions of higher learning, e.g., professor-to-professor collaboration, joint projects;
- Develop a global network of Armenian and non-Armenian (e.g., former visiting professors) academics interested in AUA and use that network to promote academic collaborations, exchanges, faculty development and public relations;
- Assure capacity to promote AUA's competitive advantages.

Finances

AUA suffers from a structural deficit that is the product of providing world-class education at local, Armenian tuition rates. AUA has been heavily reliant upon a relatively small number of large diasporan donations from the US to cover its structural deficit each year. The 2008 global economic crisis has had both direct and indirect effects on AUA as well as Armenia, both of which largely depend on diasporan cash flows that were affected by the crisis.

Given inflation and currency fluctuations, the psychological threshold of AMD 1 million for annual tuition will have to be faced in the near future. Nevertheless, tuition income from resident students is not likely to close this deficit in the near future and tuition from non-resident students, which is closer to covering actual costs, is an insignificant source of revenue due to the low number of such students. A robust undergraduate exchange program, foreign recognition of the AUA degree and increased numbers of international students, and intergovernmental exchanges could boost revenue in the longer term; however, non-resident tuition is not projected to generate enough income to significantly defray the structural deficit by 2017 (first graduating

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[9] http://www.aua.am/about/institutional_research.html (log-in, password required)

undergraduate class). Although the undergraduate program will be designed to cover its incremental costs and will reduce the per-student subsidy, it cannot be expected to cover the university's overall structural deficit.

Income from endowments, donations, alumni, and research grants as well as rentals and passive income, research center income and commercialization of AUA projects remain the main sources of deficit funding. Each source of revenue must contribute more to covering the university's current structural deficit for its graduate program and overall operations.

An overarching goal and commitment is to assure access to an AUA education for all who are qualified, regardless of their ability to pay. Effective collections for the university's revolving student loan fund are essential to assure access for future students. Both endowed and donor directed scholarship programs are also an important resource that can help assure access to an AUA education.

Targets:

To design an undergraduate program that is revenue- and cost-neutral to the current operation of the university, identifying bridge funding as necessary to cover costs from the ramp up from the first admitted class in Fall 2013 to the fully enrolled undergraduate program in 2016-2017.

To increase income from the endowment, other commercial activities, and a more diversified donor base to cover the existing structural deficit by 2017.

The strategic planning effort resulted in a number of specific recommendations:

- Diversify the donor base (number of donors, size of donations, and geographic scope). Diasporan donations are currently concentrated in the US; however potential resources include wealthy individuals in Armenia, diasporan communities in places such as Russia and Europe, and significant beneficiaries of AUA's educational programs who are currently affiliated with large companies.
- Launch a capital campaign for AUA's 25th anniversary, with the goal of securing between $25 and $50 million for the endowment, which would generate enough income to cover most of the structural deficit;
- Reassess tuition levels as conditions change in Armenia;
- Study the impact of differential tuition (different tuition for different degrees based on the job prospects, competition, market for those degrees) and implement it if shown to be effective by 2013;
- Pursue foundation and government assistance, for example, U.S. Government funding for undergraduate education;
- Diversify certificate offerings, promote revenue-generating courses and instructional modules, on-site, off-site and on-line;

- Cultivate alumni giving, aiming for a relatively high participation by 2016, institutionalize alumni relations;
- Diversify and be more entrepreneurial about earned income (e.g. commercialization of IP, such as the digital library, database software developed in-house for student records and registration, other services) ;
  see also discussion under **Advancement** *above.*

Institutional Capacity, Program Maintenance

A key concern as the university contemplates a major expansion is institutional capacity. A physical capacity review was prepared by the Administration and aside from a few matters largely beyond the university's control (e.g., traffic and parking in the vicinity of the university),[10] classroom space and other public areas were deemed sufficient for the planned undergraduate expansion. Cafeteria capacity may require lunch-time/course schedule coordination.[11] Existing library expansion plans should be adequate for the expanded student body. Internet and communications capacity will need to be more specifically assessed and addressed, but expansion on the existing architecture was deemed feasible. Faculty workspace will need to be reallocated, with more faculty sharing offices. Administrative capacity, information management, oversight of academic programs, and quality control gave rise to a number of organizational concerns, most of which are either in the process of being addressed or are on the university's agenda as a result of the president's initiative or the regular academic program cycle.

The specific recommendations on institutional capacity that came out of the strategic planning process are as follows:

- Review organization chart in anticipation of expansion, assure scalability, introduce new positions: VP for Advancement, VP for Operations by 2012; Vice Provost for Research, probably a Dean of Undergraduate Studies, possibly a Student Recruitment Officer (or Dean of U-Grad Admissions) by 2013 (subject to funding); Chief Information Security Officer (explore); Consider a reorganization of academic units, possibly structured under a system of colleges, each housing departments offering graduate and undergraduate majors.
- Implement an integrated Information Management System that will bring student information, alumni, and basic faculty into a unified system by 2013 and clear the way for on-line applications, financial aid application, course registration, grade reporting, course and faculty evaluations, course management system, tuition payments.

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[10] AUA is easily accessible by a variety of modes of public transportation and is walking distance from two metro stops.
[11] AUA is conveniently located near a number of restaurants and cafes, which can handle excess demand during peak hours.

- Enhance trust and morale via teambuilding, collaborative research and scholarly activity, and bolstering the university's consultative culture and decision-making (including students, staff); assure open communication and transparency;
- Introduce multiyear contracts (scheduled for Fall 2011) (including benefits, salary equity) to build morale, create a sense of community, and increase job satisfaction;
- Implement annual/regular performance evaluation mechanism for higher administration (including Deans and VPs) by 2012;
- Consider the pros and cons of quarter as opposed to semester systems and possible conversion to the semester system concurrent with the start of the undergraduate program in 2013 (currently being considered by the Provost's Office in connection with the work of the Undergraduate Task Force); a conversion to the semester system is expected to reduce expenditures in a number of areas, including registration, course scheduling, and possibly faculty hiring and travel expenses.
- Assure that implementation of the Strategic Plan is monitored and evaluated, primarily through the self-study and audit processes of the academic programs;

Topics for Further Consideration, Research and Thought

Like any constructive deliberative process, more ideas and issues for evaluation and investigation were generated than are possible to turn into specific targets at the present time. In some instances, the consensus was that more information was needed in order to make a recommendation; in others, a consensus had yet to emerge on the ripeness of the issue or the options that should be considered. The deliberation notes for the strategic discussions as well as comments and individual submissions are archived at the Institutional Research Office and available for review. Most are also available at the AUA Strategy2017 webpage: http://www.aua.am/accreditation/strategy2017.html.

This strategy is not a fixed long-term plan. Rather, it consists of a series of guideposts and trajectories that will need adjustment over time. The strategic planning process is like a map of the university's course into the future. As the university proceeds in its journey, a better understanding of the terrain will emerge and the map as well as our path may need adjustment. In that spirit, the AUA Strategy2017 webpage, cited above, presents a range of ideas for the university community and leadership consideration.

As the institution approaches its destination, new destinations will no doubt appear on the horizon, warranting informed changes in course and crew. In short, this is a living document, not a static map, since the terrain itself is only partly knowable. What is important is to create the capacity to adapt as a group to changing circumstances and conditions. The process of which

this document is but a summary is, in this sense, more important than the document itself, since it is both a demonstration of that adaptive capacity and a means of developing it. Below are some of the key points from the strategic mapping sessions that were designated for further research:

- Inquire at foreign embassies (and also foreign universities and exchange programs) in Armenia and Armenian embassies abroad about means for international student recruitment;
- Develop closer collaboration with diasporan organizations and participation in diasporan-oriented events, e.g., Pan-Armenian Games; place ads in event books for diasporan youth organizations such as ACYO, AYF, AGBU-YP, ASAs, etc.);
- Conduct a professional study and investigation of the international student potential for AUA degrees, including evaluating the resources and methods necessary to do effective international student recruitment; investigate the possibility of engaging student recruitment agencies for selected countries;
- Explore hosting/participating in rotating master's programs offered by consortia of institutions in different countries, where students spend one term or more at AUA;
- Conduct further evaluation and consolidate data on needs of stakeholders (start with students (domestic and international), applicants and private sector);
- Identify desirable spheres and partners for collaboration and complementary activity, and modes of collaboration (emphasis on direct peer-to-peer collaboration) (CR), (e.g., universities, research institutes, collaboration with industrial associations and multinationals);
- Further cultivate joint academic and R&D programs with leading academic and research institutions, and the private sectors in Armenia and abroad;
- Select undergraduate majors/degrees. There is growing consensus on several clusters of disciplines: (1) business/economics/hospitality, (2) engineering/computer science/applied math/design, (3) English/communications. As this matter is part of the Undergraduate Task Force's ongoing deliberative process, the materials from the discussions will be turned over to this process for further consideration.

Appendices

1. Strategic Planning Process
2. Summary Factsheet for Strategic Planning Session, including SWOT and Specific Issue Summaries
3. Issue Outline for Strategic Planning Session
4. Strategy Map (July 28, 2011)

Full background information on the AUA Strategy2017 webpage.
http://www.aua.am/accreditation/strategy2017.html

Appendix 1 – Strategy Planning Process

AUA Strategy Planning Process Outline

Time Period for Strategic Plan: Given that AUA anticipates its first undergraduate class admission in Fall 2013, graduating Spring 2017, it makes sense to have a 2011-2017 plan.

Main Critical Path Issues: The strategic plan should focus on how the undergraduate program grows and the adjustments that will be necessary as the university moves from being a master's only institution to one with 3-4 times as many undergraduates as graduate students (e.g., (numbers suggestive, not definitive) total student body 1500, 300-400 graduate, 1100-1200 undergraduate)).

Assumption: The current graduate programs will be maintained, with routine adjustments, until 2017, by which time there will be some track record and data to further clarify the impact of undergraduate on graduate enrollment (feeder effect?) and the 5-year Bachelors/Masters potential.

Process Design: Based on best practice for university strategic planning, drawing heavily on US-models, since we are WASC accredited. Evidence/fact-based/analytical roadmap, more than an implementation plan or statement of aspirations. Not long-term planning to maintain the status quo inward looking, but strategic and outward looking and contextualized. SWOT Analysis and SMART (Specific, Measurable, Attainable, Relevant, Timely) Goal setting. Designed to tap into collective wisdom, institutional knowledge. Diversity of view points, iterative/step-wise development and refinement, multiple opportunities and channels for input and feedback. Eight step process. Steps 1-4 are in July, 5 in August, 6-8 in September-early October. Neutral facilitation especially useful for Step 2 and perhaps Step 4.

The following is a rough outline of the process:
1. AUA Community Meeting to launch the process (July 7).
 a. Preparation of Data and Issue Fact and Issue Sheets for Strategic Mapping
 Session (May through early July) Position papers may be solicited from some
 stakeholders who may have views on or spot issues, but may not be
 available/appropriate for the Strategic Mapping Session.
 b. Identification of Stakeholder Constituencies, Stakeholder Reps for each
 constituency (June) (See attached)
 c. Orientation of Stakeholder Reps (familiarization with the process and revision of
 Fact and Issue Sheets as/if necessary) (early July)
 d. Stakeholder rep meetings with Constituencies to review issues in Fact and Issue
 Sheets (early-mid July)WASC Reaccreditation 2010-2013 July 1, 2011

2. Strategic Mapping Session – Stakeholder Reps (July 22-23)
Two days of evidence/fact-based discussions, facilitated by a neutral moderator, with individuals representing the range of internal and external stakeholders of AUA.

Expected outcome - the outlines of a strategic plan that each participant can take back to their constituencies for discussion/refinement. Outline of plan will include scenarios and possible decision points/critical paths for decision-making in the future, e.g., 2015 when u-grad students select majors. It has to be convincing enough on the facts and

comprehensive enough on the issues that all the participants in the planning session feel comfortable presenting and explaining it to their constituencies (mid-July)

3. Stakeholder Rep Report/Consultation with Constituencies – face-to-face meetings with constituencies, circulation to among constituencies, also posted on-line with opportunity for feedback. (late July)

4. Mapping Refinement Phase – Feedback from Step 3 is gathered, analyzed and used to refine the strategic plan outline, with major changes, if any, referred back to the stakeholders and constituencies for further input (late July-early August).

5. Drafting of University Strategic Plan in narrative form with references to supporting data by the Drafting Committee, consisting of WASC Coordinator, U-Grad TF Coordinator, Interim Provost, IRO, and one or two faculty, depending upon summer availability; circulation of drafts or parts of draft for review and refinement by various stakeholder representatives as well as internal and external experts (August)

6. Presentation of the University Strategic Plan to Wider Audience – posting to AUA website with opportunity for feedback. (late August). Revision and refinement of University Strategic Plan, as needed. (early September)

7. Recalibration of Academic Program and Administrative Department strategic plans by the faculty and other administrative units of the university, in line with the new university strategic plan (mid-September)

8. Compilation and Synthesis of the University and Academic Program Strategic plans into a single document, with an overview that aims to synthesize these to provide guidance for the coming phase of the university's development. (Late September), **target completion date; Oct. 1.**
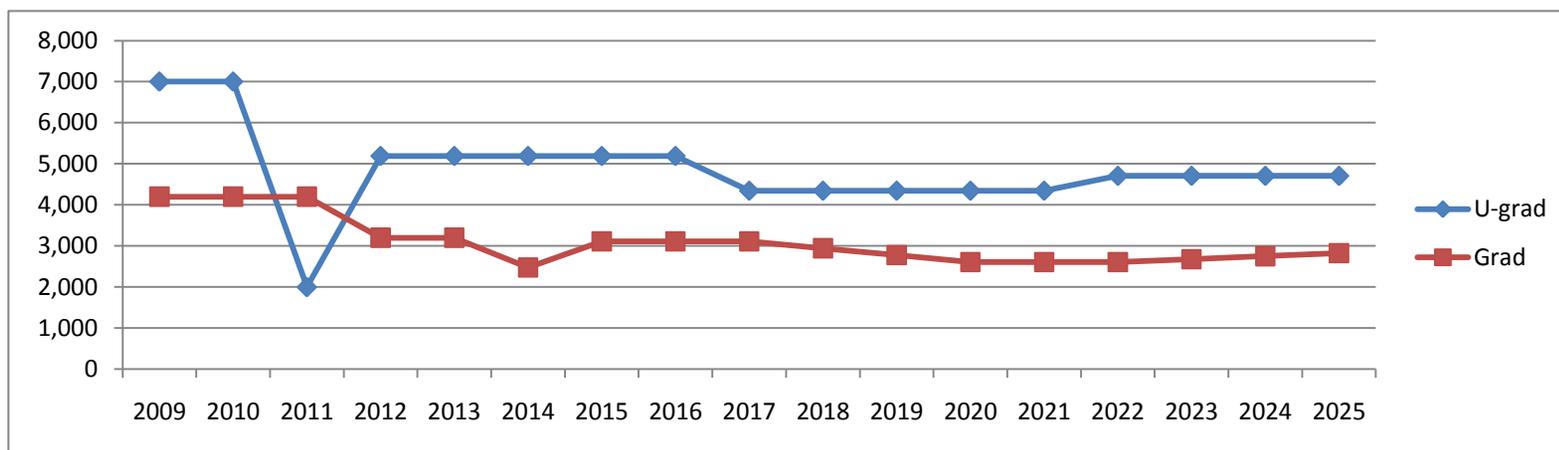
Appendix 1: Factsheet for Strategic Planning - Timeline

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
U-Grad Application CPR	EER U-Grad Approval	Grad Re-accredit-tation							
		U-grad 1st class		U-grad 1st major choice		U-grad 1st graduates			
						Master's 1st feeder	Master's 2nd feeder		
		2nd Cycle of Self-Studies Extension, Law CHS	2nd Cycle of Self-Studies DEP, SBM	2nd Cycle of Self-Studies CoE, PSIA	2nd Cycle of Self-Studies U-Grad GenStudies	2nd Cycle of Self-Studies U-Grad Majors			
No high school grads				No college grads					
MA admits 200	180	180	180	160	160	200	200	200	200
		300 BA Admits	300	300	300	300	300	300	300
Total enroll. = 380	380	660	960	1240	1520	1560	1600	1600	1600
43,000 17 year olds	43,000 17 year olds	43,000 17 year olds	43,000 17 year olds	36,000 17 year olds	36,000 17 year olds	36,000 17 year olds	36,000 17 year olds	36,000 17 year olds	39,000 17 year olds
20th anniversary	20th reunion 1st graduate class				25th Anniversary	25th reunion 1st graduate class			
	Millennium University opens in Georgia Moscow State University opens in Armenia University consolidation in Armenia? Educational restructuring in Armenia?								
	NA Elections	Pres. Elections				NA Elections	Pres. Elections		
			NKR Settlement Dividend?	Genocide Recognition Dividend?			Metsamor II opens		
	US Elections				US Elections				US Elections
$10bn GDP					$15bn GDP				$18bn GDP
$3000 GDP/capita					$4500 GDP/capita				$6000 GDP/capita
960,000 AMD = $2560 current nominal tuition									

Student Enrollment Trends in Armenia

U-Grad Enrollment Trends
assumes stable 2009-propensity for u-grad (1 in 4 high school graduates) (Currently, 26,000 undergrads in 4 years, so 26000/4. Propensity =(26,000/4)/No. 17 year olds in 2009

Grad Enrollment Trends
assumes stable 2009-propensity for master's (1 in 5 college grads, 21-24) (Currently, about 4,200 MA students, mean age 24, mostly between 21-23)

Data from RA National Statistics Service.   www.nss.am. Factbook. http://www.armstat.am/file/doc/99461548.pdf (Table 11 on Population) http://www.armstat.am/file/doc/99461563.pdf (Tables 104-107 on Education).   Also data collected by the AUA Office of Institutional Research 33% decline projected in number of college aged students in the next decade in 2009 – 58,000 17 year olds, in 2020 – 39,000 17 year olds . **But the number of students with good English is increasing: QED: More students for AUA despite decline in students generally.   Is demand for AUA education insulated from these trends?   Why? At whose expense if any one's?**

Fixed parameters

- physical plant
- undergraduate to be introduced in 2013 - maximum 1st year class - 350
- assumption: AUA undergraduate will be a feeder into graduate programs.   Earliest decision-point on whether this is true probably 2018 (2-year trackrecord)
- thus, graduate programs – continue to be 6 programs, 7 degrees - decision-point [2015 – after Second Cycle of Self-Studies?]
- undergraduate will be designed to be cost and revenue neutral to the university (covers incremental cost).   (what about graduate programs?)
- thus the structure deficit of $1.5 mil per year will need to be addressed through fund-raising/endowment/restructuring/requiring graduate programs to become direct cost/revenue neutral to the university

Mission: As an institution of higher learning, the American University of Armenia provides teaching, research, and service programs that prepare students to address the needs of Armenia and the surrounding region for sustainable development, in a setting that values and develops academic excellence, free inquiry, scholarship, leadership, and service to society.

[Does Mission statement need to be up-dated/reformulated?]

SWOT

Strengths

- US accreditation
- physical plant
- good reputation
- small, but experienced core faculty
- established institutional, self-governance structures – faculty senate, CC, SLS
- committed faculty, staff
- growing, support alumni base (2000+)

Weaknesses

- small scale - relatively large financial, administrative burden for small master's only institution, large deficit per student
- design - master's only, US accredited institution – limits research opportunities, hard to sustain without u-grad and/or doctoral program
- financial instability - structural deficit, small endowment, aging, small donor base (8 donors account for most of the deficit funding)
- small faculty (35-40 total head count), few resident or full-time (under 50%), few high profile visiting faculty
- declining enrollment, relatively high average acceptance rate: 75%, 2009 admits – 265, 2010 - 199 (no MPH), 2011 - 180
- little success in attracting foreign students (flat or declining)
- few major externally funded research projects
- small range of diversity in student and faculty
- limited range of jobs in Armenia (sectoral development uneven) – weak career planning in Armenia, match of degrees and market needs?

Opportunities

- growing number of English-speaking students in Armenia
- growing international demand for US education at reasonable cost; untapped potential to attract large number of international students?
- u-grad could attract more exchange students/foreign students
- new diaspora students coming of college age – may want to study in Armenia
- national commitment to education/research as part of competitiveness strategy
- possibilities for academic-private sector partnership

Threats

- overall decline in number of college-aged students in Armenia
- increased competition, locally and globally
- increased options for English-speaking students abroad – Luys Foundation, Armenian high school and college graduates are more competitive in global
- economic stagnation locally and globally – makes higher education less attractive investment
- continuing decline in internationally funded development/grant programs, which were traditionally large employers of AUA grads
- gov't/public sector contraction, larger gap between public and private sector salaries, work conditions
- lack of differentiation of students – latest Employer survey, Table 12.   Although 62% of employers agree that the AUA graduates performance is higher than that of most graduates from other universities, about 29% disagree.   What do we make of this? http://www.aua.am/about/institutional_research.html   Is it across the board or focused on one or more degrees?

Financial model

Nearly all private institutions of higher learning require a mix of revenues: (1) tuition, (2) endowment income, (3) other donations, (4) other income (research overhead, facilities rentals, royalties/service/consulting fees), (5) government

AUA's financial model, as a development-oriented institution, has more financial strain by design.

International quality/costs - local pricing/market = Structural Deficit (subsidy)

Mechanisms and strategy to address it already in place or in progress: BoT-commissioned study on AUA fundraising by Brakeley-Briscoe Consulting, New VP for Advancement: (1) growth/economies of scale – reduce deficit per student, (2) secure additional endowment income, (3) secure additional sources of income – research, rentals, (4) annual giving – more diversified donor base – Alumni, Armenia as well as Diaspora.

Improved PR, targeted outreach to donors in US, Armenia, other countries, alumni organization; 25th Anniversary capital campaign.

Regional Mission

Since its founding, AUA has espoused a regional educational mission and it has had a small, but steady level of foreign students, mostly ethnic Armenian, particularly in MPH, CoE, DEP.

A diverse student body benefits students, the university, and Armenia in a number of ways that justify the costs of international and regional outreach/recruitment: Enriching education, international networks, global

recognition and reputation, global integration/competitiveness.   Foreign students may also be a source of additional revenues (local/foreign tuition rates) and growth for the university.

Possible reasons for unrealized potential to attract students from abroad:

1. Competition – location, degrees, quality, cost?

2. AUA is not well-enough known; AUA's recruitment efforts insufficient (resources insufficient?)

3. Tuition for foreign students is too high, financial assistance too low or hard to obtain for AUA

Potential applicant pools (in no particular order)
- Middle East, Iran – diasporan, non-Armenian
- Russia – diaspora, non-Armenian
- CIS
- China
- India
- Other Diaspora – US, NA, Europe, SA, Australia

Targeted recruitment of student segments – those who want/need US-accredited/high quality education, but have not succeeded in gaining admission or do not have the funds to attend in the US or other universities (at home or abroad).

Iranian student pool – Iranian Ministry of Education approval.

Summer programs, junior year abroad programs could be a significant international/diasporan pool, esp. after u-grad is introduced.

Semester vs. quarter system

Currently under a partial quarter system – only 3 required terms per year, each 10 weeks, with underused summer that is misaligned with most foreign universities. Only 20% of US colleges operate on a quarter system. Not common in Europe (although there is a lot of variation, the semester system dominates in higher education, primarily because it is more efficient and alignment permits easier transfer between institutions, or continuation of education at other institutions). In either system students are in class 30 weeks, either 10-10-10 (quarter), or 15-15 (semester) for roughly the same number of hours per week. Many universities have made this transition over the past several decades for the reasons set forth above. Almost none have gone from a semester to a quarter system.

Semester Pros

1. More efficient – 1/3 less administrative overhead (grades, contracts, registrations). Winter-Spring Term turnaround time is short and falls in the middle of admissions\recruitment. Instead of this additional administrative burden, the Registrar/Admissions staff could be focusing on admissions. Even more relevant with undergraduate with 4-times the students and 3-times the faculty as our current programs.

2. Schedule better fit for incoming students as well as graduates seeking further education – problems with recruitment, deferments for doctoral students

3. Longer terms – more sustained skills development – particularly for u-grad, more depth (?)

4. Increased course capacity – 20% more courses can be offered simultaneously in the same facilities (3 credits vs. 4 credit) (semester (40 hr./3 cr. = 13 courses/wk), quarter (40hr. /4 cr. = 10 courses/wk), which is an advantage since u-grad requires a greater variety and utilizes more of our classroom capacity.

5. Visiting faculty often on semester system – all the same for them whether it is quarter or semester; also most visitors come for less than a quarter now – 5-week modules can fit in either semester or quarter system (2-2-2 for quarter or 3-3 for semester)

6. Longer summers for summer courses for study abroad (expected to increase with U-grad) – current overlap with spring term – better aligned with u-grad semester programs. The typical summer student comes in mid-May through mid-August, but because of our quarter system, our summers are July through mid-September. Basically mid-August through mid-September are lost months (except for students on quarter or trimester systems, e.g., Michaelmas term, etc.)

7. Junior term abroad – for u-grad a large draw, but out of synch for students on semester system.

8. Simplify u-grad design and course catalog, faculty recruitment and curriculum by 1/3

9. More family friendly for faculty (esp. local faculty) whose children/spouses are on the semester system, which predominates in Armenia.

Quarter Pros
1. **current arrangement** – institutional custom – curriculum design
2. **shorter terms** – more frequent feed back, more subjects – more breadth (?)
3. **visiting faculty** may be able to come for 10 weeks rather than semester – compressing 10-weeks into 5 weeks more feasible than 15 weeks into 5 weeks

Appendix 3 – Issues Outline

AUA Strategic Planning Issues Outline:

"Even if you're on the right track, you'll get run over if you just sit there." Will Rogers.

1. How is AUA doing?   Taking stock of 2006-2011 – AUA's last strategic planning period.
   a. What was achieved? What wasn't? Why? Lessons Learned? What matters going forward?
   b. How are we perceived? How's our PR? Are we adequately communicated to the public (in Armenia, US, elsewhere) about the university and its achievements? If not, what needs to be done?   Do we have the capacity to do this?
2. Sustainability – is current model sustainable?
   a. Structural Budget Deficit. Small core faculty, shrinking student pool?
   b. Tuition levels, financial aid – assuring access to AUA education?
   c. Where is most of the income/funding coming from?   Where is it going?   What is a typical mix of funding sources for similarly situated institutions?
   d. Is there potential to significantly increase our funding?
3. Impact – is the current model the most bang for the buck, given our mission?
   a. Is AUA's current range of activities (master's programs and research) a good use of the resources currently and potentially available for AUA?
   b. What's fixed, what's adaptable in the short and long runs?
4. Stakeholders – who are AUA's stakeholders?
   a. which stakeholders take priority?
   b. Stakeholder interests, needs: students, faculty, staff, alumni, parents, public sector, private sector, other educational institutions in Armenia, UC system, donors, research funders, local, regional, global stakeholders
5. Competition/Collaboration – what institutions are AUA's competitors?   What institutions does AUA collaborate with?   How are these likely to change in the next decade?
6. Master's Programs – next round of Self-Studies 2012-2015.
   a. Are the master's programs still well-aligned with the needs of AUA's stakeholders?   Is there sufficient demand?
   b. Should they be expected to cover their "costs"? Are they sustainable? If not, how can they be made sustainable?   Increase students, endowments, research overhead, reduced costs/increased efficiency of educational programs?
   c. Should programs be expanded, redesigned, phased out, new programs introduced? What criteria?   What timeline for making these decisions?
7. Research Centers - next round of Self-Studies 2012-2015.   Are the Centers and AUA generally meeting the needs of AUA's stakeholders?
8. Bachelor's Program - scheduled to start in Fall 2013 – which majors? what curriculum models? how many students?   will it be a feeder or a diversion of students from the Master's programs?
9. Operational Efficiency, form/structure enhance or obstruct function?

  a. Academic program governance - how is the remote dean model working?   How many resident teaching administrators does a program with 20-60 students need to operate and meet university administrative burdens?   Are our processes too elaborate and burdensome?   Should they be streamlined?

  b. pros and cons of "separate silos" approach to organizing AUA into schools/colleges?

  c. Quarter vs. Semester System

  d. Academic Year vs. Calendar Year Budgeting

  e. ICT/Library - Paper vs. on-line processes - grades, applications, evaluations; student access; course management systems, on-line teaching/learning, web-site

10. Accreditation/Reaccreditation, Self-Governance/Self-Regulatory Capacity

  a. Monitoring and Evaluation of Performance vis-à-vis Strategic Plan

11. Mission – in light of the foregoing does it need to be adjusted?

Draft, for discussion only, not for circulation, subject to revision, vers. 5, August 25, 2011

Appendix 4:   Strategy Map

Draft, July 28, 2011, rev. 2 – Up-dated with corrections from Mapping Session participants and others

AUA Strategic Planning Issues Outline:

1. How is AUA doing?   Taking stock of 2006-2011 – AUA's last strategic planning period.
   a. What was achieved?
      What wasn't?   Why?

      - Increased international student enrollments (get stats by category, compared to target), needs strategic evaluation of the resources and methods necessary to achieve this
      - Achieve financial stability

      Lessons Learned? What matters going forward?
   b. How are we perceived? How's our PR? Are we adequately communicating to the public (in Armenia, US, elsewhere) about the university and its achievements? If not, what needs to be done?   Do we have the capacity to do this?

      - Advancement VP leads proactive PR effort (center of gravity of PR needs to shift toward Yerevan, closer to action/news gathering, depending on media outlets and nature of audience) by 2012
      - Better promotion of Tuition Assistance by 2012 admissions (Multilanguage website and materials); message clarification and communicated
      - Work with foreign embassies in Armenia and Armenian embassies abroad, closer collaboration with diasporan organizations and participation in diasporan-oriented events, e.g., Pan-Armenian Games)
      - Professional surveys of students abroad
      - Increase access and incentives for international students to study at AUA - Pursue foreign licensing for AUA (e.g., Iran), financial aid
      - AUA participation in Armenia's gov't-to-gov't student exchange (China, India, Iran, Bulgaria, etc.); follow up with MinEd
      - Explore rotating master's programs (one term or more at AUA)
      - Foster AUA's role as an intellectual center open to all

2. Sustainability – is current model sustainable?
   a. Structural Budget Deficit. Small core faculty, demographic pool in Armenia?
   b. Tuition levels, financial aid – assuring access to AUA education?
   c. Where is most of the income/funding coming from?   Where is it going?   What is a typical mix of funding sources for similarly situated institutions?

     d. Is there potential to significantly increase our funding?
- Capital Campaign $25-50 mil by 25th anniversary (2016-17) decide on precise goal 2013,
- Cultivate alumni giving, aim for a releatively high participation by 2016, institutionalize alumni relations
- Diversify donor base (geographic, levels of donation)
- Optimize tuition structure, differential tuition, Enough international tuition, housing/living assistance
- Restructure fundraising (currently underway) (crossreference)
- Increase student enrollment - Undergraduate program, by 2013, explore Ph.D. , additional MA programs, international student recruitmentDiversity and enhance revenue sources and investments alternative endowment management (investments) and business ventures (including rentals)
- Earned income (e.g. commercialization of IP, other services) (cross-reference)
- Foundation and government assistance (e.g., USG for U-grad)
- Diversify educational programs (reduce barriers Academic Programs to develop revenue generating courses, and improve incentives/cost model for collaboration between Academic Programs and Extension,)

3. Impact – is the current model the most bang for the buck short and long-term, given our mission?
     a. Is AUA's current range of activities (master's programs and research) a good use of the resources currently and potentially available for AUA?
     b. What's fixed, what's adaptable in the short and long runs?
- More impact possible given current resources
- Role model/passive influence on educational system, explore how to have more direct impact and interaction, e.g., prof-to-prof collaboration, joint activities
- Alumni recognition (prerequisite for alumni giving), give AUA alumns life-time e-mail accounts

4. Stakeholders – who are AUA's stakeholders?
     a. which stakeholders take priority?
     b. Stakeholder interests, needs: students, faculty, staff, alumni, parents, public sector, private sector, other educational institutions in Armenia, UC system, donors, research funders, local, regional, global stakeholders
- Conduct further evaluation and consolidate data on needs of stakeholders (start with students (domestic and international), applicants and private sector)
- Applicants – streamline admissions process, reduce access barriers to admission, consolidation of sources of admissions information (admissions cost rebates subsidize test fees, prep courses)

- User-friendly web-site, trilingual (English, Armenian, Russian)   (cross-reference)
- Public-Private Partnerships – government, private sector scholarship, sponsorship of courses and degrees, internship, alumni involvement in securing scholarships/post-graduate employment (cross-reference)

5. Competition/Collaboration – what institutions are AUA's competitors?   What institutions does AUA collaborate with?   How are these likely to change in the next decade?
    - Ongoing study dissemination within university new regional and global competitors
    - Identify desirable spheres and partners for collaboration and complementary activity, and modes of collaboration (emphasis on direct peer-to-peer collaboration) (CR), (e.g., universities, research institutes, collaboration with industrial associations and multinationals)
    - Assure capacity to effectively communicate AUA's competitive advantages
    - Further cultivate joint academic and R&D programs with leading academic and research institutions, and private sector in Armenia and abroad

6. Master's Programs – next round of Self-Studies 2012-2015.
    a. Are the master's programs still well-aligned with the needs of AUA's stakeholders?   Is there sufficient demand?
    b. Should they be expected to cover their "costs"? Are they sustainable? If not, how can they be made sustainable?   Increase students, endowments, research overhead, reduced costs/increased efficiency of educational programs?
    c. Should programs be expanded, redesigned, phased out, new programs introduced? What criteria?   What timeline for making these decisions?
        - Needs assessment on alignment of curricula/degrees/certificateswith market needs
        - Improve relations and reputation of programs among relevant stakeholders
        - Cross-registration between programs
        - Review degree programs and missions in light of evolving conditions in Armenia, esp. needs specialization, tracking
        - Focus on nexus between national and global areas of academic excellence to build AUA brand
        - Act on Self-Study Audit findings to improve Extension's impact on AUA brand and role in attracting students, including coordination with Academic Programs, resident director, oversight and quality control
        - Improve promotion of continuing and part-time education opportunities (e.g., certificates, non-degree status, refresher)
        - Additional Master's Programs – MA in Economics in conjunction with Central Bank Research Center in Dilijan

- Assure that academic programs address the expansion, continuation, modification of their programs in the next round of self-studies

7. Research Centers - next round of Self-Studies 2012-2015.   Are the Centers and AUA generally meeting the needs of AUA's stakeholders?
    - Incentivize research (improve mechanisms for augmenting salary through outside funding, promotion, overhead to centers)
    - Establish a university-wide grants/contract office to coordinate and serve as an information clearinghouse , provide technical support, process grants (Vice Provost for Research)
    - Review policies on research centers (restrict routine business consulting services and work involving liability)
    - Increase core faculty to expand the institution's research potential and opportunities to engage students in research by 2015
    - Long-term issues: incubators, technology commercialization and licensing, policy on royalties.
    - Increase AUA's technical capabilities for research (labs, research computing/computational capacity, software, experimental equipment)

8. Bachelor's Program - scheduled to start in Fall 2013 – which majors? what curriculum models? how many students?   will it be a feeder or a diversion of students from the Master's programs?
    - Identified and prioritized objectives for u-grad: employable graduates, increase impact on society/economy, financial sustainability, feeder to existing programs, opportunity for AUA to provide graduates with new specializations for the marketplace.
    - Out of 12+ majors, preliminary analysis indicates majors worth further consideration include, but are not limited to, economics, engineering, business, design, communications (journalism), computer science/MIS.   Warrants further research

9. Operational Efficiency, form/structure enhance or obstruct function?
    a. Academic program governance - how is the remote dean model working?   How many resident teaching administrators does a program with 20-60 students need to operate and meet university administrative burdens?   Are our processes too elaborate and burdensome?   Should they be streamlined?
    b. Undergraduate Organizational Structure (connected to Undergraduate Issue – revisit)
    c. pros and cons of "separate silos" approach to organizing AUA into schools/colleges?
    d. Quarter vs. Semester System (further research required to identify hidden costs/problems)
    e. Academic Year vs. Calendar Year Budgeting (already in process)

f. ICT/Library - Paper vs. on-line processes - grades, applications, evaluations; student access; course management systems, on-line teaching/learning, web-site, on-line payment (fees, tuition)

ACTION ITEMS:
- Review organization chart in anticipation of expansion, assure scalability, introduce new positions: VP for Advancement, VP for Operations by 2012; Vice Provost for Research, Student Recruitment Officer (Dean of U-Grad Admissions?) by 2013 (subject to funding); Chief Information Security Officer (explore)
- Implement integrated Information Management System by 2013
- Enhance trust and morale through teambuilding through collaborative research and scholarly activity, consultative culture and decisionmaking (including students, staff); communication and transparency
- Multiyear contracts (currently in process) (including benefits, salary equity) as morale and community building, job satisfaction.
- Implement annual/regular performance evaluation mechanism for higher administration (including Deans and VPs) by 2012

10. Accreditation/Reaccreditation, Self-Governance/Self-Regulatory Capacity
   a. Monitoring and Evaluation of Performance vis-à-vis Strategic Plan – Primarily through Self-Study & Audit Process

Mission – in light of the foregoing does it need to be adjusted?
Yes, needs further discussion to align with current and anticipated activities and aspirations.

THE AUA MISSION

As an institution of higher learning, the American University of Armenia provides teaching, research, and

service programs that prepare students and enable faculty and researchers to address the needs of

Armenia and the surrounding region for sustainable development, in a setting that values and develops

academic excellence, free inquiry, integrity, scholarship, leadership, and service to society.