

By Karen Doss Bowman

# Managing Strategic Risk in International Enrollment Management

**THE ASSAULT** of a Michigan State University student from China at an off-campus karaoke bar in January 2015—at the hands of another student from China—garnered significant media attention in and around East Lansing. The sensationalized stories focused on the prosecution’s charge that the alleged perpetrators were members of a Chinese gang on campus that was targeting Asian students. The extensive media coverage presented a strategic risk, worrying Michigan State administrators that concerned parents in China would doubt the campus’ safety and decline to send their children to the university.

“We took action,” says Patty Croom, associate director for international admissions. “We wanted to understand whether and how this publicity was picked up overseas, particularly in China. A small group of administrators met to discuss what we were hearing and to make sure our offices had consistent information.”

Of the more than 4,000 Chinese students enrolled at Michigan State, this incident involved just a very small group, Croom says. Still, campus administrators—after consulting some Chinese student leaders—decided it was imperative for representatives of the university to travel to China this year, as they had in years past, to meet parents and admitted students face-to-face. The Office of Admissions sponsored events for admitted students in April, and the Office for International Students and Scholars, partnering with the Office of Residential Education and Housing Services, hosted predeparture programs in June. These personal visits covered a variety of issues, including campus safety.

“Despite potential budget concerns, we decided to make sure our staff made personal visits to China,” says Croom. “We felt it was important to reassure parents and families that Michigan State is a safe campus, and address any concerns they might have as a result of these news and social media reports. Risk management is an ongoing process. You don’t always know if this kind of incident will impact you, but you have to be constantly watching and scanning the environment.”

In the aftermath of the situation described above, Croom and her colleagues were trying to manage strategic risks that could have serious implications for the univer-

sity financially and otherwise. Managing risk has become more critical in recent years as colleges and universities have boosted efforts to recruit international students. These days, international students often account for a significant portion of an institution’s bottom line. Experts say international enrollment management professionals must be aware of the risks they face and develop strategies to mitigate those potential pitfalls.

“Increasing international recruitment and retention is mission-critical to our institutions,” says Pamela Barrett, CEO of Barton Carlyle, an international education consulting firm. “Lots of people are aware of the dangers and difficulties inherent in what we do as far as recruiting international students, but few actually have a proactive program to manage and mitigate those risks. The scope for getting it wrong and having a serious, problematic impact on the rest of the institution is greater than it’s ever been.”

### What Is Strategic Risk?

While the word “risk” often brings to mind catastrophic events, the concept “strategic risk” lies outside of the context of insurance or mitigating tragedies, Barrett says. Instead, strategic risk addresses the anticipated challenges that may arise out of the complex issues that international enrollment management professionals face on a daily basis.

Barrett defines strategic risk as “any substantive risk which is an existential threat to either the international programs at an institution, or the institution as a whole.”

“Those are the big, deep, dark strategic risks that speak to your ability to map out a proper strategy for what you’re doing in the international market. These can be a range

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## Common Types of Strategic Risk

■ **FINANCIAL RISKS:** These are risks that may impact the institution's financial well being. These comprise a variety of scenarios, including exchange rate fluctuations that may make an institution unaffordable for international students; the decision of a sponsoring nation to no longer participate with an institution, leaving students unable to pay tuition; or the inability to recruit international students.

■ **MARKET RISK** relates to environmental factors that go wrong and affect an institution's ability to recruit and retain students from a particular market. These challenges may be caused by demographic shifts, political factors, or changing economic situations, for example. While these factors may be beyond anyone's control, international enrollment professionals can better manage the risks by understanding the markets in which they operate.

■ **REPUTATIONAL RISKS** can affect the way an institution is viewed in the marketplace by prospective students and parents, current students, alumni, or the general public. These may result from using agents, staff, or alumni who may reflect poorly on the institution or misrepresent the institution's programs or services.

■ **PROGRAM MANAGEMENT RISKS** relate to the ability of an institution to deliver the programs and academic courses that it would want in a particular marketplace. No institution is able to do everything, so it's important to set priorities and consider the programs most likely to attract students.

## Assessing Risk

While it may be impossible to avoid all uncertainty or prevent setbacks, it's important to be prepared. International enrollment professionals should integrate their strategic risk plans with the institution's overall international strategy. Barrett believes that an effective strategic plan for international enrollment management should be well-researched and unique with respect to an institution's history, culture, and mission.

"A well-articulated international enrollment strategy will be clear about the intent of the institution and will comprise more than a shopping list of international initiatives," Barrett writes in her essay, "A Strategic Approach To Risk In International Enrollment Management," from the NAFSA e-publication, *International Enrollment Management Strategic Planning: An Integrated Approach*. "The strategy

of things such as having a forward-thinking strategy and one that aligns with broader institutional goals, investment levels, and risk appetite," she says.

Risks can stem from any number of factors. Perhaps an institution is too reliant on students from one country, such as China, Saudi Arabia, or India. If a market shift were to prevent students from these regions from being able to study in the United States, for example, institutions counting on their enrollment could face significant financial challenges. Another issue that may affect an institution's ability to recruit, for example, could be staff turnover and the time that it takes to get new employees trained and acclimated. New technology systems on campus, or concerns about how agents handle students' personal data, also present concerns.

There are many types of strategic risk. Some of the most common are financial risks, market risks, reputational risks, and program management risks (see sidebar).

Emergency preparedness is another issue universities should consider when evaluating overall strategic risk, says Matthew

Beatty, director of international recruitment at Concordia College. As U.S. universities host an increasing number of international students and scholars, he says, there are concerns about global health and pandemics such as H1N1 and Ebola.

"From my perspective, it's important that institutions have a strategy in place before hosting students from affected geographic regions," Beatty says. "This includes outlined procedures for monitoring visitors (including returning students) from affected areas. From a campus perspective, what protocol does the institution follow if a student applies from an affected area? From an enrollment perspective, what implications will that cause for the community, campus, and health services? Externally, what guidance should be communicated to the local community and newly arrived students? Based on my experience, institutions often wait too long to review and evaluate these types of emergency preparedness plans. In return, they welcome greater institutional exposure and unintended outcomes."



will provide a focus for recruitment and retention programs, and as such it needs to be written down and revisited on a regular basis to refresh and renew the institution's response to a dynamic environment."

The first step in developing a risk management strategy is to determine the institution's risk profile. Consider the overall international strategy and understand what's happening in different markets. Look at the links between the institution's international strategy and the overall strategic plan. Are global issues tied to learning and career outcomes? How broadly do staff and alumni networks extend? What is the strength of the study abroad program? What is the institution's financial standing and how strong is recruiting in various markets?

Next, international enrollment professionals must evaluate their institution's appetite for risk. How comfortable with risk are administrators? Is the campus more conservative or more entrepreneurial in na-

ture? Are key players slow to move or slow to change? These are the types of characteristics that build the institution's "risk profile." The level of comfort with risk is neither good nor bad. But having an understanding of where the institution stands in terms of willingness to take on risk will help determine action steps and strategies.

Purdue University, for example, has a large and competitive international pool of applicants, even though the university's strategy is considered risk-averse, says Bryant Priester, director of international admissions and recruitment. Because of that conservative risk profile, most of the university's international recruiting efforts are done in-house—from overseas recruiting trips and application review to website content creation. Priester trains all of the university's international recruiters to ensure accurate, consistent messaging. His department also engages Purdue's expansive alumni network to assist in recruiting activities.

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While Purdue's population of students from China represents the largest undergraduate group on campus, the university doesn't take on the financial risk of investing recruiting dollars on mainland China.

"We're focused on building a diverse international class, and we're focusing that effort by going to other countries," Priester says. "We simply don't need to recruit on mainland China because of the sheer numbers of applications we already get from that country. We have a competitive pool from China without traveling to China."

Another important step in developing a risk management strategy is to engage in market research. Examine the global trends, understand the competition, evaluate the effectiveness of communication strategies, and assess reputation and branding perceptions. What are the costs of recruitment, and why are students choosing a particular institution? Answers to these types of questions will provide evidence for the action steps that will become part of the international enrollment strategy.

"This speaks a lot to the issue of armchair recruiting," says Barrett. "You can recruit as many students as you'd like from your armchair, but it doesn't help you understand necessarily what's going on in the market. And you can do a lot of research and test the trend data, but there is no substitute for

visiting the market and getting expertise in order to really understand what is likely to happen in the future. That's risk management. It's future management."

### Taking Action to Mitigate Risk

Once the risk assessment is completed, international admissions professionals should develop viable strategies to mitigate risk factors as much as possible. Croom suggests conducting a SWOT (strengths, weaknesses, opportunities, threats) analysis to brainstorm solutions to potential problems. For example, recruiting from a variety of countries—rather than focusing on just a few—creates diversity that will help protect the institution from financial crisis if market or political factors prevent an influx of students from one particular geographic region. By cultivating partnerships across the campus, international enrollment managers can tap into a diverse pool of expertise and resources to mitigate all types of risk.

"Get different stakeholders across campus together to develop policies on everything from how to handle fraudulent documents and data security practices to making sure there aren't any gaps in that infrastructure," Beatty says. "It's important to take a holistic and comprehensive approach to develop the best practices for campus internationalization."

David Di Maria, associate provost in the Office of International Programs at Montana State University, says his university administration is aware of the potential reputational risks associated with hiring outside agents to boost recruiting efforts. To mitigate this risk, the university has established an agent review committee to oversee the hiring process. The committee carefully checks credentials and qualifications of each applicant, conducting reference checks and giving preference to those certified by the American International Recruitment Council or similar groups abroad.

"We don't want our campus to be the guinea pig for an agent just learning the U.S. higher education system," Di Maria says. "Our staff can't go everywhere in the

world, but we can find partners throughout the world and train them to appropriately deliver our institution's message."

At Purdue, underestimating the university's popularity among international students in 2011 led to an influx of about 300 more international freshmen than anticipated. This put a strain on services across campus—from academic advising and career services to housing—which was a program management risk that had potential to turn into a reputational risk as well. This spurred conversations among different departments about how to determine the optimum number of students to enroll each year to allow all students to have a positive experience.

"Moving forward, we found the right balance on campus in subsequent years," Priester says. "It requires enrollment management talking to the departments on campus and having real conversations

about the needs of international freshman, and how do we give them the best Purdue experience possible based on departmental and university resources."

And keeping students happy is another important strategy for mitigating a variety of risks, Priester says.

"Recruiting is only one piece of the larger pie because it really does take a village to ensure that students are happy and able to graduate, and will go on to have meaningful careers," he says. "Once they leave you want happy alumni because they tell other people about their experiences. Happy students make happy alumni who are more than willing to give back to the university. Think about the full circle dynamic when you think about minimizing risk." **IE**

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