

**Review of Assessment and
Credentialing Models
For the
New York State Work Readiness
Credential**

DRAFT

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Project Overview

Background and Purpose

The New York State Department of Labor (“NYDOL”) contracted with the Corporation for a Skilled Workforce (“CSW”) to analyze the best practices of governance models in certification and related programs for the purposes of helping to develop a governance model for the National Work Readiness Credential. Efforts to develop this credential have thus far been managed by a group of states including New York, the District of Columbia, Florida, New Jersey, Rhode Island, and the State of Washington (“National Partnership”).

During initial discussions and research of the existing efforts to develop the National Work Readiness Credential, it was quickly determined that governance was not the sole issue that needed to be analyzed among existing practices. There was a level of work that also had to be done in regards to business planning and business model development, as well as operations including staffing, marketing and the credentialing process itself. Therefore, while the research done by CSW focuses primarily on issues of governance, these other planning needs are also addressed throughout this report.

The three major areas of study throughout the report are:

1. **Governance** – Legal structure of the entity who managed the credentialing program; membership of the Board of Directors; role of the Board of Directors, etc.
2. **Business Model** – Cost per credential; revenue generation; business planning, etc.
3. **Operations** – Staffing; marketing; assessment and certification; computer-based testing; and site selection and maintenance.

Target Models Identified

In the study of best practices, CSW interviewed six organizations who deliver assessments and/or credentials, hereafter referenced as “models”. The six models targeted and interviewed, were, in alphabetical order:

- The College Board
- CompTIA
- Manufacturing Skills Standard Council (“MSSC”)
- National Board for Professional Teaching Standards (“NBPTS”)
- National Retail Federation Foundation (“NRFF”)
- Work Keys

Each of these models is discussed in individual detail later in the report, particularly as it relates to the three areas of study – governance, business model, and operations.

During the interviews a number of respondents referred us to the National Organization for Competency Assurance (“NOCA”) <http://www.noca.org/>. Through this site we ordered and read *The Business of Certification: A Comprehensive Guide to Developing a Successful Program*¹ and the companion piece, *The Business of Certification Toolkit*².

These books not only provided extensive coverage of the business of credentialing in theory, but also provided a dozen or so examples of best practices in particular areas such as business planning and marketing. With this publication we were able to review more than the six best practices covered through the interview process. Due to the frequency of our citations in using this incredibly powerful resource our footnotes and references from this point forward will identify the first publication as “Knapp and Knapp” and the second as “Knapp and Knapp Toolkit”.

¹ *The Business of Certification: A Comprehensive Guide to Developing a Successful Program*, Lenora G. Knapp, PhD and Joan E. Knapp, PhD, for the American Society of Association Executives, 2002.

² *The Business of Certification Toolkit*, Lenora G. Knapp, PhD and Joan E. Knapp, PhD, for the American Society of Association Executives, 2002.

The Dynamite Dozen: Key Findings across the Interviews and Research

There are a number of important trends that cut across the six models and our research of the certification business. Following is a summary of the twelve most important things that were learned during the interviews and research.

Governance

1. **All six of the model programs interviewed are non-profit organizations with a 501 (c) (3) structure.** Most of the certification programs identified through the *Business of Certification: A Comprehensive Guide to Developing a Successful Program* (Knapp and Knapp) are also non-profit organizations. Several of the non-profit credentialing programs are managed through membership organizations (e.g. American Society of Association Executives offers a “Certified Association Executive” credential). Many of these associations have formed specific arms within their organizations to manage the credential (e.g. American Society of Association Executives created the Certified Association Executive Commission to administer their credential.)
2. **The role of the Board is typically that of policy and financial oversight.** Due to their legal structure, all the targeted models have a Board of Directors. Policy and financial oversight is the most critical role that all of the Boards play. In addition, one Board requires members to recruit new Board members (National Board of Professional Teaching Standards, “NBPTS”), one model uses an Advisory Board to help shape the program (Work Keys), and another is identifying an appeals process for groups who do not succeed in having standards or sites approved (MSSC). The average size of the Boards is 26, ranging from 13 (National Retail Federation Foundation) to 55 (National Board for Professional Teaching Standards.)
3. **There is (little or) no overlap between development of the credential and having a Board or managerial role associated with the credential.** Few models have overlap between the development of the credential and its management and oversight. For example, the Manufacturing Skills Standard Council hired the National Occupational Competency Institute (“NOCTI”) to develop their assessment, yet NOCTI does not have a seat on the Board.

There are exceptions to this. Work Keys is an outgrowth of ACT, a company that develops and offers ten assessments, one of which is Work Keys. However, there is still no apparent overlap, as Work Keys does not offer a credential and the only ACT staff person on the Board is the CEO, who also serves as the Board Chair.

4. **Many of the Boards we researched have high profile leaders or members capable of energizing money and/or political support.** Two of the six have former State Governors as Chair. Others have prominent political members on the Board. To this end, the Board role extends to public relations. Boards are well served to have champions who have a profile that allows them to bring in additional financial

resources or external support. For example, the bi-partisan support of former U.S. Presidents Bush and Clinton helped secure Congressional funding for the National Board for Professional Teaching Standards.

Business Model

5. **Many of the programs feature “add-on” pricing to the core assessment and credential.** For example, the College Board has about twenty add-on prices to the core SAT exam, ranging from late registration to getting scores via telephone, to customized analysis of scores, to standby testing fees, and nearly everything in between. MSSC charges a registration fee, then a separate fee for each module assessed (a candidate must pass all four modules to be credentialed). NBPTS charges \$350 to retake the test if failed the first time (plus an additional \$15 processing charge that began in the fall of 2005). Sites that administer the National Retail Federation Foundation assessment may charge \$20 in addition to the base assessment cost for revenue generation purposes.
6. **Many of the programs “bundle” preparatory products and services together with the assessment and credential.** This ranges from informal to formal. For example, CompTIA formally bundles course manuals together with assessments as one pricing option, although customers can choose not to bundle these products together. CompTIA also offers courseware and physical training sites. The College Board provides guide books for taking the SAT, although the pricing is not bundled together. (There are also third party providers of SAT preparation products.) The Manufacturing Skills Standards offers textbooks, application guides, and an instructor resource CD, but does so through a third party publishing house that they receive royalties from.
7. **None of the models provide direct training to those who do not pass the assessment.** This has been discussed at length in the State of New York but providing post-assessment training does not appear to be a part of the business model in other credential programs. The training that is available is typically done prior to the assessment, and to that end, only CompTIA provides formal classroom training; the remainder offer training through manuals or courseware. Work Keys does not provide training or coursework; they refer people to other private vendors such as WIN or KeyTrain, and such training may be either before or after the assessment. Some people may prefer to test their skill levels first, and then receive an intervention in order to improve their scores.

The only type of intervention identified during the research was the National Retail Federation Foundation, where candidates receive a profile of their strengths and weaknesses to help assist them with identifying customized training even though that training is not provided directly by the National Retail Federation Foundation. The National Retail Federation Foundation also provides some degree of pre-assessment training, although informally, through their Retail Skills Centers.

8. **Many credentialing programs utilize “value added” marketing techniques.** Among those interviewed, CompTIA does the best job of this. They clearly articulate – through their web site and other materials – the relationship of their credential to other vendor-specific credentialing programs. For example, many vendors allow CompTIA credentials to serve as prerequisites or electives for their own programs. Those clearly articulated relationships benefit both CompTIA as well as the vendors, including Apple, Cisco, Hewlett-Packard, IMB, Microsoft, Novell, Symantec, and others. Knapp and Knapp identified other value-added marketing for those credentialed including deluxe certificates or plaques (in addition to or instead of the standard product), provision of a trademarked symbol or logo for use on business cards and letterhead, collateral materials (lapel pins, pens, notebooks, etc. with credential mark/logo) and marketing kits (including press releases, promotional text, or other templates for use by those credentialed. Both NBPTS and CompTIA offer products such as shirts, coffee mugs, and other value-added marketing products.

Operations

9. **Most models have full-time, paid staff including the CEO and multiple operating divisions, although there are noteworthy exceptions.** Four of the six models reviewed have full-time, paid staff, and three of the six have multiple national locations (and CompTIA has multiple international locations as well). The noteworthy exceptions are the two credentials that grew from the work of the National Skills Standards Board, the Manufacturing Skills Standard Council and the National Retail Federation Foundation.

Management and staffing of the MSSC is done through a joint partnership between the National Council for Advanced Manufacturing and the Working for America Institute of the AFL-CIO. There is no Chief Executive Officer. Each of the two partnership organizations provides paid staff people, but none are full-time in the MSSC role. The balance of work is performed by a small cadre of paid consultants. Along similar lines, there is only one paid, full-time staff position at the NRFF; the President and CEO, who is also the President and CEO of the National Retail Federation and therefore more of an ex-officio staff person than a paid staff person. The bulk of the work is done through six contractors, only one of which works on the credentials and Retail Skills Centers.

10. **The prevailing practice is to administer the assessment on-line at a proctored, on-site location.** This is true for all of the models studied with the exception of the SAT exam. Work Keys is also a partial exception as some Work Keys assessments are amenable to on-line testing, but some are not.
11. **Assessments are usually done at a site of a formal contracted vendor organization.** CompTIA, NBPTS, and the National Retail Federation all use one primary vendor to administer the assessment at multiple assessment sites across the nation (e.g. NBPTS uses Prometric™ Testing Centers as the primary assessment site). The College

Board offers its assessment through a network that consists largely of member high schools, although there are also middle schools and colleges which serve as sites (and some minor exceptions where non-education sites administer the assessment). The two major exceptions to this are the Manufacturing Skill Standards Council and Work Keys (the latter of which will be explained in more detail in the next finding). The Manufacturing Skill Standards Council has five sites currently certified to administer the assessments, and another 18 in the application and review process. The process includes a \$1,000 registration fee and other requirements. While the goal of the program is to be very inclusive, the most desirable sites include one-stop career centers, community colleges, advanced technology centers, and company training facilities.

12. **Work Keys does not sell its assessment or credential directly to individuals but rather operates through a Value Added Reseller License that is a much different model than the others.** First year cost is \$4,000 for the first site, \$400 for each additional site. The subsequent year fee is \$2,500 for the first site, \$275 per additional site. The first year performance standard, based on assessment sales, is \$5,000 the first year, \$10,000 for year 2, and \$15,000 for year three. Work Keys does not offer a credential, but allows the Value Added Reseller to package scores towards a credential. Two such models include corporate credentials (for a specific company) and four states that have designed their own credential using Work Keys assessment scores. A core group of states led by Virginia have joined together to develop a Career Readiness Certificate based on Work Keys assessment scores.

A Baker's Dozen: Recommendations and Next Steps

The following section blends together our recommendations for proceeding with the implementation and management of the Work Readiness Credential together with some suggested next steps and guidance from Knapp and Knapp. Not all of the suggested recommendations and next steps fit together, some are “if-then” or “either-or” depending upon the path selected. However, they should serve as discussion starters moving forward.

1. **The POC and state partners should create a 501 (c) (3) non-profit organization.**

There are examples of existing national organizations spinning off a credentialing arm (e.g. American Society of Association Executives creating a Certified Association Executive Commission to manage their credential program). However, there are few if any examples of the reverse – a credentialing program finding its way into an existing national organization.

2. **Identify a lead investor state for the incorporation documentation.** The documents must be filed somewhere, and the state in which it is done can have little bearing or a great deal of bearing on its implementation. The partnership should ask for bids from the investor states that identify why the incorporation should take place in that state and what role the state in which the incorporation takes place can play in the future. For example, given that the partnership does not currently have funds for implementation and management, the State of New York can offer to be the lead state, incorporate the organization in the State of New York, and then take the lead in serving as adjunct staff until other appropriate staff is identified.

3. **Do not affiliate with a government entity or one seen as biased towards a particular cause.** Most successful credentials have spun off as specific non-profit entities within a trade association or organization in order to administer the credential. Few, if any, are within government organizations or advocacy groups. For example, the NBPTS is a non-profit organization that has benefited from being endorsed by the two leading teacher unions, including the National Education Association. It is hard to imagine them being as politically successful across party lines had they instead wound up inside the National Education Association. Likewise, the Work Credential state partners should think twice before trying to imbed the implementation and the management of the credential inside the National Association of State Workforce Agencies (“NASWA”) or the National Association of Workforce Boards (“NAWB”).

4. **If affiliation is necessary, affiliate with a business organization.** Again, we suggest the development of a non-profit organization rather than an affiliation with an existing organization. However, if the desire is to affiliate with an existing organization, it is important that this credential be led by the business community; otherwise it will not have the labor market currency it needs for long-term success. So far the U.S. Chamber of Commerce has played a role in the credential by housing

the lead staff person for the credential's development. Due to the uncertainty of their desire to continue, other appropriate business organizations should be explored. This could include but not be limited to the National Alliance of Business, National Business Association, the Conference Board, Society for Human Resource Managers, American Society of Association Executives (given the strong relationship between associations and credentials) and numerous others. This is not an endorsement of any one business group. We suggest an RFP be sent to potential business organizations to determine their interest and abilities.

5. **The role of the Board should be policy and oversight.** Assuming the management entity is a non-profit or an arm of an affiliate organization, it should have a Board. The Board should focus on policy and oversight. There should not be overlap between the companies that developed the credential and Board membership. Partner states should select someone to represent them on the Board, and consider business, economic developers, education and training leaders, and prominent national figures for remaining seats. The current Policy Oversight Committee ("POC") should not simply be transitioned into the Board of Directors as it is not the right mix for long-term success. Investor states need not have that many seats on the Board. The separation between "development" and "management" must be very clear as the Board of Directors is developed. There should also be consideration of the committee structure. For example, many certification boards have some combination of committees dealing with eligibility, examination, appeals, marketing, policy and oversight, finance, and numerous others.
6. **The Board of Directors needs a strong, visible champion.** This person need not be the Chair or the President, although that would help. Rather, the person should be able to identify potential funding sources and political allies, and give a strong and recognizable voice in speaking about the value of the credential. This will increase in importance as the credential seeks to become a truly national, portable credential.
7. **Develop a business plan.** To date any such business plan developed for the Work Readiness Credential has centered on the development of the assessment itself, but not on its long-term viability and sustainability. There are many templates for business plans. Appendix A provides a checklist from Knapp and Knapp specific to credential programs.

Knapp and Knapp also identify the following four common mistakes associated with a business plan: (a) confusing a budget with a business plan; (b) developing a plan without the benefit of research data; (c) overestimating volumes and underestimating costs; and (d) overlooking outside funding sources.

A suggested first step after incorporation should be to have an outside party facilitate the new Board of Directors in developing a business plan along the lines of Appendix A. While many of these questions have been answered or may not be relevant due to the stage of development, it nevertheless will be a useful exercise.

8. **Develop a marketing strategy.** In most cases the marketing strategy should be imbedded into a business plan. However, in the event that the need to develop a business plan is not recognized, the need for a stand-alone marketing strategy will take on exponentially increased importance.

According to Knapp and Knapp, a certification program can be positioned on one or more of the following differentiating variables: program features, benefits offered, role in professional development (e.g. “gateway” to the job market), distinctiveness from the competition, and product class. Things to consider in developing a marketing plan include packaging, communication, advertising, public relations and appearances, publicity, and distribution.

9. **Develop an operations plan.** Again, in most cases this should be imbedded into a business plan, but if a business plan is not going to be done, there should be a stand-alone component for operations. The operations should address staffing. Our staffing recommendations include:
 - a. **Immediately minimize the influence of credential developers in the business planning components.** Developers are vital to having a valid and legally defensible credential. They are not vital to the process of implementing and managing a credentialing program, nor is it a developer’s area of expertise. What the program needs now is a manager, not a developer.
 - b. **Hire a staff person to launch the implementation and management phase.** Whether or not this person becomes full-time can be decided later, but for now a part-time person should be hired to help decide the incorporation or affiliation decision, and then implement that decision and the other necessary components. The most important role for this person in the short-term will be the identification of potential Board members. This person can be housed with the “host state” of incorporation or otherwise shared in a “virtual” working space with the partner states until such time that the incorporation is complete.
 - c. **Consider contractors for a majority of the work.** This has worked for both the National Retail Federation and others. A contractor could also be the part-time staff person in helping to launch the program.
10. **Choose a business model aligned with the financial plan.** Developing a financial plan is part of the business planning process. The business model should guide the financial planning, although there are other considerations (such as revenue and expense projections, necessary cash flow, etc.) For example, the business model should seek to answer questions such as:
 - a. What is our anticipated volume?
 - b. What will we charge for the assessment based on estimated volume?

- c. Will there be “add-on” charges such as score reporting, standby registration, and others?
- d. Will we offer additional services, such as training to the test, guidebooks, manuals, etc.?
- e. Will we bundle additional services into the pricing of the assessment?
- f. Will there be “value-added” marketing incentives such as logos on business cards, deluxe certificates, etc.?
- g. Will we provide training to those who don’t pass the test? If not, will we evaluate their strengths and weaknesses? Will we refer them to training providers?

11. **Consider adopting the standard practice of offering on-line assessment at a proctored, on-site facility.** To date the conversation has been focused on this being web based and for good reasons. However, consideration should be given to proctoring the assessment at a physical site that offers on-line access, and which can verify identification to protect the integrity of the test. Regardless of whether there is or is not a proctored, on-site assessment there will be advantages and disadvantages to the approach that will need to be planned and accounted for. Chief among these implications is the means by which physical sites will be selected and monitored should physical sites be a part of the assessment process.
12. **Identify outcomes.** This should be part of the business planning process, but even to the extent to which groups develop business plans this is often overlooked. What will make the credential successful in the first, second, third year? Long-term success? Do outcomes differ by state?
13. **Clarify the role of investor states in moving forward.** Now that the credential is moving into the operational phase, it will be important to define what it means to be an investor state. Regardless of whether a non-profit organization is created to manage the credential or whether it becomes affiliated with an existing national organization, once the Board of Directors is in place the term “investor state” should become relatively meaningless. While investor states may ultimately receive “discount pricing” of some sort, in the long run it is best to “cut the strings and let it fly.” Partner states should select one peer to sit on the Board to represent all states; in the long-term this will include states that were not initial investors. Just as the academic and content developers should not have a management role, the management role of the investor states should be minimized. States must begin to see themselves as “venture capitalists” that helped get this thing off the ground with necessary seed money. Now that it is off the ground, they need to let managers manage the program.

Snapshots of Individual Models

The snapshots of the individual models include information regarding governance, business models, and operations. Due to the sensitive nature of the interview process, the same level of detail is not available for all of the models. There is a general reluctance to share detailed information. Therefore, the information for each model is gleaned from both interviews as well as background research via the Internet. Due to the fact that different levels of information are available for each program, these snapshots include the most important points learned about the program in each of these areas.

College Board

www.collegeboard.com

Governance

The College Board was funded in 1900 to help high school students make a successful transition to higher education. Each year, the College Board serves seven million students and their parents, 23,000 high schools, and 3,500 colleges through major programs and services in college admissions, guidance, assessment, financial aid, enrollment, and teaching and learning. The primary product for the purpose of this study is the SAT College Entrance Examination. Other products include the Advanced Placement Courses (“AP Courses”).

The legal structure is a non-profit membership association. The Board of Trustees is elected by College Board member delegates and serves as the governing body of the College Board. Nine trustees and the Chair and Vice Chair are nominated by the Trustees Committee on Nominations and then are elected at the annual meeting of members. The Chair and Vice-Chair serve two-year terms and other trustees generally serve four-year terms. Regional and national delegate assemblies elect fourteen trustees by mail ballot. The President of the College Board and the chairs of the three national assemblies serve ex-officio. The role of the Board of Trustees is to: (1) make legal and fiduciary decisions for the corporation; (2) approve the mission, strategic goals, and objectives; (3) establish policies related to membership, programs, and services and approve the annual budget and major program fees; and (4) advise the President of the College Board, who is responsible for the management of the organization.

Business Model

More than two million students take the SAT each year. The registration fee for the SAT exam is \$41.50, which can be done on-line. Because the fees for SAT Subject Tests differ, an \$18 basic fee is added to the total for all subjects taken, and it covers sending score reports for up to four colleges and scholarship programs. There are also a wide variety of additional fees that could come into play either by choice or circumstance. These are very comprehensive and worthy of consideration by the Work Readiness Credential partnership.

<i>Test</i>	<i>Fees</i>
SAT Registration Fee	\$41.50
SAT Subject Tests	
Basic Fee	\$18.00
Language Tests with Listening	\$19.00
Registration Services (add to total test fees)	
Late Registration Fee	\$21.00
Re-Registration by Telephone	\$10.00
International Processing Fee (beyond U.S., U.S. Territories, and Puerto Rico)	\$21.00
Security Surcharge to Test in India and Pakistan	\$21.00
Standby Testing Fee	\$36.00
Change Test, Test Date, or Test Center Fee	\$20.00
Score Reporting Services	
Extra Score Report to a College or Scholarship (beyond 4 covered in basic fee)	\$9.00
Retrieval Fee for Archived Scores	\$17.00
Telephone Rush Reporting Service	\$26.00
Telephone Additional Reports	\$10.00
Scores by Phone	\$11.00
Additional Services	
Question and Answer Service	\$24.00
Student Answer Service	\$10.00
Copy of Your Answer Sheet	\$10.00
Additional Fees	
Multiple Choice Score Verification	\$50.00
Essay Score Verification	\$50.00
Check Returned for Insufficient Funds (fees vary by state)	\$15.00- \$20.00

There are several noteworthy charges here for consideration by the state partners including such things as not registering online, standby registration, phone scores, etc. Perhaps most interesting are the two items under additional services. The Question-and-Answer Service gives test takers a copy of the SAT that they took, a record of their answers, the correct answers, and scoring instructions. The service also includes information about the types of questions and the level of difficulty of each question. It does not include a copy of the essay. The Student Answer Service provides a computer-generated report that indicates the difficulty of each SAT question and whether it was answered correctly, incorrectly, or omitted. Also included is the question type or content type for each section. (The test questions are not included.) It too does not include a copy of the essay.

Two other important aspects of the business model are related to preparation. First, the Preliminary SAT/National Merit Scholarship Qualifying Test (co-sponsored by the College Board and the National Merit Scholarship Corporation) is a standardized test that provides firsthand practice for the SAT exam. The cost for taking the PSAT/NMSQT exam is \$12.00

Second, there are student preparation services other than the PSAT. An entire cottage industry has grown in regards to third party preparation services for the SAT exam. The College Board provides an official SAT practice test on-line, including a free score and skills report and explanations to all test answers. In addition, they provide the "Official SAT Online Course" for \$69.95 and the "Official SAT Study Guide for the New SAT for \$19.95". A \$10 discount is provided when both are ordered.

Operations

The President of the College Board is a former Governor of the State of West Virginia. There is a large complex national office with a variety of divisions, three national assemblies (Academic Assembly, College Scholarship Service, and Guidance and Admissions), and six regional offices spread throughout the nation.

The SAT is an assessment, but there is not a credential. Rather there are scores that are reported to colleges or scholarship programs; the basic fee covers scoring reports to four sites of the test taker's choosing.

Test sites are typically high schools, but there are some testing sites at middle schools and colleges and a rare few that are not part of the public education system. Sites do not pay nor receive money to administer the test. Proctors who administer the test get a "reasonable" honorarium that was not otherwise specified during the interview.

CompTIA

www.comptia.org

Governance

Per their web site - For 23 years, the Computing Technology Industry Association (CompTIA), has been dedicated to advancing the growth of the information technology (IT) industry and those working within it. With more than 20,000 members in 102 countries, CompTIA is the leading global IT trade association with influence in all areas of the IT industry worldwide. Headquartered in Chicago, CompTIA also has offices in Amsterdam, Beijing, Brussels, Dubai, Düsseldorf, Hong Kong, Johannesburg, London, Sao Paulo, Singapore, Sydney, Tokyo, Toronto and Washington, D.C.

CompTIA is a non-profit membership association and the Board of Directors has 18 members, including four officers (Chairman, currently from Xerox; Vice-Chair, Secretary, and Treasurer) plus an additional 13 members and one ex-officio member. The Board is nominated by members – there are no “slots” for specific types such as employer, IT professional, educator, etc. All are selected “at large.” The Board is responsible for policy and financial oversight.

Business Model

CompTIA has a wide variety of products and services; for the purposes of this study we focused on the CompTIA certification programs. The certification programs are a major source of revenue for the organization with a variety of certifications within eleven major areas of computer technology. Prices for the assessment and credential range from \$150 to \$300 but these are often bundled with preparation courseware for an additional \$100 to \$200. For example, the “CompTIA Security +” certification voucher costs \$237, and the preparation manual costs \$65. However, CompTIA offers a bundle of both for \$241.63, a savings of over \$60. There are additional cost savings if you are a CompTIA member as opposed to a non-member. Shirts and baseball caps are also available that say “Certified such and such” on them, typically in the \$40 and \$15 dollar range, respectively.

While CompTIA has a variety of products and services not related to credentialing, there are many that are related to credentialing. For example, in addition to the courseware available for preparation, related products and services include:

CompTIA University – online continuing education workshops

CompTIA Career ID – online service for tracking certifications and transcripts

Training Locator – for locating on-site, instructor-led training

Additional Courseware – for improving sales and customer service

Perhaps most notable is that CompTIA clearly articulates how its credentials can help lead to other credentials, serving as either prerequisites or electives for many company-specific certifications such as Apple, Cisco, Hewlett-Packard, IBM, Microsoft, Novell, Symantec, and others.

Operations

The corporate headquarters are in Chicago with six major divisions and 150 employees at that location. There are both a Chief Executive Officer and Chief Operating Officer among other executive positions (e.g. the Vice Presidents of the six major divisions). Each of their eleven major certifications have advisory committees of members.

CompTIA assessments are done on-line at proctored on-site locations. Testing sites are in most major cities in the U.S. and throughout the world. Most of the testing sites are through one or two major vendors that have multiple locations, but there are some sites that who are not the major vendor partners.

Manufacturing Skills Standard Council (“MSSC”)

<http://www.msscusa.org/>

Governance

Per the web site - The Manufacturing Skills Standard Council (MSSC) was an outgrowth of the National Skill Standards Act of 1994. In 1998, MSSC began development of a national skill standards system for manufacturing in response to industry’s growing need to find skilled workers. The MSSC membership is comprised of leading companies and leading national, state and regional organizations with a direct institutional stake in the improvement of U.S.-based manufacturing. MSSC Members must have an extensive network into their respective stakeholder communities (companies, labor unions, employees, teachers, students, parents, and others) within which they can communicate about the MSSC efforts.

MSSC members have certain voting privileges and may be elected to the Steering Committee, which is the decision-making body of the Council. Those who are not MSSC Members may become MSSC Associates. Associates are those companies, organizations or individuals who have an interest in the MSSC and are willing to help with and support its work. Associates with relevant expertise can participate in all committee meetings.

In late 2000, the MSSC completed the skill standards, “A Blueprint for Workforce Excellence,” that is the product of over two years of intensive field research involving over 700 companies, 3800 workers, 300 subject matter experts and 30 facilitating organizations, as well as the large number of volunteers who serve on MSSC committees. Completion of these standards marks the first major step towards developing a nationwide system of skill standards, assessments and certification, as envisioned in the National Skill Standards Act of 1994.

Much of the work of MSSC is done through four open committees in which a member or associate can work. These four committees are: (1) Standards; (2) Framework and Systems Building; (3) Marketing; and (4) Documentation. Non-profit organization

The Board of Directors consists of 31 member board, a combination of private sector employers, trade associations and other organizations affiliated with U.S. based manufacturing. The Chair is currently the CEO and COO of Harley Davidson Company. Two board members of note are Stephanie Powers of the National Association of Workforce Boards and Phyllis Eisen from the National Association of Manufacturers (Manufacturing Institute).

The Board of Directors is the decision-making body of the MSSC. The MSSC Board will review MSSC staff and committee recommendations, oversee the finances of the MSSC, decide on all policy matters deliberated by the full MSSC, and set guidelines and a timetable for the overall work of MSSC. The MSSC Board will also put in place an appeals process to be used by groups who do not succeed in having standards approved.

Business Model

There is a one-time registration fee for all test-takers of \$50 which goes entirely to MSSC. Beyond that, the cost to take the four assessment modules is \$45 each. Any and all re-takes for a module is \$45 each. The fee for each assessment module is split between MSSC, the assessment center site, and the National Occupational Competency Testing Institute (“NOCTI”)³.

In addition, MSSC has a brand new textbook, applications guide and instructor resource CD. These are all part of the *High-Performance Manufacturing: Portable Production Skills* textbook program developed by Glencoe-McGraw-Hill in cooperation with MSSC. The materials (and costs) are:

High-Performance Textbook (\$35.97)

Manufacturing Applications (\$17.97)

Instructor Resource CD (\$142.98)

Copies are ordered through Glencoe-McGraw-Hill, not MSSC. MSSC gets royalties from the sales of the materials, although they would not specify. Lastly, the business model includes fees of \$1,000 per certified assessment site (more under “Operations.”)

Operations

Management and staffing of the MSSC is done through a joint partnership between the National Council for Advanced Manufacturing and the Working for America Institute of the AFL-CIO. There is no Chief Executive Officer. Each of the two partnership organizations provides paid staff persons, but none of them are full-time in the MSSC role. The balance of work is performed by a small cadre of paid consultants.

³ MSSC joined with the National Occupational Competency Testing Institute (NOCTI) and Raytheon Professional Services (NOCTI/Raytheon Partnership – NRP) to develop the assessments for the Production Concentration Standards. There are four assessment modules in the Production certification program: Quality Practices & Continuous Improvement; Maintenance Awareness; Safety; and Manufacturing Processes

The assessment is done on-line but at a proctored on-site facility. Scores for each module are available immediately after taking the test; if all 4 are passed then the “Production Technician Certificate” is issued.

There are currently five certified assessment sites across the nation, but there are another 18 sites going through the process to become an approved site. To become certified an assessment site must:

Complete registration form and payment of \$1,000

Attend coordinator and proctor training

Complete testing agreement and MOU

Order the assessments

Sites are licensed for a period of three years. The \$1,000 payment covers administrative costs, training, and support for the three years. Anyone is encouraged to be a site, but the most “desirable” are one-stop career centers, community colleges, advanced technology centers, and company training facilities.

National Board for Professional Teaching Standards (“NBPTS”)

<http://www.nbpts.org/>

Governance

The origins of the National Board can be traced to 1986, when the Carnegie Forum on Education and the Economy’s Task Force on Teaching as a Profession recommended the creation of a national, teacher-led board that would develop standards and certify teachers who met these high standards. North Carolina Governor Jim Hunt and education leaders approached the Carnegie Corp., asking it to fund an organization to implement national certification. As a result, a 33-member planning committee began writing the bylaws and articles of incorporation for NBPTS. The National Board, with added membership from government and the private sector, held its first meeting in October 1987.

NBPTS is a non-profit organization with a 55 member Board. The by-laws require that a majority of the Board be active teachers who are regularly engaged in teaching K-12. Remaining Board members come from various fields, at least half of whom must be public officials with governance or management responsibilities for public schools. Board members may serve two three-year terms.

The Board is responsible for policy and financial oversight, as well as responsible for recruiting new Board members. The current Chair is Roy Barnes, former Governor of Georgia.

The primary product is a national teacher certification (available in various subjects and age levels, e.g. “early childhood”) that is strengthened by three major principles: (1) it is “developed by teachers, with teachers, and for teachers;” (2) it is voluntary; and most importantly (4) it compliments, not replaces, state assessments and certifications.

Business Model

The cost of the national teacher certification assessment is \$2,300 including the application fee. Most teachers self-pay but many states and local districts provide loans and scholarships. There is also a Candidate Subsidy Program available that has been made available through Congressional appropriation.

NBPTS realizes not every teacher or school counselor will achieve certification on the first attempt. NBPTS automatically banks candidates' scores and offers retake opportunities for candidates wishing to pursue certification. All candidates have up to three years to achieve National Board Certification. There is a \$350 retake fee for each portfolio entry or assessment center exercise that candidates seek to retake. After Sept. 1, 2005, retake candidates will also be assessed a one-time \$15 retake processing charge.

The Board also receives grants and donations from the U.S. Dept. of Education as well as the National Science Foundation. Federal funds account for about 35% of the budget, non-federal sources about 65%. Of the latter 65%, the majority comes from about 50 contributing companies, many of which are Fortune 500 companies or large foundations (including such organizations as AT&T, American Express, and the Paul Allen Foundation.)

Perhaps most important is the STRONG SUPPORT from Governors, former Presidents Clinton and Bush, the nation’s two largest teachers unions, and political and congressional support that crosses party lines. NBPTS has done a very good job communicating the importance of teacher certification and has connected with influential politicians and policy makers. Note also that rather than ask to be housed in one of the large teacher unions such as the National Education Association, the group became its own non-profit organization that was then endorsed by those teacher unions. This is an important lesson for the Work Readiness Credential national partners to consider as it pursues a host organization such as the National Association of State Workforce Agencies.

Operations

Teachers must demonstrate their knowledge and skills through a series of performance-based assessments that include student work samples, videotapes, and rigorous analyses of their classroom teaching and student learning. Written exercises probe the depth of their subject-matter knowledge and their understanding of how to teach those subjects to their students.

Candidates in all certificate areas are required to take a content-knowledge exam consisting of computer-delivered written exercises designed to probe the depth and

breadth of their subject-matter knowledge. Furthermore, all candidates must submit a teaching portfolio that includes extensive, detailed, written analysis of their classroom teaching and of student learning. Student work samples and videotapes of their own classroom teaching are submitted with the portfolio as supporting evidence of their accomplished teaching practice. A candidate who achieves National Board Certification has then earned the right to be called a National Board Certified Teacher.

Once the portfolio entries and the assessment center exercises are submitted to NBPTS, they are scored by classroom teachers and school counselors who have successfully completed intensive training and have qualified for scoring by demonstrating an understanding of NBPTS standards, directions to candidates and scoring guides. Teachers are trained as assessors using training procedures developed by NBPTS. They get paid an honorarium (\$125 per day) for doing it.

Computer-based testing is available at Prometric™ Testing Centers (many Prometric Testing Centers are located inside Sylvan Learning Centers), some colleges and universities and ETS Field Offices.

NBPTS thinks it would be a conflict of interest if they developed materials to “teach to the test.” A couple other firms have created textbooks and training materials. NBPTS doesn’t market them, but they do provide current information to the vendors to make sure they are staying up to date with the standards.

Candidates may take up to three years to achieve National Board Certification. They can apply again immediately at the end of the three years without any waiting period, and most of the ones who initially fail do indeed apply again immediately.

An NBPTS certificate is valid for 10 years from the date of certification. An NBCT wishing to renew a certificate before it expires must complete the NBPTS Profile of Professional Growth before the expiration date of his or her certificate and can only renew certification in his or her original certificate area. The NBCT may formally begin work on the Profile of Professional Growth as early as year eight of his or her certification period.

NBPST itself issues the certification. There are several types of certifications available, although earning any one of them makes you “National Board Certified.” The process is entirely voluntary, and most school systems offer no pay differential for teachers who earn the certification.

The 24 certificates available are applicable to nearly 95% of the eligible teaching population. Teachers who deliver instruction in both English and Spanish may seek National Board Certification in the majority of certificate areas. As of 2005, about 20,000 teachers have been certified nationwide.

A quick look through the site list (which transfers you over to the website of ETS) shows that the vast majority are Prometric Testing Centers and most others are college/universities. ProMetric was originally selected because at the time, it was the only vendor who offered nationwide geographic capacity and secure computers. Now

there are other vendors who offer that capacity, so staff is not sure how that might impact the future of test sites.

National Retail Federation Foundation (“NRF”)

<http://www.nrf.com/content/default.asp?folder=foundation&file=main.htm>

Governance

The National Retail Federation Foundation (“NRFF”) was created in 1991 as the research and education arm of the National Retail Federation. The Foundation conducts industry research, develops education and training programs, and promotes retailing as a career destination. NRFF became “home” to the Retail National Skills Standards assessment and certification as an outgrowth of the National Skill Standards Act of 1994 and the National Skills Standard Board in manner similar to the Manufacturing Skills Standard Council Certification System discussed earlier.

The National Retail Federation Foundation is a non-profit foundation with a 13-member Board of Directors. The Board includes a Chair (currently from Athlete’s Foot Stores), a President and CEO position, and a Secretary/Treasurer position. The President and CEO of the Foundation is also the President and CEO of the umbrella National Retail Federation. Likewise, the Chairman of the Board of the National Retail Federation also sits on the Board of the Foundation. The Board is primarily responsible for policy and financial oversight.

The National Retail Federation Foundation has numerous products and services. The products studied herein are the certifications available in customer service as well as sales.

Business Model

NRFF activities are funded by annual contributions from retail companies, industry allies, private foundations, government grants, and special events. The most visibly prominent special event is the annual silent auction held in conjunction with NRF’s annual convention and expo.

Individuals pay between \$50 and \$80 for the assessment depending upon the site, although \$70 is an approximate average. Interested persons can obtain information about the credentials from the web site, including overviews as well as previews of assessments. There is a \$30 re-test fee for those who fail the first time.

The NRFF also promotes Retail Skills Centers. The Centers use curriculum and training based on National Customer Service & Sales and Pilot Retail Skill Standards. Typical programs and services include a retail readiness assessment, literacy-based customer service training, computer-based learning programs, career counselor, English as a Second Language training, job placement assistance, retention and follow-up programs,

job fairs, internships, moderate to intensive classroom training (one day to six weeks), and the assessment for the National Professional Certification in Customer Service.

Retail Skills Centers apply for technical assistance from the NRFF. They receive no funding, but do receive technical assistance for partnerships, sites, and help with identifying and securing funding. There are about 20 current (or about to launch) sites including Ithaca, Rochester, and Rockland County in New York. A Skills Center is intended to be a one-stop career center for retail, giving employers and potential employees a central contact point for meeting their employment needs.

While it is not explicit, there is a direct link between helping develop Centers and the ability to create a market place for the assessments and credentials. Centers help increase the numbers that are provided retail skills training; credentialing is a logical next step for many program participants.

Operations

The President and CEO of the Foundation is also President and CEO of the NRF itself. This is the only paid, full-time staff position of the NRFF. Most of the work is done through six contractors, only one of which works on the credentials and Retail Skills Centers.

Candidates who have passed the assessment exam and provide a professional reference are then eligible for certification. Certified candidates will be entered into a national database (currently in development) for three years where their achievement can be verified and recognized. Those who do not pass the assessment get a profile of strengths and weaknesses to assist them with accessing customized training.

The assessments are on-line at a proctored, on-site facility. There are approximately 300 sites around the country that offer assessment through NRFF. Sites are monitored for performance, but the goal is to have as many sites as possible. Technical consultation from CASTLE worldwide is available to any site location that offers the assessment. A first-time affiliation/installation fee of \$250 may apply. Sites will be authorized to charge assessment participants a fee (currently up to \$20) to recover affiliation costs and generate revenue. (This accounts for the \$50-\$80 range per assessment as noted in the business model.)

Work Keys

<http://www.act.org/workkeys/index.html>

Governance

Work Keys is a system of work-related assessments and job profiling that helps match the requirements of specific jobs with the skills of individuals. In its comprehensive form Work Keys provides job analysis, assessment, and training in eight skills

including: applied mathematics, applied technology, listening, locating information, observation, reading for information, teamwork, and writing.

Work Keys is a product of the American College Testing Program that emerged in the 1950s, and the ACT organization itself was founded in 1959. The co-founders, E.F. Lindquist and Ted McCarrel, were both faculty members at the University of Iowa when they started ACT in 1959, but the company has always been a separate entity. The company was founded to help students make better decisions about which colleges to attend and which programs to study and to provide information helpful to colleges both in the process of admitting students and in ensuring their success after enrollment.

Work Keys is one of ten assessments offered through ACT, which is a non-profit organization with a fourteen member Board of Directors. ACT has two primary divisions – education, and workforce. The ACT Board of Directors is responsible for policy and financial oversight.

The ACT Board has a Workforce Advisory Board; it is this Workforce Advisory Board that advises Work Keys and other workforce related products and services. It is important to note that the Workforce Advisory Board is just that – advisory only.

The Workforce Advisory Board has eleven members, which must include at least three representatives from State-affiliated ACT organizations. The Workforce Advisory Board is chaired by the ACT Workforce Division President and COO. The membership of the Workforce Advisory Board includes private sector, university, and education system heads.

Business Model and Operations

Work Keys does not make its money directly from clients, but rather something they refer to as Value Added Resellers (“VARs”). Due to the fact that its business model is integrated with its site selection and operations, it is appropriate that the business model and operations sections be combined.

Workforce intermediaries and employers are the primary market for Work Keys. The program does not market to individuals. If an individual goes to the web site, he or she will be directed to a licensed center.

Work Keys does not offer certification. Licensees can package the scores on varied tests as a “credential.” For example, Work Keys now helps employers develop “corporate credentials” by focusing on the skill sets that employees at a company need to be competent at specific jobs in that specific company. Similarly, a group of states have packaged parts of Work Keys assessment scores together as a “Work Readiness Credential” (explained further below).

The Work Keys business model primarily revolves around licensing centers. ACT also sells Work Keys and scoring services directly itself, sometimes even in the same territory where they have a licensee. They will also license multiple different service centers in the same region. They have been known to “cut deals”, like they did when

the State of Indiana went statewide and was a big enough customer to demand and get price breaks. The structure includes the following components⁴:

Value Added Reseller (VAR) License: grants the authority to store, administer, and score Work Keys assessments. VARs are authorized to sell and deliver any of the products and services that are part of the Work Keys system. The VAR can establish its own charges for value-added services. The license allows for marketing to businesses, individuals, and other third parties. First year cost is \$4,000 for the first site, \$400 for each additional site. The subsequent year fee is \$2,500 for the first site, \$275 per additional site. The first year performance standard, based on assessment sales, is \$5,000 the first year, \$10,000 for year 2, and \$15,000 for year three. Organizations that do not anticipate generating these volumes of sales should look at other options, including contracting with an existing Value Added Reseller to access the Work Keys system.

Optional job profiling service: the annual licensing fee for Skill Pro software required for job analysis is \$2,000 per profiler and the first year training cost is \$2,000. Profilers must conduct at least four profiles per year or they will be required to participate in a refresher course that costs \$200 (thereby “encouraging” VARS to market the Profiler to employers, a direct benefit to ACT)

Work Keys Express Score License Agreement: \$1,500 per year. This agreement gives you the authority to store, administer, and score Work Keys assessments with immediate scoring response.

Other services include score license agreements, direct ACT scoring option, computer-based tests, education assessment fees, scanning documents, shipping, etc.

~~There are strict performance standards for being a VAR that are based on sales of assessments. A VAR must sell \$5,000 in assessments for year one, \$10,000 for year two, and \$15,000 by the third year. Sites have to meet performance standards and renew each year~~

Work Readiness Credential

As mentioned earlier, Work Keys does not directly certify, but VARs may offer certification based on assessment scores. Four such states currently offer “workforce related certifications” including:

Indiana⁵ – In 2003 the state launched Indiana@Work, a statewide initiative that includes state grants for job profiling and skill training at Indiana businesses, and a statewide skill certificate program for job seekers. Through Indiana@Work funds, Work Keys assessments are administered primarily through the state’s 28 one-stop career centers. Participants take a series of exams and receive Gold or Blue certificates, depending upon their scores. The certificate lists the Work Keys scores they received, enabling

⁴ Fee structure is based on previous research of Work Keys in 2003, and current prices may differ slightly.

⁵ <http://www.in.gov/dwd/inatwork/>

employers to compare recipients' scores with the skill levels needed for their job openings. (Indiana@Work assesses on six of the eight Work Keys skills, excluding listening and writing.)

Kentucky⁶ - To earn a Kentucky Employability Certificate, individuals are tested in reading, applied math and locating information. As a result of the testing, individuals earn an employability certificate or identify areas in which they need further instruction. The certificates are issued by the Kentucky Workforce Investment Board, which oversees the commonwealth's workforce development system.

The Kentucky Employability Certificate has been endorsed by Associated Industries of Kentucky, Bluegrass Chapter of the Society for Human Resource Management, Workforce Development, Council on Postsecondary Education, Department for Adult Education and Literacy, Kentucky Chamber of Commerce, Kentucky Community and Technical College System, Kentucky Society for Human Resource Management and the Kentucky State District Council of Carpenters.

Louisiana⁷ - The Louisiana Work Ready! Certificate certifies that employees, students, and job applicants have the skills required in more than 9,000 Louisiana jobs, which were profiled using the Work Keys job profiling system. Louisiana awards Gold, Silver, and Bronze certificates to participants who achieve various passing scores. More than 1,200 certificates have been issued since the program's launch in 2003. Like Kentucky, individuals in Louisiana are tested in reading, applied math, and locating information.

Virginia⁸ - Virginia's Career Readiness Certificate also tests in reading, applied math, and locating information, but also tests for writing as well. The certificate is offered through tests administered through one-stop career development centers, community colleges, and local departments and social services. Work Keys is also used in twenty-two school systems to help increase student skills. In addition, the Virginia State Board of Education has identified Work Keys as an alternative to its statewide Standards of Learning written exam.

Kentucky and Virginia are among a number of states that have partnered in a consortium to design, develop, implement, and advocate a tiered model of a portable career readiness certificate based on the Work Keys assessment process that will be fully recognized across all consortium states. The founding member states include Delaware, District of Columbia, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia. The consortium is still in its early planning stages. Preliminary planning documents can be located at

<http://www.vec.virginia.gov/vecportal/vwc/pdfs/vcr/vcrcharter.pdf>. The tasks that the consortium is working on do not differ greatly from the guidance ACT itself provides for states wishing to create a statewide certificate program including:

⁶ http://www.workforce.ky.gov/employability_cert.htm

⁷ <http://www.laworkforce.net/WorkReady/>

⁸ <http://www.knowhowvirginia.org/crc/>

1. Take ownership and make the program a priority
2. Determine economic strategies
3. Get endorsement for the program at the highest state levels, including the Governor's office
4. Establish a working group of representatives (Board of Regents, Department of Education, Department of Labor, Department of Social Services, Department of Civil Service, Community and Technical Colleges, Workforce Commissions, Department of Corrections, etc.)
5. Determine skill levels required for individuals to achieve certificates verifying their workforce competencies
6. Enlist support from agencies that will assess individuals, provide training, and promote use of certificates by businesses
7. Develop a system to maintain records for individuals who have obtained or are seeking certificates
8. Train partner agencies about the meaning of the certificates so they can communicate this information to individuals and businesses
9. Publicize the program to engage the support of businesses and the public
10. Make sure partner agencies are using the certificates and that businesses are requesting certificates when hiring

Appendix A: Business Plan Checklist⁹:

The National Organization for Competency Assurance (“NOCA”) is the leading trade association in the area of certification. NOCA has made available on its web site information regarding the purchase of a book from the American Society of Association Executives entitled “The Business of Certification: A Comprehensive Guide to Developing a Successful Program.” A companion to that book is the “Toolkit” that includes this checklist.

Within the toolkit are 21 easy-to-use worksheets that go deeper into each of the content areas and specific bullets listed here. While the national partnership has moved beyond some of these issues, it should consider working through many of the worksheets in order to better “institutionalize” their answers and their approach(es).

Market Analysis:

- What is the target market?
- What are the critical characteristics of the target market (e.g. demographics, needs/desires)?
- How does the certification program satisfy customers’ needs and desires?
- What environmental factors impact this market?

Competitive Analysis

- Who are the program’s direct and indirect competitors?
- What are the competitors’ strengths and weaknesses?
- What customers are competitors targeting?
- On what basis do competitors compete (e.g. price, quality, prestige, access, convenience)?
- How will competitors respond to the program’s entry into the market?
- What competitive opportunities and threats exist?
- How will the program respond to these opportunities and threats?

Competitive Strategy

- What are the program’s primary competitive advantages and how can the program capitalize on these?
- What are the program’s primary competitive weaknesses and how will the program overcome or minimize these?

⁹ The Business of Certification Toolkit, Lenora G. Knapp, PhD and Joan E. Knapp, PhD, for the American Society of Association Executives, 2002.

- What are the most critical features that distinguish the program from its competition?
- What specific steps will be taken to implement the competitive strategy?

Products/Services

- What products/services will the program offer?
- How do these products/services differ from those of competitors?
- What additional products/services will most likely be offered in the future?

Marketing

- What is the desired positioning for the program?
- What messages/themes will be used in marketing the program?
- What strategies will be used to accomplish marketing goals?
- How do the marketing strategies relate to the competitive strategy?

Program Operations

- What entity or entities will administer the program?
- Who ~~are~~ is the key staff and what related experience do they bring to the program?
- What operations are necessary to provide the products/services in the manner outlined in the business plan?
- What facilities and equipment are needed?

Financial Data

- What will be the fees for the products/services offered?
- What is the anticipated volume for the first year of the program? For subsequent years?
- What are the budgets for program development and maintenance?
- What is the break-even point?
- What are the revenue and expense projections?
- Will cash flow be adequate?
- What assumptions have been made in formulating the financial data?

