

Town Hall Forum

CGE's Business Model

Ground Rules

- The moderator will facilitate the discussion and ensure that all participants have an opportunity to speak.
- Please be respectful of others' opinions and experiences.
- Please do not use the forum as a platform for personal attacks or insults.
- Please do not use the forum as a platform for political or religious discussions.
- Please do not use the forum as a platform for advertising or promoting products or services.
- Please do not use the forum as a platform for spreading rumors or misinformation.
- Please do not use the forum as a platform for harassment or bullying.
- Please do not use the forum as a platform for posting inappropriate or offensive content.
- Please do not use the forum as a platform for posting spam or phishing attempts.
- Please do not use the forum as a platform for posting illegal or prohibited content.

Challenges with our current business model

- Limited resources
- High competition
- Rapidly changing market
- Lack of innovation
- Poor customer service
- Inconsistent quality
- Limited marketing budget
- Poor timing of product launches
- Limited distribution channels
- Poor financial performance

Global Trends which may affect our business model

- Digital transformation
- Sustainability
- Remote work
- Artificial intelligence
- Globalization
- Demographic shifts
- Economic uncertainty
- Geopolitical tensions
- Environmental concerns
- Technological advancements

Possible Future Town Hall Forum Topics

- A discussion on the future of the company and the industry.
- A discussion on the challenges and opportunities facing the company.
- A discussion on the role of the customer in the company's success.
- A discussion on the impact of technology on the company's operations.
- A discussion on the importance of innovation and research and development.
- A discussion on the role of the employee in the company's success.
- A discussion on the importance of diversity and inclusion.
- A discussion on the impact of the environment on the company's operations.
- A discussion on the role of the community in the company's success.
- A discussion on the importance of ethics and social responsibility.

Current Business Model Statistics

- Revenue: \$100M
- Profit: \$20M
- Customer Satisfaction: 85%
- Employee Retention: 90%
- Market Share: 15%
- Innovation Index: 70%
- Sustainability Score: 60%
- Social Responsibility Rating: 50%
- Environmental Impact: 10%
- Community Engagement: 20%

Goals

The purpose of this meeting is to learn more about CGE's current business model and brainstorm ways to adapt it.

Questions for discussion to share us into the future

- How do we see our industry in the future?
- What are the biggest challenges we will face?
- How can we best prepare for these challenges?
- What are the opportunities we will see?
- How can we best take advantage of these opportunities?
- What are the most important skills we need to have?
- How can we best develop these skills?
- What are the most important values we need to have?
- How can we best live by these values?
- What are the most important goals we need to have?
- How can we best achieve these goals?

Town Hall Forum

CGE's Business Model

Ground Rules

- The purpose of this meeting is to learn more about CGE's current business model and brainstorm ways to adapt it.
- This is a safe space for all employees to share their thoughts and ideas.
- All ideas are welcome, no matter how big or small.
- We will be recording all ideas and will follow up on them.
- We will be sharing the results of this meeting with all employees.
- We will be holding another meeting in the future to discuss the results of this meeting.

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Global Trends which may affect our business model

- Digital transformation
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- Remote work
- Artificial intelligence
- Globalization

Possible Future Town Hall Forum Topics

- A discussion on the future of CGE and the role of employees in that future.
- A discussion on the future of the industry and the role of CGE in that future.
- A discussion on the future of the company and the role of employees in that future.
- A discussion on the future of the world and the role of CGE in that future.

Current Business Model Statistics

- Revenue Growth
- Profit Margin
- Customer Satisfaction
- Employee Retention
- Market Share

Goals

The purpose of this meeting is to learn more about CGE's current business model and brainstorm ways to adapt it.

Questions for discussion to take us into the future

- How can we better serve our customers?
- How can we improve our internal processes?
- How can we attract and retain top talent?
- How can we stay ahead of our competitors?
- How can we ensure our long-term success?

Ground Rules

- The note-taker will monitor the chat box and occasionally type in summary comments that will later serve as notes.
- Participants who wish to speak should type RAISE HAND in the chat box and will be called on in order, so that everyone doesn't try to speak over each other.
- Please don't overuse the chat box to make points/counterpoints/interjections because it may distract others from the participant who is speaking.
- Please be mindful of not speaking a second time until others have had a chance to speak a first time.
- There will be no check-in or check-out of meeting participants so that we can best use the 1 hour meeting time.
- Please mute your microphone when not speaking to minimize background noise. Please use a headset and microphone if you have one to minimize echo's.

Goals

The purpose of this meeting is to learn more about CGE's current business model and brainstorm ways to adapt it.

Ultimate Goal

A business model which sustains CGE and all stakeholders
- financially, environmentally, socially and spiritually.

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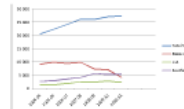
Current Business Model Statistics

Overview of APA/ITS % breakout

Year	2016	2017	2018	2019	2020
APA	16,475,000	17,127,000	16,782,000	16,800,000	16,177,000
ITS	1,015,000	1,047,000	1,007,000	1,000,000	1,000,000
Total	17,490,000	18,174,000	17,789,000	17,800,000	17,177,000

Trends with APA compared to national trends (Aggregate)

Study Annual Regional Trends as Reported in EE Report Dates



The aggregate total value calculated from top 100 lists has been reduced by a factor of 10% due to the high level of volatility in the local market.

Trends with APA compared to National Trends (Mexico)

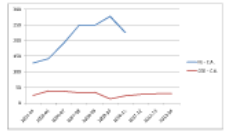
Comparative Breakdown: EE-Regional CGE - Mexico



The EE - Mexico region was reduced by a factor of 10% due to the high level of volatility in the local market. The total number of lists is also reduced.

Trends with APA Compared to National Trends (Central America)

Comparative Breakdown Central America: EE-Regional CA vs CGE - CA



The EE - Central America region was reduced by a factor of 10% due to the high level of volatility in the local market. The total number of lists is also reduced.

Trends with APA Compared to National Trends (Namibia)

Comparative Breakdown: EE-Regional S. Africa vs CGE - Namibia



The EE - Namibia region was reduced by a factor of 10% due to the high level of volatility in the local market. The total number of lists is also reduced.

Trends with ITS

Administrative Period	2016	2017	2018	2019	2020
Revenue	100	100	100	100	100
Expenses	100	100	100	100	100
Profit	100	100	100	100	100
Net Income	100	100	100	100	100
Operating Income	100	100	100	100	100
EBITDA	100	100	100	100	100
EBIT	100	100	100	100	100
EBE	100	100	100	100	100
EBITDA Margin	100%	100%	100%	100%	100%
EBIT Margin	100%	100%	100%	100%	100%
EBE Margin	100%	100%	100%	100%	100%
Operating Income Margin	100%	100%	100%	100%	100%
Net Income Margin	100%	100%	100%	100%	100%
Revenue per Employee	100	100	100	100	100
Operating Income per Employee	100	100	100	100	100
Net Income per Employee	100	100	100	100	100

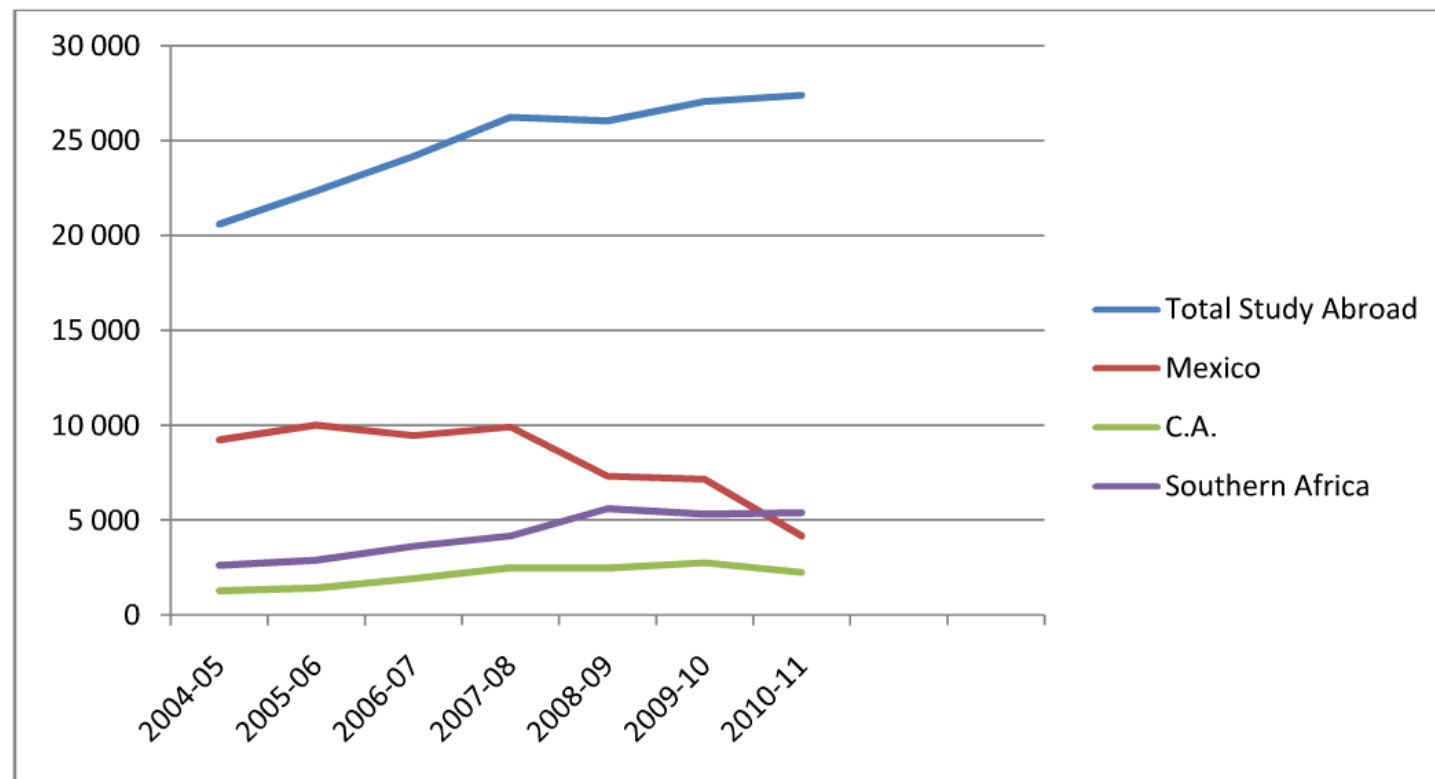
Overview of APA/ITS % breakout

Net Revenue

	FY07	FY08	FY09	FY10	FY11	FY12
APA	\$1,238,409	\$1,147,024	\$1,324,424	\$1,099,231	\$1,177,013	\$1,039,568
ITS	\$549,170	\$541,417	\$691,707	\$491,909	\$734,553	\$628,262
Other	\$77,153	\$71,137	\$33,533	\$161,385	\$112,266	\$78,756
Total Revenue	\$1,864,732	\$1,760,133	\$2,049,664	\$1,752,525	\$2,023,831	\$1,746,585

Trends with APA compared to national trends (Aggregate)

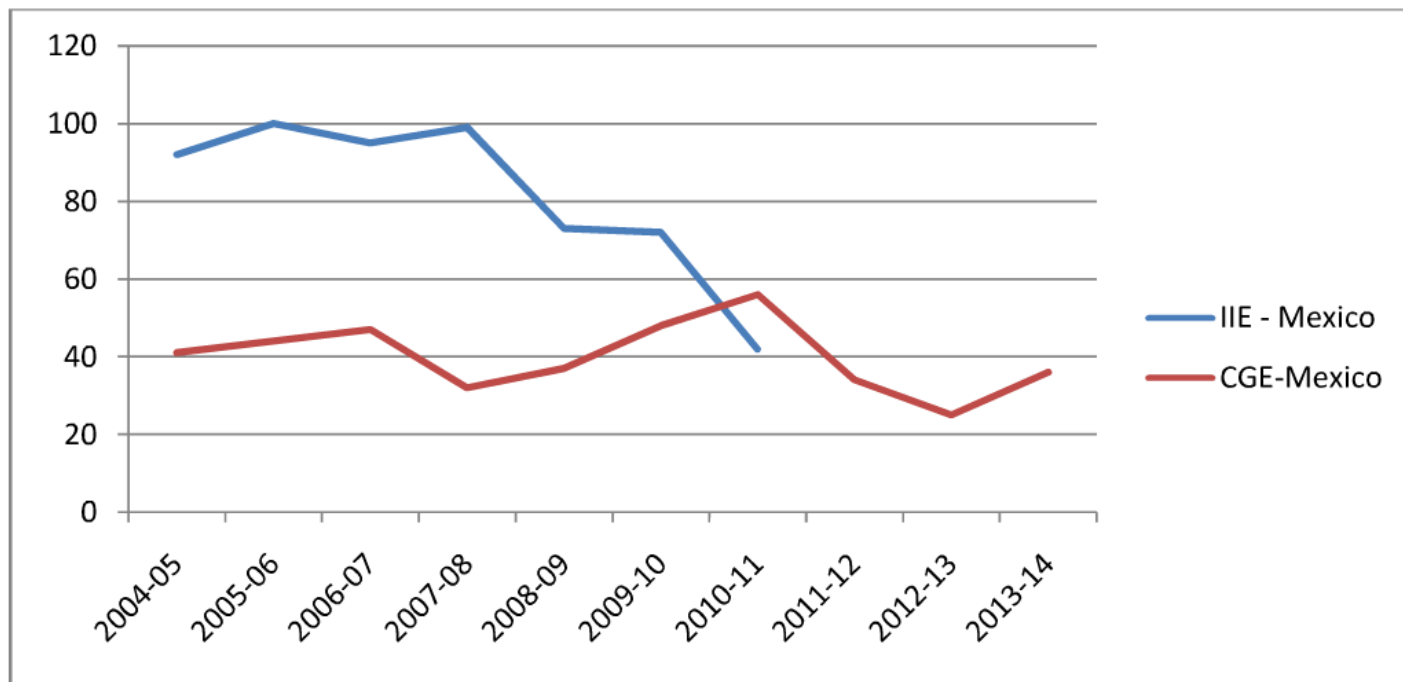
Study Abroad Regional Trends as Reported in IIE Open Doors



On this graph the total study abroad numbers (top line) have been reduced by a factor of 10; the line on the graph shows the trend but not the actual numbers

Trends with APA compared to National Trends (Mexico)

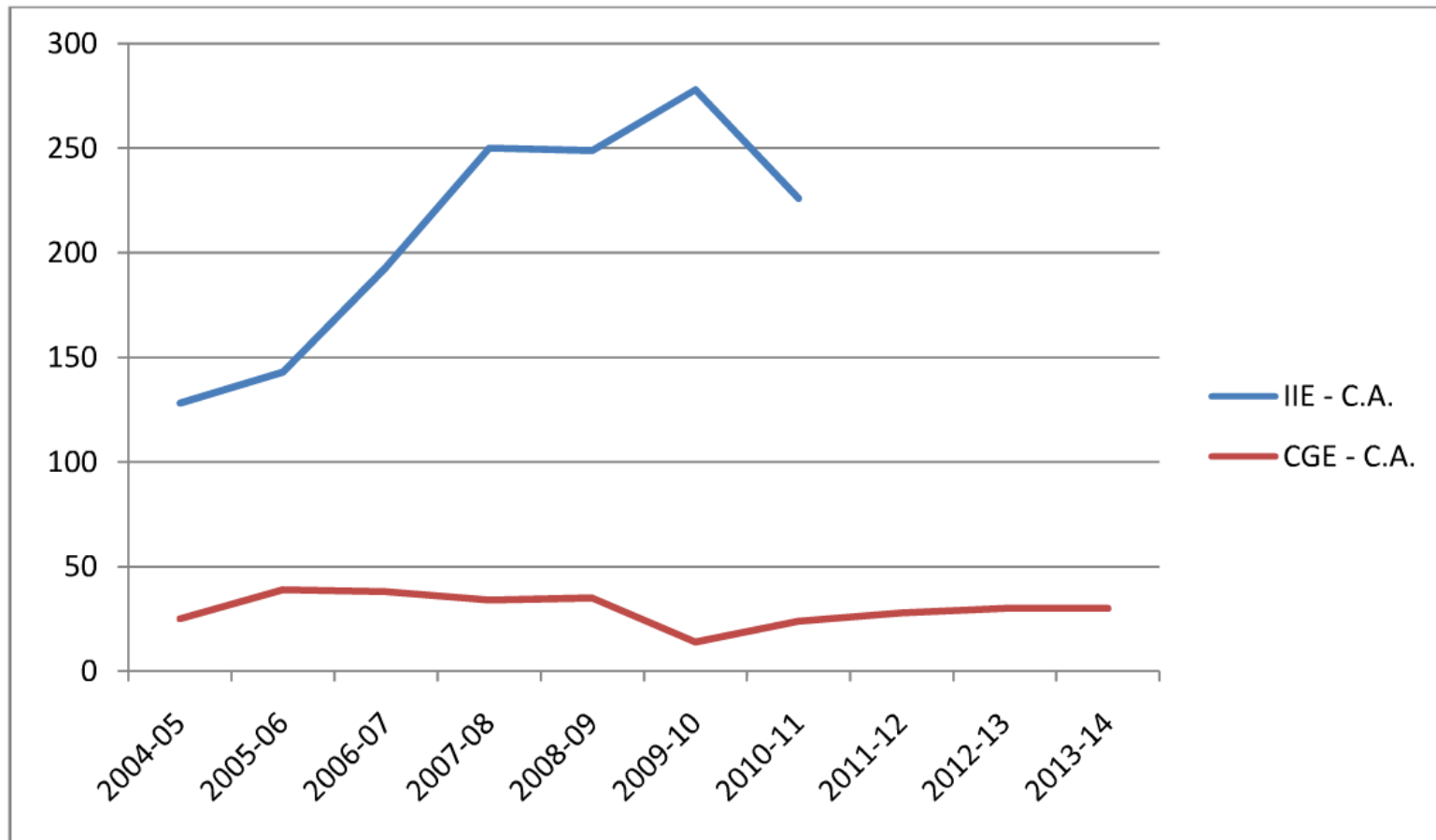
Comparative Enrollment: IIE-Mexico to CGE - Mexico



The IIE – Mexico numbers were reduced by a factor of 100 to show trend rather than actual numbers. The actual numbers can be seen in the chart below.

Trends with APA Compared to National Trends (Central America)

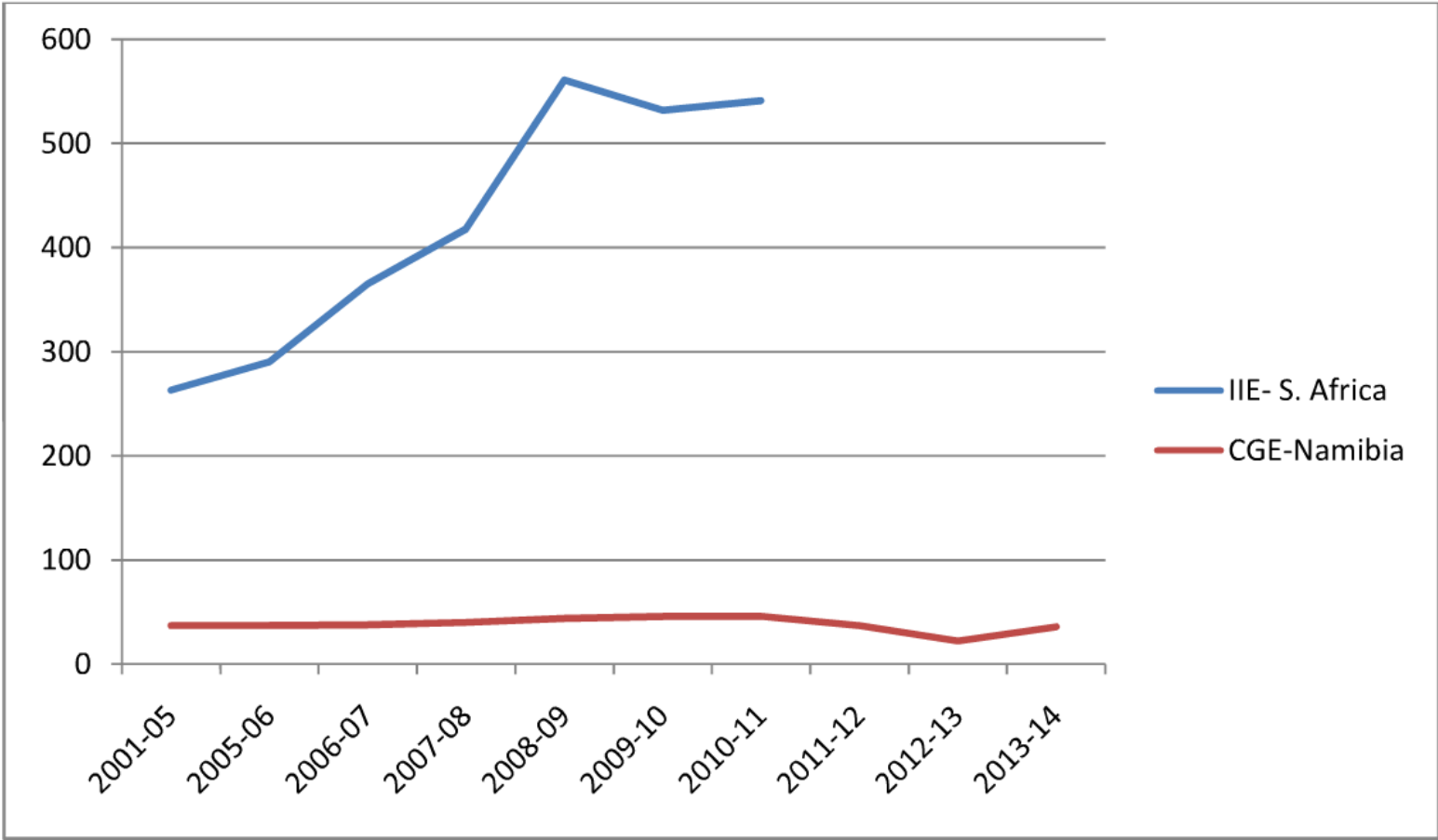
Comparative Enrollment Central America: IIE-Regional C.A. to CGE –C.A.



The IIE – Central America numbers were reduced by a factor of 10 to show trend rather than actual numbers. The actual numbers can be seen in the chart below.

Trends with APA Compared to National Trends (Namibia)

Comparative Enrollment: IIE-Regional S. Africa to CGE - Namibia



The IIE – Southern Africa numbers were reduced by a factor of 10 to show trend rather than actual numbers. The actual numbers can be seen in the chart below

Trends with ITS

International Travel Seminars

	FY07	FY08	FY09	FY10	FY11	FY12
# travel seminars	46	42	54	39	50	51
# participants	697	633	863	567	826	745
Total ITS \$	\$549,170	\$541,972	\$691,707	\$491,909	\$734,553	\$628,262
# Augsburg participants	87	75	80	79	136	121
# Augsburg programs	7	8	7	5	10	9
% Augsburg seminars	15.2%	19%	13%	12.8%	20%	17.6%
% Augsburg participants	12.5%	11.8%	9.3%	13.9%	16.5%	16.2%
% ITS admin to net revenue	25.3%	29.3%	28.2%	37.5%	25.8%	29.7%
# TS to other locations	1	0	3	0	2	5
\$ other locations	\$6,895	\$0	\$3,153	\$0	\$7,575 (2 to Bolivia in CA/Mex)	\$34,358 (Cuba trips led by Mexico included there)

Challenges with our current business model

CGE Model Challenges

- One Travel Seminar equals one semester student in terms of contribution margin. Often harder to recruit one semester student.
- High demand for travel seminars in January, March and May. Less the rest of the year.
- Lots of staff and infrastructure - meaning high fixed overhead costs
- Current model is expensive to run (only those who can afford can come and receive "full-service, first class treatment").

Challenges in Higher Education in US

- One third of US Higher education institutions are not financially sustainable due to administrative costs outside of core mission (Bain Capital Study)
- Higher education costs are rising much faster than inflation. Students are having difficult getting jobs and are unable to pay back massive student loans
- Above all seems to apply to Augsburg

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Global Trends which may affect our business model

Online Learning

- Many students prefer the flexibility and lower price of online courses.
- New regulations regarding contact hours is making Augsburg put more of the non-traditional student course content online

Free Stuff!

- Open Source Software, couchsurfing, freecycle, social media (Prezi!)
- Don't make people pay for the basic intro version, get money from advertisements, or upgrades
- OR, exchange systems (will work for study abroad)
- UC Riverside students proposed system to have free tuition, but requirement to contribute 5% of salary for first 20 years after graduation
- Massive Open Online Courses (MOOC) (Free and Online!)

Changing Times!

- CGE has historically been more progressive in higher education. How can we stay on the forefront?
- Lots of changes in economic structures, political structures, global structures. In what ways do we perpetuate the old structures or support new "just and sustainable" systems?

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Questions for discussion to take us into the future

- What changes can CGE make to identify a different business model?
- Can we adapt our staff intensive model for delivering programs? (Offer CGE-lite option?)
- How can we build on our strengths in new product areas?

Possible Future Town Hall Forum topics

- Administrative Home – is Augsburg the best home for CGE now? What would other options be and what would the pros and cons be of each? How can we strengthen our position at Augsburg? Scheduled May 10
- Programs/Products – do we need more up-to-date themes that will appeal more to current students? Are there new products we can develop to build on our strengths? - Do we diversify our regions or do we try to target people interested in the regions where we're currently based?
- Other?