

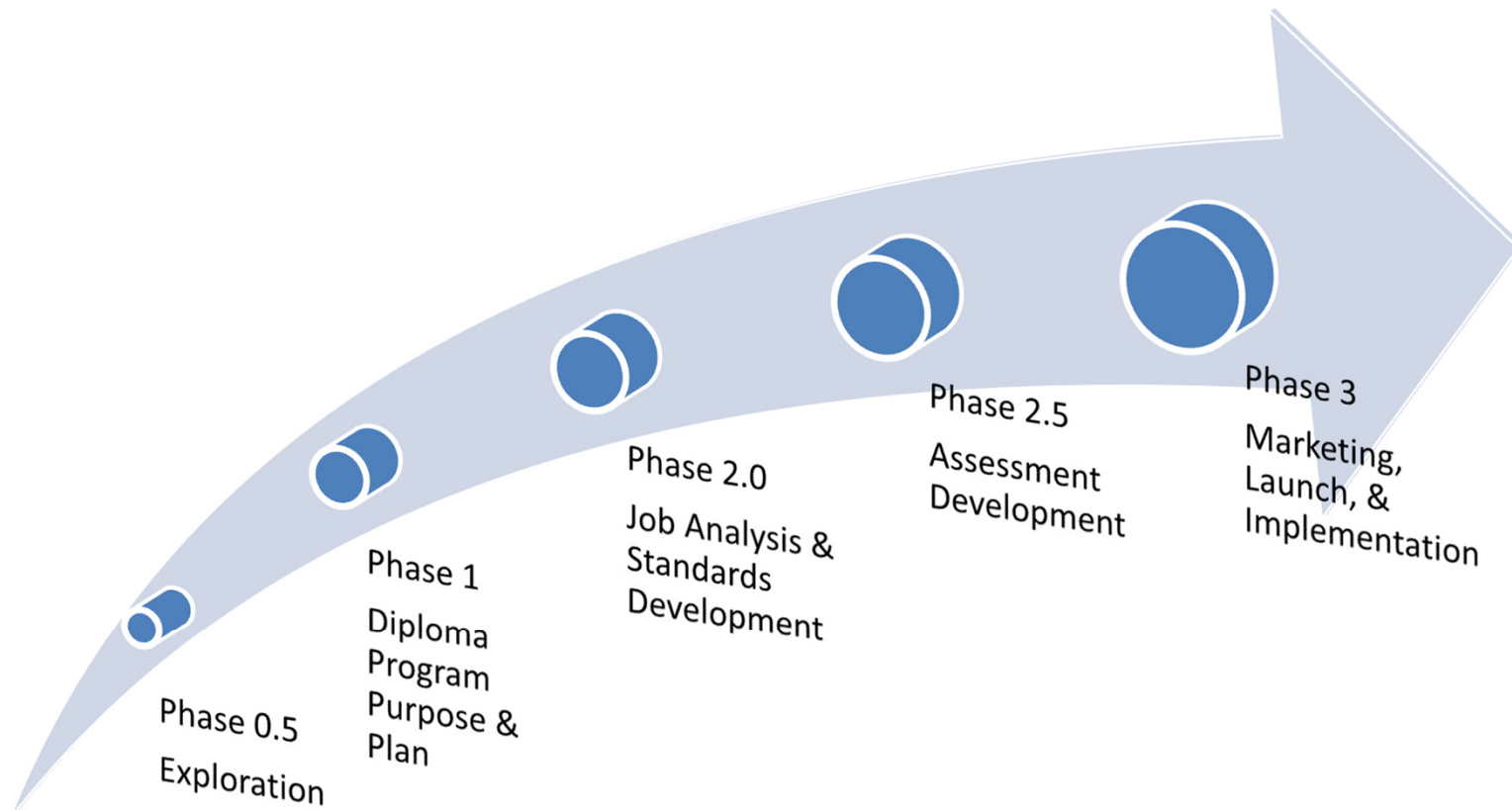
European Diploma Programs: The Financial Aspect

7 May 2016

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Diploma Program Lifecycle



One Question, Two Ways

How many years for a new European Diploma program to be financially successful?

IT DEPENDS ON HOW YOU DEFINE “SUCCESS”

How many candidates per year for an existing European Diploma program to be financially successful?

IT DEPENDS ON HOW YOU DEFINE “SUCCESS”

First Principles

- **We are all Mission-driven and measure success in that context**
- **Not-FOR-profit ≠ NON-profit**
- **Credentialing (and professional development) is more resilient to economic cycles than other society revenue sources**
- **Financial self-sustainability is desirable**
- **Financial performance is a quantifiable metric for success**

Same Questions, in Context

How many years for a new European Diploma program to become financially self-sustaining (annual ROI)?

3 years

How many years for a new European Diploma program to recoup the costs of development (ROI over time)?

5-10 years

How many candidates per year for an existing European Diploma program to have net positive financial impact?

- Market volume
- Engagement rate
- Growth rate
- Price point
- Costs



Assumptions

- Market volume = Number of practitioners in your specialty
 - Data
 - Europe
 - ...and beyond!
 - Scope of practice
 - Localization



Assumptions

- Engagement rate

Typically 1%-10% in first year, depending on marketing

- Growth rate

Target 20% growth / year for first 3 years, then step down each year to sustainable 5% growth (based on inflation)

- Price point

Exam Fees = 1% of average annual salary

- Localization

- Recertification

- Member / non-member differential

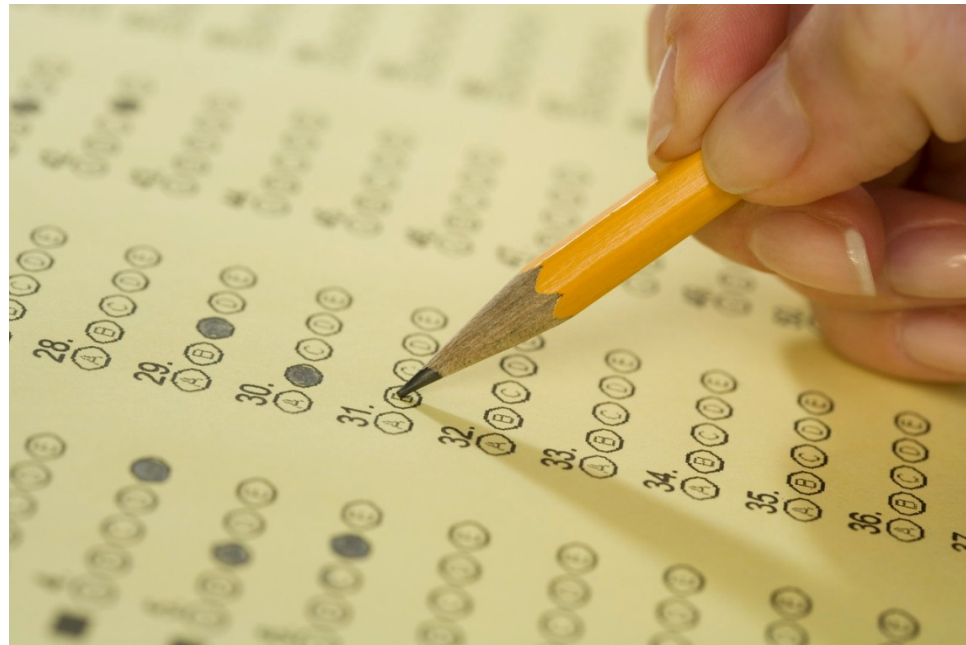
- Costs

Initial and Ongoing Development Costs

- Initial development
 - Job analysis
 - Test specifications / exam blueprint / detailed content outline
 - Item writing and refinement, with references to authority
 - Form construction
 - Beta testing and item refinement
 - Cut-score setting
 - Localization / translation / equating
- Item, form, and distractor analysis
- Ongoing refresh of item bank and exam forms
- Periodic revalidation

Cost Impact: Assessment Methods

- Knowledge, application, and synthesis
 - Multiple choice
 - Short answer
 - Essay
 - Matching
 - Games
 - Oral
- Performance
- Portfolio



Cost Impact: Assessment Delivery Platforms

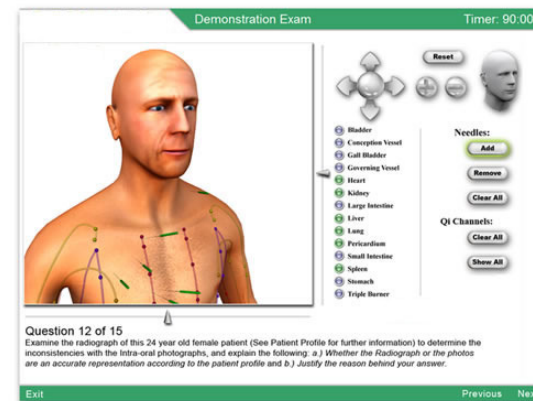
- Paper-Based Knowledge Test



- Computer-Based Knowledge Test



- Computer-Based Performance Test



Cost Impact: Assessment Delivery Platforms

- Oral Knowledge Test



- Objective Structured Clinical Exam



- Observational Performance Test



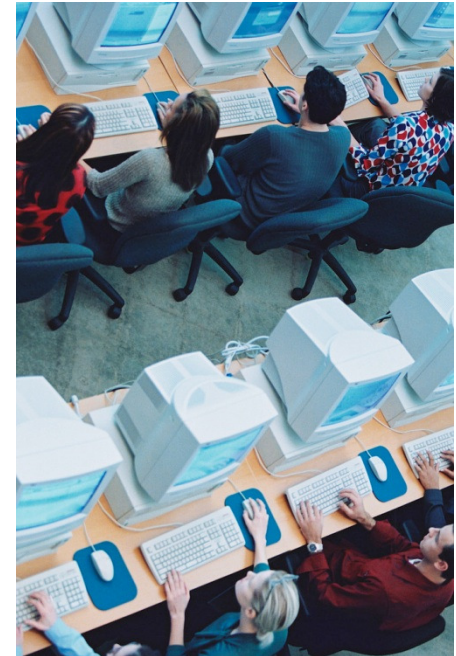
A Word About Oral Exams & Observational Performance Testing

- Ensuring consistent and unbiased application of standards by raters
- Delivery and other costs
- What is being assessed



Cost Impact: Assessment Delivery Venue Options

- Society's secretariat
- Congress or class
- Authorized proctors at candidate's office
- Internet (unproctored)
- Secure test centers



Additional Cost Impacts

- Meetings format
- Marketing
- AMS / CRM and other technology
- Self-managed v. AMC / aggregator

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