

President's Report

Graduate School of Banking & Prochnow Educational Foundation

November 2024

Strategic Initiatives & Operations Update

GSB Working Group:

Details on the GSB Working Group's deliberations and proposals are included in this board package. In summary, I'm delighted to report the substantial progress our GSB Working Group made in three major areas:

- Laying the foundation for our 2025 strategic planning process by proposing the GSB mission, vision and completing a full SWOT analysis.
- Outlining a bold, transformational idea for consideration in 2025 and beyond.
- Identifying specific, actionable recommendations for the 2025 session that will be operationalized by the Bankers Advisory Board and Curriculum Advisory Committee.

FiSim Fundamentals (formerly known as FiSim Lite):

Yes, the new name is breaking news. It's so fresh, in fact, that you've undoubtedly noted that the document in your board packet refers to this product under its old name.

I recommend that we deploy a reseller strategy largely because it reflects the most efficient use of staff resources and potentially increases collaboration (and revenue) with SBAs while maintaining revenue opportunities for GSB. In all candor, this was a difficult decision. I could make a reasonably compelling case for shelving this product for six months. Doing so would free up staff resources and increase capacity to pursue other priorities. That said, with the path I've recommended, we can leverage the next two quarters to deploy BAB and other 'friends and family' to evaluate and refine the product as needed.

(As I write this, there is one interesting wrinkle to share. We're meeting with the Federal Reserve Financial Services to present/demo this product after I discussed it with one of their vice presidents at the ABA Annual Convention.)

Online Seminars / Email Marketing:

When I was at Promontory MortgagePath, Gene Ludwig often said, "Good news fast, bad news faster." I'm taking a page out of his book here. As Kirby's CEO Report notes, this fall saw a steep decline in OLS registrations.

Email marketing has been less successful primarily for two reasons: 1) In some cases, we were using old, outdated email addresses which caused higher bounce rates than acceptable by our new vendor (Zoho), 2) GSB emails were caught in spam traps hurting our sender reputation and resulting in being classified as a spammer. In some cases, our distribution was cut by 90%.

Here's how we're addressing the problem. We're performing data clean up by processing email addresses through cleaning software and purging outdated contacts. We're also consulting with a Zoho expert to identify how to better integrate our webpage opt-in functionality with our CRM and email marketing software. This will allow us to better utilize the system to ensure we don't get treated as a spammer in the future while allowing us to send targeted marketing campaigns to customers. Finally, we are in the process of re-growing the contact list with an e-commerce integration as well as increasing our alumni engagement efforts to get current contact information.

This has huge implications for our 2025 programming and we're pursuing solutions with great intensity and persistence.

GSB Partnership with SBAs:

The meeting agenda includes my proposal to implement a revenue-sharing program with Trustee SBAs based on incremental net growth in GSB freshman enrollment. I hope the Board approves this one-year pilot program. Further, I hope this stimulates a candid and constructive dialogue in the months ahead about positioning our partnership for additional growth and sustained success.

I'm also reaching out to other SBAs in the hopes of establishing new relationships or building upon existing ones. For example, I've had—or expect to have—conversations with the NJ Bankers, Connecticut Bankers Association, New York Bankers Association, and the Puerto Rico Bankers Association, among others. Our Specialty Schools will certainly be a focus of these discussions, but so might FiSim Fundamentals or other opportunities to collaborate.

GSB Potential Specialty School:

I've initiated discussions with Dom Mjartan, who serves on the boards of the Community Development Bankers Association (CDBA) and National Bankers Association (NBA). Respectively, these organizations represent community development financial institutions and minority depository institutions.

We are exploring a potential specialty school devoted to mission-driven banks. They have some unique charter characteristics, and we can include instruction around attracting support from impact investors, navigating available government subsidies, and incorporating economic impact into their business models.

Conversations are in the formative stage and Dom is excited about the experience and expertise GSB brings to this opportunity. Of course, we could leverage much of our existing curriculum to complement the additional elements under consideration. I believe the next steps would include working with the appropriate GSB committee(s) to scope out the project.

GSB & PEF FY2025 Financials

Preliminary FY2024 financials along with the FY2025 budget are included on the board resource site and are on the agenda for review and discussion. To be blunt, I do not relish proposing a substantial projected deficit in my first budget. At the same time, we cannot ignore certain trends and one-time costs that will impact on our operations. My expectation is that as we execute our strategic initiatives and optimize staffing, our financial outlook will strengthen, and we'll position GSB for sustained growth.

Partnerships

UW-Madison School of Business

I envision potential opportunities to expand this strategic relationship. (Congratulations to Dean Samba who has been reappointed for a second five-year term.)

At our recent meeting, Dean Samba outlined ambitious plans to enhance the School's already excellent reputation and opened the door to additional collaboration with GSB. Specifically, we discussed conducting research that could inform industry policymakers on key trends. This could burnish GSB's reputation and brand while engaging key stakeholders such as state associations, the FHLBanks and national banking associations, among others.

Our partnership with the UW Center for Professional and Executive Development also remains strong. Thanks to Kirby's introduction and support, I have developed a strong rapport with Jon Kaupla, President and Executive Director of CPED. It's premature to know exactly where we might expand this partnership, but Jon and I are already discussing a joint venture to create a marketing video to showcase our respective organizations.

GSB Personnel

We've already seen several key changes at GSB within the past several weeks. This includes promoting two key employees, hiring a new VP of Education & Professional Developing, and terminating an employee due to performance issues. Additionally, I will preview two key areas.

First, I plan to outsource marketing. There are multiple reasons for this, including: the opportunity to take a fresh look at the GSB brand and how we're positioned; to audit existing collateral and marketing channels; and free up staff resources to place a greater emphasis on business development. Regarding the latter, this will include a new bank calling program, coordinating FiSim Fundamentals sales, and executing an aggressive outreach effort to engage GSB alumni. Second, I will be working to align compensation more closely with performance.

GSB FY2025 Goals

I am developing the 2025 GSB goals with the current Strategic Plan in mind while accelerating our efforts on key initiatives. Please note that this section is a work-in-progress. These goals and corresponding metrics will be fleshed out in the coming weeks and shared in mid-December during on-site GSB Team and individual meetings.

1. Financial Sustainability & Growth.
 - Exceed budget targets, conduct strategic planning process, and develop new programming.
2. Galvanize Alumni Engagement.
 - New program development increases in alumni contact database, and expanded outreach. Evaluation of technology platform and centralized hub.
3. Identify and Implement Process Improvements.
 - Measurable improvements in processes involving scholarships, expenses, invoicing, and more.
4. Develop & Execute Bank Calling Program.
 - Identify and reach out to top 50 customers, top 25 former customers and create a system to evaluate high-potential prospects.
5. Recruit and Enroll a More Diverse Faculty and Student Population.

- Benchmark current faculty and student demographics and create targets for gender and race diversity. Faculty evaluation will include efforts to bring in more practitioners.
- 6. Strengthen & Expand Strategic Partnerships.
 - Implement GSB revenue-sharing proposal, expand other SBA relationships and identify new stakeholders for potential partnerships.
- 7. Implement GSB Working Group Recommendations & Leverage Technology to Enhance Learning.
 - Evaluate blended learning and innovative technologies to enhance the student experience.
- 8. Enhance Brand Recognition & Reputation.
 - Outsource marketing, expand digital marketing, increase LinkedIn followers, showcase alumni success stories, and refresh online presence.