White Paper:
Getting the Most Value From Your Tuition Assistance Program

by

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Getting the most value from your tuition assistance program.

As competition continues to rise in the global marketplace, the need for a highly skilled and highly educated workforce is evident, as is the need to retain top performers through competitive benefits. People are a company’s competitive advantage; therefore, organizations are realizing the advantages of having programs that reimburse employees for some, or all, of their costs for certification and higher education. The better your tuition assistance program, the better your ability to attract and retain the best people, thereby making your company more competitive. In addition to the advantages of improved employee recruiting and retention, tuition programs help further develop your in-house talent and aid in succession planning—a hot button in many fields due to the aging baby boomer population.

It is clear that tuition assistance programs offer significant benefits to companies and their employees; however, many programs are underutilized. Managing a tuition assistance program can be challenging.

One of the greatest challenges many organizations face is that approximately 40 percent of the work involved in managing a tuition program occurs during only a few months of the year. During this time, tuition program administrators are inundated with forms, questions, invoices, and reporting, while during the remainder of the year, they may be underutilized. Rather than hire temporary employees to manage or support the program for those short bursts of activity, most companies will choose to leverage their existing workforce. This practice takes away the focus from core initiatives and potentially compromises some of the capabilities of the tuition program and the ability to manage program costs effectively.

So how do you get the most value out of your tuition program? Whether you have yet to establish one, are managing one internally, or are currently outsourcing your program, understanding the challenges and opportunities of tuition programs can go far in helping you to make the most of this much-valued employee benefit.

Define your focus first.

At the foundation of any successful program is a mission statement, which is the first step in defining the main focus of your program. Are you primarily establishing your program to be more competitive? To attract better candidates? To develop your internal resources? The answers are different for every organization, and they may change over time.

The key to developing your mission statement is to prioritize your goals so that you can define policy based on those goals. In addition, the mission statement will help you to brand and market your program to employees and to new recruits. Having a clear vision of your priorities, differentiators, and goals will help you to keep your program focused and on-track through all phases of development and implementation.

Understand the challenges of in-house tuition management.

It rarely makes sense to have a dedicated staff for tuition program management. As previously mentioned, most of the work happens within just a few months of the year. A dedicated staff usually cannot remain productive and cost-effective year-round, so most organizations leverage resources from other departments to not only support the tuition program, but also to support their other core duties.

As a result, overwhelmed in-house teams commonly face the following challenges:

- **Technology support.** Often technology support is unavailable, requiring a manual process that invites errors and long turnaround times for processing.
- **Internal reporting.** Manual processes and tremendous workloads render data capture and reporting difficult, if not impossible.
- **Student support.** There is little or no bandwidth available to support student questions or to advise students on their educational path.
- **Government reporting.** If the infrastructure is not in place to administer internal reports, then any required government reporting and compliance measures are not possible.
- **Flexibility.** If company expansion, and therefore additional employees, dramatically increases the burden on the tuition program, administrators may not be in a position to support the increased volume.
- **Student satisfaction.** You can have a good program in place, but if it’s not marketed well, if there are delays in payment, or if response times are low, your program’s success will be compromised.
Address the repercussions of inadequate staffing resources.

Organizations implement tuition programs to increase employee satisfaction and to help build a better-educated, more nimble workforce. However, based on the way tuition programs are often staffed, it’s impossible to give strategic planning and implementation the attention they deserve. Details often fall through the cracks. The ability to measure outcomes and deliver satisfaction throughout the organization is compromised. Student dropout rates may increase or, worse, employees you’ve invested in may leave the organization, thereby decreasing the value you receive from your program.

With no time for strategic planning, measures that could increase the effectiveness of the program and lower the costs—establishing preferred providers and delivering academic advising, reporting, and measurement—fall by the wayside. Resources are minimal; money is wasted; and overall value and satisfaction wane. As a result, programs are under constant pressure to improve satisfaction, optimize value, and reduce costs.

Improve satisfaction and reduce the costs of your tuition program.

More and more often, organizations are turning to outside resources to manage their tuition assistance program. The reasons are many. For some companies, it’s the desire to focus solely on their core capabilities. For others, the decision is driven by a lack of student satisfaction or an inability to measure and report outcomes.

Regardless of the reasons, an outside vendor can offer many benefits that are difficult or impossible to find in programs managed in-house:

- **Economy of scale.** Because outsourcers handle numerous clients, their technologies are cutting edge, their staff is on top of the latest strategies, and the resources of both are shared across their entire client base, enabling low-cost administration of your program.
- **Focus.** Tuition program administration is an area of expertise for your vendor, who is better outfitted to make recommendations that increase the value of your program.
- **Flexibility.** Tuition outsourcers have plans in place to scale support to meet demand so that the quality of administration never suffers as a result of volume peaks and lulls.
- **Student satisfaction.** With faster application processing, available customer support, prompt reimbursements, and other strategic plans in place, student satisfaction and program participation rise.
- **Enhanced services.** Outsourced tuition administrators offer capabilities such as call center support, strategic planning, and comprehensive government and internal reporting.

Use your vendor’s resources to your best advantage.

You can work with tuition program outsourcers in many different ways. The most common outsourced services include processing applications, providing customer service support, and performing full-service management of tuition programs.

- **Application processing and customer service support.** In addition to a manual tuition application process, vendors may offer web-based, self-service capabilities that include automated edit checks and approval processes. The benefits derived from these automated services include greater accuracy, improved turnaround times, accessibility to reporting information, and employee access to account status information. All services usually are supported by live customer support for fast issue resolution and increased student satisfaction. With this option, it is unnecessary to allocate internal resources to tuition assistance; however, your accounts-payable department still will need to process all payments.
- **Full-service program management.** With this option, you receive application processing and customer support, as well as payment processing. Your tuition management vendor processes payments to both schools and students, issuing a single invoice on a set schedule to your accounts-payable department. This option relieves some of the burden on your accounts-payable department and enhances your reporting capabilities.
Maximize the value you receive from an outsourced program.

Hiring a tuition program management vendor can help save resources and increase satisfaction over an in-house implementation. However, if you’re already outsourcing your program, how can you raise the bar higher?

- **Establish performance metrics.** If you’re not already measuring the performance of your vendor, establish a program. Create a series of service-level expectations. Establish action plans to address unmet expectations, and use your metrics to identify opportunities for program improvement.

- **Create a preferred schools list.** Identify the schools that most of your employees are attending, and leverage this information to negotiate discounts. You may consider other factors, such as quality or specialized degree programs, when selecting your preferred providers. Depending on the mission of your tuition program, cost may not be a critical factor in selecting your preferred schools.

- **Incorporate academic advising.** A well-advised student maintains a course of education that is focused and on-track. Long term, this focus saves money and increases student satisfaction with your program.

- **Communicate frequently.** Meet with your vendor at least once a month to review performance metrics, to address open issues, and to discuss opportunities for improvement.

- **Stay on top of your program.** Keep in mind that even though someone else is managing the program, you still own it. Use the information gathered in monthly meetings to invite improvements. The better you know your program, the better it will perform.

Build and maintain value.

Whether you are just beginning to establish a tuition assistance program or are currently outsourcing your program with great success, establishing a practice of continually refining your service delivery and expectations can help you to stay on track for maximizing the value of your tuition assistance program. Implementing a tuition program is a strategic decision—one that should correspond with the business objectives of your organization. Done well and given the attention and resources your program deserves, it can deliver a profound return on investment (ROI) in terms of increased competitiveness, employee retention, and consistent corporate strength through industry challenges and successes.

About the Author

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